Balaji
TELEVISION & FILMS

Balaji Telefilms Limited

Annual Report 2012-13

FOCUS ON VALUE CREATION

Balaji

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Transforming our underpinning TV business model

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CATERING TO DIVERSE SENSIBILITIES
Making a mark through cutting-edge cinematic content

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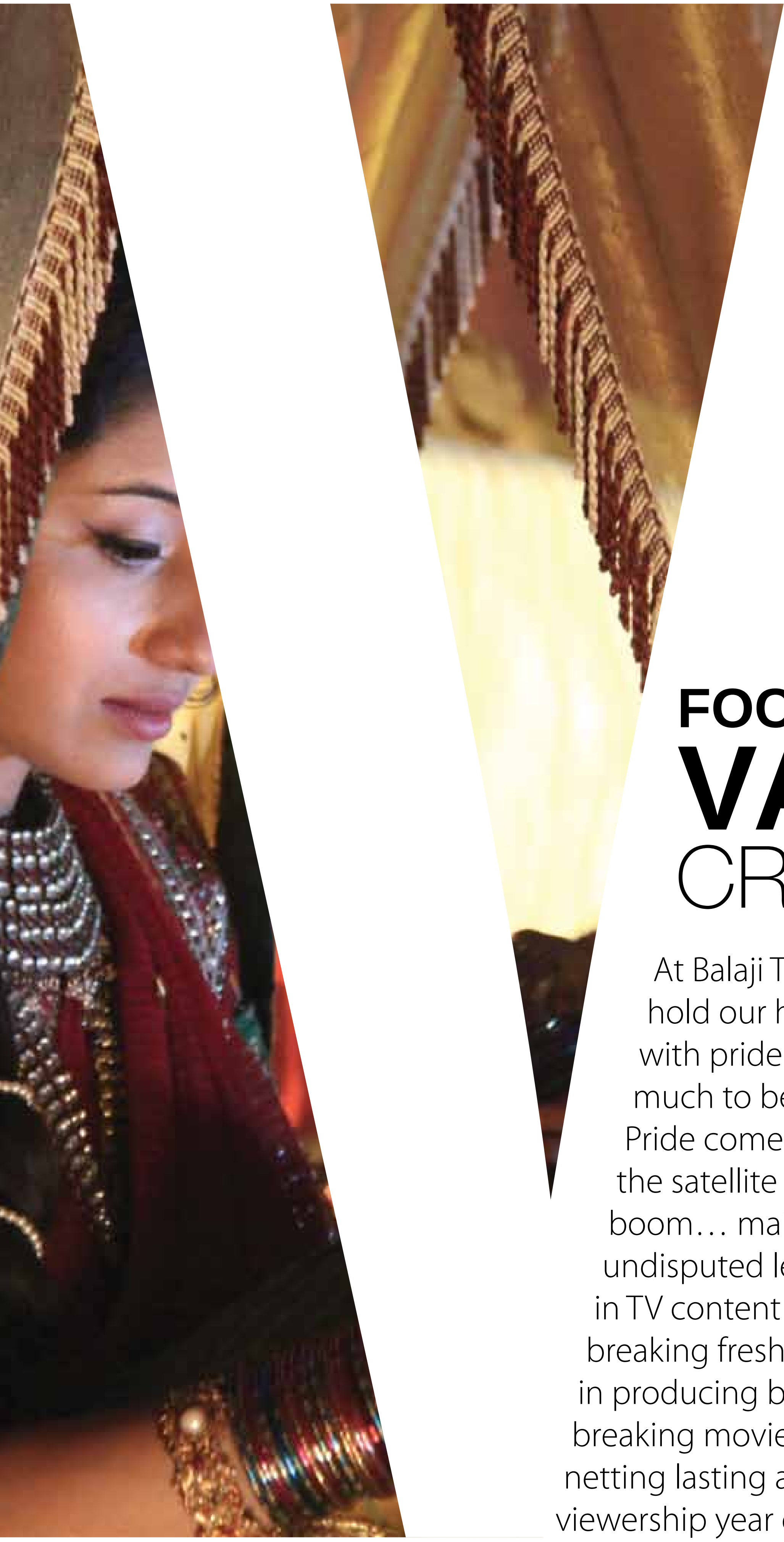
Growing from strength to strength with new drivers



FOCUS ON VALUE CREATION

At Balaji Telefilms, we hold our heads up high with pride. There's so much to be proud of. Pride comes from fuelling the satellite television boom… maintaining an undisputed leadership in TV content space… breaking fresh ground in producing boundary-breaking movie content… netting lasting and loyal viewership year on year.

As we deepen our film production, our pride continued…from daring to be different…producing movies that push the envelope of style and substance…grossing critical acclaim along with revenues…earning the reputation of being a good judge for talent…emerging as a force to reckon with. Now, we rewrite the rules of the game and set the entertainment bar higher across the entire value spectrum.

At Balaji, consistent value creation is a journey that never stops. Value comes from cost rationalisation…from de-cluttering our wardrobe…from resource optimisation…from increasing our films and TV slate…from nurturing new talent…from strengthening our distribution and marketing capabilities…and from generating diverse and superior content.

With a robust commitment for value, there's so much more we're still hungry to achieve. We chase value by accelerating film monetisation…We build value by strengthening the scope for creative freedom…We create value by maintaining a perfect balance between our dual delivery platforms…We preserve value through a compelling film slate…And we enhance value by widening the global platform for Indian cinema.

Paraphrasing Robert Frost just a bit, we have…

"Miles to go before we sleep."

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Sanjay Dwivedi

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Simmi Singh Bisht

REGISTERED OFFICE

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

REGIONAL OFFICE

81, 1st Main Road, Kalyananagar
Near K V V English School
Moodalapalya
Bangalore - 560 072.
Tel: +91-080-2340 0275

STATUTORY AUDITORS

Deloitte Haskins & Sells
Snehal & Associates

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS

Yes Bank Limited
ICICI Bank Limited
HDFC Bank Limited

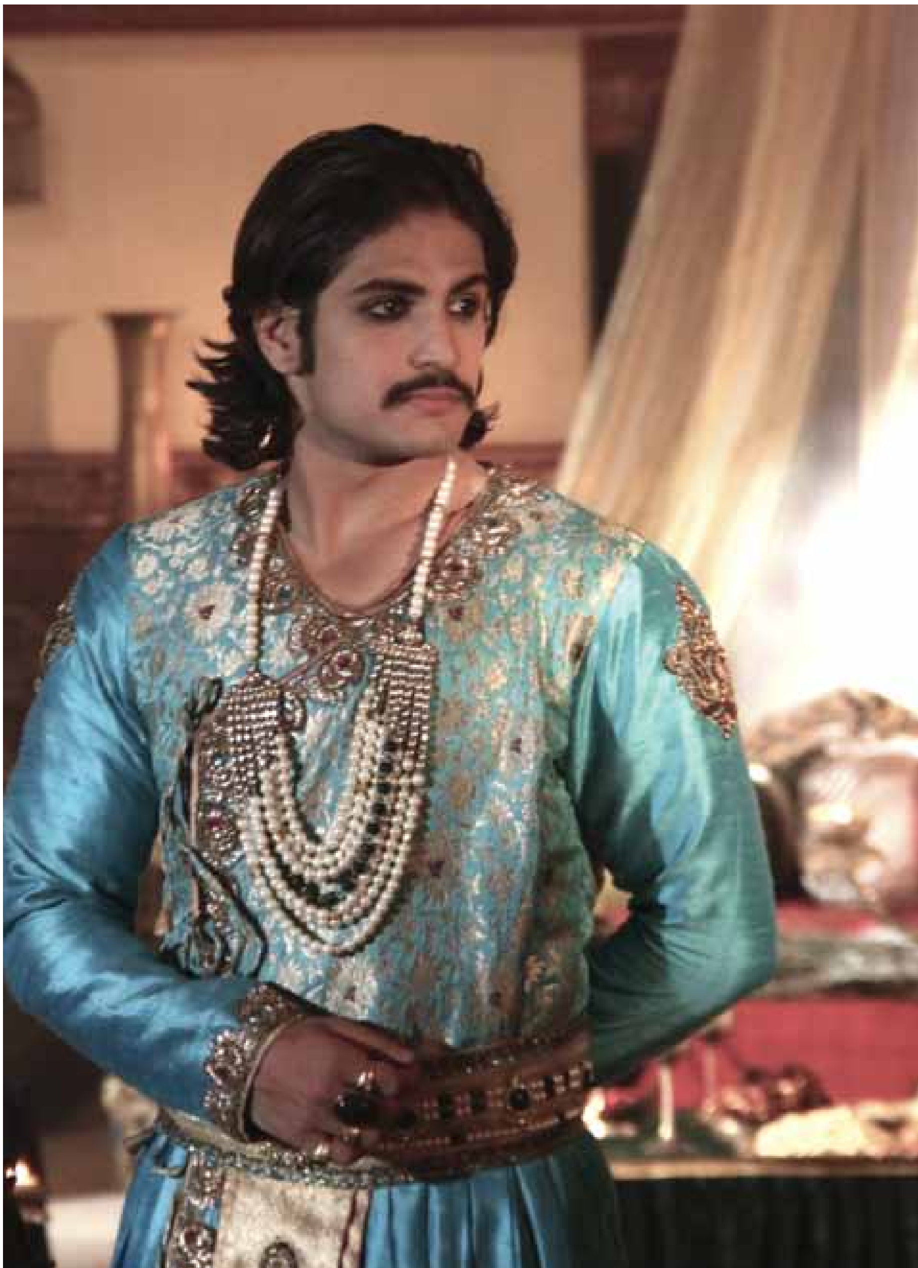
ABOUT BALAJI TELEFILMS

We are one of the leading providers of entertainment in India having created a benchmark in television programming and one of the first companies to venture into Hindi and Regional GEC (General Entertainment Channels). We have evolved from being a pure-play TV content provider into one that produces content for the big screen too.

Creativity and understanding audience needs has become our USP. We have demonstrated our ability to create high-quality content and have successfully produced many TV serials executing over 15,000 hours of television content across various genres with a presence in Hindi and regional GECs across India. We also moved towards HD programming to enhance viewing experience for our customers.

Through Balaji Motion Pictures Limited (BMPL), we forayed further into production and distribution of films leveraging the platform of Balaji Motion Pictures and ALT Entertainment. We are today regarded among the top 5 studios in film production in a short time span. With a niche in content capabilities, we are expanding our presence in motion pictures across genres.

We are well positioned to capitalise on the high-growth Indian domestic Media and Entertainment (M&E) industry with structural upside. Through a healthy pipeline of film releases and new TV shows, we strive to consistently deliver top-quality content to a diverse audience and mass viewers across India. We will continue to reap the benefits of digitisation and increased demand for creative content for the small and big screen and will also capitalise on projected growth of the Indian M&E industry.



BALAJI AT A GLANCE

Creating content across TV and motion pictures

Focus on creating original and diverse content to retain leadership position

Exploring opportunities across channels and languages

Creating films across budgets, leveraging brand, scale and presence

Building film marketing and distribution capabilities

Creating diverse movie slate to capture audiences across genres

Leveraging opportunities in regional markets by expanding network in GECs

15,000 HOURS OF TELEVISION CONTENT

23 MODERN STUDIOS

8 FILMS PRODUCED OVER LAST 3 YEARS

7 RELEASES DUE IN FY 2014

26 EDITING SUITES

AMONG **TOP 5** STUDIOS IN FILM PRODUCTION

OPERATIONAL HIGHLIGHTS

TELEVISION

CREATED 924 HOURS FOR COMMISSIONED AND SPONSORED PROGRAMMING

NETTED REALISATION PER HOUR OF ₹ 21.60 LAKH PER HOUR WITH 558 PROGRAMMING HOURS AND REVENUE OF ₹ 120,51 LAKHS (COMMISSIONED, EXCLUDING REGIONAL)

PRODUCED JODHA AKBAR, MERA TERA RISHTA PURANA, GUMRAAH SEASON 3 AND SAVDHAAN INDIA

INCORPORATED WHOLLY-OWNED SUBSIDIARY BOLT MEDIA LIMITED. TO INDEPENDENTLY CREATE AND PRODUCE CUTTING-EDGE TV CONCEPTS ACROSS MAINSTREAM AND REGIONAL TELEVISION

INCREASED COMMISSIONED PROGRAMMING REVENUES AND EXITED SPONSORED SHOW SEGMENT

MOVIES

PRODUCED KYAA SUPER KOOL HAIN HUM, SHOOTOUT AT WADALA, EK THI DAAYAN, LOOTERA, ONCE UPON A TIME IN MUMBAI DOBAARA AND RAGINI MMS 2

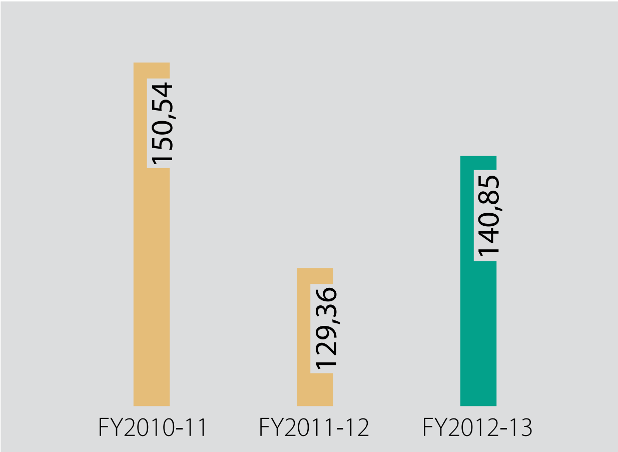
UNDER PRODUCTION: SHAADI KE SIDE EFFECTS, KUKU MATHUR KI JHAND HO GAYI ETC

RELEASED SHOOTOUT AT WADALA, EK THI DAAYAN AND KYAA SUPER KOOL HAIN HUM

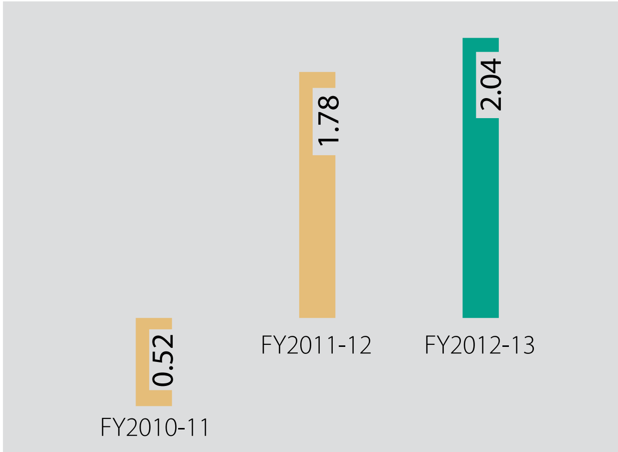
DISTRIBUTED MOVIES IN THE MUMBAI TERRITORY ON A SELECTIVE BASIS

FINANCIAL HIGHLIGHTS

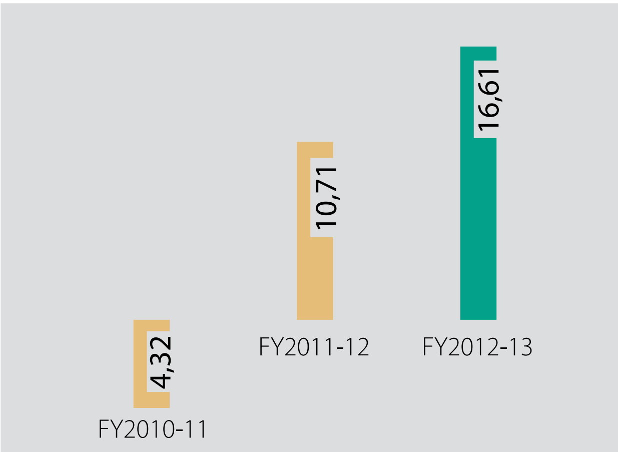
INCOME FROM OPERATIONS (₹ IN LAKHS)



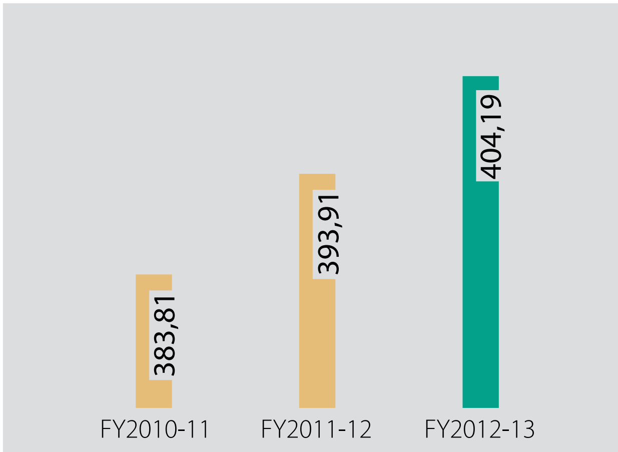
EARNINGS PER SHARE (₹)



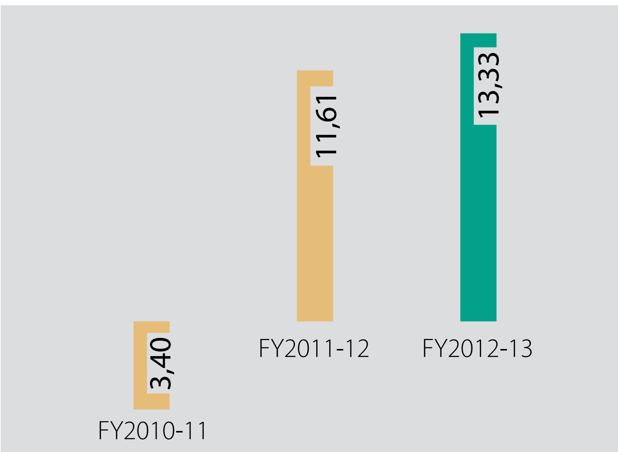
PROFIT BEFORE TAX (₹ IN LAKHS)



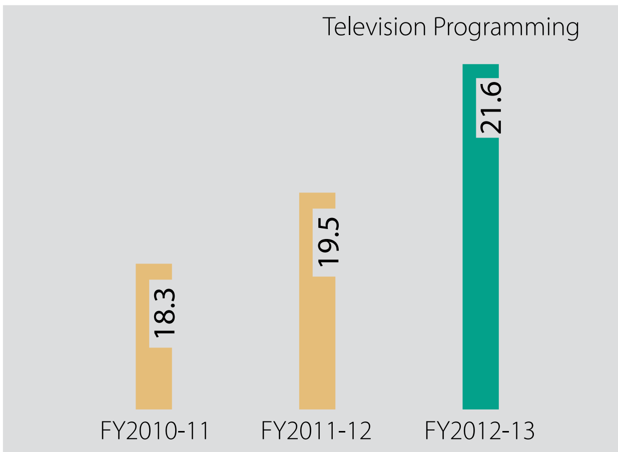
RESERVES (₹ IN LAKHS)



PROFIT AFTER TAX (₹ IN LAKHS)



REALISATION PER HOUR* (₹ IN LAKHS)



* Excluding Regional

AWARDS & RECOGNITION

INDIAN TELLY AWARDS 2013
Popular Actor in a Negative Role: Mahesh Shetty (BALH)
Popular Child Artist (Female): Pihu (BALH)
Make-up Artist: Abdul Rehman (Pavitra Rishta)

INDIAN TELLY AWARDS 2012
Best Actor in a Lead Role (Male): Samir Soni
Best Screenplay Writer (Jury): Dilip Jha, Archita Biswas Jha & Nehum Rawat
Best Story Writer (Jury): Jayesh D. Patil
Best Actress in a Lead Role (Jury): Sakshi Tanwar
Best Drama Series (Jury): Ekta Kapoor
Best Actor in a Lead Role: Ram Kapoor

LIONS GOLD AWARDS 2012
Best Television Actress In Leading Role: Sakshi Tanwar
Best Television Actor In Leading Role: Ram Kapoor
Best Television Actor In Negative Role: Mahesh Shetty

APSARA FILM & TELEVISION PRODUCERS GUILD AWARDS 2012
Best Drama Series (Fiction): Ekta Kapoor
Best Drama Director (Fiction): Sangeeta Rao
Best Drama Actress (Fiction): Sakshi Tanwar

FICCI FRAMES EXCELLENCE HONOURS 2012
Best Fiction Series: Ekta Kapoor
Best TV Actor in a Lead Role (Female): Sakshi Tanwar
Best TV Actor in a Lead Role (Male): Ram Kapoor

GLOBAL INDIAN FILMS & TV HONOURS 2012
Best TV Actor in a Lead Role (Female): Sakshi Tanwar
Best Fictitious Show: Ekta Kapoor
Best Jodi: Ram Kapoor & Sakshi Tanwar
Best TV Actor in a Negative Role: Savita Damodar Deshmukh

DADASAHEB PHALKE AWARDS 2012
Best Television Actor in a Lead Role (Male): Ram Kapoor
Best Television Actor in a Lead Role (Female): Sakshi Tanwar

VISION

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

VALUES

STORYTELLING

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

PASSION

WE GO THAT EXTRA MILE BECAUSE WE LOVE WHAT WE DO

INTEGRITY

WE ARE HONEST AND ETHICAL IN ALL OUR DEALINGS

COMPASSION

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

EXCELLENCE

WE PUSH THE BAR AND NEVER SETTLE FOR SECOND-BEST

ESTABLISHED MARKET LEADERSHIP

REITERATING LEADERSHIP THROUGH

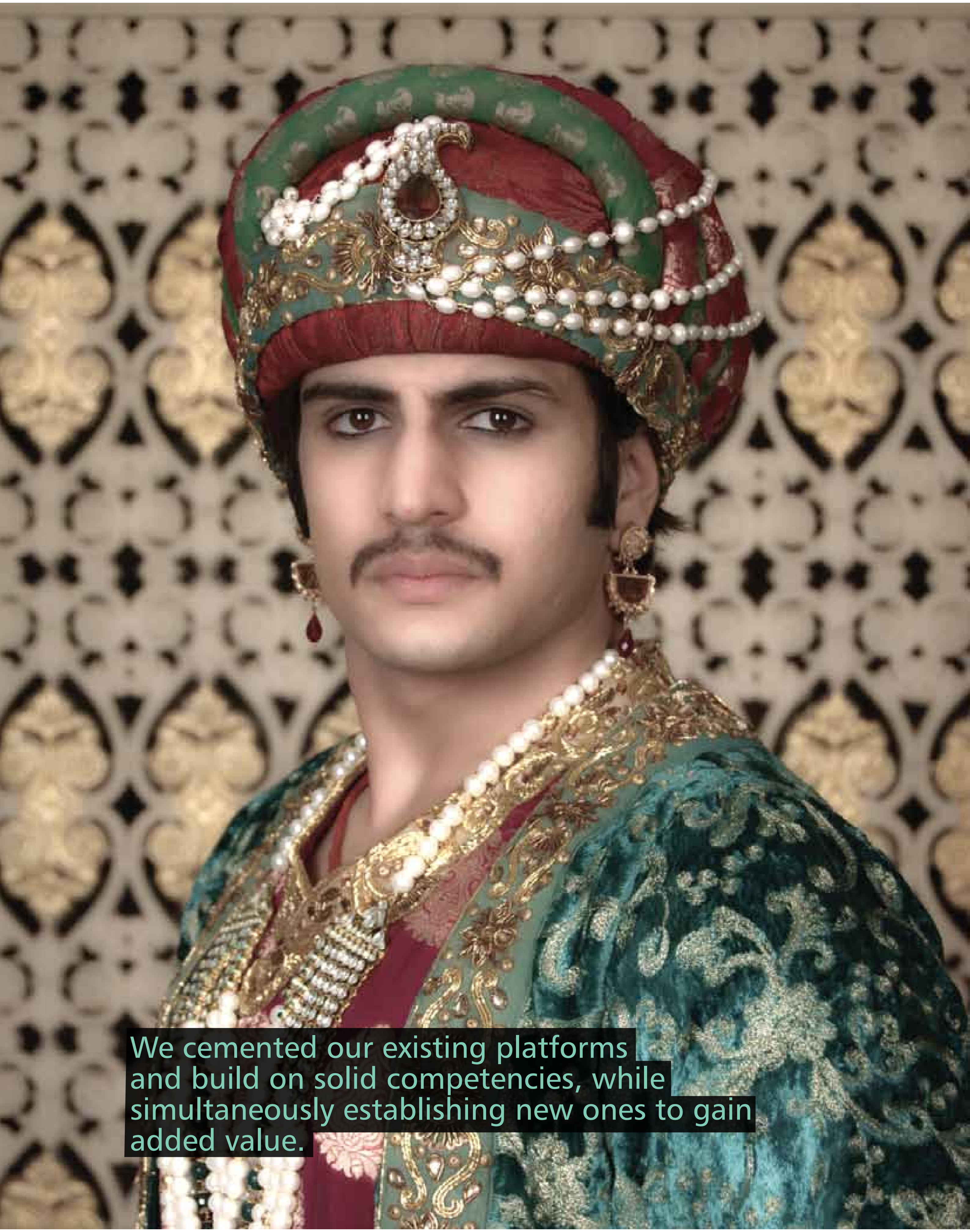
- A 150 strong library of TV shows
- Ramping up the creative content library through a diversified slate of movies
- Utilising opportunities to leverage content on new and emerging platforms
- Ensuring stable cashflows through a sound de-risking business model
- Taking the film production model forward in the TV space by undertaking co-production deals in television to augment output and therefore bottomline
- Identifying and backing the right idea and talent from end to end

ENHANCING BUSINESS SUSTAINABILITY BY

- Increasing revenue visibility through non-theatre streams
- Leveraging long-term relationships with TV and film industry to sustain market leadership
- Building scale and focusing on consolidation through cross-media synergies
- Building an extensive content library in Indian films and TV shows

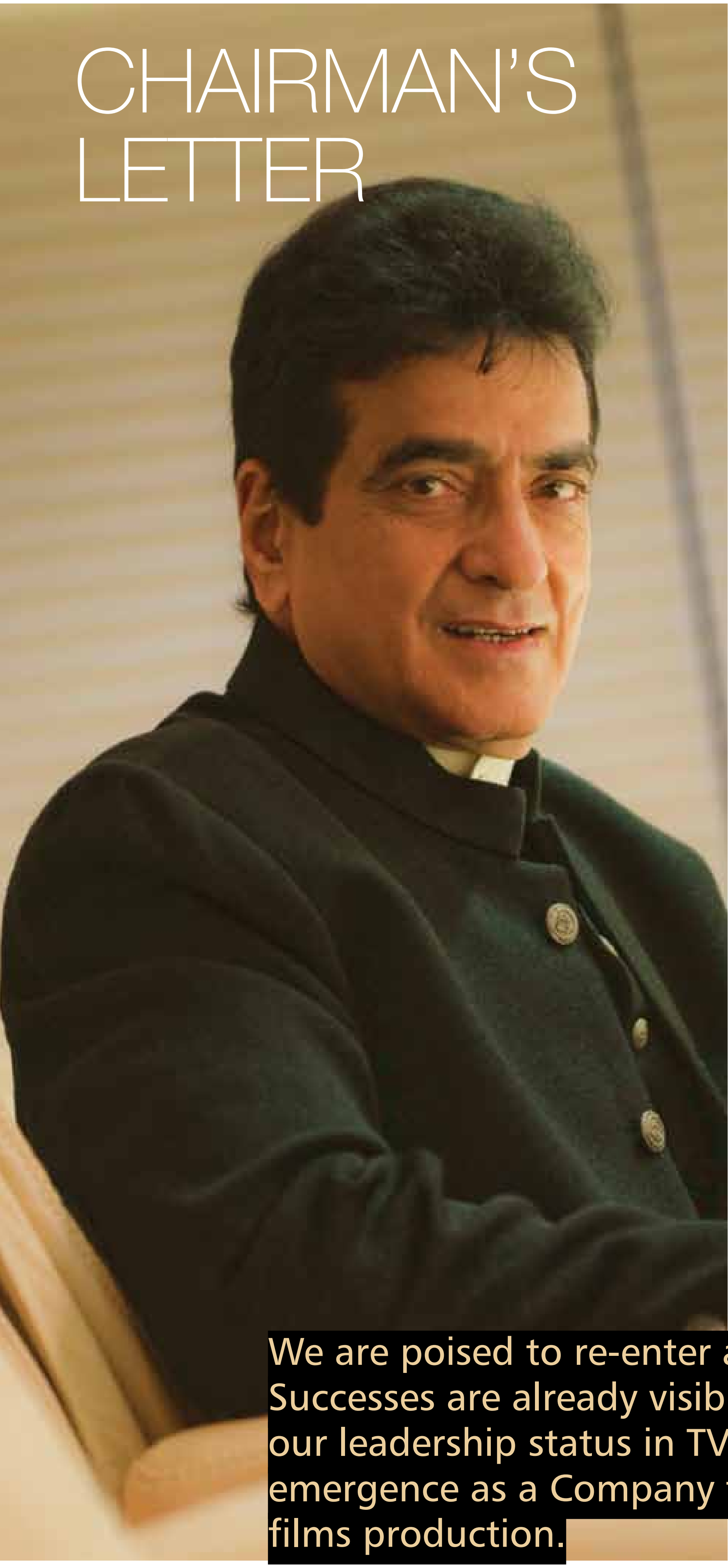
KEY STRATEGIES FOR FY2014

- Increasing investments in films by building a slate of high-profile movies
- Planning greater number of theatre releases
- Increasing non-theatre revenues by pre-licensing music, satellite and overseas rights
- Capitalising on demand buoyancy across media platforms
- Increasing distribution network by entering into more territories
- Reiterating leadership position in TV industry
- Exiting low revenue model of sponsorship programming
- Having clear visibility on earnings and revenues with a healthy project pipeline in TV and Movies spectrum
- Generating niche and diverse content to win audiences and loyal viewership



We cemented our existing platforms and build on solid competencies, while simultaneously establishing new ones to gain added value.

CHAIRMAN'S LETTER



Dear Friends,

Fiscal 2013 has been an eventful year for Balaji Telefilms Limited (BTL) – a year of rewarding moments and arduous challenges. Indeed, it was a defining year on two dimensions: about building the momentum around our growth agenda; and about new initiatives to position ourselves for future success. A resounding transition of maintaining cost efficiencies was complemented by the steadfast headway we made on countless fronts. We cemented our existing platforms and built on solid competencies, while simultaneously establishing new ones to expand our value addition.

AT AN INFLECTION POINT

The year has also been one of introspection. From being an established TV programming house to also becoming a film production house of high stature, we have touched the fulcrum of a growth curve. To get the maximum value out of our TV production infrastructure, we have successfully diversified into films production since 2001, optimising our resources and adding a new value stream to our total business. Today, with several box-office hits to our name, our films business has emerged as a respected and acclaimed player in this dynamic Media & Entertainment (M&E) space.

The Indian M&E industry is one of the fastest growing industries worldwide with new business models, increasing penetration of multiplexes and entry of corporates driving growth across the value chain. So while Indian movies are benefiting from digital distribution, new releases and revenue accretion, the TV industry is a rapidly evolving segment, thanks to content digitisation and broadcasting. As per the FICCI-KPMG Indian Media and Entertainment Industry Report 2013, the Indian M&E industry is projected to clock 15% CAGR over next five years to reach ₹ 1,661 billion by 2017. We, at Balaji, aim to

We are poised to re-enter a high-growth cycle. Successes are already visible as we affirm our leadership status in TV content and our emergence as a Company to reckon with in films production.

benefit from these inherent strengths of the Indian television and film sectors.

STEPPING ON THE GAS

Going by our current dynamics, we are perfectly poised to enter a new cycle of sustained and solid growth. Successes are already visible as we affirm our leadership status in TV content and our emergence in films production. To further capitalise on the industry's changing crescendos, we aim to maximise shareholder value by innovating in every single aspect of our business. We explain these strategic actions in detail within the MD&A of this annual report. I am heartened to see our efforts now paying off handsomely.

We have reached a certain level of maturity in our business model that is well honed for creating value with minimal perils. Today, BTL is not just about the content, but also about processes, risk management and cost control. Through canny investments and by managing our costs smartly, we have been quite successful in expanding our margins across all our business verticals. Today, our sole endeavour is to have a creatively focused, but soundly managed, entertainment enterprise. With a no-nonsense approach to making the most of our economies-of-scale and operational efficiencies, we are on the threshold of becoming a more resurgent and profitable entertainment content creator and distributor.

MOVIES = CONTENT+ ECONOMIES OF SCALE

With a slew of movie releases lined up over next 2-3 years, we aim to move several notches higher in films production industry. From 1-2 releases each year, we have graduated to a total of 6-8 releases in FY2014. Going forward, we will maintain the thrust in films production. Currently, our delivery slate is almost full till FY2016. In addition to numbers, we are also satisfied with the content we have created and remain proud of the storylines selected. We wish to continue making a mark through cutting-edge cinematic content and satiate a variety of audience sensibilities. I am certain that our foray into the films segment of our industry will become even more conspicuous in time. Today, we can confidently project that our movies business will significantly dominate the share of our revenue going forward.

TELEVISION CONTENT: OUR MAINSTAY BUSINESS

With our core still being TV programming, we have emerged as arguably the only company that has successfully straddled both the TV and films businesses together. I expect this duality to bring us enormous synergistic advantages later on. Though movies play a dominant role in our revenue model, TV programming will continue to remain our staple source of value creation. We have been widely credited for successfully assessing our audiences' tastes in the most relevant manner. We have captured the pulse of new-age watchers and we are each single day living up to their viewing preferences to gain loyal viewership. Our exit from sponsored programmes and a healthy pipeline of fresh projects provides clear visibility on our earnings and revenues. We are looking at enhancing our revenue generation by leveraging our long-term relationships to reiterate our market leadership in the TV industry.

CREATING RIPPLES

There's a lot happening within Balaji – new directors and producers are getting signed; new talent is getting identified; and new storylines are being penned. We are scaling higher by expanding our distribution capabilities, augmenting our co-production model and providing stable and recurring cash-flows by de-risking our business model.

We are also ramping up our creative content library through a diversified mix of movies. We are mitigating our risk profile by underwriting our slate cost significantly and building scale by focusing on consolidation through cross-media synergies.

I am extremely satisfied with our performance in FY2013. We continue to be on a solid growth trajectory and remain extremely well positioned for the future. And we only have our human capital to thank for their dedication and discipline. We're also content with our stewardship – an indelible part of our corporate culture. While the past few years have been undoubtedly challenging, they have helped us emerge as a stronger and more efficient company. We continue to remain obliged to accelerate the execution of our business strategy and follow the next phase of growth. Going forward, we remain extremely committed to our stakeholders' expectations and continue to be focused on building ourselves as a powerful and diverse TV and films production studio. We will let our balance sheet speak for itself as we are buoyant about being best positioned for growth and continued market leadership than any other time in our history. I look forward to travelling with you on an exciting journey of growth and success that awaits us in the future.

> "Our sole endeavour today is to have a creatively focused and soundly managed entertainment enterprise. With a no-nonsense approach on cost management, we are on the threshold of becoming a more resurgent and profitable entertainment content creator and distributor.

Sincerely,

Jeetendra Kapoor
Chairman

MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

Welcome to our Annual Report of FY2013. It was a year that was all about reinventing ourselves and making Balaji Telefilms Limited (BTL) a quality performer. To me, this year was both exciting and prolific for BTL.

'Exciting' because we downsized our weak verticals, becoming much more acutely focused on what we know we're really good at – that is our legacy business of making rich entertainment content that audiences queue to see. 'Exciting' also because we made several tweaks to evolve a revamped business model, which is already yielding the desired positive effects. In essence, by focusing more on our core strengths, we are now seeing positive impact on our EBITDA and bottom line numbers. Nothing excites me more than seeing this materialise before my eyes.

'Prolific' because we saw an overall upsurge in our television programming hours, despite a reduction in our sponsored programmes. 'Prolific' also because we started work on more than 6-8 films for release in FY2014. This means that while we've sharpened our instruments for running a well-defined business, we've also cranked up our machinery to significantly expand our output and create solid growth in our business.

The end result is sustained dynamic growth of our revenues with solid bottom line results and improving margins and return ratios – the ideal formula for accelerating shareholder value creation.

BRINGING IN GOOD NUMBERS

During the year, we returned to a steady growth trajectory and delivered healthy results. I believe that against challenging market conditions, we have reported respectable results for the year. Underlying pre-tax profit of ₹ 16,61.4 lakhs was 55.18% up, on the back off a topline increase in revenues by 8.89% to reach ₹ 140,85.2 lakhs. Our operating profit margin increased to ₹ 6,39.5 lakhs as we exited loss-making sponsored programmes during the year. Maintaining operational efficiencies and becoming cost efficient yielded an operating margin of 19.12%. With cost rationalisation, we expect better operating margins and increased revenues. Our EBITDA increased by 37.89% to ₹ 24,56.3 lakhs over the previous year. I am pleased to inform you that for FY2013, the Board of Directors have approved a dividend payout of ₹ 0.40 per share on the eve of BTL's entry in its 20th year of operations. This reflects the Board's confidence in the quality of the Company's assets and our future income.

> While we've sharpened our instruments for running a well-defined business, we've also cranked up our machinery to significantly expand our output and create solid growth in our business.

TWEAKING OUR BUSINESS MODEL

The past year has not been short of challenges. Reworking our business strategies and propelling BTL to a new dimension of focus and excellence required vision and conviction. A determined strategy was to introduce efficiencies into the system. We sharpened our focus on our core strengths and to further strengthen our balance sheet. We rationalised costs as much as possible , optimally utilised resources and put in place an improved management reporting system. Efficient planning of each episode and meticulous execution helped to produce more episodes each month and enhance our daily output by minimum 20-25% at the shoot level. I am confident that these practices will yield us superior results well into FY2014 and beyond.

To capitalise on the growing opportunities of India's film industry, we decided to extend our foray into the films segment. Through Balaji Motion Pictures and ALT Entertainment, we've upped the ante and worked on widening our slate of movies. As a result, BTL is today the only production house that has a successful business model based on both the small and the big screens. Currently, we have built a basket of big and small-budget releases (own and co-produced), which are planned for release during FY2014 and FY2015. We plan to fund this from our reserves for sound returns. Years of prudent balance sheet management producing zero leverage and a strong cash balance has put us in an enviable position within the industry. While most other players need to raise expensive debt to fund their projects, our balance sheet strength ensures that we are fully funded for the next phase of our growth, without requiring any equity dilution or debt leverage. Given the fact that we face no impediments, I expect our films business to become our key growth driver going forward.

To capture a larger part of the theatre revenue stream into our results, we've decided to vertically integrate into the films distribution business in a measured way. To begin with, we've decided to distribute our own movies within the Mumbai territory on a selective basis. We were successful in handling the distribution of *Shootout At Wadala, Ek Thi Daayan, Vishwaroopam* and *Kyaa Super Kool Hain Hum*. We gradually intend to add new strategic territories to our in-house distribution division in a phased manner, leaving the rest with specialist distributors.

To scale up our capacity in producing film content, we've adopted a model in which co-production complements our in-house production capacity. Simultaneously, we continue to focus on de-risking our business by maximising our non-theatre revenues through pre-selling distribution and satellite rights.

IMPROVING TV REALISATIONS

In the TV production business, steady commissioned programming hours and healthy realisations gave a fillip to our revenues. Our television production business, which was loss-making at EBITDA level till FY2012, turned profitable in each of the quarter during FY2013 because of exiting the relatively less profitable sponsored show segment. Moving out of non-core businesses and cost rationalisation further helped our contribution and margins turnaround.

During FY2013, our realisation per hour of content production improved to ₹ 21.60 lakhs per hour based on 558 hours of TV programming and revenues of ₹ 120,51 lakhs (Hindi commissioned programming, excluding regional). We retained our position as one of the leading providers of TV entertainment in India. We established a new benchmark by successfully producing over 15,000 hours of TV content in Hindi, Tamil, Telugu, Kannada, Malayalam and Bengali entertainment genre. Creativity and understanding audience needs has become our USP as we have showcased our ability to create high-quality and superior content. With a healthy project pipeline of 5-6 new TV shows across premier GECs such as Zee TV, Star Plus and Doordarshan, TV programming will continue to be our bedrock foundation.

STRONG REVENUE GROWTH IN YEARS AHEAD

As we embark on yet another exciting journey of enormous possibilities, we wish to leverage our existing capabilities and build on solid competencies. As we enter our third decade, the ability of our revenue model along with the future growth potential looks very encouraging. I profusely thank our investors, business partners and audiences for their whole-hearted participation in our journey so far and ahead.

Warm Regards,

Shobha Kapoor
Managing Director

The end result is sustained dynamic growth of our revenues with solid bottom line results.

JOINT MANAGING DIRECTOR'S MESSAGE

Dear Friends,

The genesis of Balaji Telefilms Limited (BTL) was our pure passion to narrate different stories –a passion that led to the building of one of India's most successful production companies. Over the years, the passion continues to be the same – to provide enthralling, powerful and convincing storylines – whatever the medium. With globally-benchmarked execution strategies, we are seen as trendsetters in content creation and have come to be recognised as a credible studio in TV programming and production of movies.

THINK DIFFERENT, THINK BEYOND

Our focal point is to entertain diverse audiences by addressing varied demographies and deliver a complete package to the viewer. We wish to provide an engaging entertainment experience which emanates from our ability to 'think different, think beyond'. We've successfully detected the pulse of India's audiences. However, keeping in mind our cultural ethos, we focus on making serials which depict strong values through our family-oriented shows. Our aim is to make shows which can be watched by families sitting together at the dinner table. Our shows symbolise realism through real-life characters which viewers can identify with. Our simple, yet engrossing, content turns our protagonists into household names with whom our viewers establish an emotional connect.

We are in the business of producing entertainment art, but we kept innovating our business model to put more science behind the art.

ECLECTIC CONTENT

Our game-changing content capabilities and versatility has led us this far. Right from our *Hum Paanch* days, we've tried to be highly selective and diverse in our scripts. In our diversity, we retain our uniqueness; and this uniqueness is invaluable for us. So for our TV shows, we make compelling content to suit new-age audience's tastes who've begun accepting experimental content.

In fact, there is an unmistakable paradigm shift in viewers' preferences and an evolution in their aspirations, which we hope to capitalise on. We aim to create cutting-edge content to satiate the diverse sensibilities of India's discerning audience. Through Balaji Motion Pictures Limited (BMPL) and ALT Entertainment, we try and cater to diverse audiences through contemporary, niche and refreshing concepts. So while *The Dirty Picture* had a lot of substance and was one of the boldest movies revolving around a female protagonist, *Kyaa Super Kool Hain Hum* was an adult comedy.

We dare to be different through movies such as *Ragini MMS* and *Love, Sex Aur Dhokha* (produced under ALT Entertainment) which had a lot of substance. Our movies not only win critical acclaim, but also gross box-office revenues. Within a short span of time, we've established a niche as a creator of introspective and cutting-edge content capturing different genres.

WINNING AUDIENCES

We are in the business of producing entertainment art, but we have kept innovating our business model to put more science behind the art. Today, we can proudly say that we've mastered the art of our science and also the science behind our art. As we move along, we have raised the entertainment bar higher across the entire value spectrum. We are working with top entertainment channels and strengthening our ties across the entertainment industry.

We are deeply exposed to the talent that is present outside our in-house creative eco-system. And we are looking to partner with only the best for a rewarding outcome. It is this open approach that amplifies our bandwidth to widen our basket of franchises.

To widen our creative platform, we recently incorporated our wholly-owned subsidiary BOLT Media which independently creates and produces cutting-edge TV concepts. Through BOLT Media, we aim to make a mark in the space of formats, events and digital content across diverse genres.

MOVING FORWARD

I am thankful to our shareholders and audiences for believing in our creative abilities. We wish to continue the tradition of Balaji and carry forward our journey of creativity as we go about winning audiences and delivering world-class content.

> " We are looking to partner with only the best for a rewarding outcome. It is this open approach that amplifies our bandwidth to widen our basket of franchises.

We expect our future years to be much more exciting as we go about exploring new territories and venturing into newer streams of entertainment. We strongly wish to carry forward our legacy by continuing to entertain both living room and theatre audiences. We remain committed to maximise the value of our content to our Company, creative partners, and ultimately, our audience, by taking full advantage of the current and emerging exhibition platforms.

Warm Regards,

Ekta Kapoor

Joint Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY REVIEW

INDIAN ECONOMY

The global economy faced another challenging year in 2012 as it continued to recover slowly following the global financial crisis of 2008. Slow US economic recovery, European sovereign debt crisis, moderating growth in China and other emerging economies continued to hold back the global GDP growth rates. As per a World Bank report 'Global Economic Prospects' released in January 2013, global economic growth was subdued at 2.3% in 2012. It is expected to remain flat in 2013 followed by a gradual increase to 3.1% and 3.3% in 2014 and 2015, respectively.

In addition to the weak global scenario, the Indian economy faced several internal macro-economic challenges such as high fiscal deficit, large current account deficit, significant rupee depreciation, high inflation, high interest rates and consequent slowdown in core sectors as well as corporate and infrastructure investments. The Indian GDP thus grew at only 5% in FY2012-13, the lowest in the last decade. The Indian Media & Entertainment (M&E) industry too was affected by the economic slowdown, resulting in reductions in advertising budgets across all the sectors. However, the recent policy measures taken by the government are expected to pave the way for a gradual recovery for the Indian economy. With some improvement also likely in the global economy in 2013, prospects for the Indian economy look better and real GDP growth is expected to be in the range of 6.1% to 6.7% in FY2013 - 14.

INDIAN MEDIA & ENTERTAINMENT INDUSTRY

The Indian M&E industry, one of the fastest growing industries in the world, is currently at an inflection point where "Content Digitisation" has become the industry norm. Every segment across the industry — television, radio, advertisement, films and print — is gradually transitioning towards digitisation. A push for digitisation in India has led to the development of sophisticated digital production techniques. New content distribution platforms such as broadband and digital cinema, direct-to-home (DTH) and digital cable broadcasting, sophisticated electronic devices etc. have resulted in the emergence of new business models and revenue streams in the industry. Further, an increasing penetration of multiplexes and entry of domestic as well as international corporate houses across the M&E value chain are driving growth in the industry.

SIZE OF INDIA'S MEDIA & ENTERTAINMENT INDUSTRY

	2011	2012	YOY% 2012 VS. 2011	2013P	2014P	2015P	2016P	2017P	CAGR (2012-17)
TV	329,000	370,100	12.50%	419,900	501,400	607,400	725,000	847,600	18.00%
PRINT	208,800	224,100	7.30%	241,100	261,400	285,600	311,200	340,200	8.70%
FILMS	92,900	112,400	21.00%	122,400	138,300	153,600	171,700	193,300	11.50%
RADIO	11,500	12,700	10.40%	14,000	15,400	18,700	22,700	27,400	16.60%
MUSIC	9,000	10,600	18.10%	11,600	13,100	15,300	18,300	22,500	16.20%
OOH	17,800	18,200	2.40%	19,300	21,100	23,000	25,000	27,300	8.40%
ANIMATION AND VFX	31,000	35,300	13.90%	40,500	46,800	54,300	63,100	73,400	15.80%
GAMING	13,000	15,300	17.70%	20,100	23,800	30,900	36,200	42,100	22.40%
DIGITAL ADVERTISING	15,400	21,700	40.90%	28,300	37,100	48,900	65,100	87,200	32.10%
TOTAL	**728,000**	**821,000**	**12.60%**	**917,000**	**1,059,000**	**1,238,000**	**1,438,000**	**1,661,000**	**15.20%**

Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013; All Figures in Rs. Million

The Indian M&E industry grew by 12.6% from ₹ 728 billion in 2011 to ₹ 821 billion in 2012. With the benefits of digitisation, continued growth of regional media, upcoming elections, strength in the film sector and the fast-increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8% in 2013 to touch ₹ 917 billion. The sector is projected to grow at a healthy CAGR of 15.2% to touch ₹ 1,661 billion by 2017.

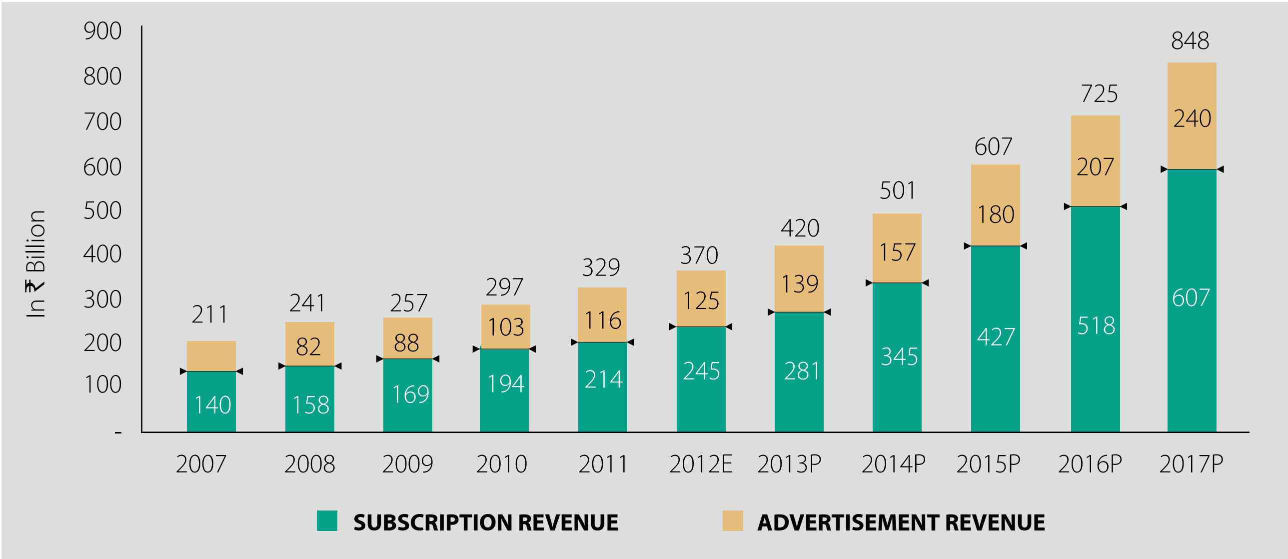
INDIAN TELEVISION INDUSTRY

The Indian television industry witnessed the effects of an economic slowdown with companies holding back capital and cutting advertisement budgets in the backdrop of subdued economic environment. Leading players and networks were able to handle the tough conditions better than small and niche players. Further, the television industry also witnessed consolidation and exits, paving the way for a more sustainable, profitable future. Despite the current challenges, the long-term outlook remains positive as India continues to remain a key strategic market for leading international broadcasters.

The television industry saw a major regulation passed in 2012, requiring 100% digitisation of television content and broadcasting, which is expected to significantly change the entire dynamics of the television business. Digitisation of cable is expected to bring in transparency and increase subscription revenues for Multi System Operators (MSOs) and broadcasters. It is further expected to reduce carriage fees, building a case for the launch of niche channels and investment in content for existing channels. Developments and refinements in viewership measurement systems will affect the way advertising is distributed among channels.

The television industry in India is estimated at ₹ 370 billion in 2012, and is expected to grow at a CAGR of 18% during 2012-2017, to touch ₹ 848 billion by 2017. Aided by digitisation and the consequent increase in average revenue per user, the share of subscription revenue to the total industry revenue is expected to increase from 66% in 2012 to 72% in 2017.

REVENUE BREAK-UP OF INDIA'S TV INDUSTRY

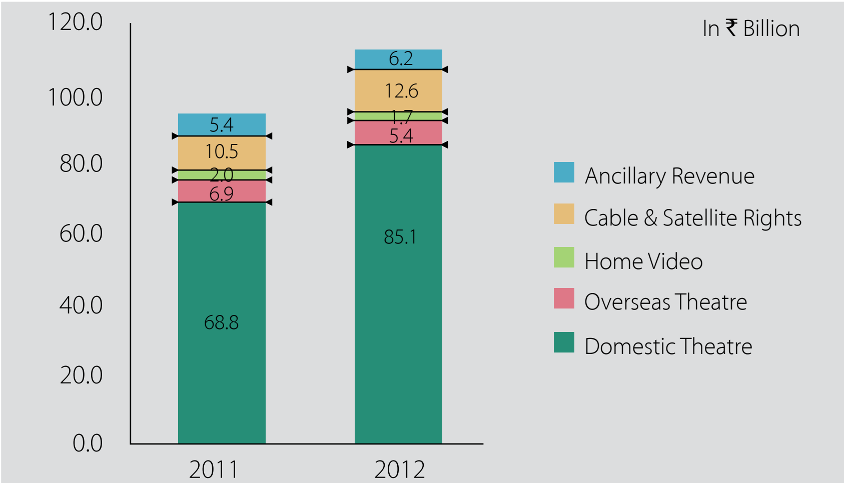


Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India

INDIAN FILM INDUSTRY:

The film making business has undergone several changes over recent times. Production houses are increasingly opting for co-production as the preferred business model going forward. They have been collaborating with local regional players as well as international studios in order to make inroads into newer markets. In addition to this, digital distribution has resulted in a gradual shift from releasing films with physical prints to the digital format. The share of digital format has increased from around 50% in 2010 to around 80-90% in 2012, enabling films to broaden their reach and reduce the distribution timeframe.

BREAK-UP OF REVENUES FROM MOVIES



Source : KPMG in India Analysis

Cinema theatres have continued to remain the dominant medium of film exhibition. However, the landscape is now undergoing drastic changes. While there has been a significant increase in the number of multiplexes in India, the number of single screen theatres continues to dwindle with around 97 single screens shutting down in 2012 alone. Further, the industry has overall achieved 77% digitisation of screens in 2012 and expects to achieve 100% digitisation by 2013. While the domestic theatre segment continued to dominate, digital distribution played a significant role in increasing the reach of the industry penetrating further into Tier II and Tier III markets entertaining the under-served population. All this is made possible by leveraging the digital technology which facilitates the movie watching experience at an affordable cost and in a secure manner.

Piracy continues to remain a concern for the Indian film industry. As per the Motion Pictures Distributors Association (MPDA), India is among the top nations in the world in terms of video piracy. It witnessed a with US$ 1.1 billion loss due to piracy in 2012, an increase of 15.8% from that in 2008. The decrease in theatre-to-television timeframe from more than six months to less than three months at present helped restrict the physical medium of piracy to some extent. Further, online piracy has also been reduced by cooperation from the government and internet service providers by blocking websites providing pirated content. However, a complete ban on piracy will come only from a change in mindset of the consumers.

The Indian film industry displayed strong performance in 2012. Domestic theatres will continue to be the major growth driver for the industry while ancillary revenue streams will also grow rapidly albeit off a smaller base. The industry would continue to excite India's large population base of more than one billion viewers and is expected to be worth ₹ 193.3 billion by 2017.

Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013

COMPANY REVIEW

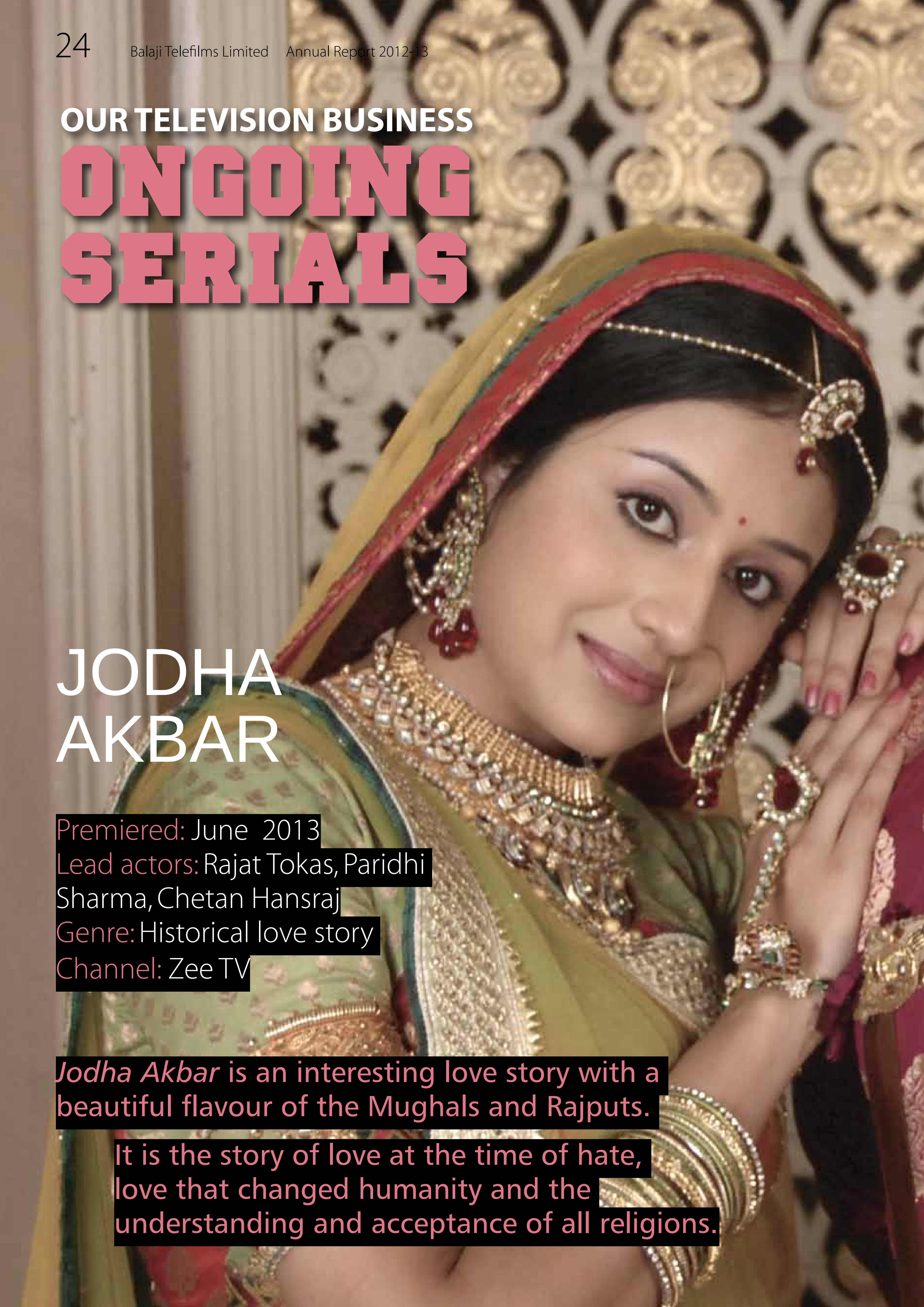
OUR TELEVISION BUSINESS

TELEVISION ENTERTAINMENT HAS BEEN OUR FOUNDATION STONE. WE HAVE ESTABLISHED CAPABILITIES TO CREATE NEW AND DIVERSE STORY LINES AND PROVEN OUR ABILITIES IN GAUGING THE PULSE OF THE MASSES. MOST OF OUR PROGRAMMES ARE AIRED AT PRIME-TIME AND ARE WELL ACCEPTED BY OUR VIEWERS, REFLECTED BY RISING TRPs.

REGION-WISE BREAK-UP OF OUR TV SHOWS

SERIAL	CHANNEL	TIME SLOT	DAYS
COMMISSIONED SHOWS			
Hindi			
Bade Achhe Lagte Hain	Sony TV	22.30-23.00	Monday to Thursday
Kya Huaa Tera Vaada*	Sony TV	22.00-22.30	Monday to Thursday
Parichay*	Colors	22.30-23.00	Monday to Friday
Pavitra Rishta	Zee TV	21.00-21.30	Monday to Friday
Ek Thi Naayika*	Life OK	23.00-24.00	Saturday & Sunday
Savdhaan India	Life OK	22.30-23.30	Friday
Gumraah Season 2*	Channel [V]	17.30-18.00	Monday to Thursday
The Serial*	Channel [V]	17.30-18.00	Monday to Thursday
Marathi			
Arundhati*	Zee Marathi	19.30-20.00	Monday to Saturday
Mission Dosti.Com*	SAAM Marathi	20.30-21.00	Monday to Saturday
Rang Mazaa Vegala*	SAAM Marathi	20.00-20.30	Monday to Saturday
Kannada			
Pavitra Bandhana	ETV Kannada	21.30-22.00	Monday to Friday
SPONSORED SHOWS (PRODUCED & MARKETED)			
Kalyanee*	Udaya TV	14.00-14.30	Monday to Friday
Kannavari Kalalu*	Gemini TV	14.00-14.30	Monday to Friday
Kasthuree*	Sun TV	11.00-11.30	Monday to Friday
Nuvvu Nachav*	Gemini TV	14.00-14.30	Monday to Friday
Yuggadi*	Udaya TV	10.30-11.00	Monday to Friday

** Serials Off Air*



OUR TELEVISION BUSINESS

ONGOING SERIALS

JODHA AKBAR

Premiered: June 2013

Lead actors: Rajat Tokas, Paridhi Sharma, Chetan Hansraj

Genre: Historical love story

Channel: Zee TV

Jodha Akbar is an interesting love story with a beautiful flavour of the Mughals and Rajputs.

It is the story of love at the time of hate, love that changed humanity and the understanding and acceptance of all religions.

जोधा अकबर

Jodha Akbar is an eternal love story of cultural and religious battle in the time of the Mughal Emperor Akbar and his Hindu wife Jodha Bai, a fiery Rajput princess. This is a 16th century love story about a political marriage of convenience. It has a mix of interesting love triangles, politics of the harem and power-hungry women weaved in together. It is a love story with a beautiful flavor of the Mughals and Rajputs. It is the story of love at the time of hate, love that changed humanity and the understanding and acceptance of all religions.

The love story starts with the brutality of Jalal *aka* Akbar and how his mentor Bairam raised him to be the deadliest and the most brutal man. Jalal grows up to be a man without a heart, with no understanding of love and compassion and does everything he can to become the most powerful king. The story later portrays the alliance between Akbar and the Rajput king Bharmal, Jodha's father. When the Mughals attacked Amer and had the Rajput king at their feet, the king found no other way but to make an alliance with Akbar to survive. In the alliance, the Rajput princess Jodha was married off to Akbar.

After marriage, Jodha steps into the house of the Mughals which is a completely different world. It shows how religion had a role to play, but Jodha stands out to be a Rajputani princess indeed. With her love, Jodha influences not just Akbar and makes him humble, but the entire Mughal Empire. She transforms the most ruthless King into a great emperor. That is when Jalal becomes Akbar, the Great, with support, love and logic from his beloved wife Jodha.

OUR TELEVISION BUSINESS

ONGOING SERIALS

BADE ACHHE LAGTE HAIN

Premiered: May 2011
Lead actors: Ram Kapoor, Sakshi Tanwar
Genre: Mature love story
Episodes completed: 400
Channel: Sony TV

Bade Achhe Lagte Hain is an unconventional love story of two mature people getting married and then falling in love.

A love story where two people with many differences in likes, dislikes, tastes and attitudes are brought together because of circumstances.

बड़े अच्छे लगते हैं

ये धरती ये नदिया ये रैना और तुम

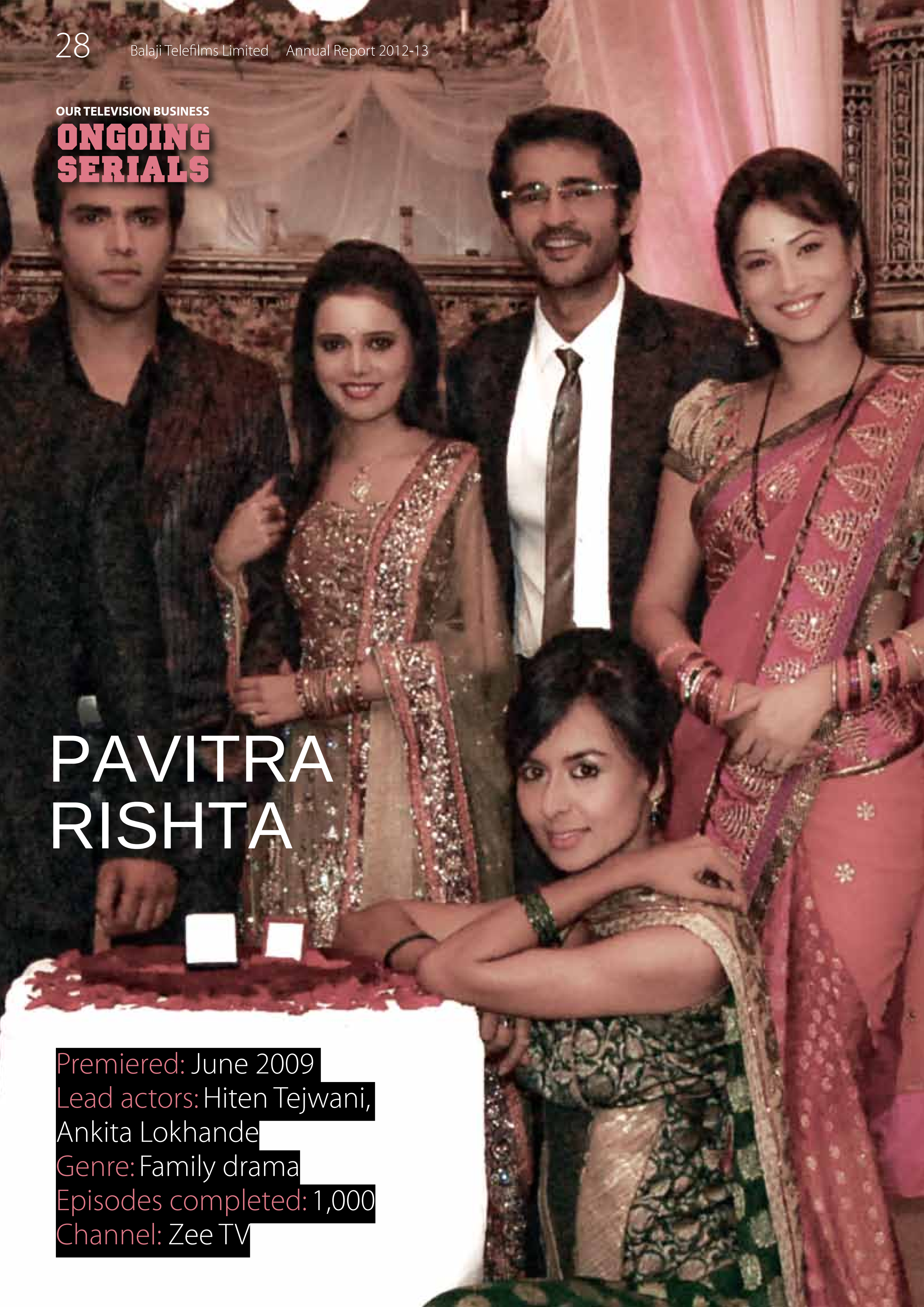
Conceived by Ekta Kapoor, *Bade Achhe Lagte Hain* is an unconventional love story of two mature people getting married and falling in love. It is based on the Hindi play Patrani by Imtiaz Patel. It explores the world of two completely divergent personalities – Ram Kapoor and Priya Sharma – who never found common ground on their own, but later accidentally discover love through the institution of marriage. It is a love story where love creeps in, unsuspected, after marriage. A love story where two people with many differences in likes, dislikes, tastes and attitudes, are brought together because of circumstances.

Priya is a happy go lucky woman in her early 30s, not married so far and quite sure that she wouldn't be able to get married ever. She takes TOEFL tuitions for college students and is happy with the world. Ram Kapoor is a 40-plus entrepreneur who also believes he has missed the bus of marriage. But as fate would have it, they bump into each other through a minor car accident which hurts their egos more than their vehicles and then after a series of miscommunications and misunderstandings, destiny contrives once again to get the two married because of their siblings who are madly in love with each other. After showing differences, friendship, romance, love, clash and separation in the first phase, the serial took a leap of five years and showed the reunion of Ram and Priya. It still continues to entertain the audience with some interesting twists, new faces, new stories, new complications and complex relations.

Audiences found it easy to identify with the realistic characters of Ram and Priya. The two leads, with their non- glamorous looks, are the two most popular television characters. Ram, with his weight issues, and the kurti clad, middle class Priya, with her age and marriage issues, are characters many people can identify with. It is a story minus the twists and turns, a story minus unbelievable and traffic coincidences, a story with realistic characters and situations, and most importantly, a story which gave a much-needed break from the depressing and repetitive tales on TV. The acting skills of Ram Kapoor and Sakshi Tanwar further wooed audiences, with the show earning a dedicated viewership, placing it on top of the charts.

OUR TELEVISION BUSINESS

ONGOING SERIALS



PAVITRA RISHTA

Premiered: June 2009
Lead actors: Hiten Tejwani, Ankita Lokhande
Genre: Family drama
Episodes completed: 1,000
Channel: Zee TV

Pavitra Rishta talks about the strong emotional bond every mother shares with her daughter.

The show, which took a 20-year leap, has been shot in a modest environment sans any glamour and grandeur, essaying a middle-class household's routine and lifestyle.

पवित्र रिश्ता

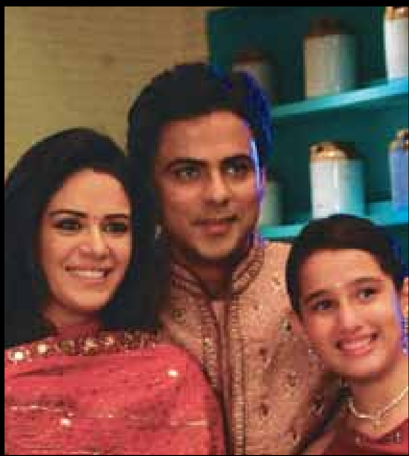
Pavitra Rishta portrays the simple life of two common middle-class Maharashtrian families in the city of Mumbai and their daily life. It is the story of a couple – Manav and Archana Deshmukh – and their families. Archana is uneducated girl, who takes care of her family. Manav is a garage owner and a mechanic, who alone earns and supports his family. Manav and Archana marry and then face many bad circumstances, but manage to surpass them all.

Pavitra Rishta talks about the strong emotional bond every mother shares with her daughter. This interesting saga brings in the flavour of the mother-daughter relationship and a mother's search for a desirable match for her daughter. Archana's mother is one of the few people who appreciates the middle-class girl and is determined to help her daughter get a good match. Manav and Archana face many good and bad circumstances but manage to surpass them. The show, which had taken a 20-year leap, is shot in a modest environment sans any glamour and grandeur, essaying a middle-class household's routine and lifestyle. The practical nuances of the story are lived and felt by the dedicated viewership of the show. Pavitra Rishta is now the story of the next generation - Arjun and Purvi, who is Archana's daughter. She is the replica of Archana, while Arjun is also like Manav in many ways. The serial now portrays the journey of their love story (similar to Archana and Manav) and also the hardships they face in life, their bonding of love and their family values.

In March 2013, the serial completed 1,000 episodes and received critical and commercial success. It has been the longest running serial on Zee TV and won many awards at Zee Rishtey Awards and Zee Gold Awards. The TV show transformed Zee TV as the No. 1 in General Entertainment Channel for a period of time and provided very good TRPs. Old episodes of the serial are still airing on Zee Smile. The show also won two international awards for Best Drama and other major awards in the Best Supporting Actor and Best Negative Actor category. The show also won the Seoul International Drama Award.

OUR TELEVISION BUSINESS

COMPLETED SERIALS



KYA HUAA TERA VAADA

Premiered: January 2012 -May 2013
Lead actors: Mona Singh, Pawan Shankar,
Mouli Ganguly
Genre: Family drama
Episodes completed: 276
Channel: Sony TV

Kya Huaa Tera Vaada was the story of Pradeep Singh and Mona Singh and the plot revolved around their lives 12 years after their marriage. The show was liked for the protagonist standing up for herself and finding her rightful place. It created dedicated viewership due to middle class values portrayed and engaged viewers through many twists and turns. The dialogues were real, the sets and costumes created a seemingly authentic ambience.

GUMRAAH: END OF INNOCENCE

(Season 1, 2)

Premiered: March 2012
Host: Karan Kundra
Genre: Reality show based on juvenile crime
Episodes completed: Season 1 (16); Season 2 (76)
Channel: Channel V

Gumraah: End of Innocence was based on juvenile crime and portrayed true crime stories committed by youth. It focused on factors leading to crime committed by teenagers and their consequences. It won the Best Crime/Thriller Show at the 12th Indian Television Academy awards. It was nominated as the favorite TV Crime Drama by People's Choice Awards India and secured 10 nominations at the Indian Telly Awards 2013.

PARICHAY - NAI ZINDAGI KAY SAPNO KA

Premiered: July 2011-March 2013
Lead actors: Sameer Soni, Keerti Nagpure
Genre: Family drama
Episodes completed: 200
Channel: Colors

The unusual love story of *Parichay* revolved around the male protagonist Kunal Chopra, a fallen hero who was once a career-oriented and successful lawyer. Within a short time, the show managed to entertain audiences and garnered a strong support system and loyal viewership. The show bid adieu to its huge fan following in March 2013 with a happy ending and since then dedicated fans have been demanding its Season 2.

THE SERIAL

Premiered: November 2012-March 2013
Lead actors: Rohan Shah, Karan Kundra, Soumya Seth, Sara Khan
Genre: Thriller
Channel: Channel V

The Serial was a unique story which explored the life of television actors through the eyes of 17 year-old actor Rohan Shah. It included all the actors in their real-life roles. The story then covered the life and struggles of various celebrities from the protagonist's point of view.

EK THI NAAYIKA

Premiered: March 2013-April 2013
Lead actors: Sakshi Tanwar, Smriti Irani
Genre: Thriller
Episodes completed: 16
Channel: Life OK

Ek Thi Naayika was a special TV series created for the promotion of the super-natural thriller *Ek Thi Daayan*. It featured the biggest actresses of Indian television and was aired in the form of an 8-series show, with each episode highlighting the triumph of good over evil.

OUR TELEVISION BUSINESS

UPCOMING SERIALS

MERA TERA RISHTA PURANA

To premier: H2 of FY14
Lead actors: Cezanne Khan, Divyanka Tripathi, Aly Goni, Vineet Raina
Genre: Family drama
Channel: Star Plus

The underlying premise of *Mera Tera Rishta Purana* is the story between a mother and a child who develop a unique bond between themselves.

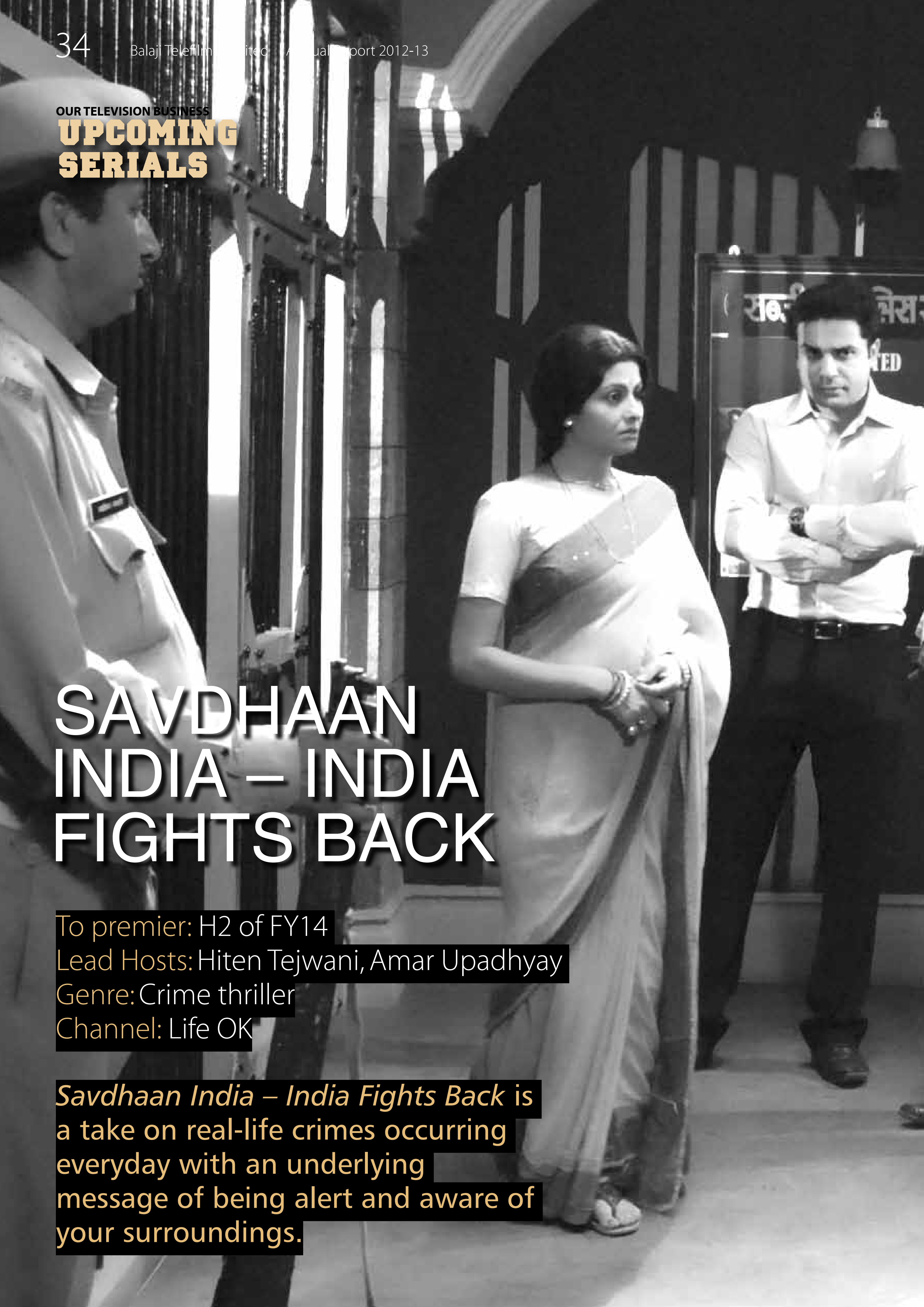
The underlying premise of *Mera Tera Rishta Purana* is the story between a mother and a child with a unique bond between themselves. It is this bond with the child that brings two individuals – Raman and Ishita, dealing with their own pains, into each other's lives. Ishita, the daughter of Vishvanathan and Madhavi Iyer, has been abandoned by her fiancé for her inability to bear a child due to which her world comes crashing down. She picks up the pieces of her life and tries to move on, although her mother is still on the quest for a suitable alliance.

On the other hand Raman, once an affable person, is now hardened by the cruel end of his marriage. His extraordinarily beautiful wife Shagun, with whom he had an arranged marriage, abandoned him for his boss, who's a suave, outgoing and affluent person. Raman, who was madly in love with his wife, is now shattered and repulsed by the idea of being with a woman. Shagun takes away their elder son Aditya who is 11 years old, but leaves behind 4-year old Roohi. She looks exactly like her mother, which brings back haunting memories of Shagun and results in the father neglecting the innocent child.

Unloved and not looked after properly by her father, Roohi is sent to Delhi to be in the care of Raman's parents, who are the neighbours of the Iyers. Here amidst the hilariously turbulent friction between the Punjabi and South Indian family, the intense motherly love of Ishita blooms for the 'motherless' Roohi. Through the tests of time, love will blossom between these two very different individuals and she will also define the true essence of being a mother. Finally, when Shagun comes back to reclaim her daughter in a bitter fight for Custody, it is Raman who shall redeem and stand up for Ishita – Roohi's 'real' mother.

OUR TELEVISION BUSINESS

UPCOMING SERIALS

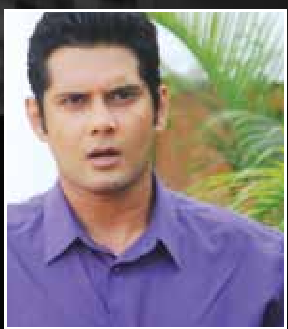
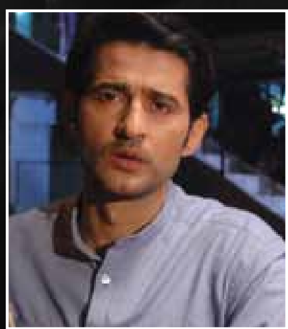


SAVDHAAN INDIA – INDIA FIGHTS BACK

To premier: H2 of FY14
Lead Hosts: Hiten Tejwani, Amar Upadhyay
Genre: Crime thriller
Channel: Life OK

Savdhaan India – India Fights Back is a take on real-life crimes occurring everyday with an underlying message of being alert and aware of your surroundings.

सावधान इंडिया
100 Days, 100 Fights Back


Savdhaan India – India Fights Back is a real-life documentary drama which focusses on India's fight for justice against shocking real-life crime cases. These are real-life stories of real-life heroes who do not succumb to crime. It is a take on real-life crimes that occur every other day with an underlying message to be alert and aware of your surroundings. The show will unravel stories that fail to get a voice and will narrate a dramatised, but not fictionalised, account of what actually happened at the crime scene.

The show depicts how heinous crimes such as murder, kidnapping, rape, robbery, fraud, sexual assault and forgery are happening every single day at every nook and corner. Despite living in ignorance, the entire society is plagued with crimes round-the-clock. It demonstrates how turning a blind eye to the situation is not the solution. While few stories surface and the larger populace come to know about them, hundreds and thousands of unfortunate incidents change some lives forever.

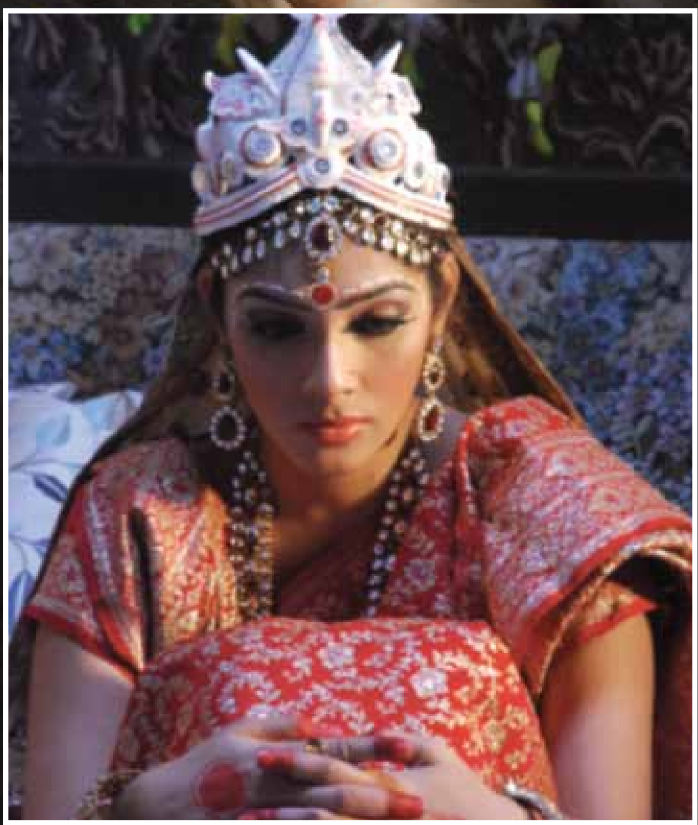
OUR TELEVISION BUSINESS

UPCOMING SERIALS

PAVITRA BANDHAN

To premier: July 2013
Lead actors: Yash Tonk, Hritu Dudani
Genre: Family drama
Channel: Doordarshan

Pavitra Bandhan is an interesting story set in the backdrop of the beautiful landscapes of West Bengal and showcases the enriched Bengali culture.



Pavitra Bandhan is a metaphorical take on the story of this young free-spirited woman. It is a poignant and passionate tale of a young woman who has been pushed by destiny and circumstances into a situation which is like a dark and endless night. And she has to still lighten other people's life without the love of her life. The show depicts whether she will be able to survive the never-ending night to finally get her love. This is a not a typical love story, but an interesting story set in the backdrop of the beautiful landscapes of Bengal and showcases the enriched Bengali culture of a young lower middle class girl and an older rich man who does not believe in love any more.

STRATEGIES IN PLAY FOR OUR TELEVISION BUSINESS

TRANSFORMING THE UNDERPINNING BUSINESS MODEL TOWARDS BETTER PROFITABILITY, PREDICTABLE GROWTH

Our infrastructure – in-house cameras, lights and sets – are effectively utilised to amortise our fixed costs and produce more shows.

Operational efficiency and cost rationalisation have been our key focus areas. We have adopted the practice of stringent cost control across the operational side through strict monitoring and effective benchmarking. This helps us in taking informed decisions without compromising on the quality of production. It also helps in translating this into strong revenue growth over next 2-3 years. Optimum utilisation of our existing sets and an effective management reporting system helps us continuously monitor and control costs at all levels. Our key strategy has been effective planning of each episode and utmost efficiency in execution, which gives us the capability to translate the cost savings into numbers. With these strategies in place, we continue to maintain our core competencies in fiction television programming with no deviation from our brand of core programming.

COST RATIONALISATION

As a conscious strategy, we plan each episode well in advance and increase our daily output by at least 20-25% at the shoot level. This enables us in becoming more efficient and producing more episodes each month. Each show is being accounted for separately with more clarity per show, per channel. We are also revamping our old sets at much lower costs and are using the same sets for new shows. Using the same infrastructure, we manage to shoot more number of episodes, which increases our margins and gives higher revenues. Our cost control initiatives will result in further healthy realisations going forward.

CO-PRODUCTION MODEL

Our constant focus is to reduce overhead expenses by amortising fixed and infrastructural costs. Our 23 modern studio sets and 26 editing suites, including other fixed-cost infrastructure, are amortised by co-producing additional shows. Currently, we are co-producing *Gumraah: End of Innocence (Season 3)* on Channel V with Lost Boy Productions and *Savdhaan India* on Life OK with a co-producer. Using this model, our infrastructure consisting of in-house cameras, lights and sets and other fixed costs are effectively and optimally used to produce additional TV shows.

HEALTHY PROJECT PIPELINE

Television programming continues to be one of our key areas of focus and we are venturing into new serials in FY2014 under the Hindi GEC segment. With our basket of commissioned programmes set to increase, FY2014 will see a whole set of new TV shows targeted at capturing sensibilities of different audiences on GEC and non-GEC segment. In addition to our shows currently on air, we are gearing up to expand our portfolio in the Hindi GEC segment, by launching 5-6 new TV shows during FY2014 alone. We have recently launched a historical love story *Jodha Akbar* on Zee TV. Besides *Gumraah: End of Innocence (Season 3)* on Channel V in association with Lost Boy Productions and *Savdhaan India* on Life OK, we are producing *Mera Tera Rishta Purana* for Star Plus. We have also received an approval for two new shows on Doordarshan (DD) under the GEC segment. All these shows are expected to go on air in the second half of FY2014.

Our upcoming TV shows are radically different and are aimed at appealing to existing audiences and winning new audiences. *Mera Tera Rishta Purana* is a fiction-show based on Manju Kapur's novel 'Custody'. Besides traditional family-based shows, we are focusing on other genres as well. *Jodha Akbar* is a first-time ever costume drama on television based on the epic *Jodha Akbar*. Through *Gumraah – End of Innocence (Season 3)* on Channel V and *Savdhaan India* on Life OK, we are adding youth-based entertainment to our overall basket of assorted TV shows.

STRATEGIES IN PLAY FOR OUR TELEVISION BUSINESS

LEVERAGING OUR CORE STRENGTHS IN CREATIVITY TO BUILD AN EVEN DEEPER PORTFOLIO

While our business model is further strengthened through the addition of film production, television programming continues to be a key factor for attaining sustainable growth. We are widely credited with fuelling the satellite television boom in India with a string of top-rated shows across channels. Through the TV segment, we are aiming to build an even deeper portfolio of strong and meaningful content.

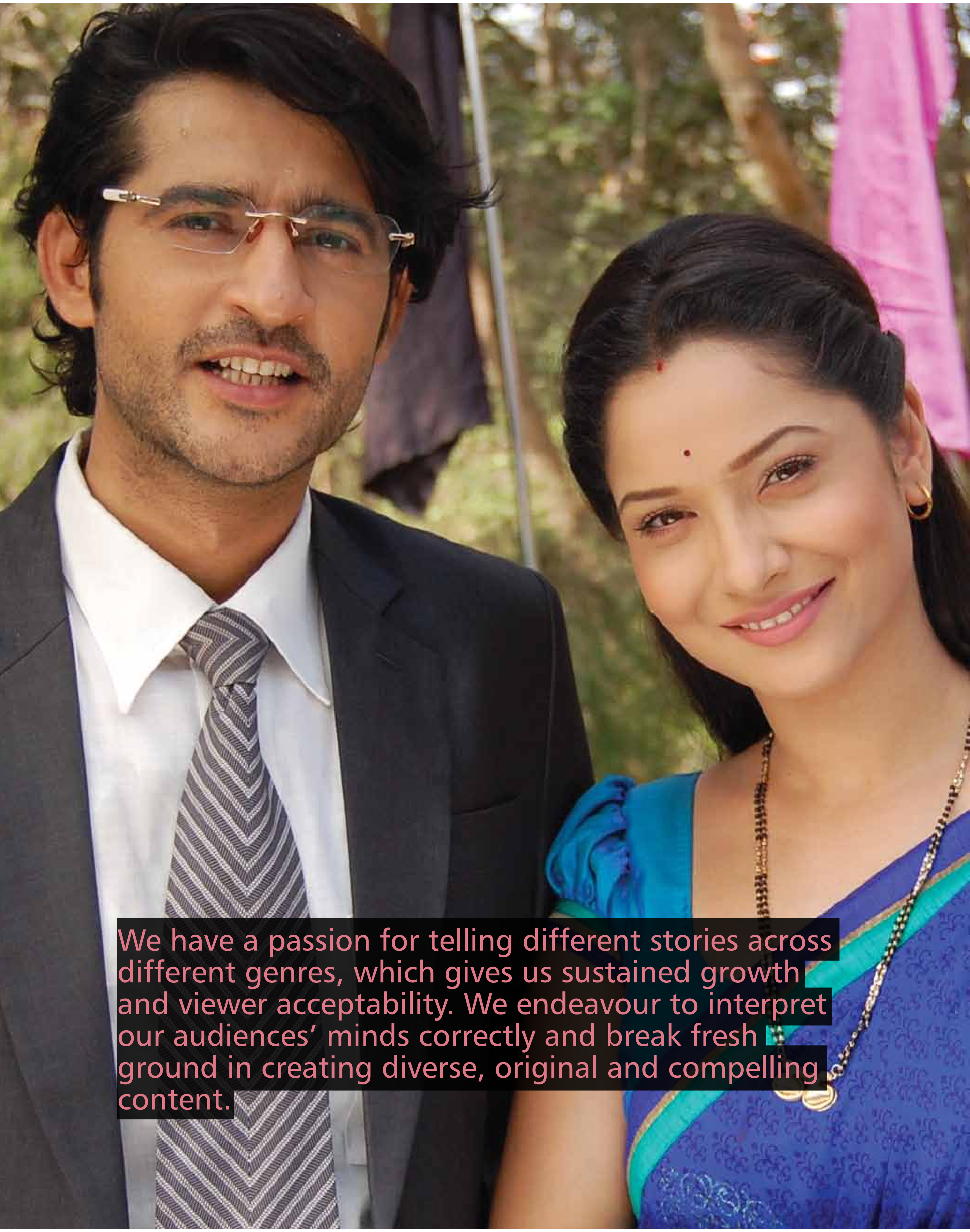
WINNING AUDIENCES

At Balaji Telefilms Limited, the quality of content has never been compromised, helping us make a mark as the leading content fiction provider for family audiences. We are passionate in telling different stories across different genres, which gives us sustained growth and viewer acceptability. We interpret our audiences' sentiments correctly and break fresh ground in creating diverse, original and superior content. Show after show, we entertain our viewers with some of the most puritan characters on television. We understand that television is more mass oriented and are thus constantly hungry to know what the audience demands, which help our TV shows earn loyal and lasting viewership. We provide original and though-provoking content which is evident from the growing popularity of our recent TV shows. Our diverse storyline and fresh concepts appeal to viewers across age groups.

ECLECTIC CONTENT

The daily struggle of a middle class family life shown in *Pavitra Rishta*, a mature love story in *Bade Achhe Lagte Hain*, the fight of a common man for survival in *Parichay* and the emotional turmoil of a young couple in *Kya Huaa Tera Vaada* match up to evolving audience tastes and carve a niche in the entertainment space. Our shows cut across language barriers and geographies and we leverage our strengths in creativity to provide content catering to audience tastes. What further engages our viewers is the versatility and middle-class values depicted through most of our shows. Going forward, our focus is to provide a diverse offering across all GECs.

Our soon-to-be-launched projects are also refreshingly original and a result of creative expression, aimed at enhancing viewer experience through fresh and varied content. Our new show *Gumraah Season 3* based on juvenile crime has been a landmark in television programming. Our recently launched show *Jodha Akbar* is a historical saga and period love story of Mughal Emperor Akbar and his Hindu wife Jodha Bai. Our compelling content, creative marketing and resource strength enabled us to establish ourselves as a mature and determined organisation in the dynamic space of media and entertainment.



We have a passion for telling different stories across different genres, which gives us sustained growth and viewer acceptability. We endeavour to interpret our audiences' minds correctly and break fresh ground in creating diverse, original and compelling content.

STRATEGIES IN PLAY FOR OUR TELEVISION BUSINESS

TOTAL EXIT FROM SPONSORED PROGRAMMING FOR INCREASED PROFITABILITY

New launches and healthy realisations from commissioned programming will increase our profitability and give us stable growth.

During the year, we tweaked our TV business model to completely exit the sponsored segment and moved fully towards commissioned programming. This was aimed at improving margins and revenue growth and keeping costs under control. As compared with 425 hours in FY2012, the number of sponsored programming hours decreased to 217 during FY2013. On the other hand, from 462 hours of commissioned programming (only Hindi), FY2013 witnessed 558 hours.

The model enables us to earn rent from the channel by avoiding overhead marketing costs. Even as the closure of sponsored programming helped us turn around our core TV production business, steady commissioned programming hours gave a fillip to our revenues.

HIGHER REALISATIONS

By virtue of our exit from sponsored programmes, our television production business is expected to turn profitable once again and improve our EBITDA margins. In addition to this, rise in production hours for Hindi GECs, new launches and healthy realisations from commissioned programming (₹ 21.60 lakhs/hour in FY2013 vis-à-vis ₹ 19.50 lakhs/hour in FY2012) will increase our profitability and give us stable growth. Going forward, the Company will focus on higher-realisation commissioned show business with focused cost management to boost margins further.

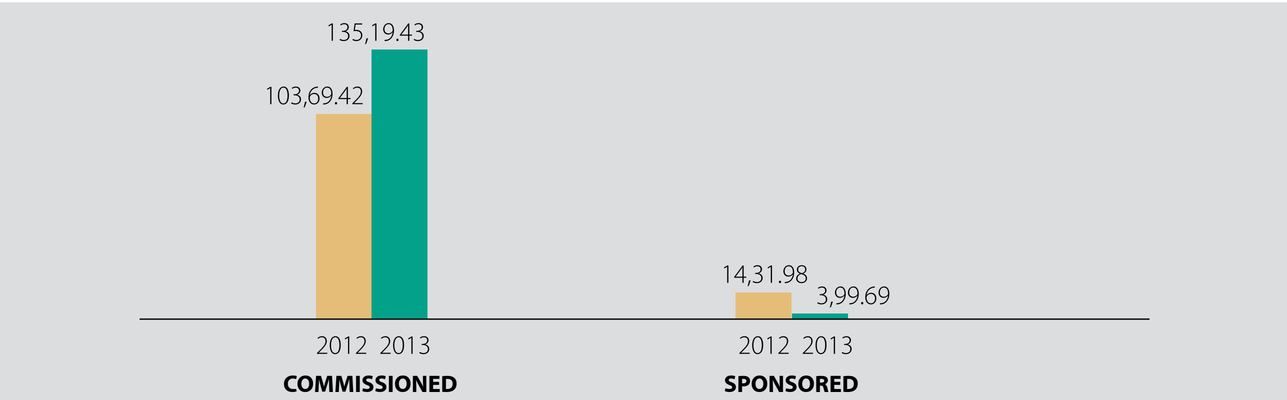
We aim to focus on commissioned show business with focused cost management to boost our margins further.

CHANNEL-WISE PROGRAMMING HOURS (FY2009 TO FY2013) (COMMISSIONED VS SPONSORED)

CHANNEL	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
COMMISSIONED					
Star TV		2	105	220	568
Star One		98	69		
Star Pravah-Marathi		144	18		
Sony	209	109		89	57
Colors	125	84	57	140	6
Zee	129	139	148	115	93
Zee-Marathi	6	104	125		
Zee-Bangla		53	14		
Imagine		20	228	200	44
INX					156
Mahuaa TV		74			
Get Punjabi		18			
ETV Kannada	23				
Channel V	89				
Life OK	1				
SAAM TV	125				
Others					6
Total	707	845	764	764	930
SPONSORED					
Sun Network	53	425	654	638	568
Udaya TV	109				
Gemini TV	55				
Total	217	425	654	638	568
GRAND TOTAL	**924**	**1270**	**1418**	**1402**	**1498**

Figures in No. of Hours

SEGMENT-WISE REVENUE CONTRIBUTION



Figures in ₹ Lakhs

OUR FILMS BUSINESS

CONSISTENT SUCCESS AT THE BOX OFFICE

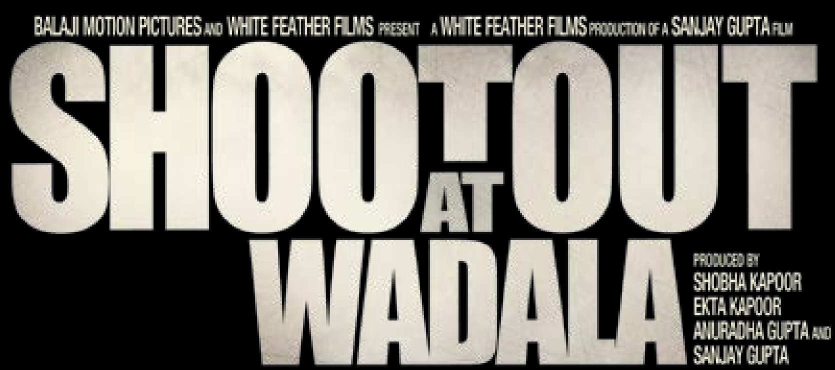
Our prime focus is to build a diversified film portfolio by either producing or co-producing movies to generate commercial success and deliver superior returns.

Release date: April 2013
Genre: Supernatural thriller
Actors: Emraan Hashmi, Konkona Sen Sharma, Huma Qureshi, Kalki Koechlin
Produced by: ALT Entertainment
Director: Kannan Iyer

Ek Thi Daayan

A Kannan Iyer Film

Ek Thi Daayan, a co-production with Vishal Bhardwaj and directed by Kannan Iyer, is a supernatural thriller. The movie marked the first-ever association of Balaji Motion Pictures Limited with Vishal Bhardwaj. Set in contemporary Mumbai, the film narrated a believable story of a magician who is a master in his craft. Woven beautifully between the world of magic, occult and suspense, *Ek Thi Daayan* made for compulsive viewing, providing some spine-chilling thrills at short gaps. It received rave reviews from viewers with people addressing it as a new concept movie with ultimate graphics and effects. This is one of the most unique horror movies to have been launched in Indian film industry in a long time.



Release date: May 2013
Genre: Action, crime thriller, drama
Actors: John Abraham, Anil Kapoor, Kangana Ranaut, Tusshar Kapoor, Manoj Bajpai, Sonu Sood
Produced by: Balaji Motion Pictures Limited
Director: Sanjay Gupta

The multi-starrer gangster flick *Shootout At Wadala* is a co-production with Sanjay Gupta and a prequel to *Shootout At Lokhandwala*. This is a gangster film based on the first police encounter of Manya Surve (Manohar Surve) who decided to take on Dawood Ibrahim and challenge his supremacy over Mumbai. The movie is based on S. Hussain Zaidi's account of the rise and fall of a mafia don in the Mumbai of 1970s projected in his book 'Dongri to Dubai'. It is an out-an-out mass entertainer and a stylised cinematic version of what is essentially a journalist's account of the true story.

The entertaining element for audiences was smart dialogue, solid and great performances. The movie dramatises the first-ever registered encounter by the Mumbai police where gangster Manya Surve was shot dead in 1982. It is one of the most realistic presentations of the famous encounters the Indian judiciary or the police records have ever witnessed.

OUR FILMS BUSINESS

CONSISTENT SUCCESS AT THE BOX OFFICE

KYAA SUPER KOOL HAIN HUM

Month of Release: July 2012
Genre: Adult comedy
Actors: Riteish Deshmukh, Tusshar Kapoor, Neha Sharma, Sarah-Jane Dias, Anupam Kher
Produced by: Balaji Motion Pictures Limited
Director: Sachin Yardi

Kyaa Super Kool Hain Hum is a sequel of the erstwhile comic blockbuster *Kyaa Kool Hain Hum*. It is a zany entertainer belonging to the hardcore commercial cinema category and was successful in magnetising the masses in hordes.

With hardly a dull moment in the swift screenplay and water-tight first half, the film concludes on an unpredictably sprightly high. The lead actors have been admired for their impeccable comic timing and boyish charm. The songs *'Dil Garden Garden Ho Gaya', 'Shirt Da Button'* and *'UP Bihar Lootne'* are wonderful tracks.

OUR FILMS BUSINESS

PROJECT PIPELINE

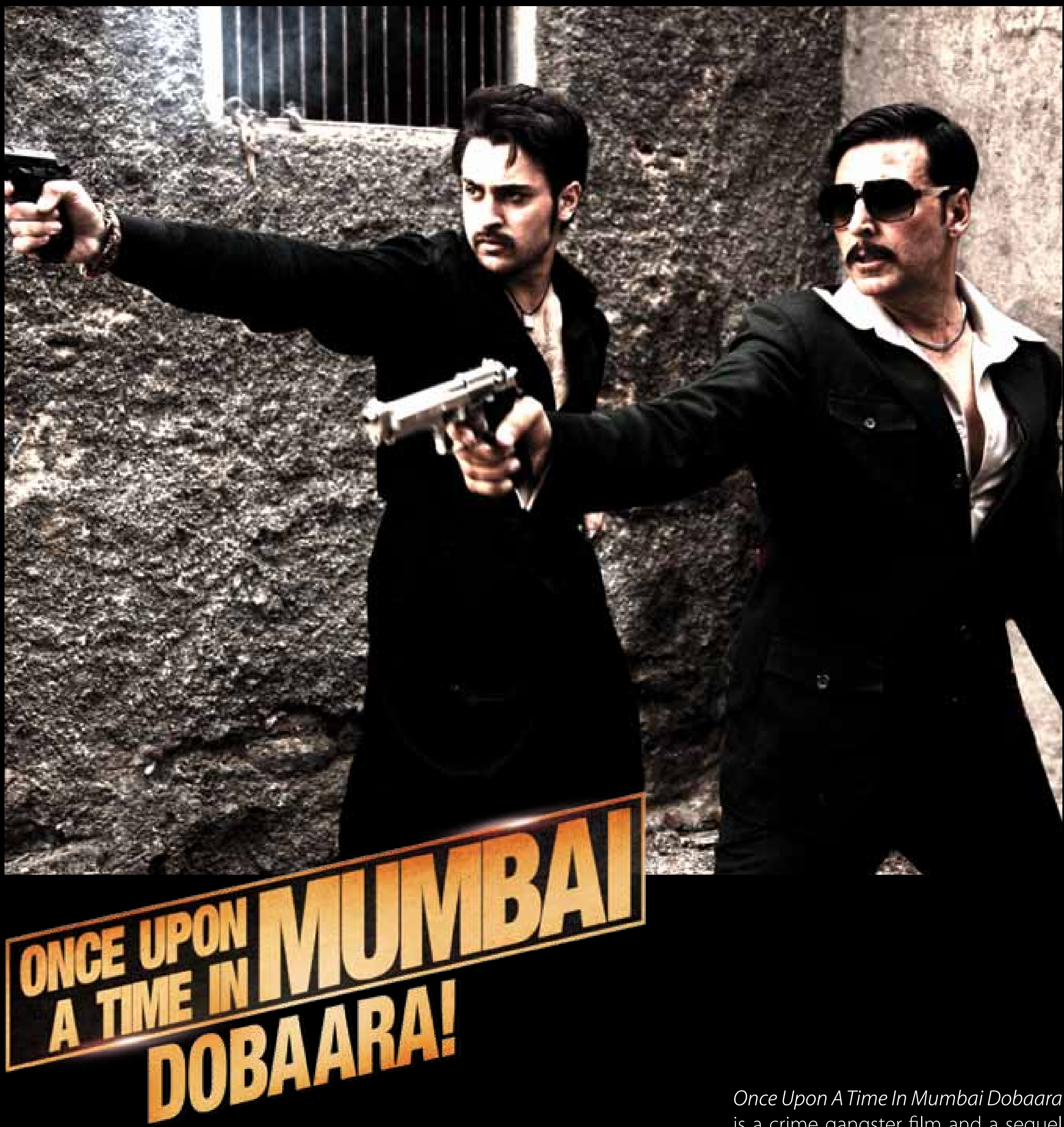
LOOTERA

Release date: July 5, 2013
Genre: Romance, Suspense
Actors: Ranveer Singh, Sonakshi Sinha
Co-Produced by: Balaji Motion Pictures Limited, Anurag Kashyap and Vikas Bahl
Director: Vikramaditya Motwane

Lootera is an epic period love story which marks the first-time pairing of Ranveer Singh and Sonakshi Sinha. It is an old-fashioned period romance directed by Vikramaditya Motwane of the acclaimed and gritty coming-of-age movie *Udaan*. Inspired by American author O'Henry's The Last Leaf, *Lootera* is the uplifting story of two lovers – of heartbreak, betrayal and ultimate redemption. It is period drama set in 1950s in rural Bengal and Dalhousie and recreates the bygone era. The backdrop is the abolition of the zamindari system.

The movie has been shot on 35mm and filmed mostly on location in cavernous mansions, emerald fields and snow-covered hills. High elements are the locations in Bengal with stretches of fields and old-world houses and it evokes the spirit of the golden age of Hindi cinema, the 1950s.

OUR FILMS BUSINESS
PROJECT PIPELINE



Release date: August 15, 2013
Genre: Crime thriller
Actors: Akshay Kumar, Sonakshi Sinha, Sonali Bendre, Imran Khan
Co-Produced by: Balaji Motion Pictures Limited
Director: Milan Luthria

Once Upon A Time In Mumbai Dobaara is a crime gangster film and a sequel to the 2010 hit movie *Once Upon a Time in Mumbaai*. Directed by Milan Luthria of *The Dirty Picture* fame, the movie sheds light on the underbelly of crime in the entertainment capital of Mumbai and is inspired by fugitive gangster Dawood Ibrahim. The film is different from its prequel and is a romantic trail. While the prequel was about power struggle, this one focusses more on romance and music. The director has added a contemporary touch to the film and shot on the streets of Mumbai. It effectively draws parallels on celluloid and recreates the images.

OUR FILMS BUSINESS

SYNOPSIS OF MOVIES UNDER PRODUCTION

We aim to create a long-term strategy of building a strong library of content and monetising our IP over the years.

RAGINI MMS 2

Expected Month of Release: October 2013

Genre: Thriller, Horror, Romance

Actors: Sunny Leone, Sandhya Mridul

Directed by: Bhushan Patel

Produced by: ALT Entertainment

This youth oriented film has Sunny Leone playing the lead role. This sequel to *Ragini MMS,* the biggest sleeper hit of 2011, will be a heady combination of thrill, horror, sensuousness and drama. The movie is a spook fest and takes the story forward from where the prequel left off.

KUKU MATHUR KI JHAND HO GAYI

Expected Month of Release: September 2013

Genre: Drama

Actors: Siddharth Gupta, Simran Kaur Mundi

Directed by: Aman Sachdeva

Produced by: Balaji Motion Pictures Limited and Bejoy Nambiar

This quirky Delhi-based riotous comedy introduces Siddharth Gupta opposite former Miss India Simran Kaur Mundi. Director Aman Sachdeva makes his directorial debut with this comedy entertainer which has one of the most hilarious and entertaining scripts.

SHAADI KE SIDE EFFECTS

Expected Month of Release: December 2013

Genre: Comedy

Actors: Farhan Akhtar, Vidya Balan, Ram Kapoor, Ila Arun

Directed by: Saket Chaudhary

Produced by: Balaji Motion Pictures Limited, Pritish Nandy and Rangita Nandy

This is a sequel to the 2006 hit-flick *Pyaar Ke Side Effects*. With Vidya Balan and Farhan Akhtar in leads, the story focusses on iconic characters, Sid and Trisha, played by Rahul Bose and Mallika Sherawat in the sequel. The movie promises to capture excitement, magic and romance on celluloid like never before.

STRATEGIES IN PLAY FOR OUR FILMS BUSINESS

MAKING A MARK THROUGH CUTTING-EDGE CINEMATIC CONTENT

We are highly focused on making cutting-edge, exciting and diverse content, satiating the diverse sensibilities of the discerning audience.

Content is our *raison d'être* behind narrating a story. The big screen gives us even greater scope for creative freedom, a fact reflected in the kind of movies we make. Within a short time span, we have earned the reputation of being a good judge of quality and are highly selective of our scripts. We have also gained capabilities in identifying new talent and even resurrecting existing talent. Year after year, we continue to remain highly focused on generating cutting-edge, exciting and diverse content to satiate the sensibilities of our diverse and discerning audiences.

STYLE & SUBSTANCE

Our movies have managed to push the envelope in terms of style and substance, staying within the commercial parameters of mainstream Hindi cinema. Through Balaji Motion Pictures, we focus on churning out a diverse range of movies such as *Shootout At Lokhandwala, Once Upon a Time in Mumbaai* and *Once Upon a Time in Mumbai Dobaara.* While through ALT Entertainment, we cater to new-age and alternate film content such as *Love, Sex Aur Dhokha, The Dirty Picture* and *Ragini MMS.* These are radically different from our family-oriented soap operas.

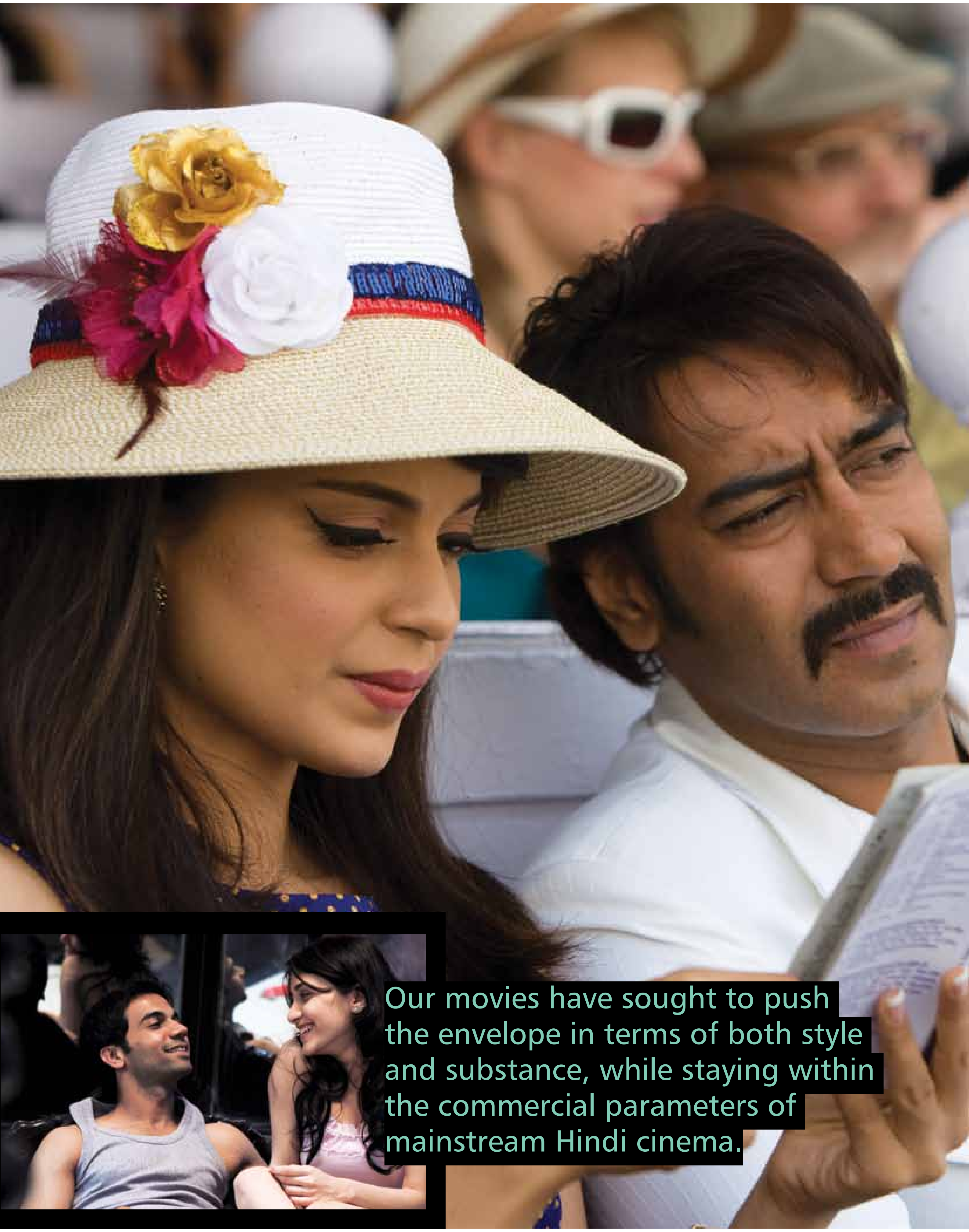
UNIQUE, DIVERSE

We strive to create movies catering to diverse genres. We make low-budget films winning critical acclaim such as Milan Luthria-directed mass entertainer *The Dirty Picture*. In fact, BMPL recently won a landmark judgement before the Bombay High Court where a production house has been permanantly restrained from using the movie title.

We have always focused on making movies which yield great dividends for audiences and shareholders. We want to create a long-term strategy of building a strong library of content and monetising our intellectual property over the years.

Forward and Backward Integration

- Strong content creativity leading to better scripts
- Proven ability to identify and back the right idea and content
- Setting up distribution network in the Mumbai territory selectively



Our movies have sought to push the envelope in terms of both style and substance, while staying within the commercial parameters of mainstream Hindi cinema.

STRATEGIES IN PLAY FOR OUR FILMS BUSINESS

SCALING UP TO BUILD NEW GROWTH DRIVERS

With 4 big-screen commercial successes released between FY2011 and FY2012, we have unquestionably etched our name onto the film industry. Known for our prowess in television content, we are also now a recognised, admired and an integral player within the movie creation business.

Complementing our television business, we expect our films vertical to contribute significantly to our revenues. We also expect it to be the key future growth driver for the Company, both in the short and medium term. While we project our TV production business to grow steadily and continue to be the base of our rock-solid creative foundation, our movie foray should provide Balaji Telefilms Limited (BTL) a precipitous upside given the strong pipeline of movie projects scheduled to be released in FY2014 and FY2015.

Despite being a relatively new player in this segment, Balaji Motion Pictures Limited (BMPL), a wholly-owned subsidiary of BTL, has garnered a formidable degree of recognition from the establishment. During the year, BMPL resurrected a decidedly successful sequel to its 7-year old franchise *Kyaa Kool Hain Hum*. The year also witnessed the release of the super-natural thriller *Ek Thi Daayan* and the blockbuster hit *Shootout At Wadala*, a prequel to our earlier huge successful movie *Shootout At Lokhandwala*. With this sustained and recent track record of commercial hits and armoured with a strong slate of films expected to be released over the FY2014 and FY2015 period, BTL has deservedly gained a permanent seat amongst the elite production houses in the Media & Entertainment industry. In fact, it is the only one to have the enviable reputation for successfully conquering both the television and the films domain.

RELEASES ON THE UPSWING

To scale up our movies production business, we created an ecosystem that will ensure a steady pipeline for the next few years. Instead of just 1-2 releases per year, FY2014 and FY2015 will witness around 6-8 movie titles being released each year. This feat will be commendable for a Company which has just entered its fifth year into the movies business and is now already on par with some of the older established production houses. We are further building on our string of successes led by hits such as *The Dirty Picture*, *Once Upon a Time in Mumbaai*, *Love, Sex Aur Dhokha*, *Ragini MMS* and *Kyaa Super Kool Hain Hum*. Our resounding success with these movies has given us immense credibility and has established us as amongst the leading movie producers of today.

We aspire to win audiences of all flavour and age groups. Through Balaji Motion Pictures and ALT Entertainment (divisions of BMPL), which is a separate identity carved for movies falling in the genre of alternative entertainment (such as *Love, Sex Aur Dhokha* and *Ragini MMS*), we cater to both the traditional family entertainment formats as well as to new categories showcasing youth-oriented and controversial subject matters.

The line-up of movies includes co-productions with Dharma Productions (Karan Johar) etc. This is indicative of our strong gravitation towards partnering the most exciting and trend-setting talents in the business. As an indication, BMPL tied up with producer-writer-director Anurag Kashyap to produce *Lootera*, starring Ranveer Singh and Sonakshi Sinha, directed by Vikramaditya Motwane, the maker of the critically acclaimed movie *Udaan*. Additionally, *Once Upon a Time in Mumbai Dobaara*, a prequel to Milan Luthria's *Once Upon a Time in Mumbaai*, is also scheduled to be released on August 15, 2013.

LEVERAGING THE CO-PRODUCTION MODEL

While in-house production is the thrust area, BMPL is focusing on co-production as a business model. This provides us better abilities to scale our business without compromising on quality content. We maintain a high degree of day-to-day budget control through the appointment of dedicated auditors, avid supervision and regular management information systems.

During FY2014, BMPL has a portfolio of 6-8 new releases. Of the new ones, *Lootera* has been co-produced with Phantom Films, while *Shaadi Ke Side Effects* has been co-produced with Pritish Nandy Communications. Going forward, 3-4 of the upcoming releases in FY2014 are being co-produced with leading film makers.

MAKING A DISTRIBUTION MARK

To increase our profitability and revenue upsides from potential blockbuster hits, we have enhanced BMPL's business model to include the distribution business of our own movies through a dedicated and highly experienced in-house team. During the year, BMPL distributed some movies in the key Mumbai territory as a starting point. Going forward, BMPL plans to distribute its movies scheduled to release in FY2014 across the Mumbai territory on a selective basis. In time, the Company expects to also distribute other producers' content and widen its overall EBITDA by capturing the additional value stream of the distribution business into its revenues.

GOING FORWARD

We have aspirations of becoming a film production house that can sustainably replicate growth and value expansion year after year. We are already working on our slate of films for FY2016 to give us clear visibility over the next 2-3 years. In this period, we also aim to perpetuate our existing franchises such as *Ragini MMS* and *Once Upon a Time in Mumbaai* further. Our focus will continue to be set on winning audiences through a combination of great content and talent.

To further our plans of scaling up, we are planning our foray into the talent management industry. We will cherry-pick each new talent and strive to be seen as a magnet for talent and a hub where every new talent finds a value driver. Going further, we want to be seen as the first choice for every good director, actor and producer in the movies business.

Strengthening Distribution & Marketing Capabilities

- Theatre rights sold closer to date of release to achieve optimal value
- Capitalise presence across large, medium and small budget movies
- Ability to bundle a package with broadcasters and music companies
- Leverage on strong industry relationships, goodwill and experience

STRATEGIES IN PLAY FOR OUR FILMS BUSINESS

DE-RISKING OUR BUSINESS BY FOCUSING ON NON-THEATRE REVENUES, COST RATIONALISATION

We stress on cost efficiency by reducing production costs and maximising existing infrastructure. Rather than being backseat drivers, we pull cost brakes from Day One of production to ensure cost optimisation.

Optimising costs and maintaining economies of scale has been the key *mantra* at Balalji Motion Pictures Limited (BMPL). More than controlling costs, our effort is to manage them smartly. Cost optimisation has been achieved by reducing production costs to the optimum level, maximising use of existing sets and integrating with co-producers to gain monetary support on promotional activities and marketing.

Rather than being backseat drivers, we believe in pulling cost brakes from Day One and converting every single rupee saved into higher profits and improve our return ratios. We have an external auditor for each project for effective cost analysis and cost control. In addition to this, we also manage to leverage our goodwill, performance and promoters' legacy by not getting heftily charged by actors.

DE-RISKING THE NON-THEATRE WAY

We focus on increasing non-theatre revenues and de-risking as much as possible by covering ourselves well prior to theatre sales. To optimise risk-return trade-off, we pre-sell our distribution rights and earn a reputable profit through sale of music, satellite, overseas subscription rights and ancillary revenues. Non-theatre revenues comprise between 50% to 70% of total revenue and start flowing in almost 3-6 months prior to the theatre release. As a strategy, we capitalise by pre-selling distribution and satellite rights. For our upcoming movies *Lootera* and *Once Upon a Time in Mumbai Dobaara*, we pre-sold our audio and satellite rights and committed sale of rights for music, overseas and home video for the other movies due for release.

CUSP OF A TURNAROUND

Our USP has been zero leverage and strong balance sheet with no debt and high cash, which helps us further de-risk our business. At the end of FY2013, the Company had no debts on its book, making the overall balance sheet healthy. It had high cash and cash equivalents of ₹ 129,77 lakhs in FY2013, which has been invested in mutual funds and other investment avenues. For FY2013, cash per share stood at ₹ 20, which is very high providing favorable risk-reward ratio, going forward. The Company is fully funded for its next phase of growth, with no equity dilution and debt leverage required. It will use the funds to produce films on a rolling basis during FY2014, on which it expects good returns.

SIGNIFICANT CASH BALANCE (FY2009 TO FY2013) (CONSOLIDATED)

PARTICULARS	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Cash & Cash Equivalents	129,77	215,99	210,82	212,66	227,52
No. of Shares (Nos.)	65210443	65210443	65210443	65210443	65210443
Cash & Cash Equivalents (per share)	20	33	32	33	35

Satellite Syndication

- Exploring best possible deals for cable and satellite licensing deals, including music rights
- Aiming at pre-licensing deals to de-risk revenues and assure returns

STRATEGIES IN PLAY FOR OUR FILMS BUSINESS

LEVERAGING RELATIONSHIPS

Our success lies in our ability to leverage relationships within TV and film industry across multiple formats, aimed at building our film slate and monetising it effectively.

- Besides own production, we co-produce movies, thus taking a lead on the time-intensive process of production and gaining access to good content on financially attractive terms, aimed at building our film slate more rapidly.

- Almost 3-4 of the upcoming releases are co-produced with leading film makers. *Lootera* has been co-produced with Anurag Kashyap, while we have co-produced *Shaadi Ke Side Effects* with Pritish Nandy Communications.

- We leveraged our ongoing relationship with Sony and used the platform effectively to market our upcoming movies. Recently, our TV show *Bade Achhe Lagte Hain* broadcasted promotions of *Shootout At Wadala*. This not only provides a ready platform, it also offers instant prime time visibility in India and overseas which is priceless.

- Innovative, clutter-breaking marketing has been the key for us. For the promotion of our super-natural thriller *Ek Thi Daayan*, we created 16 hours of TV programming, which was aired in the form of an 8-series show called *Ek Thi Naayika* on Life Ok.

- We settled our differences with Doordarshan (DD) amicably. We have gained their approval to produce two new TV shows which are under production stage and will be aired from the second half of FY2014.

- We have joined hands with Star Plus yet again and are producing some TV shows for the channel.

- Our association with Doordarshan and Star Plus is path-breaking and expected to open up a new window of opportunities in the Hindi and regional GEC segment.

WIDENING OUR PERIPHERY

We conduct our operations through various divisions, with each division specifically targeted at a particular segment. This segregation of our overall architecture reflects the fact that we have evolved into a media powerhouse, offering new verticals across platforms.

We look for categories which are in sync with our existing lines of business and within the purview of our core strengths in film and TV production.

BOLT MEDIA LIMITED

BOLT Media Limited, a wholly-owned subsidiary of Balaji Telefilms Limited, has been conceptualised for independently creating and producing cutting-edge TV concepts across mainstream and regional television. Established in November 2012, the subsidiary aims to cover diverse genres such as youth, humour, reality, scripted reality and factual entertainment. It also endeavours to explore branded content such as digital brand solutions and short-form programming. It is also targeting to create Intellectual Property (IP) in the space of formats, events and digital content. In the first project since its incorporation, BOLT Media has produced eight brand customisation ad-films for Unilever's leading food brand Kissan, which have been telecast on various prime times on Zee TV. In its most recent project, BOLT Media has produced ad films/TV commercial for Vaseline Healthy White Body Lotion with Aashiqui 2 star Shraddha Kapoor.

FUTURE PIPELINE

BOLT Media is currently working on two shows – a fiction show and a historical documentary drama. It is also keenly watching advertisement-funded properties and strives to be an early runner in VFX through quality special effects. In addition, it is targeting to offer line-production expertise to

other production houses as well. It also proposes to explore partnerships with international format owners and is confident of soon having a diverse content pipeline across various shows. It is considering acquiring rights of internationally-produced shows and later producing them locally. For this, it has already entered into tie-ups with Level 10 and Tokyo-based Fuji TV for Iron Chef. BOLT Media's objective is to capture an unparalleled position in the market and continued leadership by identifying and executing new concepts and formats. It is pursuing opportunities with several channels and production houses It is further consolidating by adding more lines of business and creating its own IP across the TV media spectrum.

KEY DIFFERENTIATORS

- Pedigree of parentage
- Creative minds
- Highly experienced core team
- Path-breaking ideas
- Synergistic partnerships

MANAGEMENT OUTLOOK

Our Company has maintained its undisputed leadership position in television content space and we are widely credited for fuelling the satellite television boom, propelled by the sustained support of India's television audience. We are constantly breaking fresh ground in producing boundary-breaking TV content, earning lasting and loyal viewership, and are also carving a unique niche for ourselves in the Indian film industry. Having gained domination in TV shows across various channels, the Company also forayed into movies production to leverage the growing possibilities of the Indian film industry.

Our movies have pushed the envelope in terms of style and substance. In fact, the big screen has given us greater scope for creative adventure and earned us the reputation of being a good judge for quality. Our low-budget and unconventional films earned us critical acclaim and revenues, helping us emerge as a force to reckon with and strengthening our faith in projects that dared to be different.

FOCUS ON QUALITY

The transformation is paying off handsomely and we now strategise to rewrite the rules the game. We aim to achieve this by focusing on quality, meeting audience expectations and maintaining a perfect balance between our dual delivery platforms. Going forward, we expect the movies business to contribute substantially to our overall revenues. We will continue to focus on Intellectual Property-based film and new media to bring in revenues.

To capitalise on growing opportunities in television and films, we are focused on value creation and strategically positioning ourselves in the market. We will continue to focus on cost rationalisation, optimisation of existing resources, increasing our film slate and leveraging opportunities in regional markets, developing and nurturing new talent, increasing distribution capabilities and films marketing, generating exciting content and winning new friends and audiences.

MOVING AHEAD

FY2014 is a milestone year as we enter the third decade in the TV production industry. With TV penetration still at the lowest level in Indian households, we anticipate TV to be the highest contributor to Media & Entertainment industry by FY2017, growing at a CAGR of 15%. We see the Average Revenue Per User (ARPU) to be supported by compulsory digitisation. We also foresee an increased penetration of TV households driven by rising incomes and increased digitisation for the industry and for Balaji Telefilms Limited as well.

During FY2014, we aim to augment our catalogue by enhancing the mix of our films and are hunting for our next big breakthrough. Our slate of movies for FY2014 will comprise 6-8 releases. '*Lootera*', '*Once Upon A Time in Mumbai Dobaara*', '*Ragini MMS 2*', '*Kuku Mathur Ki Jhand Ho Gayi*', and '*Shaadi Ke Side Effects*' are some interesting projects in the pipeline. The Company's aggressive marketing efforts towards new releases will open new markets and progressively unlock the value of its film library. Our earnings visibility is clear owing to the strength of our future pipeline of movies. We continue to be on a solid growth trajectory and endeavour to accelerate the execution of our business strategy in order to follow the next phase of growth.

With a turnaround in TV production business and strong traction in movies business, we see our revenues scaling up, going forward.

REAPING THE BENEFITS

As we diversify into new territories and make new conquests, we are confident our new growth drivers and new business model will start reaping the benefits during FY2014. We thank our investors, business partners and viewers for seeing us through difficult times and we also seek their participation in the journey ahead. With a turnaround in TV production business and strong traction in movies business, we see our revenues scaling up going forward. We are extremely optimistic of the journey ahead and consider the daunting challenges as a necessary part of our growth. We are poised to grow and leverage the remarkable opportunities in the Media & Entertainment space.

RISKS & INTERNAL CONTROLS

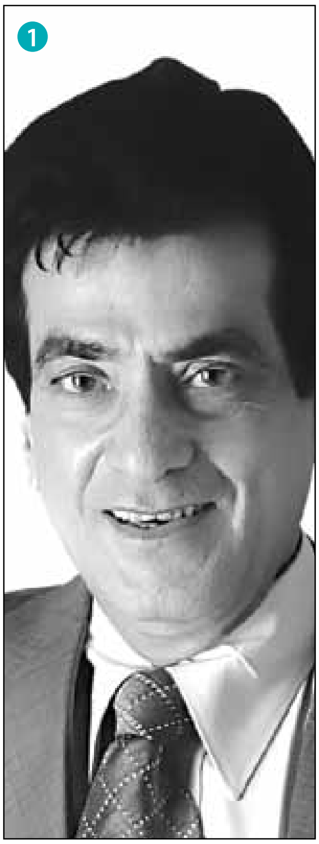
Our audit committee ensures statutory and regulatory control and transparency of all financial disclosures. Our internal audit team monitors and enhances operational efficiencies and ensures optimum effectiveness of the Company.

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

HUMAN RESOURCES

At Balaji Telefilms, our employees are our strategic assets – our key to success. We attribute the Company's significant growth since its incorporation to an immensely-talented workforce. Each employee is special and unique in his own way. We as an organisation cherish and believe in celebrating our employees' diversities and multifariousness. We also strongly believe this can go a long way in making our Company 'the most preferred workplace' in the years to come.

BOARD OF DIRECTORS

1


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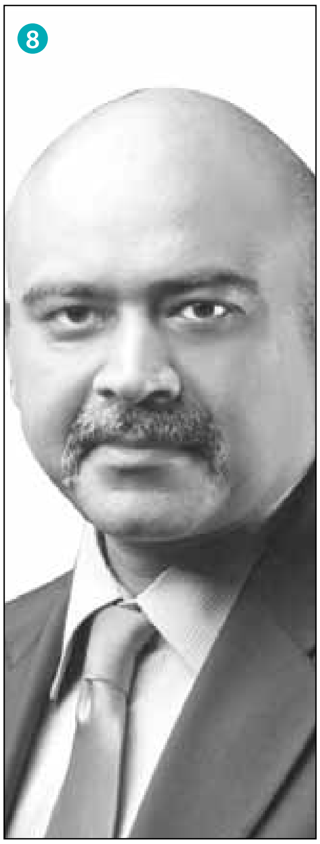


1. JEETENDRA KAPOOR

Chairman

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

2. SHOBHA KAPOOR

Managing Director

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

3. EKTA KAPOOR

Joint Managing Director

Ekta Kapoor has to her credit the revamping of India's television landscape. She pioneered an entire genre of television content, created successful shows and heralded the satellite television boom in India. Balaji's shows have been channel drivers for most broadcasters. As the creative force behind the Company's success, she believes in a hands-on approach in day-to-day creative direction of each of their TV shows and films. She routinely puts in 16 - 18 hour workdays and continues to move with the rapidly metamorphosing TV climate in the country. She has expanded her unmatched creative vision to motion pictures and new media verticals.

Under her creative guidance, Balaji has won almost every major television award in India. Her stellar work in creating a large content conglomerate at a young age garnered her several distinguished awards, including The Economic Times (Businesswoman of the Year 2002), Ernst & Young (Entrepreneur of the Year 2001) and the American Biographical Institute (Woman of the Year 2001), among others.

She was recently placed at the No. 3 position among '50 Most Influential Women' in the Indian marketing, advertising and media ecosystems by IMPACT magazine.

4. TUSSHAR KAPOOR

Director

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

5. AKSHAY CHUDASAMA

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

6. PRADEEP SARDA

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

7. D.G. RAJAN

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

8. ASHUTOSH KHANNA

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

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Nineteenth Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2013.

COMPANY PERFORMANCE:

A) FINANCIAL HIGHLIGHTS

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

₹ in Lakhs

Particulars	2012-13	2011-12
Income from operations	**140,85.25**	**129,35.60**
Total expenditure	134,45.76	136,45.25
Operating profit /(loss)	**6,39.49**	**(7,09.65)**
Interest	8.52	-
Depreciation	7,86.37	7,10.84
Operating profit /(loss)after interest and depreciation	**(1,55.40)**	**(14,20.49)**
Other income	18,16.81	26,48.95
Profit before tax	**16,61.41**	**12,28.46**
Provision for taxation	3,28.45	(90.41)
Net profit before tax before discontinuing operations	**13,32.96**	**13,18.87**
Loss from Discontinuing Operations	-	(1,57.88)
Net profit after tax before discontinuing operations	**13,32.96**	**11,60.99**
Balance brought forward from previous year	198,28.40	189,35.07
Appropriations		
Disposable profits	211,61.36	200,96.06
Proposed dividend	2,60.84	1,30.42
Corporate dividend tax	44.33	21.16
Transfer to general reserve	1,33.30	1,16.10
Balance carried to Balance Sheet	**207,22.90**	**198,28.40**

B) RESULTS OF OPERATIONS

For the year ended March 31, 2013, the Company earned total revenue of ₹ 140,85.25 lakhs, an increase of 8.88% over the previous year's ₹ 129,35.60 lakhs. As per the consolidated accounts, the total revenues have decreased by 0.97% from ₹ 187,79.90 lakhs to ₹ 185,97.48 lakhs in the year under review. The Company incurred net profit of ₹ 13,32.96 lakhs during the year under review as compared to a net profit of ₹ 11,60.99 lakhs in the previous year.

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

APPROPRIATIONS:

DIVIDEND

The Directors are pleased to recommend a final dividend of ₹ 0.4 per share (20% on a par value of ₹ 2 per share) for the approval of the members. The final dividend, if declared as above, would involve an outflow of ₹ 2,60.84 lakhs towards the dividend (previous year ₹ 1,30.42 lakhs) and ₹ 44.33 lakhs towards dividend tax (previous year ₹ 21.16 lakhs), resulting in a total outflow of ₹ 3,05.17 lakhs.

TRANSFER TO RESERVES

We propose to transfer ₹ 1,33.30 lakhs to the general reserve out of the amount available for appropriations. An amount of ₹ 207,22.90 lakhs is proposed to be retained in the profit and loss account.

SUBSIDIARY:

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

DIRECTORS' REPORT (Contd.)

BALAJI MOTION PICTURES LIMITED (BMPL):

Balaji Motion Pictures Limited (BMPL), the films division of Balaji Telefilms Limited (BTL) and its wholly-owned subsidiary, ranks among the top five film production houses in India.

Set up in 2007, it has earned formidable recognition in a short period of time. BMPL produces commercial cinema of diverse genres and themes meant for a universal audience. The ALT Entertainment brand creates commercial new-age cinema, with alternate sensibilities.

Balaji Motion Pictures, the motion picture arm of BTL, has established a reputation for pushing the envelope in terms of style and substance, while staying within the commercial parameters of mainstream Hindi cinema.

Some of its recent hits include *The Dirty Picture; Shootout At Lokhandwala; Once Upon a Time in Mumbaai; Shootout At Wadala; Shorr in the City; Ragini MMS; Love, Sex Aur Dhokha; Ek Thi Daayan* etc.

Past Year

During FY2012-13, the Company produced and released an adult comedy Kyaa Super Kool Hain Hum, a sequel to the erstwhile 2007 hit Kyaa Kool Hain Hum, which had established its mettle as a trend-setting film amongst the adult comedies. The Company distributed across India the Hindi version of Raaj Kamal Films International's *'Vishwaroopam'.* Going further, BMPL aims to distribute its own movies on a selective basis, in line with its macro vision of becoming a studio.

Future Pipeline

The Company recently produced and released *Ek Thi Daayan* on April 19, 2013 and *Shootout At Wadala* on May 3, 2013.

BMPL is focussed on expanding its presence in motion pictures across genres and budgets and is working on a slew of movies. FY2014 and FY2015 will see as many as 6-8 movie titles being released every year, which is a combination of in-house projects and co-produced ventures with reputed film-makers like Anurag Kashyap and Sujoy Ghosh.

Lootera, a romantic thriller, co-produced with Phantom Films, will be released on July 5. The romantic drama *Once Upon a Time in Mumbai Dobaara*, Milan Luthria's sequel to *Once Upon a Time in Mumbaai*, will be released on August 15, 2013. *Shaadi Ke Side Effects, Kuku Mathur Ki Jhand Ho Gayi and Ragini MMS 2* are among the other anticipated movies to be released in FY2014.

Moving ahead, BMPL will continue adding strengths and build on its existing competencies to emerge as a studio of reckoning in the film industry. BMPL aims to elevate the brand and keep winning audiences by continually producing movies with quality content, engaging storylines and superior talent.

BOLT MEDIA LIMITED (BOLT):

BOLT, a wholly-owned subsidiary of Balaji Telefilms Limited, has been conceptualised for independently creating and producing cutting-edge TV concepts across mainstream and regional television. Established in November 2012, the subsidiary aims to cover diverse genres such as youth, humour, neo- mythology, reality, scripted reality and factual entertainment. It also endeavours to explore branded content such as digital brand solutions and short-form programming. It is also targeting to create Intellectual Property (IP) in the space of formats, events and digital content. In the first project since its incorporation, BOLT has produced eight brand customisation ad-films for Unilever's leading food brand Kissan, which have been telecast on various prime times on Zee TV.

Future Pipeline

The company is currently working on two shows – a fiction show and a historical documentary drama. It is also keenly watching advertisement-funded properties and strives to be an early runner in VFX through quality special effects. In addition, it is targeting to offer line-production expertise to other production houses. It also proposes to explore partnerships with international format owners and is confident of soon having a diverse content pipeline across various shows. It is considering acquiring rights of internationally-produced shows and later producing them locally. And for this, it has already entered into tie-ups with Level 10 and Tokyo-based Fuji TV for Iron Chef. BOLT's objective is to capture an unparalleled position in the market and continued leadership by identifying and executing new concepts and formats. It is pursuing opportunities with several channels and production houses. It is further consolidating by adding more lines of business and creating its own IP across the TV media spectrum.

DIRECTORS:

In accordance with the Articles of Association of the Company, Mr. Tusshar Kapoor and Mr. Ashutosh Khanna, Directors retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

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

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

MANAGEMENT:

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

Appointment:

Name	Designation	Effective Date
Mr. Sanjay Dwivedi	Chief Financial Officer	January 25, 2013

DIRECTORS' REPORT (Contd.)

Resignations:

Name	Designation	Effective Date
Mr. Manuj Agarwal	Chief Executive Officer - Television	May 11, 2012
Mr. Puneet Kinra	Group Chief Executive Officer	May 31, 2012
Mr. Srinivasa Shenoy	Chief Financial Officer	September 05, 2012

AUDITORS:

M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai (Firm Registration No. 117366W) and M/s. Snehal & Associates, Chartered Accountants, Mumbai (Firm Registration No. 110314W), the Joint Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that their reappointment, if made, will be in accordance with the limits specified under section 224(1B) of the Companies Act, 1956. Your Directors recommend their appointment. A resolution proposing their appointment at remuneration to be fixed by the Board of Directors in consultation with the Joint Statutory Auditors is submitted at the Annual General Meeting.

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 2012-13.

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 Remune ration (₹ in Lakhs)	Qualification	Date of Joining	Experience Years	Age Years	Previous Employment
1.	Mrs. Shobha Kapoor	Managing Director	1,10.12	-	10-Nov-94	18	64	N/A
2.	Ms. Ekta Kapoor	Joint Managing Director	1,32.31	-	10-Nov-94	18	38	N/A
3.	Mr. Ketan Gupta	Chief Operating Officer - Special Projects	60.00	B.Com	1-Feb-12	16	35	Head – Production & Operations, Fox - Television Studio India Pvt Ltd
4.	*Mr. Puneet Kinra	Group Chief Executive Officer	41.67	MBA in Strategy & Finance	15-Oct-08	19	41	Associate Director, Pricewaterhouse Coopers Pvt. Ltd.
5.	*Mr. Manuj Agarwal	Chief Executive Officer -Television	8.33	PGDM - Marketing	16-Jul-11	14	37	Chief Operating Officer, Percept Ltd
6.	*Mr. Srinivasa Shenoy	Chief Financial Officer	27.13	PG in Finance & Marketing, CA	16-Feb-09	13	37	Senior Vice President Entertainment Network (India) Ltd

Note:

1. The gross remuneration shown above comprises of salary, commission, allowances, Company's contribution to provident fund, gratuity fund, medical insurance and monetary value of the perquisites as per income tax rules.
2. The nature of employment in all cases is contractual. Services of Mrs. Shobha Kapoor and Ms. Ekta Kapoor are terminable by twelve months' notice respectively. Services of all other employees mentioned above are terminable by either party, by giving three month's notice.
3. None of the employees mentioned above are related to any Directors of the Company, except for Mrs. Shobha Kapoor and Ms. Ekta Kapoor, who are related to each other.
4. As on March 31, 2013, Mrs. Shobha Kapoor held 10,037,500 shares constituting 15.39% and Ms. Ekta Kapoor held 10,668,188 shares constituting 16.36% of the issued and paid up share capital in the Company, respectively.
5. * Indicates employed for part of the year.

DIRECTORS' REPORT (Contd.)

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956:

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

AUDITORS' REPORT:

The observations of Auditors in their report read with the relevant notes to accounts 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 superior production value, as a regular process.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There were no foreign exchange earnings and the foreign exchange outgo is ₹ 45.51 lakhs, (Previous Year ₹ 1,02.89 lakhs) as given in Point 22.9 in notes forming part 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:

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

DIRECTORS' REPORT (Contd.)

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- Such accounting policies had been selected and applied consistently and judgments and estimates, made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts for the financial year ended March 31, 2013 had been prepared on a 'going concern' basis.

ACKNOWLEDGEMENTS

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

For & on behalf of the Board of Directors,

Jeetendra Kapoor
Chairman

Mumbai, May 27, 2013

CEO DECLARATION

I, Shobha Kapoor, Managing Director of Balaji Telefilms Limited based on confirmation received from all the directors and senior management of the Company, do hereby state that all Board Members and senior management personnel has affirmed compliance with the code of conduct of the Company for the year ended March 31, 2013.

Shobha Kapoor
Managing Director

Mumbai, May 27, 2013

CEO/CFO CERTIFICATION

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

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 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

Sanjay Dwivedi
Chief Financial Officer

Mumbai, May 27, 2013

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 herein below:

I. 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

II. BOARD OF DIRECTORS:

The Board consists of experienced professionals drawn from diverse fields. 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.

During the year under review, Four (4) meetings of the Board of Directors were held, the dates being May 11, July 31, November 9 in 2012 and on February 7 in 2013. 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 and categories of the Directors on the Board, their attendance at Balaji Telefilms Limited's Board Meetings during the year 2012-13 and at last Annual General Meeting and also the number of Directorship and Committee Membership/ Chairmanship held by them in various companies are given below:

Name of the Director	Attendance Particulars		No. of [1]other Directorships and [2]Committee Membership/Chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Jeetendra Kapoor (P, N, NI)	4	Present	4	2	0
Mrs. Shobha Kapoor (P, E, NI)	4	Present	4	1	0
Ms. Ekta Kapoor (P, E, NI)	4	Not Present	4	1	0
Mr. Akshay Chudasama (N, I)	4	Present	4	3	0
Mr. Pradeep Sarda (N,I)	4	Present	3	2	0
Mr. D. G. Rajan (N,I)	4	Present	4	4	3
Mr. Ashutosh Khanna (N,I)	4	Present	1	0	0
Mr. Tusshar Kapoor (P,N, NI)	2	Present	4	0	0

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

[1]Excludes Alternate Directorships and Directorships in Foreign Companies, Companies registered under section 25 of Companies Act, 1956 and Private Limited Companies.

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

CORPORATE GOVERNANCE REPORT (Contd.)

III. AUDIT COMMITTEE:

TERMS OF REFERENCE

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

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

COMPOSITION

The composition of the Audit Committee is as follows:

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

Ms. Alpa Khandor, who was the Company Secretary resigned w.e.f. May 27, 2013 and Mrs. Simmi Singh Bisht was appointed as Company Secretary & Compliance Officer w.e.f. May 27, 2013

MEETINGS AND ATTENDANCE

During the year under review, Four (4) meetings of the Audit Committee were held, the dates being May 11, July 31, November 9 in 2012 and on February 7 in 2013. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings attended
Mr. D. G. Rajan	4
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	4
Mr. Akshay Chudasama	4

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.

III. 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. Jeetendra Kapoor
		Mr. Akshay Chudasama
		Mr. Pradeep Sarda
Secretary	:	Ms. Alpa Khandor

CORPORATE GOVERNANCE REPORT (Contd.)

MEETINGS AND ATTENDANCE

During the year under review, Three (3) meetings of the Remuneration Committee were held, the dates being May 11, July 31 in 2012 and on February 7 in 2013. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings attended
Mr. Ashutosh Khanna	3
Mr. Jeetendra Kapoor	2
Mr. Pradeep Sarda	3
Mr. Akshay Chudasama	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. Besides the sitting fees, rent amounting to ₹ 42.85 lakhs and ₹ 10.40 lakhs paid to Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor respectively (refer Note No. 22.8(b) in 'Notes forming part of the financial statements', annexed to the Financial Statements of the year), there is no other pecuniary transaction by the Company with Non-Executive Directors.

Details of the remuneration to the Directors for the year ended March 31, 2013

Name	Designation	Remuneration for the year 2012-2013 (₹ in Lakhs)					No. of shares held by Non-Executive Directors
		Salary	Perquisites	Sitting Fees	Employer Contribution to Provident Fund	Total	
Mrs. Shobha Kapoor	Managing Director	55.20	48.30	N.A.	6.62	1,10.12	N.A.
Ms. Ekta Kapoor	Joint Managing Director	66.30	58.05	N.A.	7.96	1,32.31	N.A.
Mr. Jeetendra Kapoor	Chairman	-	-	0.60	-	0.60	43,92,000
Mr. Akshay Chudasama	Director	-	-	0.60	-	0.60	-
Mr. Pradeep Sarda	Director	-	-	0.60	-	0.60	-
Mr. D. G. Rajan	Director	-	-	0.60	-	0.60	300
Mr. Ashutosh Khanna	Director	-	-	0.60	-	0.60	-
Mr. Tusshar Kapoor	Director	-	-	0.45	-	0.45	20,30,250

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

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

CORPORATE GOVERNANCE REPORT (Contd.)

Pursuant to the Shareholders' approval at the Annual General Meeting on September 5, 2012, the Company has paid remuneration to Managing Director and Joint Managing Director. Though the remuneration for the year is as per the Shareholders' approval, however it exceeds by ₹ 75.38 lakhs as determined under Section 349 of the Companies Act, 1956 for which the Company has already filed its application with Central Government for its approval. The said application is under process.

IV. SHAREHOLDERS'/INVESTORS' GRIEVANCE & SHARE TRANSFER 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	:	Mrs. Shobha Kapoor
		Ms. Ekta Kapoor
Compliance Officer	:	Ms. Alpa Khandor (Company Secretary)

MEETINGS AND ATTENDANCE

During the year under review, Three (3) meetings of the Shareholders'/Investors' Grievance & Share Transfer Committee were held, the dates being April 18, May 11 and June 7, in 2012. The details of the attendance thereat are as follows

Name of the Director	No. of Meetings attended
Mr. Jeetendra Kapoor	3
Mrs. Shobha Kapoor	3
Ms. Ekta Kapoor	3

V. 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
16th Meeting	Friday, August 27, 2010	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
17th Meeting	Thursday, September 22, 2011	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
18th Meeting	Wednesday, September 5, 2012	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

SPECIAL RESOLUTIONS

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

F.Y. 2009 - 2010:

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

F.Y. 2010 - 2011:

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

TWO RESOLUTIONS WERE PASSED THROUGH POSTAL BALLOT IN FEBRUARY 2011

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

CORPORATE GOVERNANCE REPORT (Contd.)

DETAILS OF VOTING PATTERN

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

PERSON WHO CONDUCTED THE POSTAL BALLOT

Robert Pavrey, Company Secretary in Practice

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

None

PROCEDURE OF POSTAL BALLOT

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

F. Y. 2011 – 2012:

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

VI. 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. 22.8 in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

2. COMPLIANCES BY THE COMPANY

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

3. WHISTLE BLOWER POLICY

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.

VII. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS:

1. MANAGEMENT DISCUSSION AND ANALYSIS

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

2. RELATED PARTY TRANSACTIONS:

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

3. DISCLOSURE OF ACCOUNTING TREATMENT:

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

4. DISCLOSURE ON RISK MANAGEMENT:

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

5. CODE OF CONDUCT:

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

CORPORATE GOVERNANCE REPORT (Contd.)

6. CEO&CFO CERTIFICATION:

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

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

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

VIII. MEANS OF COMMUNICATION:

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

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

IX. GENERAL SHAREHOLDER INFORMATION:

1	Date of Book Closure	July 25 to July 29, 2013 (both days inclusive).
2	Date, time and venue of the Annual General Meeting	July 29, 2013 at 4:00 p.m. at "The Club', 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.
3	Dividend payment	The Board of Directors has recommended a Dividend of ₹ 0.20 per equity share and a Special Additional Dividend of ₹ 0.20 per equity share for the year ended March 31, 2013. 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	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 Web site: 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

CORPORATE GOVERNANCE REPORT (Contd.)

10. Share Transfer System

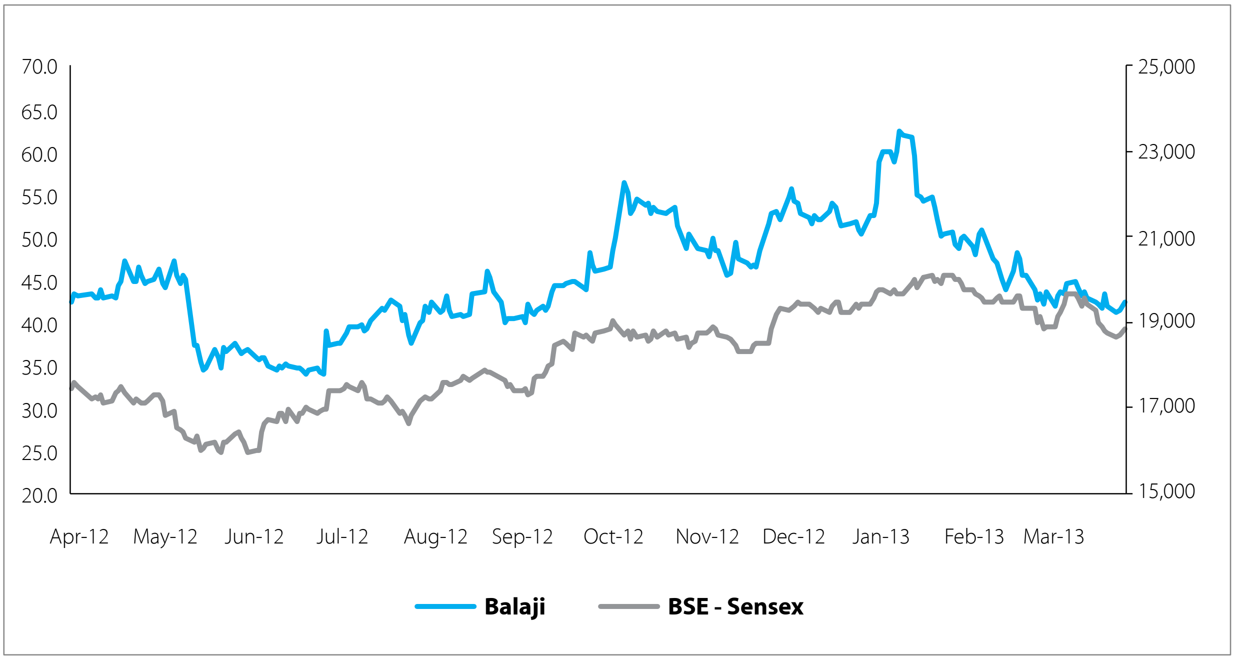
Shares sent for physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee meets as often as required. 1,777 shares transfers in physical form during the year 2012-2013 and no share transfer pending as on March 31, 2013.

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 capitalization as on March 31, 2013 was ₹ 260,84.18 lakhs. The monthly high and low quotations as well as the volume of shares traded during the year are as below:

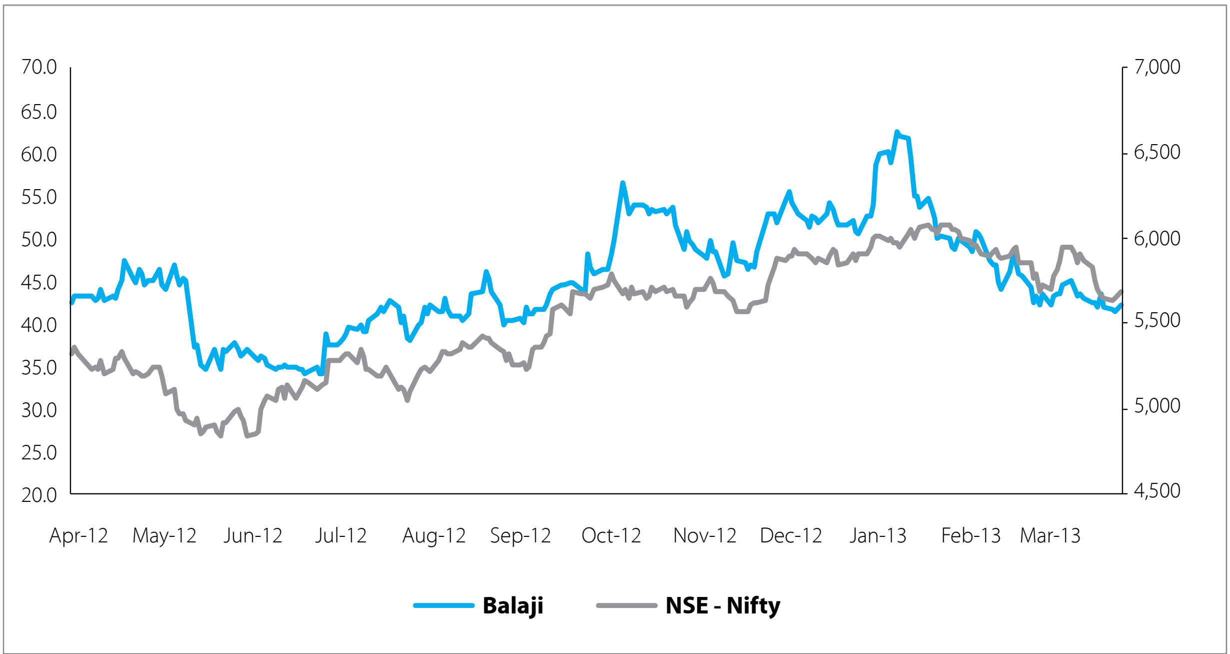
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	49.55	41.50	11,05,268	49.6	41.9	26,06,107
May	48.00	33.25	11,17,227	47.9	33.2	24,34,408
June	40.70	32.75	19,59,463	40.95	32.7	34,01,376
July	44.50	36.00	14,69,621	43.25	37.1	33,84,114
August	46.90	39.25	7,67,017	46.85	38.9	22,61,277
September	51.30	39.65	19,63,277	51.25	39.65	37,21,997
October	58.50	45.50	40,38,796	58.55	45.35	8,81,487
November	54.40	37.45	23,39,641	54.45	45.1	52,15,465
December	56.90	50.05	15,46,168	56.85	50.15	42,99,397
January	63.90	48.05	29,13,830	63.9	48	69,73,773
February	51.70	41.60	2,65,568	51.7	41.4	7,34,466
March	45.25	40.00	3,15,829	45	40.15	5,63,219

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



CORPORATE GOVERNANCE REPORT (Contd.)

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



FACT SHEET

Items	2012-13	2011-12
Earnings per share (₹)	2.04	1.78
EPS – Fully diluted (₹)	2.04	1.78
Dividend per share (₹)	0.40	0.20
Number of shares	6,52,10,443	6,52,10,443
Share price data (₹)		
High	63.90	48.65
Low	32.70	26.70
Closing	40.00	41.95

12. Investor Service – Complaints Received During the year

Year ended March 31, 2013

Nature of Complaints	Received	Disposed
Non Receipt of Dividend	32	32
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, 2013.

CORPORATE GOVERNANCE REPORT (Contd.)

13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2013

Category	No. of shares held	Percentage of shareholding
Clearing Members	89,815	0.14
Directors	300	0.00
Foreign Institutional Investor	3,60,000	0.55
Foreign Corporate Bodies	1,69,48,194	25.99
H U F	12,52,020	1.92
Indian Financial Institutions	3,94,372	0.60
Bodies Corporate	75,62,931	11.60
Mutual Funds	5,03,305	0.77
Non Resident Indians	2,93,107	0.45
Promoters	2,71,30,858	41.61
Resident Individuals	1,06,75,491	16.37
Trusts	50	0.00
Grand Total	**6,52,10,443**	**100.00**

14. Distribution of shareholding as on March 31, 2013

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% Holding
upto 1 - 5000	24,115	97.59	48,68,226	97,36,452	7.47
5001 - 10000	292	1.18	10,81,249	21,62,498	1.66
10001 - 20000	133	0.54	9,95,755	19,91,510	1.53
20001 - 30000	47	0.19	5,96,928	11,93,856	0.92
30001 - 40000	29	0.12	5,25,100	10,50,200	0.81
40001 - 50000	11	0.04	2,49,735	4,99,470	0.38
50001 - 100000	39	0.16	14,39,050	28,78,100	2.21
100001 & Above	45	0.18	5,54,54,400	11,09,08,800	85.04
Total	**24,711**	**100.00**	**6,52,10,443**	**13,04,20,886**	**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, 2013 the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

CORPORATE GOVERNANCE REPORT (Contd.)

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, 2013 about 99.99% comprising 6,52,00,577 Equity Shares were in the dematerialised form.

18. Financial Calendar (tentative and subject to change)

Particulars	**Date**
Annual General Meeting	July, 2013
Financial reporting for 1st quarter ending June 30, 2013	First week August, 2013
Financial reporting for 2nd quarter ending September 30, 2013	First week of November, 2013
Financial reporting for 3rd quarter ending December 31, 2013	First week of February, 2014
Financial reporting for the year ended March 31, 2014 (audited)	May, 2014
Annual General Meeting for year ended March 31, 2014	September, 2014

19. Plant Locations
The detail of offices of the Company is available in Corporate Information section of the Annual Report.

20. Investors' Correspondence
Investors' correspondence may be addressed to:

Ms. Simmi Singh Bisht
Company Secretary & Compliance 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: investor@balajitelefilms.com

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

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

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

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

CORPORATE GOVERNANCE REPORT (Contd.)

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.

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, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except as stated in the section 'Remuneration Policy and Details of Remuneration Paid', to the Corporate Governance report of the Company, regarding remuneration paid to the Managing Director and Joint Managing Director which is in excess of the relevant provisions of the Act by ₹75.38 lakhs for which the Central Government approval is awaited.

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
(Firm Registration No: 117366W)

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

A.B. Jani
Partner
Membership No: 46488
Mumbai, dated: May 27, 2013

Snehal Shah
Proprietor
Membership No: 40016
Mumbai, dated: May 27, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of Balaji Telefilms Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Balaji Telefilms Limited (the Company) which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

EMPHASIS OF MATTER

Attention is invited to Note 22.18 of the financial statements regarding remuneration paid to the Managing Director and Joint Managing Director which is in excess of the relevant provisions of the Act by ₹ 75.38 lakhs for which the Central Government approval is awaited.

Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
   (e) On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No: 117366W)

A.B. Jani
Partner
(Membership No: 46488)
Mumbai, dated: May 27, 2013

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

Snehal Shah
Proprietor
(Membership No: 40016)
Mumbai, dated: May 27, 2013

RE: BALAJI TELEFILMS LIMITED

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) The nature of the Company's business/ activities/ results during the year are such that clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.

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

(b) As per information and explanations given to us, fixed assets have not been verified by the management during the year. 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 period, in our opinion, do not constitute a substantial part of the fixed assets of the Company.

(iii) (a) The inventories (tapes) have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.

(iv) (a) The Company has granted interest free unsecured loans aggregating ₹133,15.07 lakhs to its wholly owned subsidiaries (two) covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated ₹ 146,44.97 lakhs and the maximum amount involved during the year was ₹ 147,19.05 lakhs.

(b) In our opinion, the terms and conditions of the loan given are not, *prima facie*, prejudicial to the interests of the Company.

(c) According to information and explanations given to us, since there are no repayment schedules with regard to the loans given, clause (iii) (c) to (d) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii)(e) to (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.

(vii) The Company has not accepted any deposit from the public.

(viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) There were no dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes, except in case of service tax which is as detailed below:

Name of Statute	Forum where dispute is pending	Nature of dues	Amount (₹ in Lakhs)	Financial Year to which amount relates
Sales Tax Act	Department of Sales Tax	VAT	171,07.87	1.4.2000 to 31.3.2004
The Central Excise and Custom Act	Office of the Commissioner of Service Tax	Service Tax	93,37.91	1.4.2006 to 31.3.2010

(xi) The Company has no accumulated losses as at the end of the year and it has not incurred cash losses in the current year and in the immediately preceding financial year.

(xii) According to the information and explanations given to us, the Company does not have any borrowings from any banks, financial institutions and debenture holders.

(xiii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xv) According to the information and explanations given to us, the Company has not taken term loans during the year.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.

(xix) The Company has not raised any money by way of public issues during the year.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No: 117366W)

A.B. Jani
Partner
(Membership No: 46488)
Mumbai, dated: May 27, 2013

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

Snehal Shah
Proprietor
(Membership No: 40016)
Mumbai, dated: May 27, 2013

BALANCE SHEET
as at March 31, 2013

₹ in Lakhs

				Note No.	As at March 31, 2013	As at March 31, 2012
A	**EQUITY AND LIABILITIES**					
	1	**Shareholders' funds**				
		(a)	Share capital	3	13,04.21	13,04.21
		(b)	Reserves and surplus	4	404,18.67	393,90.88
					417,22.88	**406,95.09**
	2	**Current liabilities**				
		(a)	Trade payables	22.5	20,01.39	19,21.38
		(b)	Other current liabilities	5	2,98.16	7,38.66
		(c)	Short-term provisions	6	3,14.47	1,61.58
					26,14.02	**28,21.62**
	TOTAL				**443,36.90**	**435,16.71**
B	**ASSETS**					
	1	**Non-current assets**				
		(a)	Fixed assets	7		
			i) Tangible assets		25,92.73	31,67.81
			ii) Capital work-in-progress		3.15	69.92
					25,95.88	32,37.73
		(b)	Non-current investments	8	61,76.69	47,59.30
		(c)	Deferred tax assets (net)	22.13	1,49.06	1,03.23
		(d)	Long-term loans and advances	9	34,50.23	53,85.68
					123,71.86	**134,85.94**
	2	**Current assets**				
		(a)	Current investments	10	118,65.78	209,96.21
		(b)	Inventories	11	3,46.27	6,85.17
		(c)	Trade receivables	12	36,40.07	31,55.08
		(d)	Cash and cash equivalents	13	9,71.49	5,39.01
		(e)	Short-term loans and advances	14	150,01.44	45,89.82
		(f)	Other current assets	15	1,40.00	65.48
					319,65.05	**300,30.77**
	TOTAL				**443,36.90**	**435,16.71**

See accompanying notes forming part of the financial statements.

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

For and on behalf of the Board of Directors

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

D.G.Rajan
(Director)

Snehal Shah
(Proprietor)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

Place : Mumbai
Date : May 27, 2013

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2013

₹ in Lakhs

			Note No.	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
A	**CONTINUING OPERATIONS**				
	1	Revenue from Operations	16	140,85.25	129,35.60
	2	Other income	17	18,16.81	26,48.95
	3	**Total Revenue (1+2)**		**159,02.06**	**155,84.55**
	4	**Expenses**			
		(a) Cost of Production of television serials	18	109,19.85	86,61.35
		(b) Employee benefits expense	19	7,51.78	14,94.84
		(c) Finance costs	20	8.52	-
		(d) Depreciation and amortisation expense	7	7,86.37	7,10.84
		(e) Other expenses	21	17,74.13	34,89.06
		Total Expenses		**142,40.65**	**143,56.09**
	5	**Profit before tax (3-4)**		**16,61.41**	**12,28.46**
	6	**Tax expense:**			
		(a) Current tax		3,76.24	2,40.56
		(b) Deferred tax		(45.82)	(97.60)
		(c) Excess provision for tax in respect for earlier years		(1.97)	(2,33.37)
				3,28.45	**(90.41)**
	7	**Profit from continuing operations (5-6)**		**13,32.96**	**13,18.87**
B	**DISCONTINUING OPERATIONS**				
	8	**(Loss) from Discontinuing operations (after tax)**	22.17	-	(1,57.88)
C	**TOTAL OPERATIONS**				
	9	**Profit for the year (7+8)**		**13,32.96**	**11,60.99**
	10	**Earnings per share (of ₹ 2/- each):**	22.12		
		Basic and diluted earnings per share		2.04	1.78

See accompanying notes forming part of the financial statements.

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

For and on behalf of the Board of Directors

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

D.G.Rajan
(Director)

Snehal Shah
(Proprietor)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

Place : Mumbai
Date : May 27, 2013

CASH FLOW STATEMENT
for the year ended March 31, 2013

₹ in Lakhs

		For the year ended March 31, 2013		For the year ended March 31, 2012	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit for the year		16,61.41		10,70.58
	Adjustments for:				
	Depreciation	7,86.37		7,73.58	
	Bad debts written off	95.43		-	
	Net Consideration from sale of discontinuing operations	-		(8,24.80)	
	Provision for doubtful debts (net)	13.00		62.41	
	Provision for doubtful advances (net)	-		19.85	
	Profit on sale / discard of fixed assets(net)	(14.49)		32.80	
	Profit on sale of Land (net)	-		(1,22.90)	
	Profit on sale of long term investments (non-trade) (net)	(13,84.68)		(17,09.44)	
	Provision for earlier years written back (net)	(2,41.95)		(49.97)	
	Provision for doubtful debt written back	(78.69)		-	
	Interest income on Fixed Deposits	(17.38)		(27.83)	
	Operating profit / (loss) before working capital changes	**8,19.03**		**(7,75.72)**	
	Adjustments for:				
	(Increase) / Decrease in trade and other receivable	(74.38)		16,08.86	
	Decrease / (Increase) in inventories	3,38.90		(6,51.13)	
	(Decrease) / Increase in trade payables and other payables	(1,16.80)		4,23.50	
	Cash from operations		9,66.74		6,05.51
	Income-tax refund received / (paid)		12,12.86		(9,33.54)
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES		**21,79.60**		**(3,28.03)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	(1,47.97)		(4,53.95)	
	Sale of fixed assets (including sale of land)	18.01		51,16.44	
	Proceeds from sale of business (net of WDV of fixed assets transferred) (Refer note 7(c) and 22.17)	-		7,53.17	
	Purchase of current investments	(149,34.98)		(371,10.43)	
	Sale of current investments	254,50.10		354,31.22	
	Optionally Convertible Debentures allotted	(6,05.85)		(9,59.30)	
	Optionally Convertible Debentures redeemed	10,98.84		-	
	Investment in Trust / Limited Liability Partnership	(19,05.38)		(8,00.00)	
	Investment in Subsidiary	(5.00)		-	
	Loans given to subsidiary	(132,41.94)		(46,96.78)	
	Loans repaid by subsidiary	26,61.76		32,36.46	
	Bank Balance not considered as cash and cash equivalents (Refer Note 13)	(4.55)		(26.51)	
	Interest income	17.38		27.83	
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**(15,99.59)**		**5,18.15**

CASH FLOW STATEMENT
for the year ended March 31, 2013

₹ in Lakhs

		For the year ended March 31, 2013		For the year ended March 31, 2012	
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Dividend paid (net of movement of unpaid dividend account)	(1,30.93)		(1,26.46)	
	Corporate dividend tax paid	(21.16)		(21.66)	
	NET CASH FLOW (USED IN) FINANCING ACTIVITIES		**(1,52.10)**		**(1,48.12)**
	Net increase in cash and cash equivalents		**4,27.93**		**42.00**
	Cash and cash equivalents at the beginning of the year		**4,70.24**		**4,28.24**
	Cash and cash equivalents at the end of the year		**8,98.17**		**4,70.24**

Notes:

(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 13).

₹ in Lakhs

		For the year ended March 31, 2013	For the year ended March 31, 2012
(ii)	**Cash and cash equivalents at the end of the year as per cashflow statement**	**8,98.17**	**4,70.24**
	- Unpaid dividend accounts	7.67	7.17
	- Fixed deposits kept in lien against bank guarantee	65.65	61.60
	Cash and cash equivalents at the end of the year as per Note 13	**9,71.49**	**5,39.01**
(ii)	The above excludes assets transferred on sale of division (refer note 22.17)		

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

D.G.Rajan
(Director)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

NOTES

forming part of the financial statements

NOTE 1 CORPORATE INFORMATION

Incorporated on November 10, 1994, Balaji Telefilms Limited has established itself as one of the largest television content production houses in India. With its footprint established in the hindi speaking market, it has now extended into the regional entertainment markets. With a library of over 100 television shows, Balaji has also ventured into the events business.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Use of Estimates

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

Fixed assets

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

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).

NOTES
forming part of the financial statements

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 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.

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

NOTES

forming part of the financial statements

NOTE 3 SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Authorised		
75,000,000 Equity Shares of ₹ 2/- each	15,00.00	15,00.00
	15,00.00	**15,00.00**
(b) Issued, Subscribed and fully paid-up		
65,210,443 Equity Shares of ₹ 2/- each	13,04.21	13,04.21
TOTAL	**13,04.21**	**13,04.21**

Notes:

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

Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	16,948,194	25.99	16,948,194	25.99
Ekta Kapoor	10,668,188	16.36	10,500,488	16.10
Shobha Kapoor	10,037,500	15.39	10,037,500	15.39
Jeetendra Kapoor	4,392,000	6.74	4,392,000	6.74

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

NOTE 4 RESERVES AND SURPLUS

₹ in Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Securities premium account				
As per last Balance Sheet		147,85.61		147,85.61
(b) General reserve				
As per last Balance Sheet	47,76.87		46,60.77	
Add: Transferred from surplus in Statement of Profit and Loss	1,33.30		1,16.10	
		49,10.17		47,76.87
(c) Surplus in Statement of Profit and Loss				
Opening balance	198,28.40		189,35.07	
Add: Profit for the year	13,32.96		11,60.99	
Less : Dividends proposed to be distributed to equity shareholders (₹0.40 per share)	2,60.84		1,30.42	
Tax on dividend	44.33		21.16	
Transferred to General reserve	1,33.30		1,16.10	
Closing balance		207,22.90		198,28.40
TOTAL		**404,18.67**		**393,90.88**

NOTES
forming part of the financial statements

NOTE 5 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Unpaid dividends (Refer Note below)	7.67	7.17
(b) Temporarily overdrawn book balances	-	2,27.11
(c) Other payables		
(i) Statutory liabilities	1,30.87	1,65.52
(ii) Advances from customers	1,59.62	3,38.86
TOTAL	**2,98.16**	**7,38.66**

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

NOTE 6 SHORT-TERM PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Provision - Others:		
(i) Provision for tax (net of advance tax ₹ NIL lakhs (As at March 31, 2012 ₹ NIL))	9.30	10.00
(ii) Provision for proposed equity dividend	2,60.84	1,30.42
(iii) Provision for tax on proposed dividend	44.33	21.16
TOTAL	**3,14.47**	**1,61.58**

NOTES

forming part of the financial statements

NOTE 7 FIXED ASSETS

₹ in Lakhs

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01, 2012	Additions	Deductions	Transfer of Assets	As at March 31, 2013	Upto March 31, 2012	For the Year	On Deductions	On Transfer of Assets	Upto March 31, 2013	As at March 31, 2013
Tangible assets											
Land (refer note b below)	-	-	-	-	-	-	-	-	-	-	-
	(48,77.10)	(-)	(48,77.10)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Buildings (refer note a below)	4,69.36	-	-	-	4,69.36	57.79	7.65	-	-	65.44	4,03.92
	(4,69.36)	(-)	(-)	(-)	(4,69.36)	(50.14)	(7.65)	(-)	(-)	(57.79)	(4,11.57)
Plant and machinery - Computers	6,10.24	21.50	0.20	-	6,31.54	4,39.00	71.74	0.19	-	5,10.55	1,20.99
	(6,04.44)	(8.58)	(-)	(2.78)	(6,10.24)	(3,63.00)	(77.04)	(-)	(1.04)	(4,39.00)	(1,71.24)
Plant and machinery - Others	21,91.86	9.10	0.45	-	22,00.51	12,12.42	1,52.68	0.35	-	13,64.75	8,35.76
	(22,21.68)	(-)	(0.66)	(29.16)	(21,91.86)	(10,61.44)	(1,54.44)	(0.31)	(3.15)	(12,12.42)	(9,79.44)
Computers	3,94.41	1.89	5.61	-	3,90.69	3,32.36	15.03	3.11	-	3,44.28	46.41
	(4,60.55)	(20.88)	(17.45)	(69.57)	(3,94.41)	(3,42.76)	(25.38)	(17.45)	(18.33)	(3,32.36)	(62.05)
Studios and sets	46,39.68	77.16	-	-	47,16.84	41,09.21	3,62.32	-	-	44,71.53	2,45.31
	(43,84.74)	(2,54.94)	(-)	(-)	(46,39.68)	(37,85.57)	(3,23.64)	(-)	(-)	(41,09.21)	(5,30.47)
Vehicles	7,61.82	1,00.98	40.45	-	8,22.35	3,22.77	72.15	40.45	-	3,54.47	467.88
	(7,56.20)	(74.01)	(68.39)	(-)	(7,61.82)	(2,94.04)	(52.81)	(24.08)	(-)	(3,22.77)	(4,39.05)
Furniture and fixtures	3,03.71	0.52	-	-	3,04.23	1,37.24	19.05	-	-	1,56.29	1,47.94
	(3,02.74)	(1.94)	(0.86)	(0.11)	(3,03.71)	(1,18.66)	(19.03)	(0.44)	(0.01)	(1,37.24)	(1,66.47)
Office equipments	3,26.89	1.60	1.06	-	3,27.43	85.14	15.58	0.23	-	1,00.49	2,26.94
	(3,29.07)	(7.09)	(5.80)	(3.47)	(3,26.89)	(71.32)	(15.69)	(1.64)	(0.23)	(85.14)	(2,41.75)
Electrical fittings	87.70	1.98	-	-	89.68	19.14	4.18	-	-	23.32	66.36
	(73.05)	(16.28)	(-)	(1.63)	(87.70)	(15.45)	(3.82)	(-)	(0.13)	(19.14)	(68.56)
Lease Hold Improvements	3,86.41	-	-	-	3,86.41	2,89.20	65.99	-	-	3,55.19	31.22
	(3,86.10)	(0.31)	(-)	(-)	(3,86.41)	(1,95.12)	(94.08)	(-)	(-)	(2,89.20)	(97.21)
TOTAL	**101,72.08**	**2,14.73**	**47.77**	**-**	**103,39.04**	**70,04.27**	**7,86.37**	**44.33**	**-**	**77,46.31**	**25,92.73**
	(148,65.03)	**(3,84.03)**	**(49,70.26)**	**(1,06.72)**	**(101,72.08)**	**(62,97.50)**	**(7,73.58)**	**(43.92)**	**(22.89)**	**(70,04.27)**	**(31,67.81)**

Note

a. Building includes ₹ 2,20.86 lakhs (previous year ₹ 2,20.86 lakhs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹ 0.01 lakh received under Bye-law of the society.

b. The Company, in the earlier year, had invested in three adjacent plots of land admeasuring approximately 38,870 sq. mtrs. in aggregate, situated within the limits of Mira Bhayander Municipal Corporation. During the previous year, the Company has sold the plots of land for a consolidated consideration aggregating to ₹ 51,00.00 lakhs on an 'as-is where-is' basis vide two separate transactions and has accounted for the profit on sale aggregating to ₹ 1,22.90 lakhs (net of related expenses). Part of the land has been sold to M/s JK Developers a sole proprietary firm owned by one of the Directors of the Company.

c. Transfer of assets pertains to sale of divisions (refer note 22.17)

d. Depreciation includes depreciation towards discontinued operations aggregating to ₹ NIL (Previous year ₹ 62.74 lakhs)

e. Figures in brackets denote previous year figures

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NOTE 8 NON-CURRENT INVESTMENTS

₹ in Lakhs

Particulars		As at March 31, 2013 Unquoted		As at March 31, 2012 Unquoted
(Non-trade) : (At cost)				
(a) Investment in fully paid-up Equity Shares of wholly owned subsidiaries (Refer Note 22.6)				
30,000,000 (Previous Year 30,000,000) Equity Shares of ₹10/- each in Balaji Motion Pictures Limited		30,00.00		30,00.00
50,000 (Previous Year NIL) Equity Shares of ₹10/- each in Bolt Media Limited		5.00		-
(b) Investment in optionally convertible debentures (OCDs) of :				
(i) Smart Prep Education Private Limited				
Series A NIL (Previous year 3,000) Debentures of ₹100 each	-		3.00	
Series B NIL (Previous year 222,500) Debentures of ₹100 each	-		2,22.50	
(ii) Aristo Learning Private Limited				
Series A 3,000 (Previous year 3,000) Debentures of ₹100 each	3.00		3.00	
Series B 62,810 (Previous year 84,500) Debentures of ₹100 each	62.81		84.50	
(iii) Smart Q Education Solutions Private Limited				
Series A NIL (Previous year 3,000) Debentures of ₹100 each	-		3.00	
Series B NIL (Previous year 112,800) Debentures of ₹100 each	-		1,12.80	
(iv) Second School Learning Private Limited				
Series A 1,000 (Previous year 1,000) Debentures of ₹100 each	1.00		1.00	
Series B 399,000 (Previous year 529,000) Debentures of ₹100 each	3,99.00		5,29.00	
		4,65.81		9,58.80
(c) Investment in Associate (Refer Note 22.16)				
(i) IPB Capital Advisors LLP		0.50		0.50
(d) Investment in Indus Balaji Investor Trust (Refer Note 22.1 B)				
(i) 2,700,000 (Previous year 800,000) Class A units of ₹100 each	27,00.00		8,00.00	
(ii) 5,000 (Previous year NIL) Class B units of ₹100 each	5.00		-	
		27,05.00		8,00.00
(e) Investment in Limited Liabilty Partnership (Refer Note 22.16)				
(i) Indus Balaji Education Capital Advisors LLP		0.38		-
TOTAL		**61,76.69**		**47,59.30**

NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Capital Advances	8.13	1,15.91
(b) Security Deposits	7,77.54	10,08.32
(c) Loan to Balaji Employees Foundation	10,00.00	10,00.00
(d) Advance tax (Net of provisions ₹ 6,12.82 lakhs. (As at March 31,2012 ₹ 2,40.00 lakhs))	16,64.55	32,61.45
TOTAL	**34,50.23**	**53,85.68**

Note:
Security Deposits include deposits given to Directors for the properties taken on lease from them (also refer note 22.8 (b))

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₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Amount outstanding as at the year end	6,40.00	8,46.60
Maximum amount outstanding at any time during the year for the above deposits.	8,46.60	8,46.60

NOTE 10 CURRENT INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(Non trade) (at lower of cost and fair value) :		
Investment in mutual funds	118,65.78	209,96.21
TOTAL	**118,65.78**	**209,96.21**

Note:

₹ in Lakhs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
UNQUOTED					
IN UNITS OF MUTUAL FUNDS					
Birla Sunlife Dynamic Bond Fund - Retail	10.00	11,949,295	11,949,295	20,52.80	20,52.80
Birla Sunlife Short Term FMP Series 25 Growth	10.00	-	4,999,990	-	5,00.00
Birla Sun Life Cash Manager - Institutional Plan - Growth	10.00	-	420,882	-	7,51.08
Birla Sun Life Short Term FMP Series 23 Growth	10.00	-	5,127,804	-	5,12.78
Birla Sun Life Fixed Plan Series ED Growth	10.00	5,025,936	5,025,936	5,02.59	5,02.59
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	10.00	-	2,465,911	-	5,77.10
HDFC Short Term Plan - Growth	10.00	-	7,569,266	-	15,00.00
HDFC FMP 370D November 2011 (3) - Growth - Series XIX	10.00	-	5,000,000	-	5,00.00
HDFC FMP 370D January 2012 (2) - Growth - Series XIX	10.00	-	10,000,000	-	10,00.00
HDFC FMP 92D March 2012 (3) - Growth - Series XXI	10.00	-	10,000,000	-	10,00.00
HDFC Income Fund- Growth	10.00	2,606,805	-	7,00.00	-
ICICI Prudential Blended Plan B - Institutional Growth Option II	10.00	-	8,643,192	-	10,00.00
ICICI Prudential Medium Term Plan Premium Plus Growth	10.00	-	14,502,406	-	15,93.33
ICICI Prudential FMP Series 60 - 1 Year Plan D - Growth	10.00	-	5,000,000	-	5,00.00
ICICI Prudential FMP Series 60 - 18 Months Plan G Cummulative	10.00	9,723,877	9,723,877	9,72.39	9,72.39
ICICI Prudential Short Term Plan - Institutional Growth	10.00	2,298,635	2,298,635	5,00.00	5,00.00
ICICI Prudential FMP Series 61 - 18 Months Plan B - Cummulative	10.00	10,000,000	10,000,000	10,00.00	10,00.00
ICICI Prudential FMP Series 62 - 1 Year Plan A - Cummulative	10.00	-	5,000,000	-	5,00.00
ICICI Prudential Gilt Fund Investment Plan PF Option	10.00	1,131,828	-	2,45.00	-
ICICI Prudential Gilt Fund Treasury -Regular Plan- Growth	10.00	1,723,312	-	5,00.00	-
IDFC Dynamic Bond Fund Plan B-Growth	10.00	4,082,604	-	5,45.00	-
IDFC Super Saver Income Fund - Short Term - Plan A Growth	10.00	4,200,978	6,999,481	9,03.00	15,00.00

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NOTE 10 CURRENT INVESTMENTS (CONTD.)

₹ in Lakhs

Particulars	Face Value ₹	Numbers As at March 31, 2013	Numbers As at March 31, 2012	Value As at March 31, 2013	Value As at March 31, 2012
UNQUOTED					
IN UNITS OF MUTUAL FUNDS					
Kotak FMP 13M Series 6 - Growth	10.00	-	-	-	-
Kotak Gilt (Investment Regular)- Growth	10.00	765,716	-	3,00.00	-
Kotak Bond Scheme Plan A- Growth	10.00	2,433,948	-	7,95.00	-
Reliance Fixed Horizon Fund XX - Series 14 - Growth	10.00	-	10,000,000	-	10,00.00
Reliance Fixed Horizon Fund - XXI - Series 4-Growth Plan	10.00	-	9,999,990	-	10,00.00
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Plan	10.00	-	2,055,183	-	5,34.14
Reliance Dynamic Bond Fund- Growth Plan	10.00	2,655,137	-	4,00.00	-
SBI SDFS - 367 Days -11 Growth	10.00	-	4,999,990	-	5,00.00
SBI Dynamic Bond Fund- Growth	10.00	3,205,349	-	4,50 .00	-
SBI Magnum Income Fund- Regular Plan- Growth	10.00	1,731,668	-	5,00 .00	-
Templeton India Low Duration Fund	10.00	-	9,432,183	-	10,00.00
Templeton India Short term Income Retail Plan Growth	1000.00	21,584	-	5,00 .00	-
UTI Short Term Income Fund - Growth Option	10.00	7,913,388	4,015,065	10,00.00	5,00.00
TOTAL				**118,65.78**	**209,96.21**

NOTE 11 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Serials	3,41.98	6,80.53
(b) Tapes	4.29	4.64
TOTAL	**3,46.27**	**6,85.17**

NOTE 12 TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, considered good	2,84.66		73.75	
Unsecured, considered doubtful	53.00		82.86	
	3,37.66		1,56.61	
Less: Provision	53.00		82.86	
		2,84.66		73.75
Other Trade receivables				
Unsecured, considered good		33,55.41		30,81.33
TOTAL		**36,40.07**		**31,55.08**

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NOTE 13 CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	20.38	29.18
(b) Balances with banks		
(i) In current accounts	7,15.52	1,77.29
(ii) In deposit accounts	1,62.27	2,63.77
(iii) In earmarked accounts		
- Unpaid dividend accounts	7.67	7.17
- Fixed deposits kept in lien against bank guarantee	65.65	61.60
TOTAL	**9,71.49**	**5,39.01**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	8,98.17	4,70.24

NOTE 14 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Loans and advances to subsidiary companies (Refer Note 22.6 and 22.7)		146,44.97		39,91.67
(b) Loans and advances to employees		4.30		9.45
(c) Prepaid expenses		1,12.11		59.32
(d) Balances with government authorities (VAT, service tax, etc)		54.37		1,35.42
(e) Advance to vendors				
Considered good	1,85.69		3,93.96	
Doubtful	-		19.85	
	1,85.69		4,13.81	
Less - Provision for other doubtful loans and advances	-		(19.85)	
		1,85.69		3,93.96
TOTAL		**150,01.44**		**45,89.82**

Note

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Maximum amount outstanding for loans and advances given to subsidiaries at any time during the year	147,19.05	50,42.12

NOTE 15 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Unbilled revenue	1,40.00	65.48
TOTAL	**1,40.00**	**65.48**

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NOTE 16 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars		For the year ended March 31, 2013	For the year ended March 31, 2012
(a)	**Sale of services**		
	Commissioned Sales	131,24.58	103,69.42
	Sponsored Sales	3,74.69	14,31.98
	Internet Sales	1.98	10.12
(b)	**Other operating revenues**		
	Profit on sale of land (net) (refer note 7(b) and 22.8 (b))	-	1,22.90
	Sale of Scrap	0.47	5.58
	Net Consideration from sale of discontinuing operations	-	8,24.80
	Excess provision for earlier years written back	2,17.12	49.97
	Facilities hire charges	1,57.41	87.31
	Service income	1,30.31	33.52
	Provision for doubtful debts / advances written back	78.69	-
TOTAL		**140,85.25**	**129,35.60**

NOTE 17 OTHER INCOME

₹ in Lakhs

Particulars		For the year ended March 31, 2013	For the year ended March 31, 2012
(a)	Interest income		
	On fixed deposits with banks	17.78	27.83
	On Income tax Refund	3,20.52	-
(b)	Profit on sale of current investments (non-trade) (net)	13,84.68	17,09.44
(c)	Profit on sale of fixed assets (net)	14.49	-
(d)	Excess provision for gratuity written back	24.83	-
(e)	Insurance claim received (Includes Nil (Previous Year ₹ 9,11.68 lakhs) on maturity of Keyman Insurance policy)	50.21	9,11.68
(f)	Miscellaneous income	4.70	-
TOTAL		**18,16.81**	**26,48.95**

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NOTE 18 COST OF PRODUCTION OF TELEVISION SERIALS

₹ in Lakhs

Particulars		For the year ended March 31, 2013		For the year ended March 31, 2012
Opening stock of television serials / tapes		6,85.17		1,47.06
Add: Cost of production				
Purchase of costumes and dresses	1,11.66		1,39.25	
Purchase of tapes	45.04		1,09.61	
Artists, junior artists, dubbing artists fees	25,36.33		23,33.23	
Directors, technicians and other fees	40,57.35		29,53.24	
Shooting and location expenses	21,52.81		15,43.20	
Telecasting fees	2,24.68		6,51.03	
Uplinking charges / Special dispatch charges	87.25		54.26	
Food and refreshments	1,82.14		1,95.72	
Set properties and equipment hire charges	4,59.21		4,40.47	
Other production expenses	7,24.48		7,79.45	
		105,80.95		91,99.46
		112,66.12		93,46.52
Less: Closing stock of television serials / tapes		3,46.27		6,85.17
TOTAL		**109,19.85**		**86,61.35**

NOTE 19 EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	6,84.02	13,36.46
Contributions to Provident and Other Funds	43.80	1,11.57
Staff welfare expenses	23.96	46.81
TOTAL	**7,51.78**	**14,94.84**

NOTE 20 FINANCE COSTS

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense on delayed payment of taxes etc.	8.52	-
TOTAL	**8.52**	**-**

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NOTE 21 OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Power and fuel	1,13.91	2,52.27
Rent including lease rentals (Refer Note 22.14)	93.60	7,26.78
Repairs and maintenance - Machinery	42.21	38.29
Repairs and maintenance - Others	1,13.49	91.05
Insurance	1,34.65	1,32.23
Rates and taxes	37.23	57.41
Communication expenses	55.00	67.83
Legal and professional charges	5,52.54	8,96.13
Security and housekeeping expenses	49.73	1,51.13
Business promotion expenses	45.96	46.19
Travelling and conveyance Expenses	1,59.21	2,76.24
Donations and contributions	8.73	26.87
Loss on fixed assets sold/scrapped/written off	-	32.80
Provision for doubtful debts*	13.00	59.49
Provision for doubtful advances	-	19.85
Bad debts written off	95.43	-
Software expenses	22.31	9.45
Foreign exchange (loss) net	0.11	-
Directors sitting fees	3.30	2.85
Brokerage and commission	0.18	3,27.65
Marketing Expenses	18.75	47.98
Miscellaneous expenses **	2,14.79	2,26.57
TOTAL	**17,74.13**	**34,89.06**

* Excludes ₹ Nil (Previous Year ₹ 2.92 lakhs) being provision for doubtful debts pertaining to discontinued operations
**Miscellaneous expenses include security charges, printing and stationery etc.

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
22.1 Contingent liabilities and commitments (to the extent not provided for)		
A Contingent Liabilities:		
a) Demands (including interest) raised by Prasar Bharti Broadcasting Corporation of India (Corporation). The Company is in discussions with the Corporation for a one-time settlement, including by way of supply of various old television content. The Company has already made a payment of ₹2,00.00 lakhs to the Corporation. The accounting effect of the final outcome, either by way of supply of content or payment, as stated above, will be given on completion of the negotiations.	7,57.20	4,95.00
b) The Company has received notices of demand from the Department of Sales Tax, Government of Maharashtra pertaining to the years 2000 to 2004. 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.	171,07.87	171,07.87
c) The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal, 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.	92,45.00	92,45.00
d) The Company had received demand notice from the Office of the Commissioner of Service Tax, Mumbai pertaining to Service Tax for the period April 2006 to March 2009 on certain transactions. The Company has contested these claims and a hearing was granted to the Company. However, the Commissioner passed an adverse order confirming the tax demand and levied interest and penalty. The Company has filed an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the demand. The CESTAT has, for the time being, stayed the entire demand.	92.91	92.91
e) The Company has received an order from the Chief Executive Officer (CEO)/Collector towards lease rent and other related charges for use of facilities of Aarey Milk Colony (Aarey). The Company has contested these claims and has also filed a Writ Petition in the Bombay High Court. However, Bombay High Court while admitting the Writ Petition, called upon the Company to pay the amount to Aarey. The Company filed an appeal in the Supreme Court against the Order of the Bombay High Court. However, the Supreme Court directed the Company to pay the entire amount by June 7, 2013 and referred the matter to the Bombay High Court for adjudication.	2,87.35	18.51
B Commitments :		
Future commitments towards capital contribution in Indus Balaji Investor Trust.	13,00.00	32,00.00

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.2 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. However the Commissioner of Sales Tax has not decided on the said application till today. Therefore, Company has filed a Writ Petition before Honourable Bombay High Court for necessary direction. The matter is pending for hearing. Refer note 22.1(b).

22.3 Subsequent to the year-end, on April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company is yet to receive any report/ demand notice from the Income-tax Department. Since the proceedings are pending completion, the Company is not in a position to reliably estimate the tax liability, if any, arising out of these proceedings. The same will be assessed and further steps taken on receipt of the communication from the Income-tax Department as aforesaid.

22.4 PAYMENT TO AUDITORS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
For Statutory Audit	17.00	17.00
For Tax Audit	1.00	1.00
For Taxation matters	2.50	-
For other services	6.30	6.30
Reimbursement of expenses	0.61	0.15
For service tax	3.39	2.35
TOTAL	**30.80**	**26.79**

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

22.6 The Company has investments in 30,000,000 and 50,000 equity shares of its 100% subsidiaries, namely Balaji Motion Pictures Limited (BMPL) and Bolt Media Limited (BML) (incorporated as on November 19, 2012) aggregating to ₹ 30,00 lakhs and ₹ 5 lakhs respectively. Further, the Company has also given loan and advances aggregating to ₹ 132,41.94 lakhs (previous year ₹ 46,96.78 lakhs) to BMPL and ₹ 73.13 lakhs (Previous year Nil) to BML. As per the latest audited balance sheet of BMPL for the year ended 31st March, 2013, the accumulated losses have partly eroded its net worth and in case of BML losses have fully eroded its net worth. However, no provision for diminution in the value of the investments is considered necessary as the investments are strategic long term investments and the diminution in the value is temporary in nature.

22.7 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges
Loans and advances in the nature of loans given to subsidiaries and associates :

₹ in Lakhs

Name of the party	Relationship	Amount outstanding as at March 31, 2013	Maximum balance outstanding during the year
Balaji Motion Pictures Limited	100% Subsidiary	145,71.84	146,45.92
		(39,91.67)	(50,42.12)
Bolt Media Limited	100% Subsidiary	73.13	73.13
		(-)	(-)
IPB Capital Advisors LLP	Associate	0.50	0.50
		(0.50)	(0.50)

Note: Figures in bracket relate to the previous year.

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.8 Related Party Transactions

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Ramesh Sippy	Relative of Key management person
M/s. J K Developers	Sole proprietory firm of a Key management person
IPB Capital Advisors LLP	Associate
Balaji Motion Pictures Limited	Subsidiary Company (control exist)
Bolt Media Limited	Subsidiary Company (control exist)

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

₹ in Lakhs

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Sole proprietory firm of Key Management Person	Associate	Total
Loans given						
Balaji Motion Pictures Limited	132,41.94	-	-	-	-	132,41.94
	(46,96.78)	(-)	(-)	(-)	(-)	(46,96.78)
Bolt Media Ltd	73.13	-	-	-	-	73.13
	(-)	(-)	(-)	(-)	(-)	(-)
Directors sitting fees						
Mr. Jeetendra Kapoor	-	0.60	-	-	-	0.60
	(-)	(0.30)	(-)	(-)	(-)	(0.30)
Mr. Tusshar Kapoor	-	0.45	-	-	-	0.45
	(-)	(0.60)	(-)	(-)	(-)	(0.60)
Rent						
Mr. Jeetendra Kapoor	-	42.85	-	-	-	42.85
	(-)	(25.42)	(-)	(-)	(-)	(25.42)
Mrs. Shobha Kapoor	-	6,81.35	-	-	-	6,81.35
	(-)	(4,71.52)	(-)	(-)	(-)	(4,71.52)
Mr. Tusshar Kapoor	-	10.40	-	-	-	10.40
	(-)	(6.06)	(-)	(-)	(-)	(6.06)
Ms.Ekta Kapoor	-	8.83	-	-	-	8.83
	(-)	(5.39)	(-)	(-)	(-)	(5.39)
Rent Received						
Balaji Motion Pictures Limited	0.90	-	-	-	-	0.90
	(1.20)	(-)	(-)	(-)	(-)	(1.20)
Loans Recovered/ Adjusted						
Balaji Motion Pictures Limited	26,61.76	-	-	-	-	26,61.76
	(32,36.46)	(-)	(-)	(-)	(-)	(32,36.46)
Lease deposit received						
Mr. Jeetendra Kapoor	-	1,00.00	-	-	-	1,00.00
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Ekta Kapoor	-	1,00.00	-	-	-	1,00.00
	(-)	(-)	(-)	(-)	(-)	(-)
Remuneration						
Mrs. Shobha Kapoor	-	1,10.12	-	-	-	1,10.12
	(-)	(1,10.12)	(-)	(-)	(-)	(1,10.12)
Ms. Ekta Kapoor	-	1,32.31	-	-	-	1,32.31
	(-)	(1,32.31)	(-)	(-)	(-)	(1,32.31)

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

₹ in Lakhs

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Sole proprietory firm of Key Management Person	Associate	Total
Dividend paid						
Mrs. Shobha Kapoor	-	20.08	-	-	-	20.08
	(-)	(20.08)	(-)	(-)	(-)	(20.08)
Ms. Ekta Kapoor	-	21.00	-	-	-	21.00
	(-)	(20.05)	(-)	(-)	(-)	(20.05)
Mr. Jeetendra Kapoor	-	8.78	-	-	-	8.78
	(-)	(8.78)	(-)	(-)	(-)	(8.78)
Mr. Tusshar Kapoor	-	4.06	-	-	-	4.06
	(-)	(4.06)	(-)	(-)	(-)	(4.06)
Mr. Ramesh Sippy	-	-	0.01	-	-	0.01
	(-)	(-)	(-)	(-)	(-)	(-)
Investment made in Associates						
IPB Capital Advisors LLP	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.50)	(0.50)
Investment made in Subsidiary						
Bolt Media Ltd	5.00	-	-	-	-	5.00
	(-)	(-)	(-)	(-)	(-)	(-)
Sale of land						
M/s. J K Developers	-	-	-	-	-	-
	(-)	(-)	(-)	(25,50.00)	(-)	(25,50.00)
Amount receivable as at March 31, 2013						
Mrs. Shobha Kapoor *	-	3,40.00	-	-	-	3,40.00
	(-)	(3,40.00)	(-)	(-)	(-)	(3,40.00)
Mr. Jeetendra Kapoor *	-	2,00.00	-	-	-	2,00.00
	(-)	(3,06.60)	(-)	(-)	(-)	(3,06.60)
Mr. Tusshar Kapoor *	-	1,00.00	-	-	-	1,00.00
	(-)	(1,00.00)	(-)	(-)	(-)	(1,00.00)
Ms. Ekta Kapoor*	-	-	-	-	-	-
	(-)	(1,00.00)	(-)	(-)	(-)	(1,00.00)
Balaji Motion Pictures Limited	145,72.45	-	-	-	-	145,72.45
	(39,91.67)	(-)	(-)	(-)	(-)	(39,91.67)
Bolt Media Ltd	73.13	-	-	-	-	73.13
	(-)	(-)	(-)	(-)	(-)	(-)
Investment as on March 31, 2013						
IPB Capital Advisors LLP	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(0.50)	(0.50)

* - Deposit for leased property

Note

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

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

22.9 Expenditure in foreign currency

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Travelling expenses	23.47	55.71
Other production expenses	22.04	47.18

NOTES
forming part of the financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Amount of dividend remitted in foreign currency (₹ in Lakhs)	33.90	36.97
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency) (Number)	1.00	1.00
Total number of shares held by them on which dividend was due (Number)	16,948,194	18,485,261
Year to which dividend relates	2011-12	2010-11

22.11 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognised as expense amounts to ₹ 37.41 lakhs (previous year ₹ 73.36 lakhs)

b) Defined Benefit Plans

I Reconciliation of asset / (liability) recognised in the Balance Sheet (under pre-paid expenses , refer Note 14)

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Fair Value of plan assets as at the end of the year	59.20	54.23
Present Value of Obligation as at the end of the year	(17.08)	(36.95)
Net assets / (liability) in the Balance Sheet	42.12	17.28

II Movement in net liability recognised in the Balance Sheet

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Net (assets) as at the beginning of the year	(17.28)	(18.33)
Net expense recognised in the statement of profit and loss account	(24.84)	7.07
Contribution during the year	-	(6.03)
Net (assets) as at the end of the year	(42.12)	(17.28)

III Expense Recognised in the profit and loss account (Under the head "Employees benefit expenses" refer Note 19)

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Current Service Cost	14.30	12.69
Interest Cost	3.14	2.51
Expected Return on Plan assets	(4.66)	(3.90)
Actuarial (gains)/losses	(37.62)	(4.23)
Expense charged to the Statement of Profit and Loss	(24.84)	7.07

NOTES
forming part of the financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.11 Employee Benefits (Contd.)

IV Return on Plan Assets

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Expected return on plan assets	4.67	3.91
Actuarial (gains) / losses	0.30	0.19
Actual return on plan assets	4.97	4.10

V Reconciliation of defined benefits commitments

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Commitments at beginning of the year	36.95	30.53
Current Service Cost	14.30	12.69
Interest Cost	3.14	2.52
Actuarial (gains)/losses	(37.31)	(4.03)
Benefits paid	-	(4.76)
Settlement cost	-	-
Commitments at year end	17.08	36.95

VI Reconciliation of plan assets

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Fair Value of plan assets at beginning of the year	54.23	48.86
Expected return on plan assets	4.67	3.91
Actuarial gains/(losses)	0.30	0.19
Employer contribution	-	6.03
Benefits paid	-	(4.76)
Fair Value of plan assets at year end	59.20	54.23

VII Experience Adjustment

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
On Plan liability (gains) / losses	(37.97)	(3.30)
On Plan assets gains / (losses)	0.30	0.19

VIII Actuarial Assumptions

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.50%
Expected Rate of return on Plan assets (per annum)	8.70%	8.60%
Rate of escalation in Salary(per annum)	5.00%	5.00%

NOTES

forming part of the financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.11 Employee Benefits (Contd.)

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

Composition of plan assets

	For the Year 2012-2013	For the Year 2011-2012
Insurer managed funds	100%	100%

22.12 Earning per share

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

		For the Year 2012-2013	For the Year 2011-2012
(a)	Profit / (Loss) for the year attributable to equity share holders (₹ in Lakhs)	13,32.96	11,60.99
(b)	Weighted average number of equity shares outstanding during the year (Nos.)	65,210,443	65,210,443
(c)	Earnings per share - Basic and diluted (₹)	2.04	1.78
(d)	Nominal value of shares (₹)	2	2

22.13 Components of deferred tax Assets / (Liabilities)

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Depreciation on fixed assets	1,39.37	69.76
Provision for doubtful debts and advances	9.69	33.47
Disallowance under the Income Tax Act, 1961	-	-
Deferred tax asset/ (liability)-net	**1,49.06**	**1,03.23**

22.14 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:

₹ in Lakhs

		As at March 31, 2013	As at March 31, 2012
1)	Amount due within 1 year	-	5,74.06
2)	Amount due later than 1 year and not later than 5 years	-	13,85.85
3)	Amount due later than 5 years	-	11,66.02
TOTAL		-	**31,25.93**

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 ₹ 93.60 lakhs (previous year ₹ 7,26.78 lakhs).

NOTES
forming part of the financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.15 Segment Information

(A) Information about primary segments

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

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

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

₹ in Lakhs

	Commissioned Programmes		Sponsored Programmes		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	135,19.43	103,69.42	3,99.69	14,31.98	139,19.12	118,01.40
Add: Inter Segment sale	-	-	-	-	-	-
Total Revenue	**135,19.43**	**103,69.42**	**3,99.69**	**14,31.98**	**139,19.12**	**118,01.40**
Segment result	19,84.21	13,37.67	(2,03.56)	18.46	17,80.65	13,56.13
Unallocable expenses (net)					(21,02.33)	(39,10.81)
Operating Income					1,66.13	11,34.20
Other Income					18,16.80	26,48.95
Profit before tax					**16,61.25**	**12,28.46**
Tax expense					(3,28.45)	90.41
Profit for the year					**13,32.80**	**13,18.87**
Segment assets	59,13.73	63,30.19	1,12.54	5,80.32	60,26.27	69,10.51
Unallocable assets					383,10.64	366,06.20
Total assets					**443,36.91**	**435,16.71**
Segment liabilities	14,93.67	15,43.52	10.07	64.14	15,03.74	16,07.66
Unallocable liabilities					11,10.28	12,13.96
Total Liabilities					**26,14.02**	**28,21.62**
Other Information						
Capital expenditure (allocable)	1,07.77	2,58.08	-	-	1,07.77	2,58.08
Capital expenditure (unallocable)					1,10.11	1,95.87
Depreciation / Amortisation (allocable)	5,86.73	3,86.93	1.80	2.61	5,88.53	3,89.54
Depreciation / Amortisation (unallocable)					1,97.84	3,84.04

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

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

22.16 Details relating to investment in Limited Liability Partnership (LLP)

₹ in Lakhs

Name of the LLP	As at March 31, 2013			As at March 31, 2012		
	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.50	50%	Balaji Telefilms Limited	0.50	50%
	IP Capital Advisors LLP	0.49	49%	IP Capital Advisors LLP	0.49	49%
	IPM Capital Advisors LLP	0.01	1%	IPM Capital Advisors LLP	0.01	1%
		1.00	**100%**		**1.00**	**100%**
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.38	18.75%	Balaji Telefilms Limited	-	-
	IP Capital Advisors LLP	0.38	18.75%	IP Capital Advisors LLP	-	-
	IPX Capital Advisors LLP	0.25	12.50%	IPX Capital Advisors LLP	-	-
	Mohit Ralhan	0.50	25.00%	Mohit Ralhan	-	-
	IPM Capital Advisors LLP	0.50	25.00%	IPM Capital Advisors LLP	-	-
		2.00	**100%**		-	-

NOTES
forming part of the financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.17 During the previous year, the Company in accordance with the shareholders approval vide, resolution passed through postal ballot, has entered into binding business transfer agreements, to sell its Mobile and Education division for a consolidated sum of ₹ 8,37.00 lakhs on slump sale basis, based on fair value determined by an independent firm of Chartered Accountants. As per the terms of the agreements, the transactions would be effective on receipt of full consideration within a period not exceeding a period of 90 days from the date of the agreements. Accordingly, the net consideration of ₹ 8,24.80 lakhs has been accounted in the last quarter of the previous year as "other operating income".

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

₹ in Lakhs

Particulars	2012-2013			2011-2012		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Turnover (net)	140,85.25	-	140,85.25	129,35.60	6,61.97	135,97.57
Other Income	18,16.81	-	18,16.81	26,48.95	-	26,48.95
Total Income	159,02.06	-	159,02.06	155,84.56	6,61.97	162,46.53
Total Expenditure	142,40.65	-	142,40.65	143,56.09	8,19.85	151,75.95
Profit / (Loss) before tax	16,61.41	-	16,61.41	12,28.46	(1,57.88)	10,70.58
Provision for taxation	3,28.45	-	3,28.45	(90.41)	-	(90.41)
Profit / (Loss) after tax	13,32.96	-	13,32.96	13,18.87	(1,57.88)	11,60.99
Assets	443,36.90	-	443,36.90	432,86.04	2,30.67	435,16.71
Liabilities	(26,14.02)	-	(26,14.02)	(25,93.46)	(2,28.15)	(28,21.62)

b. Cash flow from continuing and discontinuing operations :-

₹ in Lakhs

Particulars	2012-2013			2011-2012		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Net cash (used in) operating activities	21,79.60	-	21,79.60	(2,80.14)	(47.90)	(3,28.03)
Net cash from / (used in) investing activities	(15,99.59)	-	(15,99.59)	5,48.95	(30.80)	5,18.15
Net cash (used in) financing activities	(1,52.10)	-	(1,52.10)	(1,48.12)	-	(1,48.12)

22.18 Pursuant to the Shareholders' approval at the Annual General Meeting on September 5, 2012, the Company has paid remuneration to the Managing Director and Joint Managing Director. Though the remuneration for the year is as per the shareholders' approval, it exceeds by ₹ 75.38 lakhs as determined under Section 349 of the Companies Act, 1956 for which the Company has already filed its application with the Central Goverment for approval. The said approval is under process.

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

Signatures to notes 1 to 22

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

D.G.Rajan
(Director)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of Balaji Telefilms Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Balaji Telefilms Limited (the Company) and its subsidiaries (the Company and its subsidiaries constitute 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 23.18 of the financial statements regarding remuneration paid to the Managing Director and Joint Managing Director which is in excess of the relevant provisions of the Act by ₹ 75.38 lakhs for which the Central Government approval is awaited.

Our opinion is not qualified in respect of this matter.

Other Matter

The consolidated financial statement include the financial statements of a subsidiary which reflect total assets (net) of ₹ 1,45.55 lakhs as at 31st March, 2013, total revenues of ₹ 49.51 lakhs and net cash flows amounting to ₹ 22.90 lakhs for the year ended on that date, and the Group's share of net profit of ₹ 0.17 lakhs for the year ended on that date in respect of one associate. The financial statements of this subsidiary and associate have been audited by Snehal & Associates, Chartered Accountants, one of the joint auditors of the Company.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No: 117366W)

A.B. Jani
Partner
(Membership No: 46488)
Mumbai, dated: May 27, 2013

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

Snehal Shah
Proprietor
(Membership No: 40016)
Mumbai, dated: May 27, 2013

CONSOLIDATED BALANCE SHEET
as at March 31, 2013

₹ in Lakhs

			Note No.	As at March 31, 2013	As at March 31, 2012
A	**EQUITY AND LIABILITIES**				
	1	**Shareholders' funds**			
		(a) Share capital	3	13,04.21	13,04.21
		(b) Reserves and surplus	4	389,88.16	378,35.15
				402,92.37	**391,39.36**
	2	**Current liabilities**			
		(a) Trade payables	22.5	29,58.66	21,49.40
		(b) Other current liabilities	5	13,47.50	10,25.67
		(c) Short-term provisions	6	3,16.40	1,61.58
				46,22.56	**33,36.65**
	TOTAL			**449,14.93**	**424,76.01**
B	**ASSETS**				
	1	**Non-current assets**			
		(a) Fixed assets	7		
		i) Tangible assets		26,66.44	31,79.28
		ii) Capital work-in-progress		25.65	69.92
				26,92.09	32,49.20
		(b) Non-current investments	8	31,72.25	17,59.69
		(c) Deferred tax assets (net)	22.13	1,49.06	1,03.23
		(d) Long-term loans and advances	9	51,64.12	62,37.38
				111,77.52	**113,49.50**
	2	**Current assets**			
		(a) Current investments	10	118,65.78	209,96.21
		(b) Inventories	11	150,62.33	43,02.87
		(c) Trade receivables	12	39,82.39	33,81.70
		(d) Cash and cash equivalents	13	11,11.02	6,02.50
		(e) Short-term loans and advances	14	15,75.89	17,77.75
		(f) Other current assets	15	1,40.00	65.48
				337,37.41	**311,26.51**
	TOTAL			**449,14.93**	**424,76.01**

See accompanying notes forming part of the financial statements.

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

D.G.Rajan
(Director)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2013

₹ in Lakhs

			Note No.	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
A	**CONTINUING OPERATIONS**				
	1	Revenue from Operations	16	185,97.48	187,79.90
	2	Other income	17	18,38.08	27,24.17
	3	**Total Revenue (1+2)**		**204,35.56**	**215,04.07**
	4	**Expenses**			
		(a) Cost of Production of television serials	18	130,19.35	116,51.03
		(b) Employee benefits expense	19	13,99.94	19,98.33
		(c) Finance costs	20	8.52	13.91
		(d) Depreciation and amortisation expense	8	8,01.95	7,14.75
		(e) Other expenses	21	33,74.85	50,14.81
		Total Expenses		**186,04.61**	**193,92.83**
	5	**Profit before tax (3-4)**		18,30.95	21,11.25
	6	**Tax expense:**			
		(a) Current tax		4,20.73	2,40.56
		(b) Deferred tax	22.13	(45.82)	(97.60)
		(c) Excess provision for tax in respect for earlier years		(1.97)	(2,33.37)
				3,72.94	**(90.41)**
	7	**Profit from continuing operations (5-6)**		**14,58.01**	**22,01.66**
B	**DISCONTINUING OPERATIONS**				
	8.a	(Loss) from discontinuing operations (before tax)	22.16	-	(1,57.88)
	9	**(Loss) from Discontinuing operations (after tax) (8.a)**	22.16	-	(1,57.88)
	10	**Share in the profit of associates**		**0.17**	**0.39**
C	**TOTAL OPERATIONS**				
	11	**Profit for the year (7+9+10)**		**14,58.18**	**20,44.17**
	12	**Earnings per share (of ₹ 2/- each): (refer note 22.12)**			
		Basic and diluted earnings per share		2.24	3.13

See accompanying notes forming part of the financial statements.

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

For and on behalf of the Board of Directors

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

D.G.Rajan
(Director)

Snehal Shah
(Proprietor)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

Place : Mumbai
Date : May 27, 2013

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2013

₹ in Lakhs

		For the year ended March 31, 2013		For the year ended March 31, 2012	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit for the year		18,30.95		19,53.36
	Adjustments for:				
	Depreciation	8,01.95		7,77.49	
	Bad debts written off	95.43		-	
	Net Consideration from sale of discontinuing operations	-		(8,24.80)	
	Provision for doubtful debts (net)	13.00		62.41	
	Provision for doubtful advances (net)	-		19.85	
	(Profit) /Loss on sale / discard of fixed assets(net)	(14.49)		32.80	
	Profit on sale of Land (net)	-		(1,22.90)	
	Profit on sale of long term investments (non-trade) (net)	(13,84.68)		(17,09.44)	
	Provision for earlier years written back (net)	(2,41.95)		(49.97)	
	Provision for doubtfull debt written back	(78.69)		-	
	Advances written off	-		11.00	
	Interest income on Fixed Deposits	(17.78)		(28.20)	
	Operating profit before working capital changes	10,03.75		1,21.59	
	Adjustments for:				
	(Increase) / Decrease in trade and other receivable	(10,67.07)		9,18.09	
	(Increase) in inventories	(107,59.45)		(31,32.16)	
	Increase in trade payables and other payables	13,76.69		8,00.60	
	Cash used in operations		(94,46.09)		(12,91.89)
	Income-tax refund received / (paid)		12,16.47		(4,68.91)
	NET CASH (USED IN) OPERATING ACTIVITIES		**(82,29.64)**		**(17,60.79)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	(2,48.27)		(4,55.48)	
	Sale of fixed assets (including sale of land)	18.01		51,16.44	
	Proceeds for sale of business	-		7,53.17	
	Purchase of investments	(149,34.98)		(371,10.43)	
	Sale of investments	254,50.10		354,31.22	
	Optionally Convertible Debentures allotted	(6,05.85)		-	
	Optionally Convertible Debentures redeemed	10,98.84		-	
	Investment in Trust / Limited Liability Partnership	(19,05.38)		-	
	Purchase of non current investments	-		(17,59.69)	
	Bank Balance not considered as cash and cash equivalents (Refer Note 13)	(4.55)		(26.48)	
	Interest income	17.78		28.20	
NET CASH FLOW FROM INVESTING ACTIVITIES			**88,85.70**		**19,76.95**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2013

₹ in Lakhs

		For the year ended March 31, 2013		For the year ended March 31, 2012	
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Dividend paid	(1,30.93)		(1,26.46)	
	Corporate dividend tax paid	(21.16)		(21.66)	
	NET CASH FLOW (USED IN) FINANCING ACTIVITIES		**(1,52.09)**		**(1,48.12)**
	Net increase in cash and cash equivalents		**5,03.97**		**68.04**
	Cash and cash equivalents at the beginning of the year		**5,33.73**		**4,65.70**
	Cash and cash equivalents at the end of the year		**10,37.70**		**5,33.73**

Notes:

(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 13).

₹ in Lakhs

		For the year ended March 31, 2013	For the year ended March 31, 2012
(ii)	Cash and cash equivalents at the end of the year as per cashflow statement	10,37.70	5,33.73
	- Unpaid dividend accounts	7.67	7.17
	- Fixed deposits kept in lien against bank guarantee	65.65	61.60
	Cash and cash equivalents at the end of the year as per Note 13	**11,11.02**	**6,02.50**

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

For and on behalf of the Board of Directors

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

D.G.Rajan
(Director)

Snehal Shah
(Proprietor)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

Place : Mumbai
Date : May 27, 2013

NOTES

forming part of the consolidated financial statements

NOTE 1 CORPORATE INFORMATION

Incorporated on November 10, 1994, Balaji Telefilms Limited has established itself as one of the largest television content production houses in India. With its footprint established in the hindi speaking market, it has now extended into the regional entertainment markets. With a library of over 100 television shows, Balaji has also ventured into the events business.

Balaji Motion Pictures Limited is a wholly owned subsidiary of Balaji Telefilms Limited and is involved in production of films. Incorporated on March 9, 2007 under the Companies Act, 1956, the Company has in a short span managed to establish itself as a serious contender in the business and has several critically and commercially acclaimed projects to its credit.

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Basis of preparation of financial statements

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

Principles of Consolidation

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

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

Use of Estimates

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

Fixed assets

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

Depreciation / Amortisation

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

Studios and sets @ 33.33%

Leasehold improvements are amortised over the period of lease.

Impairment loss

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

Investments

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

Inventories

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

Tapes	:	First In First Out
Television serials/ 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.

NOTES

forming part of the consolidated financial statements

Revenue recognition

a) In respect of sponsored programmes, revenue is recognised as and when the relevant episodes of the programmes are telecast.

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

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

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

Employee benefits

a) Post employment benefits and other long term benefits

i) Defined Contribution Plan:

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

ii) Defined Benefit Plans:

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

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

b) Short Term Employee Benefits:
Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Foreign currency transactions

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

Borrowing costs

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

Operating leases

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

Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

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

Provisions and Contingencies

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

NOTES
forming part of the consolidated financial statements

NOTE 3 SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Authorised		
75,000,000 Equity Shares of ₹ 2/- each	15,00.00	15,00.00
	15,00.00	**15,00.00**
(b) Issued, Subscribed and fully paid-up		
65,210,443 Equity Shares of ₹ 2/- each	13,04.21	13,04.21
TOTAL	**13,04.21**	**13,04.21**

Notes:-

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

Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	16,948,194	25.99	16,948,194	25.99
Ekta Kapoor	10,668,188	16.36	10,500,488	16.10
Shobha Kapoor	10,037,500	15.39	10,037,500	15.39
Jeetendra Kapoor	4,392,000	6.74	4,392,000	6.74

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

NOTE 4 RESERVES AND SURPLUS

₹ in Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Securities premium account				
As per last Balance Sheet		147,85.61		147,85.61
(b) General reserve				
As per last Balance Sheet	47,76.87		46,60.77	
Add: Transferred from surplus in Statement of Profit and Loss	1,33.30		1,16.10	
		49,10.17		47,76.87
(c) Surplus in Statement of Profit and Loss				
Opening balance	182,72.67		164,96.18	
Add: Profit for the year	14,58.18		20,44.17	
Less : Dividends proposed to be distributed to equity shareholders (₹0.40 per share)	2,60.84		1,30.42	
Tax on dividend	44.33		21.16	
Transferred to General reserve	1,33.30		1,16.10	
Closing balance		192,92.38		182,72.67
TOTAL		**389,88.16**		**378,35.15**

NOTES

forming part of the consolidated financial statements

NOTE 5 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Unpaid dividends (Refer Note below)	7.67	7.17
(b) Temporarily overdrawn book balances	-	2,39.69
(c) Other payables		
(i) Statutory liabilities	1,37.77	1,82.49
(ii) Advances from customers	12,02.06	5,96.32
TOTAL	**13,47.50**	**10,25.67**

Note

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

NOTE 6 SHORT-TERM PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Employee benefits		
(i) Provision for gratuity	1.93	-
Provision - Others:		
(i) Provision for tax (net of advance tax ₹ NIL (As at March 31, 2012 ₹ NIL))	9.30	10.00
(ii) Provision for proposed equity dividend	2,60.84	1,30.42
(iii) Provision for tax on proposed dividend	44.33	21.16
TOTAL	**3,16.40**	**1,61.58**

NOTES

forming part of the consolidated financial statements

NOTE 7 FIXED ASSETS

₹ in Lakhs

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at April 01, 2012	Additions	Deductions	Transfer of Assets	As at March 31, 2013	As at April 01, 2012	For the Year	On Deductions	On Transfer of Assets	Upto March 31, 2013	As at March 31, 2013
Tangible assets											
Land (refer note b below)	-	-	-	-	-	-	-	-	-	-	-
	(48,77.10)	(-)	(48,77.10)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Buildings (refer note a below)	4,69.36	-	-	-	4,69.36	57.79	7.65	-	-	65.44	4,03.92
	(4,69.36)	(-)	(-)	(-)	(4,69.36)	(50.14)	(7.65)	(-)	(-)	(57.79)	(4,11.57)
Plant and machinery - Computers	6,27.60	21.50	0.50	-	6,48.60	4,49.42	74.55	0.19	-	5,23.78	1,24.82
	(6,20.91)	(9.47)	(-)	(2.78)	(6,27.60)	(3,70.63)	(79.83)	(-)	(1.04)	(4,49.42)	(1,78.18)
Plant and machinery - Others	21,91.86	9.10	0.45	-	22,00.51	12,12.42	1,52.68	0.35	-	13,64.75	8,35.76
	(22,21.68)	(-)	(0.66)	(29.16)	(21,91.86)	(10,61.44)	(1,54.44)	(0.31)	(3.15)	(12,12.42)	(9,79.44)
Computers	4,01.12	2.36	5.32	-	3,98.16	3,36.01	16.14	3.11	-	3,49.04	49.12
	(4,66.82)	(21.32)	(17.45)	(69.57)	(4,01.12)	(3,45.37)	(26.42)	(17.45)	(18.33)	(3,36.01)	(65.11)
Studios and sets	46,39.68	77.16	-	-	47,16.84	41,09.21	3,62.32	-	-	44,71.53	2,45.31
	(43,84.74)	(2,54.97)	(-)	(-)	(46,39.68)	(37,85.57)	(3,23.64)	(-)	(-)	(41,09.21)	(5,30.47)
Vehicles	7,61.82	1,00.98	40.45	-	8,22.35	3,22.77	72.15	40.45	-	3,54.47	4,67.88
	(7,56.20)	(74.01)	(68.39)	(-)	(7,61.82)	(2,94.04)	(52.81)	(24.08)	(-)	(3,22.77)	(4,39.05)
Furniture and fixtures	3,03.71	2.17	-	-	3,05.88	1,37.24	19.10	-	-	1,56.34	1,49.54
	(3,02.74)	(1.94)	(0.86)	(0.11)	(3,03.71)	(1,18.66)	(19.03)	(0.44)	(0.01)	(1,37.24)	(1,66.47)
Office equipments	3,28.68	8.99	1.06	-	3,36.61	85.43	15.84	0.23	-	1,01.04	2,35.57
	(3,30.66)	(7.29)	(5.80)	(3.47)	(3,28.68)	(71.53)	(15.77)	(1.64)	(0.23)	(85.43)	(2,43.25)
Electrical fittings	87.70	1.98	-	-	89.68	19.14	4.18	-	-	23.32	66.36
	(73.05)	(16.28)	(-)	(1.63)	(87.70)	(15.45)	(3.82)	(-)	(0.13)	(19.14)	(68.56)
Lease Hold Improvements	3,86.41	68.29	-	-	4,54.70	2,89.20	77.34	-	-	3,66.54	88.16
	(3,86.10)	(0.31)	(-)	(-)	(3,86.41)	(1,95.12)	(94.08)	(-)	(-)	(2,89.20)	(97.21)
TOTAL	**101,97.94**	**2,92.53**	**47.78**	**-**	**104,42.69**	**70,18.63**	**8,01.95**	**44.33**	**-**	**77,76.25**	**26,66.44**
	(148,89.36)	**(3,85.56)**	**(49,70.26)**	**(1,06.72)**	**(101,97.94)**	**(63,07.95)**	**(7,77.49)**	**(43.92)**	**(22.89)**	**(70,18.63)**	**(31,79.28)**

Note

a. Building includes ₹ 2,20.86 lakhs (previous year ₹ 2,20.86 lakhs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹ 0.01 lakh received under Bye-law of the society.

b. The Company, in the earlier year, had invested in three adjacent plots of land admeasuring approximately 38,870 sq. mtrs. in aggregate, situated within the limits of Mira Bhayander Municipal Corporation. During the previous year, the Company has sold the plots of land for a consolidated consideration aggregating to ₹ 51,00.00 lakhs on an 'as-is where-is' basis vide two separate transactions and has accounted for the profit on sale aggregating to ₹1,22.90 lakhs (net of related expenses). Part of the land has been sold to M/s JK Developers a sole proprietary firm owned by one of the Directors of the Company.

c. Transfer of assets pertains to sale of divisions (refer note 22.16)

d. Depreciation includes depreciation towards discontinued operations aggregating to ₹ NIL (Previous year ₹ 62.74 lakhs)

e. Figures in brackets denote previous year figures

NOTES

forming part of the consolidated financial statements

NOTE 8 NON-CURRENT INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2013 Unquoted		As at March 31, 2012 Unquoted	
(At cost) : (non-trade)				
a) Investment in optionally convertible debentures (OCDs) of :				
i) Smart Prep Education Private Limited				
Series A NIL (Previous year 3,000) Debentures of ₹100 each	-		3.00	
Series B NIL (Previous year 222,500) Debentures of ₹100 each	-		2,22.50	
ii) Aristo Learning Private Limited				
Series A 3,000 (Previous year 3,000) Debentures of ₹100 each	3.00		3.00	
Series B 62,810 (Previous year 84,500) Debentures of ₹100 each	62.81		84.50	
ii) Smart Q Education Solutions Private Limited				
Series A NIL (Previous year 3,000) Debentures of ₹100 each	-		3.00	
Series B NIL (Previous year 112,800) Debentures of ₹100 each	-		1,12.80	
iv) Second School Learning Private Limited				
Series A 1,000 (Previous year 1,000) Debentures of ₹100 each	1.00		1.00	
Series B 399,000 (Previous year 529,000) Debentures of ₹100 each	3,99.00		5,29.00	
		4,65.81		9,58.80
b) Investment in Associate (Refer Note 22.7)				
i) IPB Capital Advisors LLP	0.89		0.50	
Add : Share in profit of associate	0.17		0.39	
		1.06		0.89
c) Investment in Indus Balaji Investor Trust (Refer Note 22.1 B)				
i) 2,700,000 (Previous year 800,000) Class A units of ₹100 each	27,00.00		8,00.00	
ii) 5,000 (Previous year NIL) Class B units of ₹100 each	5.00		-	
		27,05.00		8,00.00
d) Investment in Limited Liabilty Partnership				
i) Indus Balaji Education Capital Advisors LLP		0.38		-
TOTAL		**31,72.25**		**17,59.69**

NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Capital Advances	9.80	1,15.91
(b) Security Deposits (Refer Note below)	9,93.48	10,09.38
(c) Other loans and advances Loan to Balaji Employees Foundation	10,00.00	10,00.00
(d) Advance to vendors	10,37.46	3,98.60
(e) Advance tax (Net of provisions ₹ 6,52.26 lakhs (As at March 31,2012, ₹ 3,08.84 lakhs))	21,23.38	37,13.49
TOTAL	**51,64.12**	**62,37.38**

Note:

Security Deposit include deposits given to Directors for the properties taken on lease from them (also refer note 22.8)

NOTES

forming part of the consolidated financial statements

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Directors	8,40.00	8,46.60
Maximum amount outstanding at any time during the year for the above deposits.	8,46.60	8,46.60

NOTE 10 CURRENT INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(Non trade) (at lower of cost and fair value)		
Investment in mutual funds (Refer note below)	118,65.78	209,96.21
TOTAL	**118,65.78**	**209,96.21**

Note :- ₹ in Lakhs

Particulars	Face Value ₹	Numbers As at March 31, 2013	Numbers As at March 31, 2012	Value As at March 31, 2013	Value As at March 31, 2012
UNQUOTED					
IN UNITS OF MUTUAL FUNDS					
Birla Sunlife Dynamic Bond Fund - Retail	10.00	11,949,295	11,949,295	20,52.80	20,52.80
Birla Sunlife Short Term FMP Series 25 Growth	10.00	-	4,999,990	-	5,00.00
Birla Sun Life Cash Manager - Institutional Plan - Growth	10.00	-	420,882	-	7,51.08
Birla Sun Life Short Term FMP Series 23 Growth	10.00	-	5,127,804	-	5,12.78
Birla Sun Life Fixed Plan Series ED Growth	10.00	5,025,936	5,025,936	5,02.59	5,02.59
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	10.00	-	2,465,911	-	5,77.10
HDFC Short Term Plan - Growth	10.00	-	7,569,266	-	15,00.00
HDFC FMP 370D November 2011 (3) - Growth - Series XIX	10.00	-	5,000,000	-	5,00.00
HDFC FMP 370D January 2012 (2) - Growth - Series XIX	10.00	-	10,000,000	-	10,00.00
HDFC FMP 92D March 2012 (3) - Growth - Series XXI	10.00	-	10,000,000	-	10,00.00
HDFC Income Fund- Growth	10.00	2,606,805	-	7,00.00	-
ICICI Prudential Blended Plan B - Institutional Growth Option II	10.00	-	8,643,192	-	10,00.00
ICICI Prudential Medium Term Plan Premium Plus Growth	10.00	-	14,502,406	-	15,93.33
ICICI Prudential FMP Series 60 - 1 Year Plan D - Growth	10.00	-	5,000,000	-	5,00.00
ICICI Prudential FMP Series 60 - 18 Months Plan G Cummulative	10.00	9,723,877	9,723,877	9,72.39	9,72.39
ICICI Prudential Short Term Plan - Institutional Growth	10.00	2,298,635	2,298,635	5,00.00	5,00.00
ICICI Prudential FMP Series 61 - 18 Months Plan B - Cummulative	10.00	10,000,000	10,000,000	10,00.00	10,00.00
ICICI Prudential FMP Series 62 - 1 Year Plan A - Cummulative	10.00	-	5,000,000	-	5,00.00
ICICI Prudential Gilt Fund Investment Plan PF Option	10.00	1,131,828	-	2,45.00	-
ICICI Prudential Gilt Fund Treasury -Regular Plan- Growth	10.00	1,723,312	-	5,00.00	-
IDFC Dynamic Bond Fund Plan B-Growth	10.00	4,082,604	-	5,45.00	-
IDFC Super Saver Income Fund - Short Term - Plan A Growth	10.00	4,200,978	6,999,481	9,03.00	15,00.00

NOTES
forming part of the consolidated financial statements

NOTE 10 CURRENT INVESTMENTS (CONTD.)

₹ in Lakhs

Particulars	Face Value ₹	Numbers As at March 31, 2013	Numbers As at March 31, 2012	Value As at March 31, 2013	Value As at March 31, 2012
UNQUOTED					
IN UNITS OF MUTUAL FUNDS					
Kotak FMP 13M Series 6 - Growth	10.00	-	-	-	-
Kotak Gilt (Investment Regular)- Growth	10.00	765,716	-	3,00.00	-
Kotak Bond Scheme Plan A- Growth	10.00	2,433,948	-	7,95.00	-
Reliance Fixed Horizon Fund XX - Series 14 - Growth	10.00	-	10,000,000	-	10,00.00
Reliance Fixed Horizon Fund - XXI - Series 4-Growth Plan	10.00	-	9,999,990	-	10,00.00
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Plan	10.00	-	2,055,183	-	5,34.14
Reliance Dynamic Bond Fund- Growth Plan	10.00	2,655,137	-	4,00.00	-
SBI SDFS - 367 Days -11 Growth	10.00	-	4,999,990	-	5,00.00
SBI Dynamic Bond Fund- Growth	10.00	3,205,349	-	4,50.00	-
SBI Magnum Income Fund- Regular Plan- Growth	10.00	1,731,668	-	5,00.00	-
Templeton India Low Duration Fund	10.00	-	9,432,183	-	10,00.00
Templeton India Short term Income Retail Plan Growth	1000.00	21,584	-	5,00 .00	-
UTI Short Term Income Fund - Growth Option	10.00	7,913,388	4,015,065	10,00.00	5,00.00
TOTAL				**118,65.78**	**209,96.21**

NOTE 11 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Serials	3,79.97	6,80.53
(b) Tapes	4.29	4.64
(c) Films	146,78.07	36,17.70
TOTAL	**150,62.33**	**43,02.87**

NOTE 12 TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, considered good	2,95.57		76.98	
Unsecured, considered doubtful	53.00		82.86	
	3,48.57		1,59.84	
Less: Provision	53.00		82.86	
		2,95.57		76.98
Other Trade receivables				
Unsecured, considered good		36,86.82		33,04.72
TOTAL		**39,82.39**		**33,81.70**

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NOTE 13 CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	27.12	29.78
(b) Balances with banks		
(i) In current accounts	8,26.06	2,33.43
(ii) In deposit accounts	1,84.52	2,70.52
(iii) In earmarked accounts		
- Unpaid dividend accounts	7.67	7.17
- Fixed deposits kept in lien against bank guarantee	65.65	61.60
TOTAL	**11,11.02**	**6,02.50**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	10,37.70	5,33.73

NOTE 14 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHER WISE STATED)

₹ in Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Loans and advances to employees		25.18		11.25
(b) Prepaid expenses		1,17.23		61.30
(c) Balances with government authorities (VAT, service tax etc.)		1,44.14		1,68.13
(d) Advance to vendors				
Considered good	12,84.34		15,37.07	
Doubtful	-		19.85	
	12,84.34		15,56.92	
Less - Provision for other doubtful loans and advances	-		(19.85)	
		12,84.34		15,37.07
(e) Security Deposit		5.00		-
TOTAL		**15,75.89**		**17,77.75**

NOTE 15 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Unbilled revenue	1,40.00	65.48
TOTAL	**1,40.00**	**65.48**

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NOTE 16 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Sale of services		
Commissioned Sales	131,69.59	103,69.42
Sponsored Sales	3,74.69	14,31.98
Internet Sales	1.98	10.12
Sale of film rights	44,27.88	58,45.50
Service Income	4.50	-
(b) Other operating revenues		
Profit on sale of land (net) (refer note 7(b) and 22.8)	-	1,22.90
Sale of Scrap	0.47	5.58
Net Consideration from sale of discontinuing operations (refer note 22.16)	-	8,24.80
Excess provision for earlier years written back	2,17.12	49.97
Facilities hire charges	1,56.51	86.11
Service income	1,30.31	33.52
Other Income	35.74	-
Provision for doubtful debts / advances written back	78.69	-
TOTAL	**185,97.48**	**187,79.90**

NOTE 17 OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest income		
On fixed deposits with banks	17.78	28.20
On Income tax Refund	3,32.78	70.73
(b) Profit on sale of current investments (non-trade) (net)	13,84.68	17,09.44
(c) Profit on sale of fixed assets (net)	14.49	-
(d) Insurance claim received (Includes ₹ Nil (Previous Year ₹ 9,11.68 lakhs) on maturity of Keyman Insurance policy)	50.21	9,11.68
(e) Excess Provision for earlier years written back (net)	24.83	1.11
(f) Miscellaneous income	13.31	3.00
TOTAL	**18,38.08**	**27,24.17**

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NOTE 18 COST OF PRODUCTION OF TELEVISION SERIALS / FILMS

₹ in Lakhs

Particulars		For the year ended March 31, 2013		For the year ended March 31, 2012
Opening stock of television serials / tapes / films		43,02.87		12,83.73
Add: Cost of production				
Acquisition Cost	4,84.49		11.53	
Purchase of costumes and dresses	2,67.15		1,88.65	
Purchase of tapes	1,80.34		2,50.20	
Artists, junior artists, dubbing artists fees	50,68.75		30,65.42	
Directors, technicians and other fees	57,21.42		35,16.04	
Shooting and location expenses	34,11.89		18,45.56	
Telecasting fees	2,24.68		6,51.03	
Uplinking charges / Special dispatch charges	87.25		54.26	
Food and refreshments	2,77.77		2,25.96	
Set properties and equipment hire charges	10,92.46		6,54.73	
Negative processing charges	16.06		1,04.47	
Insurance	45.09		13.10	
Line Production cost	56,08.30		29,81.83	
Other production expenses	12,93.16		11,07.39	
		237,78.81		146,70.17
		280,81.68		159,53.90
Less: Closing stock of television serials / tapes / films		150,62.33		43,02.87
TOTAL		**130,19.35**		**116,51.03**

NOTE 19 EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	13,03.29	18,15.85
Contributions to Provident and Other Funds	70.91	1,35.28
Staff welfare expenses	25.74	47.20
TOTAL	**13,99.94**	**19,98.33**

NOTE 20 FINANCE COSTS

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense on delayed payment of taxes etc.	8.52	13.91
TOTAL	**8.52**	**13.91**

NOTES
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NOTE 21 OTHER EXPENSES

₹ in Lakhs

Particulars		For the year ended March 31, 2013		For the year ended March 31, 2012
Power and fuel		1,15.37		2,52.57
Rent including lease rentals (Refer Note 22.14)		1,02.35		7,28.16
Repairs and maintenance - Machinery		42.68		39.69
Repairs and maintenance - Others		1,16.89		91.09
Insurance		1,34.65		1,32.23
Rates and taxes		37.88		60.34
Communication expenses		63.45		72.53
Legal and Professional charges		7,05.56		9,76.33
Security and housekeeping expenses		49.73		1,51.13
Business promotion expenses		94.93		53.31
Travelling & Conveyance Expenses		1,76.42		2,97.01
Donations and contributions		21.70		36.87
Loss on Fixed Assets sold/scrapped/written off		-		32.80
Provision for doubtful debts *		13.00		59.49
Provision for doubtful advances		-		19.85
Marketing and distribution Expenses		12,57.75		14,11.26
Bad debts written off		95.43		-
Advances written off	-		8,63.00	
Less : provision for doubtful advances written back	-		(8,52.00)	
		-		11.00
Software expenses		22.31		9.45
Directors sitting fees		5.57		4.25
Brokerage and commission		0.18		3,38.34
Foreign exchange (loss) net		0.72		3.38
Miscellaneous expenses **		3,18.28		2,33.72
TOTAL		**33,74.85**		**50,14.81**

* Excludes ₹ Nil (Previous Year ₹ 2.92 lakhs) being provision for doubtful debts pertaining to discontinued operations
**Miscellaneous expenses include security charges, printing and stationery etc.

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
22.1 Contingent liabilities and commitments (to the extent not provided for)		
A Contingent Liabilities:		
a) Demands (including interest) raised by Prasar Bharti Broadcasting Corporation of India (Corporation). The Company is in discussions with the Corporation for a one-time settlement, including by way of supply of various old television content.The Company has already made a payment of ₹2,00.00 lakhs to the Corporation.The accounting effect of the final outcome, either by way of supply of content or payment, as stated above, will be given on completion of the negotiations.	7,57.20	4,95.00
b) The Company has received notices of demand from the Department of Sales Tax, Government of Maharashtra pertaining to the years 2000 to 2004 . 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.	171,07.87	171,07.87
c) The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal, 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.	92,45.00	92,45.00
d) The Company had received demand notice from the Office of the Commissioner of Service Tax, Mumbai pertaining to Service Tax for the period April 2006 to March 2009 on certain transactions. The Company has contested these claims and a hearing was granted to the Company. However, the Commissioner passed an adverse order confirming the tax demand and levied interest and penalty. The Company has filed an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the demand. The CESTAT has, for the time being, stayed the entire demand.	92.91	92.91
e) The Company has received an order from the Chief Executive Officer (CEO)/Collector towards lease rent and other related charges for use of facilities of Aarey Milk Colony (Aarey). The Company has contested these claims and has also filed a Writ Petition in the Bombay High Court. However, Bombay High Court while admitting the Writ Petition, called upon the Company to pay the amount to Aarey. The Company filed an appeal in the Supreme Court against the Order of the Bombay High Court. However, the Supreme Court directed the Company to pay the entire amount by June 7, 2013 and referred the matter to the Bombay High Court for adjudication.	2,87.35	18.51
B Commitments :		
Future commitments of the Company towards capital contribution in Indus Balaji Investor Trust	13,00.00	32,00.00

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forming part of the consolidated financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.2 a) 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. However the Commissioner of Sales Tax has not decided on the said application till today. Therefore, Company has filed a Writ Petition before Honourable Bombay High Court for necessary direction. The matter is pending for hearing. Refer note 22.1(b).

b) The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings.

Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹ 2,65.80 lacs from their customers and deposited the same 'under protest' with the authorities.

22.3 Subsequent to the year-end, on April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company is yet to receive any report/ demand notice from the Income-tax Department. Since the proceedings are pending completion, the Company is not in a position to reliably estimate the tax liability, if any, arising out of these proceedings. The same will be assessed and further steps taken on receipt of the communication from the Income-tax Department as aforesaid.

22.4 PAYMENT TO AUDITORS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
For Statutory Audit	27.45	22.70
For Tax Audit	2.50	1.00
For Taxation matters	5.00	-
For other services	8.00	6.50
Reimbursement of expenses	0.87	0.15
For Service Tax	5.42	2.91
TOTAL	**49.24**	**33.25**

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

22.6 Details of subsidiary and associate included in Consolidated Financial Statements

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

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

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

₹ in Lakhs

Name of the party	Relationship	Amount outstanding as at March 31, 2013	Maximum balance outstanding during the year
IPB Capital Advisors LLP	Associate	0.50	0.50
		(0.50)	(0.50)

Note: Figures in bracket relate to the previous year.

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.8 Related Party Transactions

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Ramesh Sippy	Relative of Key management person
M/s. J K Developers	Sole proprietory firm of a Key management person
Balaji Motion Pictures Limited	Subsidiary Company (control exist)
Bolt Media Limited	Subsidiary Company (control exist)
IPB Capital Advisors LLP	Associate

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

₹ in Lakhs

Nature of Transactions	Key Management	Relative of Key Management Person	Associate	Sole Proprietory Firm	Total
Directors sitting fees					
Mr. Jeetendra Kapoor	1.01	-	-	-	1.01
	(0.50)	(-)	(-)	(-)	(0.50)
Mr. Tusshar Kapoor	0.45	-	-	-	0.45
	(0.60)	(-)	(-)	(-)	(0.60)
Rent					
Mr. Jeetendra Kapoor	46.74	-	-	-	46.74
	(25.42)	(-)	(-)	(-)	(25.42)
Mrs. Shobha Kapoor	6,81.35	-	-	-	6,81.35
	(4,71.52)	(-)	(-)	(-)	(4,71.52)
Mr. Tusshar Kapoor	10.40	-	-	-	10.40
	(6.06)	(-)	(-)	(-)	(6.06)
Ms. Ekta Kapoor	12.14	-	-	-	12.14
	(5.39)	(-)	(-)	(-)	(5.39)
Remuneration					
Mrs. Shobha Kapoor	1,10.12	-	-	-	1,10.12
	(1,10.12)	(-)	(-)	(-)	(1,10.12)
Ms. Ekta Kapoor	1,32.31	-	-	-	1,32.31
	(1,32.31)	(-)	(-)	(-)	(1,32.31)
Mr. Tusshar Kapoor	-	-	-	-	-
	(9.48)	(-)	(-)	(-)	(9.48)
Professional Fees					
Mr. Tusshar Kapoor	1,03.09	-	-	-	1,03.09
	(66.09)	(-)	(-)	(-)	(66.09)
Mr. Ramesh Sippy	-	14.75	-	-	14.75
	(-)	(9.00)	(-)	(-)	(9.00)

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

₹ in Lakhs

Nature of Transactions	Key Management	Relative of Key Management Person	Associate	Sole Proprietory Firm	Total
Dividend paid					
Mrs. Shobha Kapoor	20.08	-	-	-	20.08
	(20.08)	(-)	(-)	(-)	(20.08)
Ms. Ekta Kapoor	21.00	-	-	-	21.00
	(20.05)	(-)	(-)	(-)	(20.05)
Mr. Jeetendra Kapoor	8.78	-	-	-	8.78
	(8.78)	(-)	(-)	(-)	(8.78)
Mr. Tusshar Kapoor	4.06	-	-	-	4.06
	(4.06)	(-)	(-)	(-)	(4.06)
Mr. Ramesh Sippy	-	0.01	-	-	0.01
	(-)	(-)	(-)	(-)	(-)
Investment made in Associates					
IPB Capital Advisors LLP	-	-	-	-	-
	(-)	(-)	(0.50)	(-)	(0.50)
Sale of land					
M/s. J K Developers	-	-	-	-	-
	(-)	(-)	(-)	(25,50.00)	(25,50.00)
Amount payable as at March 31, 2013					
Mr. Tusshar Kapoor	-	-	-	-	-
	(59.54)	(-)	(-)	(-)	(59.54)
Amount receivable as at March 31, 2013					
Mrs. Shobha Kapoor *	3,40.00	-	-	-	3,40.00
	(3,40.00)	(-)	(-)	(-)	(3,40.00)
Mr. Jeetendra Kapoor *	2,00.00	-	-	-	2,00.00
	(3,06.60)	(-)	(-)	(-)	(3,06.60)
Mr. Tusshar Kapoor *	1,00.00	-	-	-	1,00.00
	(1,00.00)	(-)	(-)	(-)	(1,00.00)
Ms.Ekta Kapoor*	-	-	-	-	-
	(1,00.00)	(-)	(-)	(-)	(1,00.00)
Investment as on March 31, 2013					
IPB Capital Advisors LLP	-	-	0.50	-	0.50
	(-)	(-)	(0.50)	(-)	(0.50)

* - Deposit for leased property

Note

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

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

22.9 (a) Earnings in foreign currency

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Export of Satellite and Distribution rights (included in turnover)	84.85	2,31.59

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.9 (b) Expenditure in foreign currency

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Travelling expenses	1,48.13	65.59
Production expenses	22.04	47.18

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

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Amount of dividend remitted in foreign currency (₹ in Lakhs)	33.90	36.97
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency) (Number)	1.00	1.00
Total number of shares held by them on which dividend was due (Number)	169,481,94	184,852,61
Year to which dividend relates	2011-12	2010-11

22.11 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Group make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹ 59.61 lakhs (previous year ₹ 94.58 lakhs)

b) Defined Benefit Plans

I Reconciliation of asset / (liability) recognized in the Balance Sheet (under pre-paid expenses, refer Note 14)

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Fair Value of plan assets as at the end of the year	68.14	61.45
Present Value of Obligation as at the end of the year	(27.94)	(42.19)
Net assets / (liability) in the Balance Sheet	40.19	19.26

II Movement in net liability recognized in the Balance Sheet

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Net (assets) as at the beginning of the year	(19.26)	(20.51)
Net expense recognized in the Statement of Profit and Loss	(19.95)	9.46
Contribution during the year	(0.99)	(8.21)
Net (assets) as at the end of the year	(40.19)	(19.26)

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

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Current Service Cost	18.93	15.90
Interest Cost	3.58	2.70
Expected Return on Plan assets	(5.24)	(4.25)
Actuarial (gains)/losses	(37.21)	(4.89)
Expense charged to the Statement of Profit and Loss	(19.95)	9.46

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.11 Employee Benefits (Contd.)

IV Return on Plan Assets

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Expected return on plan assets	5.24	4.26
Actuarial (gains) / losses	0.49	0.43
Actual return on plan assets	5.74	4.69

V Reconciliation of defined benefits commitments

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Commitments at beginning of the year	42.19	32.79
Current Service Cost	18.93	15.90
Interest Cost	3.58	2.71
Actuarial (gains)/losses	(36.75)	(4.45)
Benefits paid	-	(4.76)
Settlement cost	-	-
Commitments at year end	27.94	42.19

VI Reconciliation of plan assets

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Fair Value of plan assets at beginning of the year	42.19	53.30
Expected return on plan assets	5.24	4.26
Actuarial gains/(losses)	0.41	0.43
Employer contribution	0.99	8.22
Benefits paid	-	(4.76)
Fair Value of plan assets at year end	68.10	61.45

VII Experience Adjustment

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
On Plan liability (gains) / losses	(37.79)	(3.61)
On Plan assets gains / (losses)	0.45	0.43

VIII Actuarial Assumptions

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.50%
Expected Rate of return on Plan assets (per annum)	8.70%	8.60%
Rate of escalation in Salary(per annum)	5.00%	5.00%

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NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

Composition of plan assets

	For the Year 2012-2013	For the Year 2011-2012
Insurer managed funds	100%	100%

22.12 Earning per share

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

		For the Year 2012-2013	For the Year 2011-2012
(a)	Profit / (Loss) for the year attributable to equity share holders (₹ in Lakhs)	14,58.18	20,44.17
(b)	Weighted average number of equity shares outstanding during the year (Nos.)	65,210,443	65,210,443
(c)	Earnings per share - Basic and diluted (₹)	2.24	3.13
(d)	Nominal value of shares (₹)	2	2

22.13 Components of deferred tax Assets / (Liabilities)

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Difference between the books and tax written down values of fixed assets	1,39.37	69.76
Provision for doubtful debts and advances	9.69	33.47
Disallowance under the Income Tax Act, 1961	-	-
Deferred tax asset/ (liability)-net	**1,49.06**	**1,03.23**

22.14 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:

₹ in Lakhs

		As at March 31, 2013	As at March 31, 2012
1)	Amount due within 1 year	-	5,74.06
2)	Amount due later than 1 year and not later than 5 years	-	13,85.85
3)	Amount due later than 5 years	-	11,66.02
TOTAL		-	**31,25.93**

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 ₹1,07.18 lakhs (previous year ₹ 7,26.78 lakhs).

NOTES

forming part of the consolidated financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.15 Segment Information

(A) Information about primary segments

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

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

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

₹ in Lakhs

	Commissioned Programmes		Sponsored Programmes		Feature Films		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	135,68.94	103,69.42	3,99.69	14,31.98	44,63.62	58,45.50	184,32.25	176,46.90
Add: Inter Segment sale	-	-	-	-			-	-
Total Revenue	135,68.94	103,69.42	3,99.69	14,31.98	44,63.62	58,45.50	184,32.25	176,46.90
Segment result	19,32.22	13,37.67	(2,03.56)	18.46	2,00.22	8,82.79	19,28.88	22,38.92
Unallocable expenses (net)							(21,02.33)	(39,84.85)
Operating Income							1,66.31	11,33.00
Other Income					21.28		18,38.08	27,24.17
Profit before tax					2,21.50		**18,30.94**	**21,11.25**
Tax expense					(44.49)		(3,72.94)	90.41
Profit for the year					1,77.01		**14,58.01**	**22,01.66**
Segment assets	60,59.28	63,30.19	1,12.54	5,80.32	180,81.89	59,50.60	242,53.71	128,61.11
Unallocable assets							206,61.22	296,14.90
Total assets							**449,14.93**	**424,76.01**
Segment liabilities	16,13.08	15,43.52	10.07	64.14	18,89.14	5,15.03	35,12.29	21,22.69
Unallocated liabilities							11,10.27	12,13.96
Total Liabilities							**46,22.56**	**33,36.65**
Other Information								
Capital expenditure (allocable)	1,30.27	69.92	-	-	77.80	-	2,08.07	69.92
Capital expenditure (unallocable)							40.20	3,85.56
Depreciation / Amortisation (allocable)	5,86.73	3,86.93	1.80	2.61	15.58	-	6,04.11	3,89.54
Depreciation / Amortisation (unallocable)							1,97.84	3,25.21

NOTES

forming part of the consolidated financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

(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 Lakhs

		Export		Local		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A)	Revenue (Turnover)	84.85	2,31.59	185,12.63	185,48.31	185,97.48	187,79.90
B)	Carrying amount of assets	0.53	5.32	449,14.40	424,70.69	449,14.93	424,76.01
C)	Addition to fixed assets	-	-	2,92.53	3,85.56	2,92.53	3,85.56

22.16 During the previous year, the Company in accordance with the shareholders approval vide, resolution passed through postal ballot, has entered into binding business transfer agreements, to sell its Mobile and Education division for a consolidated sum of ₹ 8,37.00 lakhs on slump sale basis, based on fair value determined by an independent firm of Chartered Accountants. As per the terms of the agreements, the transactions would be effective on receipt of full consideration within a period not exceeding a period of 90 days from the date of the agreements. Accordingly, the net consideration of ₹ 8,24.80 lakhs has been accounted in the last quarter of the previous year as "other operating income".

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

₹ in Lakhs

Particulars	2012-2013			2011-2012		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Turnover (net)	185,97.48	-	185,97.48	187,79.90	6,61.97	194,41.87
Other Income	18,38.08	-	18,38.08	27,24.17	-	27,24.17
Total Income	204,35.56	-	204,35.56	215,04.08	6,61.97	221,66.05
Total Expenditure	186,04.61	-	186,04.61	193,92.83	8,19.85	202,12.68
Profit / (Loss) before tax	18,30.95	-	18,30.95	21,11.25	(1,57.88)	19,53.36
Provision for taxation	3,72.94	-	3,72.94	(90.41)	-	(90.41)
Share of Associate	0.17	-	-	0.39	-	0.39
Profit / (Loss) after tax	14,58.18	-	14,58.18	22,02.05	(1,57.88)	20,44.17
Assets	449,14.93	-	449,14.93	422,45.35	2,30.67	424,76.01
Liabilities	(46,22.56)	-	(46,22.56)	(31,08.49)	(2,28.15)	(33,36.65)

NOTES
forming part of the consolidated financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

b. Cash flow from continuing and discontinuing operations

₹ in Lakhs

Particulars	2012-2013			2011-2012		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Net cash (used in) operating activities	(82,29.64)	-	(82,29.64)	(7,71.21)	(9,89.58)	(17,60.79)
Net cash from / (used in) investing activities	88,85.70	-	88,85.70	23,64.54	(3,87.59)	19,76.95
Net cash (used in) financing activities	(1,52.09)	-	(1,52.09)	(1,48.12)	-	(1,48.12)

22.17 Details relating to investment in Limited Liability Partnership (LLP)

₹ in Lakhs

Name of the LLP	As at March 31, 2013			As at March 31, 2012		
	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.50	50%	Balaji Telefilms Limited	0.50	50%
	IP Capital Advisors LLP	0.49	49%	IP Capital Advisors LLP	0.49	49%
	IPM Capital Advisors LLP	0.01	1%	IPM Capital Advisors LLP	0.01	1%
		1.00	**100%**		**1.00**	**100%**
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.38	18.75%	Balaji Telefilms Limited	-	-
	IP Capital Advisors LLP	0.38	18.75%	IP Capital Advisors LLP	-	-
	IPX Capital Advisors LLP	0.25	12.50%	IPX Capital Advisors LLP	-	-
	Mohit Ralhan	0.50	25.00%	Mohit Ralhan	-	-
	IPM Capital Advisors LLP	0.50	25.00%	IPM Capital Advisors LLP	-	-
		2.00	**100%**		-	-

NOTES

forming part of the consolidated financial statements

NOTE 22 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

22.18 Pursuant to the Shareholders' approval at the Annual General Meeting on September 5, 2012, the Company has paid remuneration to the Managing Director and Joint Managing Director. Though the remuneration for the year is as per the shareholders' approval, it exceeds by ₹ 75.38 lakhs as determined under Section 349 of the Companies Act, 1956 for which the Company has already filed its application with the Central Goverment for approval. The said approval is under process.

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

Signatures to notes 1 to 22

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

D.G.Rajan
(Director)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

STATEMENT PURSUANT TO SECTION 212

of the Companies Act ,1956 as at March 31, 2013

₹ in Lakhs

Subsidiary	Balaji Motion Pictures Limited	Bolt Media Limited
Holding Company's Interest	100%	100%
Date from which they became Subsidiary Company	Mar 9,2007	Nov 19,2012
Number of Shares held by the holding company	30,000,000	50,000
Net Aggregate profit/(losses) of the current year so far as it concern the member of the holding company		
a. dealt with or provided for in the accounts of the holding company	1,77.01	(51.99)
b. not dealt with or provided for in the accounts of the holding company	NIL	NIL
Net aggregate profit/(losses) for previous financial year of the sudsidiary so far as it concern the member of the holding company		
a. dealt with or provided for in the accounts of the holding company	(15,56.10)	NIL
b. not dealt with or provided for in the accounts of the holding company	NIL	NIL

₹ in Lakhs

Subsidiary	Balaji Motion Pictures Limited	Bolt Media Limited
Issued and subsrcribed share capital	30,00.00	5.00
Reserves	(13,79.09)	(51.99)
Total Assets	180,81.89	1,45.55
Total Liabilities	164,60.98	1,92.54
Investments	NIL	NIL
Turnover	44,84.90	49.51
Profit/(loss) before tax	2,21.50	(51.99)
Tax	44.49	NIL
Profit/(loss) after tax	1,77.01	(51.99)
Proposed Dividend	NIL	NIL

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

D.G.Rajan
(Director)

Simmi Singh Bisht
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

DIRECTORS' REPORT

The Directors present their Seventh Annual Report together with the audited accounts of the Company for the year ended March 31, 2013.

FINANCIAL RESULTS

₹ in Lakhs

	For the Year 2012-2013	For the Year 2011-2012
INCOME		
Turnover	44,63.62	58,45.50
Other income	21.48	75.22
Total	**44,84.90**	**59,20.72**
EXPENDITURE	42,47.82	50,34.02
Profit before depreciation, interest & tax	**2,37.08**	**8,86.70**
Depreciation	15.58	3.91
Profit before tax	**2,21.50**	**8,82.79**
Tax	44.49	-
Profit after tax	**1,77.01**	**8,82.79**
Balance brought forward from previous year	(15,56.10)	(24,38.89)
Total	(13,79.09)	(15,56.10)
APPROPRIATIONS		
General reserve	-	-
Balance carried to the balance sheet	(13,79.09)	(15,56.10)

OPERATIONS AND BUSINESS PERFORMANCE

Balaji Motion Pictures Limited (BMPL), the films division of Balaji Telefilms Limited (BTL) and its wholly-owned subsidiary, ranks among the top five film production houses in India. Set up in 2007, it has earned formidable recognition in a short period of time. BMPL produces commercial cinema of diverse genres and themes meant for a universal audience. The ALT Entertainment brand creates commercial new-age cinema, with alternate sensibilities. Balaji Motion Pictures, the motion picture arm of BTL, has established a reputation for pushing the envelope in terms of style and substance, while staying within the commercial parameters of mainstream Hindi cinema. Some of its recent hits include *The Dirty Picture; Shootout At Lokhandwala; Once Upon a Time in Mumbaai; Shootout At Wadala; Shorr in the City; Ragini MMS; Love, Sex Aur Dhokha; Ek Thi Daayan* etc. BMPL achieved a turnover of ₹44,63.62 lakhs as against ₹ 58,45.50 lakhs during the previous fiscal. In the current financial year, BMPL has reported profit of ₹ 1,77.01 lakhs, as against ₹ 8,82.79 lakhs for the previous fiscal.

FINANCIAL STATEMENTS

The Audited Financial Statements for the year ended March 31, 2013 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, 2013 to conserve resources for its future plans.

SHARE CAPITAL

During the year under review there was no change in the Authorised and Paid-up Capital of the Company. As at March 31, 2013, the Authorised Capital of the Company stands at ₹ 35,00 lakhs and the Paid up Capital of the Company stands at ₹ 30,00 lakhs. 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 the end of the current financial year 2012-13 and the date of this report, which have effect over the financial position of the Company.

DIRECTORS

During the year, Mr. D.G.Rajan and Ms. Ekta Kapoor, retiring directors, were re-appointed as directors of the Company in the Sixth Annual General Meeting of the Company held on September 5, 2012.

During the year Mr. Ramesh Sippy was appointed as Additional Director- Executive of the Company w.e.f October 15, 2012 in the Board of Directors Meeting held on July 31, 2012 and approved by the shareholders in the Extra Ordinary General Meeting of the Company as a Whole Time Director designated as Executive Director of the Company held on December 6, 2012.

During the year Mr. Farouq Rattonsey was appointed as Additional Director- Non Executive of the Company w.e.f October 15, 2012 in the Board of Directors Meeting held on July 31, 2012.

During the year Mr. Ramesh Sippy and Mr. Farouq Rattonsey were regularised as Directors of the Company in the Extra Ordinary General Meeting of the Company held on December 6, 2012.

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

Mr. Tusshar Kapoor have been reappointed as Whole Time Director of the Company in the Board of Directors Meeting held on May 27, 2013 w.e.f August 1, 2013.

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

AUDITORS

The Joint Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and M/s Snehal & Associates Chartered Accountants, Mumbai shall retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that their reappointment, if made, will be in accordance with the limits specified under section 224(1B) of the Companies Act, 1956. Your Directors recommend their appointment. A resolution proposing their appointment at remuneration to be fixed by the Board of Directors in consultation with the Joint Statutory Auditors is submitted at the Annual General Meeting.

AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts in note 20 are self-explanatory and do not require further explanation.

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. Further, the Company has spread awareness among the employees on the need to conserve energy, which is well adopted by the employees. We constantly evaluate new technologies and invest into this to make our infrastructure more energy efficient. As energy cost forms a very small part of the total cost, the impact on cost is not material.

TECHNOLOGY ABSORBTION

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

Our business is such that there is not much scope for new technology absorption, adaptation and innovation. However, the 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 ₹ 84.85 lakhs (Previous year ₹ 2,31.59 lakhs).
Expenditure in foreign exchange was ₹1,24.66 lakhs (Previous year ₹ 9.88 lakhs).

PARTICULARS OF EMPLOYEES

Particulars of employees for the year ended March 31, 2013 as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, are as under:

Sr.	Name of The Employee	Designation & Nature of Duties	Gross Remuneration (₹ in lakhs)	Qualification	Experience	Date of Joining	Age (yr)	Last Employment	% of Equity Shares Held
1	Tanuj Garg	Chief Executive Officer	1,32.00	MBA	12	Oct. 18, 2010	34	Head-International Business, Studio 18 UK – A division of Viacom 18 Media (UK) Limited	Nil
2	Alpana Mishra	Chief Executive Officer- ALT	1,00.00	MBA	19	June 18, 2012	40	UTV, Senior VP-COO Producer Motion Pictures Business	Nil

Notes:-

1. The gross remuneration shown above comprises salary, allowances, Company's Contribution to Provident Fund, Gratuity Fund, Medical Insurance, monetary value of the perquisites as per income tax rules. The nature of employment in all above cases are contractual in nature

2. The employees mentioned above are not 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:

a) 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;

b) 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 of the Company for the year under review;

c) 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;

d) That they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors,

Mumbai
May 27, 2013

Jeetendra Kapoor
Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Balaji Motion Pictures Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Balaji Motion Pictures Limited (the Company) which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required under provisions of Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;

   (e) On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No: 117366W)

A.B. Jani
Partner
(Membership No: 46488)
Mumbai, dated: May 27, 2013

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

Snehal Shah
Proprietor
(Membership No: 40016)
Mumbai, dated: May 27, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

RE: BALAJI MOTION PICTURE LIMITED

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

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

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

(b) As per information and explanations given to us, fixed assets have not been verified by the management during the year. Accordingly, we are unable to comment on material discrepancies if any, which could result on completion of the physical verification exercise.

(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 the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

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

(b) The Company has taken interest free unsecured loans from its Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 148,16.07 lakhs and the year-end balance was ₹ 145,71.84.

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

(d) According to information and explanations given to us, since there are no repayment schedules with regard to the loans taken, clause (iii) (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.

(vii) The Company has not accepted any deposit from the public.

(viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) There were no dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes.

(xi) The accumulated losses of the Company at the end of the financial year are not more than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from any banks, financial institutions and debenture holders.

(xiii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xv) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been used during the year for long- term investment to the extent of ₹ 1,56.66 lakhs.

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.

(xix) The Company has not raised any money by way of public issues during the year.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No: 117366W)

A.B. Jani
Partner
(Membership No: 46488)
Mumbai, dated: May 27, 2013

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

Snehal Shah
Proprietor
(Membership No: 40016)
Mumbai, dated: May 27, 2013

BALANCE SHEET
as at March 31, 2013

₹ in Lakhs

			Note No.	As at March 31, 2013	As at March 31, 2012
A	**EQUITY AND LIABILITIES**				
	1	**Shareholders' funds**			
		(a) Share capital	3	30,00.00	30,00.00
		(b) Reserves and surplus	4	(13,79.09)	(15,56.10)
				16,20.91	**14,43.90**
	2	**Current liabilities**			
		(a) Short-term borrowings	5	145,71.84	39,91.67
		(b) Trade payables	20.3	9,16.69	2,28.02
		(c) Other current liabilities	6	9,71.32	2,87.01
		(d) Short term provision	7	1.13	-
				164,60.98	**45,06.70**
	Total			**180,81.89**	**59,50.60**
B	**ASSETS**				
	1	**Non-current assets**			
		(a) Fixed assets	8		
		Tangible assets		73.72	11.50
		(b) Long-term loans and advances	9	17,03.85	8,51.70
				17,77.57	**8,63.20**
	2	**Current assets**			
		(a) Inventories	10	146,78.07	36,17.70
		(b) Trade receivables	11	3,11.69	2,26.62
		(c) Cash and cash equivalents	12	1,16.62	63.50
		(d) Short-term loans and advances	13	11,97.94	11,79.58
				163,04.32	**50,87.40**
	Total			**180,81.89**	**59,50.60**

See accompanying notes forming part of the financial statements.

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Tusshar Kapoor
(Executive Director)

D.G.Rajan
(Director)

Nivedita Nambiar
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2013

₹ in Lakhs

		Note No.	For the Year Ended March 31, 2013	For the Year Ended March 31, 2012
1	Revenue from Operations	14	44,63.62	58,45.50
2	Other income	15	21.28	75.22
3	**Total Revenue (1+2)**		**44,84.90**	**59,20.72**
4	**Expenses**			
	(a) Cost of films produced / acquired	16	20,61.15	29,89.69
	(b) Employee benefits expense	17	5,90.55	5,03.49
	(c) Finance costs	18	-	13.91
	(d) Depreciation / Amortisation expense	8	15.58	3.91
	(e) Other expenses	19	15,96.12	15,26.93
	Total Expenses		**42,63.40**	**50,37.93**
5	**Profit before tax (3-4)**		2,21.50	8,82.79
6	**Tax expense:**			
	Current tax		44.49	-
			44.49	-
7	**Profit for the year (5-6)**		**1,77.01**	**8,82.79**
8	**Earnings per equity share (of ₹10 /- each):**			
	Basic and diluted earnings per share	20.8	0.59	2.94

See accompanying notes forming part of the financial statements.

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Tusshar Kapoor
(Executive Director)

D.G.Rajan
(Director)

Nivedita Nambiar
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

CASH FLOW STATEMENT

for the year ended March 31, 2013

₹ in Lakhs

Particulars	For the Year Ended March 31, 2013		For the Year Ended March 31, 2012	
A. Cash Flow from Operating Activities				
Net Profit before tax		2,21.50		8,82.79
Adjustment for:				
Depreciation / Amortisation	15.58		3.91	
Interest income on fixed deposit with bank	(0.40)		(0.38)	
Excess provision for earlier years written back	-		(1.11)	
Provision for doubtful advances	-		11.00	
Operating profit before working capital changes	2,36.68		8,96.21	
(Increase) / Decrease in trade and other receivables	(9,62.84)		41.46	
(Increase) / Decrease in inventories	(110,60.37)		(24,81.03)	
Increase in trade and other payables	13,74.09		3,78.21	
		(104,12.44)		(11,65.16)
Direct taxes paid		(37.22)		(2,67.97)
Net cash flow (used in) operating activities (A)		**(104,49.66)**		**(14,33.13)**
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(77.80)		(1.53)	
Interest Received	0.40		0.38	
Net cash flow (used in) investing activities (B)		**(77.40)**		**(1.15)**
C. Cash Flow from Financing Activities				
Proceeds from short-term borrowings	132,41.94		46,96.78	
Repayment of short-term borrowings	(26,61.76)		(32,36.46)	
Net cash flow from financing activities (C)		**105,80.18**		**14,60.33**
Net increase in cash and cash equivalents (A+B+C)		**53.12**		**26.04**
Cash and cash equivalents at the beginning of the year		63.50		37.46
Cash and cash equivalents at the end of the year		**1,16.62**		**63.50**
See accompanying notes forming part of the financial statements.				

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

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

For and on behalf of the Board of Directors

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Tusshar Kapoor
(Executive Director)

D.G.Rajan
(Director)

Snehal Shah
(Proprietor)

Nivedita Nambiar
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

Place : Mumbai
Date : May 27, 2013

NOTES

forming part of the financial statements

NOTE 1 CORPORATE INFORMATION

Balaji Motion Pictures Limited is a wholly owned subsidiary of Balaji Telefilms Limited and is involved in production of films. Incorporated on March 9, 2007 under the Companies Act, 1956, the Company has in a short span managed to establish itself as a serious contender in the business and has several critically and commercially acclaimed projects to its credit.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Use of Estimates

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

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

Impairment loss

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

Inventories

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

Films	:	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.

NOTES
forming part of the financial statements

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

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

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

Taxes on income
Tax expense comprises of current tax and deferred tax.

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

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

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

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

NOTE 3 SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised		
35,000,000 Equity Shares of ₹10 each with voting rights	35,00.00	35,00.00
Total	**35,00.00**	**35,00.00**
Issued, Subscribed and fully paid up		
30,000,000 Equity Shares of ₹10 each with voting rights	30,00.00	30,00.00
(All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)		
Total	**30,00.00**	**30,00.00**

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

NOTE 4 RESERVES AND SURPLUS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(Deficit) in Statement of Profit and Loss		
Opening balance	(15,56.10)	(24,38.89)
Add: Profit for the year	1,77.01	8,82.79
Total	**(13,79.09)**	**(15,56.10)**

NOTES
forming part of the financial statements

NOTE 5 SHORT-TERM BORROWINGS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Loans and advances from Holding Company (Unsecured) (Refer Note 20.4(b))	145,71.84	39,91.67
Total	**145,71.84**	**39,91.67**

NOTE 6 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Other payables		
(a) Temporarily overdrawn book balances	-	12.58
(b) Other payables		
(i) Statutory liabilities	5.61	16.96
(ii) Advances from customers	9,65.71	2,57.47
Total	**9,71.32**	**2,87.01**

NOTE 7 SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for gratuity	1.13	-
Total	**1.13**	-

NOTE 8 FIXED ASSETS

(₹ in Lakhs)

	Gross Block			Depreciation / Amortisation			Net Block
	As at April 01, 2012	Additions	As at March 31, 2013	Upto March 31, 2012	For the year	Upto March 31, 2013	As at March 31, 2013
Tangible Assets							
Computers	6.72	0.47	7.19	3.65	1.11	4.76	2.43
	(6.28)	(0.44)	(6.72)	(2.61)	(1.04)	(3.65)	(3.07)
Office Equipment	1.78	7.39	9.17	0.28	0.26	0.54	8.63
	(1.58)	(0.20)	(1.78)	(0.20)	(0.08)	(0.28)	(1.50)
Plant and Machinery - Computer	17.36	-	17.36	10.43	2.81	13.24	4.12
	(16.47)	(0.89)	(17.36)	(7.64)	(2.79)	(10.43)	(6.93)
Furniture and Fixtures	-	1.65	1.65	-	0.05	0.05	1.60
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Lease Hold improvements	-	68.29	68.29	-	11.35	11.35	56.94
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	**25.86**	**77.80**	**1,03.66**	**14.36**	**15.58**	**29.94**	**73.72**
	(24.33)	**(1.53)**	**(25.86)**	**(10.45)**	**(3.91)**	**(14.36)**	**(11.50)**

Note:
Previous year figures are given in brackets.

NOTES

forming part of the financial statements

NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Security Deposits	2,15.94	1.06
(b) Capital Advance	1.67	-
(c) Advance to vendors	10,37.46	3,98.60
(d) Advance tax (Net of provisions ₹39.44 lakhs (As at March 31,2012, ₹ 68.84 lakhs))	4,48.78	4,52.04
Total	**17,03.85**	**8,51.70**

Note:

Security Deposits include deposits given to Directors for the properties taken on lease from them (also refer note 20.4 (b))

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Amount outstanding as at the year end	2,00.00	-
Maximum amount outstanding at any time during the year for the above deposits.	2,00.00	-

NOTE 10 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Films	146,78.07	36,17.70
Total	**146,78.07**	**36,17.70**

NOTE 11 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables		
(a) Outstanding for a period exceeding six months from the date they were due for payment	10.91	3.23
(b) Other Trade receivables	3,00.78	2,23.39
Total	**3,11.69**	**2,26.62**

NOTE 12 CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Cash on hand	2.73	0.61
(b) Balances with banks		
(i) In current accounts	91.64	56.14
(ii) In deposit accounts	22.25	6.75
Total	**1,16.62**	**63.50**

NOTE 13 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Loans and advances to employees	20.88	1.80
(b) Prepaid expenses	5.12	1.98
(c) Balances with government authorities (VAT, service tax etc.)	74.39	32.71
(d) Advance to vendors	10,97.55	11,43.09
Total	**11,97.94**	**11,79.58**

NOTES
forming part of the financial statements

NOTE 14 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of Services		
Sale of Film rights	44,27.88	58,45.50
Other Operating Income		
Sundry credit balances written back	35.74	-
Total	**44,63.62**	**58,45.50**

NOTE 15 OTHER INCOME

₹ in Lakhs

	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a)	Interest income		
	On Fixed Deposit with bank	0.40	0.38
	On Income Tax Refund	12.27	70.73
(b)	Excess Provision for earlier years written back (net)	-	1.11
(c)	Miscellaneous Income	8.61	3.00
Total		**21.28**	**75.22**

NOTE 16 COST OF FILM PRODUCED / ACQUIRED

₹ in Lakhs

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
Opening stock of films		36,17.70		11,36.67
Add: Cost of production / acquisition				
Acquisition Cost	4,84.49		11.53	
Purchase of costumes and dresses	1,54.51		49.40	
Purchase of tapes / raw stock	1,35.24		1,40.59	
Artists, junior artists, dubbing artists fees	25,27.83		7,32.19	
Directors, technicians and other fees	16,33.62		5,62.80	
Shooting and location expenses	12,34.08		3,02.36	
Food and refreshments	94.29		30.24	
Set properties and equipment hire charges	6,22.68		2,14.26	
Negative processing charges	16.06		1,04.47	
Insurance	45.09		13.10	
Line production cost	56,08.30		29,81.83	
Other production expenses	5,65.33		3,27.95	
		131,21.52		54,70.72
		167,39.22		66,07.39
Less: Closing stock of films		146,78.07		36,17.70
Total		**20,61.15**		**29,89.69**

NOTES
forming part of the financial statements

NOTE 17 EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	5,62.46	4,79.39
Contributions to Provident and Other Funds	26.31	23.71
Staff welfare expenses	1.78	0.39
Total	**5,90.55**	**5,03.49**

NOTE 18 FINANCE COST

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest on delayed payment of Taxes etc.	-	13.91
Total	**-**	**13.91**

NOTE 19 OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
Power and fuel		1.46		0.30
Rent including lease rentals (Refer Note 20.10)		9.65		2.57
Repairs and maintenance - Machinery		0.47		1.40
Repairs and maintenance - Others		3.13		0.04
Rates and taxes		0.61		2.93
Communication expenses		8.45		4.70
Legal and Professional charges		1,48.81		80.20
Brokerage and Commission		-		10.69
Business promotion expenses		48.97		7.12
Travelling and Conveyance Expenses		17.01		20.77
Donations and contributions		12.97		10.00
Directors Sitting Fees		2.27		1.40
Marketing and Distribution Expenses		12,38.25		13,63.28
Advances written off	-		8,63.00	
Less : Provision for doubtful advances written back	-		(8,52.00)	
		-		11.00
Foreign exchange (loss) net		0.61		3.38
Miscellaneous expenses *		1,03.46		7.15
Total		**15,96.12**		**15,26.93**

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

NOTES

forming part of the financial statements

NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

20.1 The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings.

Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹ 2,65.80 lacs from their customers and deposited the same 'under protest' with the authorities.

20.2 Payment to Auditors

₹ in Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
For Statutory Audit	9.70	5.70
For Tax Audit	1.00	-
For Taxation matters	2.50	0.20
For other services	0.20	-
Reimbursement of expenses	0.26	-
For service tax	1.69	0.56
Total	**15.35**	**6.46**

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

20.4 Related Party Transactions

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Ramesh Sippy	Relative of Key management person
Balaji Telefilms Limited	Holding Company
Bolt Media Limited	Fellow Subsidiary

NOTES

forming part of the financial statements

NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

₹ in Lakhs

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Total
Loan Received				
Balaji Telefilms Limited	132,41.94	-	-	132,41.94
	(46,96.78)	(-)	(-)	(46,96.78)
Rent Paid				
Balaji Telefilms Limited	0.90	-	-	0.90
	(1.20)	(-)	(-)	(1.20)
Mr. Jeetendra Kapoor	-	3.89	-	3.89
	(-)	(-)	(-)	(-)
Ms. Ekta Kapoor	-	3.31	-	3.31
	(-)	(-)	(-)	(-)
Deposit Paid				
Mr. Jeetendra Kapoor	-	1,00.00	-	1,00.00
	(-)	(-)	(-)	(-)
Ms. Ekta Kapoor		1,00.00	-	1,00.00
	(-)	(-)	(-)	(-)
Loan Repaid/ Adjusted				
Balaji Telefilms Limited	26,61.76	-	-	26,61.76
	(32,36.46)	(-)	(-)	(32,36.46)
Directors sitting fees				
Mr. Jeetendra Kapoor	-	0.41	-	0.41
	(-)	(0.20)	(-)	(0.20)
Remuneration				
Mr. Tusshar Kapoor	-	-	-	-
	(-)	(9.48)	(-)	(9.48)
Professional Fees				
Mr. Tusshar Kapoor	-	1,03.09	-	1,03.09
	(-)	(66.09)	(-)	(66.09)
Mr. Ramesh Sippy	-	-	14.75	14.75
	(-)	(-)	(9.00)	(9.00)
Amount payable as at March 31, 2013				
Mr. Tusshar Kapoor	-	-	-	-
	(-)	(59.54)	(-)	(59.54)
Balaji Telefilms Limited	145,72.45	-	-	145,72.45
	(39,91.67)	(-)	(-)	(39,91.67)
Amount receivable as at March 31, 2013				
Mr. Jeetendra Kapoor*	-	1,00.00	-	1,00.00
	(-)	(-)	(-)	(-)
Ms. Ekta Kapoor*	-	1,00.00	-	1,00.00
	(-)	(-)	(-)	(-)

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

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

* - Deposit for leased property

20.5 Earnings in foreign currency

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Export of Satellite and Distribution rights (included in turnover)	84.85	2,31.59

20.6 Expenditure in foreign currency

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
Travelling expenses	1,24.66	9.88

NOTES

forming part of the financial statements

NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

20.7 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹ 22.20 lakhs (previous year ₹ 21.22 lakhs).

b) a) Defined Benefit Plans

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

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Fair Value of plan assets as at the end of the year	8.94	7.22
Present Value of Obligation as at the end of the year	(10.07)	(5.24)
Net assets / (liability) in the Balance Sheet	(1.13)	1.98

II Movement in net liability recognized in the Balance Sheet

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Net (assets) as at the beginning of the year	(1.98)	(2.18)
Net expense recognized in the Statement of Profit and Loss	4.10	2.39
Contribution during the year	(0.99)	(2.19)
Net liability / (assets) as at the end of the year	1.13	(1.98)

III Expense Recognized in the Statement of profit and loss (Under the head "Employees benefit expenses" refer Note 17)

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Current Service Cost	3.87	3.21
Interest Cost	0.44	0.19
Expected Return on Plan assets	(0.58)	(0.35)
Actuarial (gains)/losses	0.37	(0.66)
Expense charged to the Statement of Profit and Loss	4.10	2.39

IV Return on Plan Assets

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Expected return on plan assets	0.57	0.35
Actuarial gains / (losses)	0.16	0.24
Actual return on plan assets	0.73	0.59

V Reconciliation of defined benefits commitments

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Commitments at beginning of the year	5.24	2.26
Current Service Cost	3.87	3.21
Interest Cost	0.44	0.19
Actuarial (gains)/losses	0.52	(0.42)
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	10.07	5.24

NOTES
forming part of the financial statements

NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

20.7 Employee Benefits (Contd.)

VI Reconciliation of plan assets

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Fair Value of plan assets at beginning of the year	7.22	4.44
Expected return on plan assets	0.57	0.35
Actuarial gains/(losses)	0.16	0.24
Employer contribution	0.99	2.19
Benefits paid	-	-
Fair Value of plan assets at year end	8.94	7.22

VII Experience Adjustment

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
On Plan liability (gains) / losses	0.14	(0.31)
On Plan assets gains / (losses)	0.16	0.24

VIII Actuarial Assumptions

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.50%
Expected Rate of return on Plan assets (per annum)	8.70%	8.00%
Rate of escalation in Salary(per annum)	5.00%	5.00%

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

Composition of plan assets

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
Insurer managed funds	100%	100%

20.8 Earning per share

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

₹ in Lakhs

	For the year 2012-2013	For the year 2011-2012
(a) Profit for the year attributable to equity share holders (₹ in lakhs)	1,77.01	8,82.79
(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 (₹)	0.59	2.94
(d) Nominal value of shares (₹)	10	10

NOTES

forming part of the financial statements

NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

20.10 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 7.30 lakhs (previous year ₹1.20 lakhs).

20.11 Segment Information

(A) Information about primary segments

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

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

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 Lakhs

	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	84.85	2,31.59	43,78.77	56,13.90	44,63.63	58,45.50
B) Carrying amount of assets	0.53	5.32	180,81.36	59,45.29	180,81.89	59,50.60
C) Addition to fixed assets	-	-	77.80	1.53	77.80	1.53

20.12 The accumulated losses of ₹13,79.09 lakhs as at March 31, 2013 have partially eroded the networth 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 from the holding Company (Refer Note 20.4 (b)) and future profitability. The Company has identified the Film business as a strategic growth area for the group and has various projects currently under production/development.

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

Signatures to notes 1 to 20

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 27, 2013

For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Tusshar Kapoor
(Executive Director)

D.G.Rajan
(Director)

Nivedita Nambiar
(Company Secretary)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

DIRECTORS' REPORT

Your Directors have pleasure in presenting their First Directors' Report of the Company together with the Audited Accounts of the Company for the period ended March 31, 2013.

FINANCIAL RESULTS

The Company has been incorporated on November 19, 2012 and the current accounting period is of 133 days. Since this is the first period of the operation of the Company, comparative prior period figures are not applicable. The financial highlights for the period under review are as under:

(₹in Lakhs)

PARTICULARS	AMOUNT
Sales and Other Income	49.51
Loss before Interest and Depreciation	(51.99)
Less: Finance Charges	-
Less: Depreciation	-
Loss for the Period	(51.99)
Less: Provision for Income Tax	-
Add/(Less): Deferred Tax Assets/ (Liability)	-
Loss for the Period	(51.99)
Loss carried to the Balance Sheet	(51.99)

During the period under review, the Company made a net loss of ₹ 51.99 lakhs.

SHARE CAPITAL

The Company has been incorporated with an initial paid-up share capital of ₹ 5 lakhs.

DIVIDEND

This being the first period of operation of the Company, your Directors express their inability to recommend any dividend.

DIRECTORS

Mr. Jeetendra Kapoor, Mrs. Shobha Kapoor, Ms. Ekta Kapoor, Mr. Tusshar Kapoor and Mr. D.G.Rajan, were named as first director in the Articles of Association of the Company and holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their candidature for the office of the Director liable to retire by rotation.

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

AUDITORS

M/s. Snehal & Associates, Chartered Accountants, Mumbai (Firm Registration No. 110314W), the Statutory Auditors will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend their re-appointment.

PARTICULARS OF EMPLOYEES:

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

Sr. No.	Full Name	Current Designation & Nature of Duties	Gross Remuneration (₹ in lakhs)	Qualification	Date of Joining	Experience Years	Age Years	Previous Employment
1	*Mr. Vaibhav Modi	Chief Executive Officer (CEO) and Director	43.26	BSc, Environmental Biology, MBA-Marketing	September 29, 2012	14	36	Star India Pvt. Ltd.

*The Company appointed Mr. Vaibhav Modi as the (CEO) and Director by designation for business purposes and not under the Companies Act, 1956 w.e.f. September 29, 2012 (prior to incorporation of the Company).

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

The Company is not engaged in manufacturing activities and as such, particulars relating to conservation of energy and technology absorption are not applicable. However, in studios, post production facilities etc. adequate measures are being taken to conserve energy as far as possible.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the current period of operation, there are no foreign exchange earnings or outgo.

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board reports that:

- In the preparation of the annual accounts for the financial period ended March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- Such accounting policies had been selected and applied consistently and judgments and estimates, made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the loss of the Company for the period under review;
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts for the financial period ended March 31, 2013 had been prepared on a 'going concern' basis.

ACKNOWLEDGEMENTS:

Your Directors wish to thank all stakeholders for their cooperation and support. Your Directors also wish to thank all their employees for their dedicated services.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 27, 2013

Jeetendra Kapoor
Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Bolt Media Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Bolt Media Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
    a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
    c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Snehal & Associates**
Chartered Accountants
FRN:110314W

Snehal Shah
Proprietor
Membership No. :040016
Place :Mumbai,
Dated: May 27, 2013

The annexure referred to in are our report of even date to the members of Bolt Media Limited for the period ended March 31, 2013

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

i. The requirements of clauses (i), (ii), (x), (xiii), (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

ii. a) The Company has not granted loans to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii)(a) to (d) paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
    b) The Company has taken interest free unsecured loan from its Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period and end of period balance was ₹ 73.13 lakhs.
    c) In our opinion, the terms and conditions of the loan taken are not, *prima facie,* prejudicial to the interests of the Company.
    d) According to the information and explanations given to us, since there are no re-payment schedules with regard to the loans taken clause (iii) (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

iii. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and with regard to the sale of services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.

iv. In our opinion and according to the information & explanations given to us, there are no contracts/arrangements particulars of which need to be entered into a Register maintained in pursuance of section 301 of the Companies Act, 1956. Consequently, the question of commenting on the reasonadleness of prices of transactions made in pursuance of such contracts or arrangements, exceeding the value of ₹ 5 lakhs in respect of each party does not arise.

v. The Company has not accepted any deposit from the public.

vi. Since, the paid up capital and reserves of the Company doesn't exceed ₹ 50 lakhs and average annual turnover does not exceed ₹ 5 Crores, clause (vii) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company for the period.

vii. As explained to us, maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 as prescribed by the Central Government is not applicable in the case of the Company.

viii. According to the information and explanations given to us in respect of statutory dues:
    a. The Company has generally been regular in depositing undisputed statutory dues including Income tax, Service tax and other material statutory dues applicable to it with the appropriate authorities.
    b. According to information and explanations given to us, there are no dues outstanding on account of income tax, service tax and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.

ix. In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks and financial institutions. Consequently the question on commenting on the default in repayment of dues does not arise.

x. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares or other securities.

xi. In our opinion and according to information and explanations given to us, the Company has not given any guarantee for loans taken by others, banks or financial institutions.

xii. In our opinion and according to the information and explanations given to us, by the management, the Company has not taken any term loans during the period.

xiii. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xiv. According to information and explanations given to us, the Company has not issued debentures during the period.

xv. The Company has not raised any money by way of public issues during the period.

xiv. According to the information and explanations given to us and based on our overall examination we report that the funds raised on short term basis have been used for Long Term Investment to the extent of ₹ 73.13 lakhs.

xvii. 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 period.

For **Snehal & Associates**
Chartered Accountants
FRN:110314W

Snehal Shah
Proprietor
Membership No. :040016
Place :Mumbai,
Dated: May 27, 2013

BALANCE SHEET
as at March 31, 2013

₹ in Lakhs

			Note No.	As at March 31, 2013
A	**EQUITY AND LIABILITIES**			
	1	**Shareholders' funds**		
		(a) Share capital	3	5.00
		(b) Reserves and surplus	4	(51.99)
				(46.99)
	2	**Current liabilities**		
		(a) Short-term borrowings	5	73.13
		(b) Trade payables	17.2	40.58
		(c) Other current liabilities	6	78.03
		(d) Short Term Provisions	7	0.80
				1,92.54
	Total			**1,45.55**
B	**ASSETS**			
	1	**Non-current assets**		
		(a) Fixed assets		
		Capital work-in-progress		22.50
		(b) Long-term loans and advances	8	10.05
				32.55
	2	**Current assets**		
		(a) Inventories	9	37.99
		(b) Trade receivables	10	30.63
		(c) Cash and cash equivalents	11	22.90
		(d) Short-term loans and advances	12	21.48
		(e) Other current assets		-
				1,13.00
	Total			**1,45.55**

See accompanying notes forming part of the financial statements.

In terms of our report attached
For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

D.G.Rajan
(Director)

Vaibhav Modi
(Chief Executive Officer)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

STATEMENT OF PROFIT AND LOSS
for the period November 19, 2012 to March 31, 2013

₹ in Lakhs

		Note No.	For the period November 19, 2012 to March 31, 2013
1	Revenue from Operations	13	49.51
	Total Revenue		**49.51**
2	**Expenses**		
	(a) Cost of Production	14	38.36
	(b) Employee benefits expense	15	57.61
	(c) Other expenses	16	5.53
	Total Expenses		**1,01.50**
3	**Loss for the Period (1-2)**		(51.99)
4	**Tax expense:**		
	(a) Current Tax		-
	(b) Deferred Tax		-
			-
5	**Loss for the Period (3-4)**		**(51.99)**
6	**Earnings per equity share (of ₹10 /- each):**		
	Basic and diluted earnings per share	17.6	(0.00)
	See accompanying notes forming part of the financial statements.		

In terms of our report attached
For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

D.G.Rajan
(Director)

Vaibhav Modi
(Chief Executive Officer)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

CASH FLOW STATEMENT
for the period November 19, 2012 to March 31, 2013

₹ in Lakhs

Particulars		For the period November 19,2012 to March 31, 2013
A Cash Flow from Operating Activities		
Net (Loss) before tax		(51.99)
Adjustments for the period	-	
Operating loss before working capital changes	(51.99)	
(Increase) in trade and other receivables	(52.11)	
(Increase) in inventories	(37.99)	
Increase in trade and other payables	1,19.40	
		(22.68)
Direct taxes paid		(10.05)
Net cash (used in) operating activities (A)		**(32.73)**
B Cash Flow from Investing Activities		
Purchase of fixed assets		(22.50)
C Cash Flow from Financing Activities		
Issue of Equity Share Capital	5.00	
Proceeds from short-term borrowings	73.13	
Net cash flow from financing activities (C)		**78.13**
Net increase in cash and cash equivalents (A+B+C)		**22.90**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		**22.90**

In terms of our report attached
For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

D.G.Rajan
(Director)

Vaibhav Modi
(Chief Executive Officer)

Sanjay Dwivedi
(Chief Financial Officer)

Place : Mumbai
Date : May 27, 2013

NOTES

forming part of the financial statements

NOTE 1 CORPORATE INFORMATION

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Use of Estimates

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

Impairment loss

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

Inventories

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

Television serials : Average cost

Revenue recognition

a) In respect of Commissioned programmes, revenue is recognised as and when the relevant episodes of the program are delivered to the channels.

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

Employee benefits

a) Post employment benefits and other long term benefits

Liability in respect of gratuity is computed based upon actuarial valuation done at the end of each financial year using 'Projected Unit Credit Method' carried out by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the Statement of profit and loss account.

b) Short Term Employee Benefits:

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

Foreign currency transactions

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

Borrowing costs

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

Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

NOTES
forming part of the financial statements

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

NOTE 3 SHARE CAPITAL

₹ in Lakhs

Particulars	As at March 31, 2013
(a) Authorised	
50,000 Equity Shares of ₹ 10/- each with voting rights	5.00
Total	**5.00**
(b) Issued, Subscribed and fully paid up	
50,000 Equity Shares of ₹10/- each with voting rights (All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)	5.00
Total	**5.00**

NOTE 4 RESERVES AND SURPLUS

₹ in Lakhs

Particulars	As at March 31, 2013
(Deficit) in Statement of Profit and Loss	
Opening balance	-
Add:Loss for the period	(51.99)
Total	**(51.99)**

NOTE 5 SHORT-TERM BORROWINGS

₹ in Lakhs

Particulars	As at March 31, 2013
Loans and advances from Holding Company (Unsecured)	73.13
Total	**73.13**

NOTE 6 OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at March 31, 2013
Other payables	
(i) Statutory liabilities	1.28
(ii) Advances from customers	76.73
Total	**78.03**

NOTE 7 SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	As at March 31, 2013
Provision for gratuity	0.80
Total	**0.80**

NOTES

forming part of the financial statements

NOTE 8 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013
Advance tax	10.05
Total	**10.05**

NOTE 9 INVENTORIES

₹ in Lakhs

Particulars	As at March 31, 2013
Serials	37.99
Total	**37.99**

NOTE 10 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

₹ in Lakhs

Particulars	As at March 31, 2013
Trade receivables	
(a) Outstanding for a period exceeding six months from the date they were due for payment	-
(b) Other trade receivables	30.63
Total	**30.63**

NOTE 11 CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at March 31, 2013
(a) Cash on hand	4.01
(b) Balances with banks in current account	18.89
Total	**22.90**

NOTE 12 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in Lakhs

Particulars	As at March 31, 2013
(a) Security Deposit	5.00
(b) Balances with government authorities (service tax)	15.38
(c) Advance to vendors	1.10
Total	**21.48**

NOTE 13 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the period November 19,2012 to March 31, 2013
Commissioned Sales	45.01
Service Income	4.50
Total	**49.51**

NOTES

forming part of the financial statements

NOTE 14 COST OF FILM PRODUCED / ACQUIRED

₹ in Lakhs

Particulars		For the period November 19,2012 to March 31, 2013
COST OF FILMS PRODUCED / ACQUIRED		
Opening stock of Serials/Tapes/Content		-
Add: Cost of production / acquisition		
Purchase of costumes and dresses	0.98	
Purchase of tapes	0.06	
Artists, junior artists, dubbing artists fees	4.59	
Directors, technicians and other fees	30.45	
Shooting and location expenses	25.00	
Food and refreshments	1.35	
Set properties and equipment hire charges	10.57	
Other production expenses	3.35	
		76.35
		76.35
Less: Closing stock of Serials/Tapes/Content		37.99
Total		**38.36**

NOTE 15 EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

Particulars	For the period November 19,2012 to March 31, 2013
Salaries and wages	56.81
Contributions to Provident and Other Funds	0.80
Total	**57.61**

NOTE 16 OTHER EXPENSES

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Rates and taxes	0.04
Repairs & Maintenance	0.28
Legal and Professional charges	4.21
Travelling and Conveyance Expenses	0.20
Marketing and Distribution Expenses	0.75
Miscellaneous expenses	0.06
Total	**5.53**

NOTES
forming part of the financial statements

NOTE 17 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

17.1 Payment to Auditors

₹ in Lakhs

Particulars	As at March 31, 2013
For Statutory Audit	0.75
For Tax Audit	0.50
For other services	1.50
Service Tax	0.34
Total	**3.09**

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

17.3 Related Party Transactions

Name of related parties and description of relationship

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Balaji Telefilms Limited	Holding Company

17.4 Details of Transactions with related parties during the period

₹ in Lakhs

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Total
Loan Received				
Balaji Telefilms Limited	73.13	-	-	73.13
Amount payable as at March 31, 2013				
Balaji Telefilms Limited	73.13	-	-	73.13

Note

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

17.5 Employee Benefits

a) Defined Contribution Plans

Since, the number of employees are less than 20, no contribution to provident fund is being made.

b) Defined Benefit Plans

NOTES
forming part of the financial statements

NOTE 17 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

17.5 Employee Benefits (Contd.)

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

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Fair Value of plan assets as at the end of the period	-
Present Value of Obligation as at the end of the period	(0.80)
Net assets / (liability) in the Balance Sheet	(0.80)

II Movement in net liability recognized in the Balance Sheet

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Net (assets) as at the beginning of the period	-
Net expense recognized in the Statement of Profit and Loss	0.80
Contribution during the period	-
Net (assets) as at the end of the period	0.80

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

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Current Service Cost	0.76
Interest Cost	-
Expected Return on Plan assets	-
Actuarial losses	0.04
Expense charged to the Statement of Profit and Loss	0.80

IV Return on Plan Assets

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Expected return on plan assets	-
Actuarial gains / (losses)	0.04
Actual return on plan assets	0.04

NOTES

forming part of the financial statements

NOTE 17 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

17.5 Employee Benefits (Contd.)

V Reconciliation of defined benefits commitments

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Commitments at beginning of the period	-
Current Service Cost	0.76
Interest Cost	-
Actuarial losses	0.04
Benefits paid	-
Settlement cost	-
Commitments at period end	0.80

VI Reconciliation of plan assets

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 20133
Fair Value of plan assets at beginning of the period	-
Expected return on plan assets	-
Actuarial (losses)	(0.04)
Employer contribution	-
Benefits paid	-
Fair Value of plan assets at period end	(0.04)

VII Experience Adjustment

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
On Plan liability losses	0.04
On Plan assets gains / (losses)	-

VIII Actuarial Assumptions

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
Mortality Table (LIC)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%
Expected Rate of return on Plan assets (per annum)	-
Rate of escalation in Salary(per annum)	5.00%

NOTES
forming part of the financial statements

NOTE 17 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

17.6 Earning per share

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

₹ in Lakhs

Particulars	For the period November 19, 2012 to March 31, 2013
(a) (Loss)for the period attributable to equity share holders (₹ in lakhs)	(51.99)
(b) Weighted average number of equity shares outstanding during the period (Nos.)	50,000
(c) Earnings / (loss) per share - Basic and diluted (₹)	-
(d) Nominal value of shares (₹)	10

17.7 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the AS 22 regarding certainty/virtual certainty, the deferred tax asset is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/ virtual certainty in accordance with the aforesaid AS 22. As Company has taxable losses for the period, no provision for Income Tax has been made.

17.8 Segment Information

The primary segment of the Company is business segment which comprises of carrying on the business of production, serials and advertisement. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.

Secondary Segment:

The Company caters to the needs of the domestic market and hence there are no other reportable geographical segments.

17.9 The Company was incorporated on November 19,2012. As these are the first financial statements of the Company, comparative prior period figures are not applicable.

Signatures to notes 1 to 17

In terms of our report attached
For **Snehal & Associates**
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 27, 2013

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

D.G.Rajan
(Director)

Vaibhav Modi
(Chief Executive Officer)

Sanjay Dwivedi
(Chief Financial Officer)

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 Nineteenth Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Monday, July 29, 2013, at 4:00 p.m., at "The Club" 197, D.N. Nagar, Andheri (West), Mumbai – 400 053, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, 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, 2013.

3. To appoint a Director in place of Mr. Ashutosh Khanna, who retires by rotation and, being eligible, seeks re-appointment.

4. To appoint a Director in place of Mr. Tusshar Kapoor, 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 Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

   "RESOLVED that pursuant to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai (Firm Registration No: 117366W) and M/s. Snehal & Associates, Chartered Accountants, Mumbai (Firm Registration No: 110314W), be appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration as may be decided by the Board of Directors in consultation with the Joint Statutory Auditors.

   RESOLVED FURTHER that any one of the Directors and the Company Secretary of the Company be and are hereby severally authorised to do such other acts, deeds and things as are necessary to give effect to the above resolution."

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. All the documents referred to in the accompanying notice and annual report and the Register of Directors' Shareholding are open for inspection by the members at the Registered Office of the Company on all working days between 12:30 p.m. to 3:30 p.m.

4. The Register of Members and Share Transfer Books will remain closed from July 25, 2013 to July 29, 2013 both days inclusive.

5. 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 2006. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividend which remain unclaimed /unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

6. Members whose shareholding is in the electronic mode are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their respective Depositary Participants.

7. Members are requested to address all correspondences, including dividend mandates, etc. to the Registrar and Share Transfer Agents – Karvy Computershare Private Limited, Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 034, India.

8. Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be re-appointed is given in the Annexure to the Notice.

9. Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode. In view of the Company's strong focus on the environment and eco-sustainability, Balaji Telefilms Limited proposes to send all documents / communications to its shareholders through email. We request you to kindly update your email id with your respective Depository Participant and make this effort of your Company a grand success.

By order of the Board of Directors
For Balaji Telefilms Limited

Sd/-
Simmi Singh Bisht
Company Secretary & Compliance Officer
Mumbai, May 27, 2013

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

ANNEXURE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Directors proposed to be appointed /re-appointed:

Mr. Ashutosh Khanna was first appointed on the Board on August 27, 2010. He 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, he was Chief Operating Officer at Grey Worldwide, India with responsibility for the entire advertising business of the company. He was ranked among the top 20 most influential people in Indian advertising in 2006. He holds a Bachelor of Science Degree in Zoology from Delhi University and has a Masters Degree in Management Study from the University of Mumbai.

Mr. Ashutosh Khanna does not hold any shares in the Company.

Directorships including the Company	Committee Memberships
Name of the Company	**Name of the 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. He holds a Bachelor's Degree in Management from University of Michigan. He is an established actor in Hindi Film Industry for a past decade.

Mr. Tusshar Kapoor holds 20,30,250 equity shares in the Company constituting 3.11% of the paid up equity capital of the Company.

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

BALAJI TELEFILMS LIMITED

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

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the member attending: ....

Full Name of Proxy ....

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 19th Annual General Meeting of the Company to be held on Monday, July 29, 2013, at 4:00 p.m. at "The Club" 197, D.N. Nagar, Andheri (West), Mumbai – 400 053.

Full Name of the sole/ first holder..

DP ID	
Client Id/Folio No.	

....

Member's /Proxy's Signature

(To be signed at the time of handing over this slip)

No of Shares held: ....

NOTE: The Copy of the Annual Report may please be brought to the meeting. Members are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the meeting hall.

BALAJI TELEFILMS LIMITED

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

FORM OF PROXY

No of Shares ....

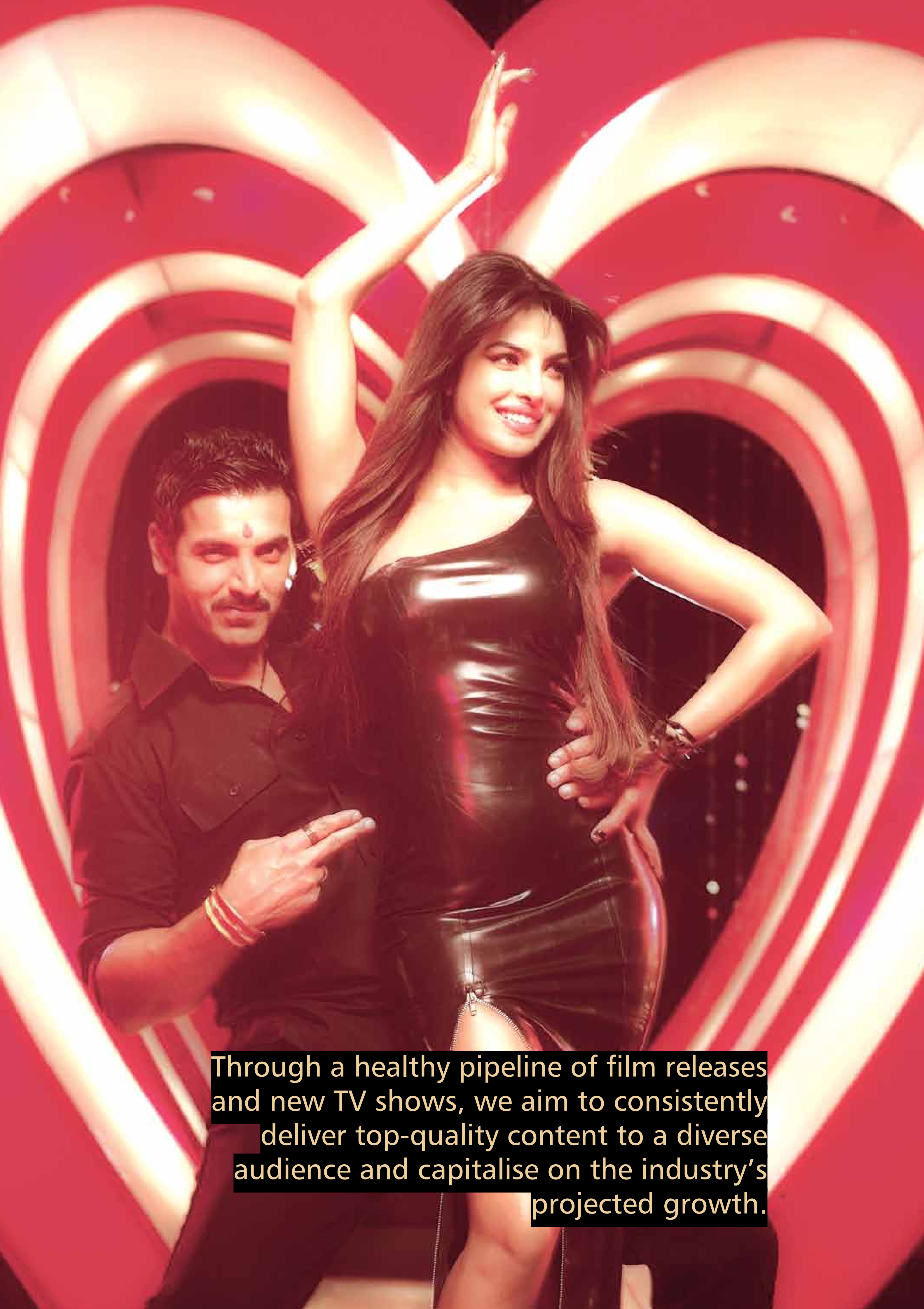
DP. Id:	
Client Id/Folio No.	

I/We .... being a Member/Members of Balaji Telefilms Limited, hereby appoint .... of .... or failing him/her...... .... of ....or failing him/her .... of .... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Monday, July 29, 2013, at 4:00 p.m. at "The Club" 197, D.N. Nagar, Andheri (West), Mumbai – 400 053 and at any adjournment thereof.

Affix
1 Rupee
Revenue
Stamp

Signature

NOTE: The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.



Through a healthy pipeline of film releases and new TV shows, we aim to consistently deliver top-quality content to a diverse audience and capitalise on the industry's projected growth.

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