THE SHOW HAS JUST BEGUN

BALAJI TELEFILMS LIMITED

ANNUAL REPORT 2017-18


"We entertain viewers globally through delightful and passionate stories"

THE SHOW HAS JUST BEGUN

There is a perceptible change happening across the entertainment and media sector as India emerges as a leader in digital consumption driven by the unprecedented scale of internet penetration across the country.

From being in the business of storytelling on television, to creating blockbuster movies to now providing original and exclusive content through Over the Top (OTT) Subscription Video on Demand (SVOD) services on ALTBalaji, we have embarked on a transformational journey to build a scalable and profitable direct to consumer business that also owns valuable intellectual property rights.

We at Balaji Telefilms have been an early entrant in the exciting digital space and will continue to play an influential role in shaping our consumer's entertainment needs by enabling content across mediums and formats - be it on television, a movie screen or an internet connected device. With over 150 hours of original content streaming in the first year itself of launch and a sizeable number of shows to be continuously added we believe THE SHOW HAS JUST BEGUN.

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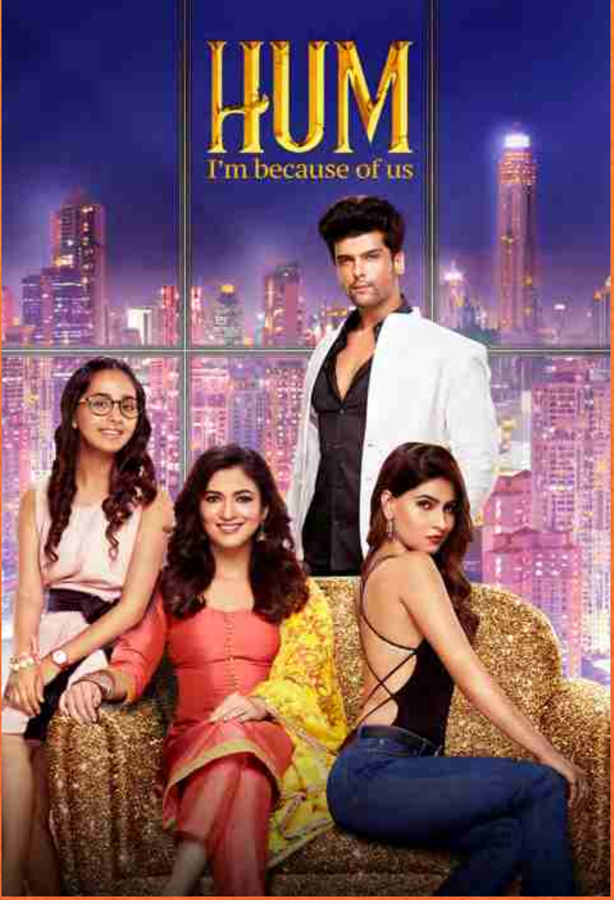
An explanation of how we are organised, what the Board has focused on and how it has performed, how we communicate with our shareholders and how our Directors are rewarded.



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BALAJI TELEFILMS LIMITED

STANDALONE FINANCIALS

CONSOLIDATED FINANCIALS

BALAJI MOTION PICTURES LIMITED

MARINATING FILMS PRIVATE LIMITED

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED


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CORPORATE INFORMATION

Board of Directors

Mr. Jeetendra Kapoor
Chairman
(DIN: 00005345)

Mrs. Shobha Kapoor
Managing Director
(DIN: 00005124)

Ms. Ekta Kapoor
Joint Managing Director
(DIN: 00005093)

Mr. Tusshar Kapoor
Non-Executive Director
(DIN: 00005088)

Mr. Arun Kumar Purwar
Independent Director
(DIN: 00026383)

Mr. Ashutosh Khanna
Independent Director
(DIN: 03153990)

Mr. D.G. Rajan
Independent Director
(DIN: 00303060)

Mr. D.K. Vasal
Independent Director
(DIN: 06858991)

Mr. Pradeep Kumar Sarda
Independent Director
(DIN: 00021405)

Mr. V.B. Dalal
Independent Director
(DIN: 00247971)

Mr. Anshuman Thakur
Additional Director
(DIN: 03279460)

Ms. Jyoti Deshpande
Additional Director
(DIN: 02303283)

Bankers

Yes Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Axis Bank Limited
Oriental Bank of Commerce
State Bank of India

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Secretarial Auditors

MMJC & Associates LLP

Group Chief Executive Officer

Mr. Sunil Lulla

Group Chief Operating Officer & Chief Executive Officer (ALT Digital)

Mr. Nachiket Pantvaidya

Group Chief Financial Officer

Mr. Sanjay Dwivedi

Group Head Secretarial

Mrs. Simmi Singh Bisht

Senior Management

Mr. Ketan Gupta
Chief Operating Officer (Television)

Mrs. Chloe Ferns
Creative Director (Television)

Mr. Sunil Nair
Chief Operating Officer (ALT Digital)

Mrs. Nimisha Pandey
Head-Fiction Content (ALT Digital)

Ms. Ruchikaa Kapoor
Head-Marketing & Branding (Motion Pictures)

Mr. Vimal Doshi
Head-Distribution (Motion Pictures)

Ms. Priyanka Chaudhari
Vice President & Senior Counsel, Legal

Registered Office

C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053.
Tel: +91-22-40698000, Fax: +91-22-40698181/82
E-mail: investor@balajitelefilms.com
Website: www.balajitelefilms.com
CIN: L99999MH1994PLC082802

Registrar & Share Transfer Agent

Karvy Computershare Private Limited,
Unit: Balaji Telefilms Limited, Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032
Tel: +91-40-33211500, 33215570
Fax: +91-40-23440674
Toll Free No.: 1800-345-4001
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

CORPORATE IDENTITY

Balaji Telefilms Limited (Balaji Telefilms) has emerged as India's leading integrated media conglomerate with market leadership in the television content industry, among other entertainment-led businesses. We have demonstrated success in both films and television. Pioneering widely diverse genres of content, our various brands reflect our different businesses.

Today, our production house – Balaji Telefilms is synonymous with ground-breaking television content

Balaji Motion Pictures Limited (Balaji Motion) is a producer of pioneering cinematic content with the topmost industry talent; while ALT Entertainment is our cutting-edge, youth oriented brand.

ALT Digital Media Entertainment Limited (ALTBalaji) is our strategic foray into the Digital B2C entertainment category. We seek to build a consumer facing brand that offers original, premium and exclusive content for a global digital audience.

Chhayabani Balaji Entertainment Private Limited (Chhayabani Balaji) is a creator and producer of Bengali content and Marinating Films Private Limited (Marinating Films) is a creator of intellectual property (IP) rights and producer of reality shows and events.

Brand EK is the signature label comprising of Indian ethnic wear and exquisite jewellery which is available in the online space and through TV shopping networks.

Hoonur is a platform for media professionals and entertainment consumers used in both online and mobile space.

BRANDS

OUR VISION

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

OUR VALUES

STORYTELLING
We always delight our audience 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.

ALT entertainment
CB Chhayabani Balaji Entertainment
Marinating Films
EK BY EKTA KAPOOR
Hoonur www.hoonur.com

PROMOTER FAMILY'S MESSAGE

"Over the years, we have been motivated by one central theme – to consistently provide an entertainment experience that keeps our audiences delightfully engaged."

Dear Shareholders,

We are pleased to present the financial report of your Company for the year ended March 2018. At the outset, allow us to tell you that we are immensely grateful to each and every one of you who has shown utmost trust and confidence in our management team, our business model and strategy. Our financial performance this year is testament to our competitive advantage in our traditional businesses and the investments we are making in the future facing digital business, are to ensure long-term sustainability and value creation.

Over the years, we have been motivated by one central theme – “to consistently provide an entertainment experience that keeps our audiences delightfully engaged". What started as a modest dream over two decades ago has now become one of the largest global content production houses delivering award winning content via three business verticals, the Television production business, the Movies business, and our latest and highly exciting Digital business. Our vision is to create a valuable and scalable media business through content creation, IP ownership and consumer connect. We will continue to play an influential role in shaping our consumer's needs by enabling content, be it on television, a movie screen or a hand-held or any other device.

To achieve this, during the year we entered into a strategic tie-up with Reliance Industries Limited. Reliance Industries Limited invested ₹ 413 crore into the company by way of a preferential allotment and we are extremely delighted to have Reliance join us. We have achieved significant progress in the short time. The partnership has been active and we look forward to this partnership to deliver long term value for all our stakeholders. Balaji Telefilms has been a content powerhouse for more than two decades and Reliance Industries through Reliance Jio has made a significant contribution towards creating a digital revolution in India by providing high-speed data on handheld devices. We view this partnership as a tie-up between content & distribution and this partnership allows us to scale up content creation and our overall ambition in the OTT sector.

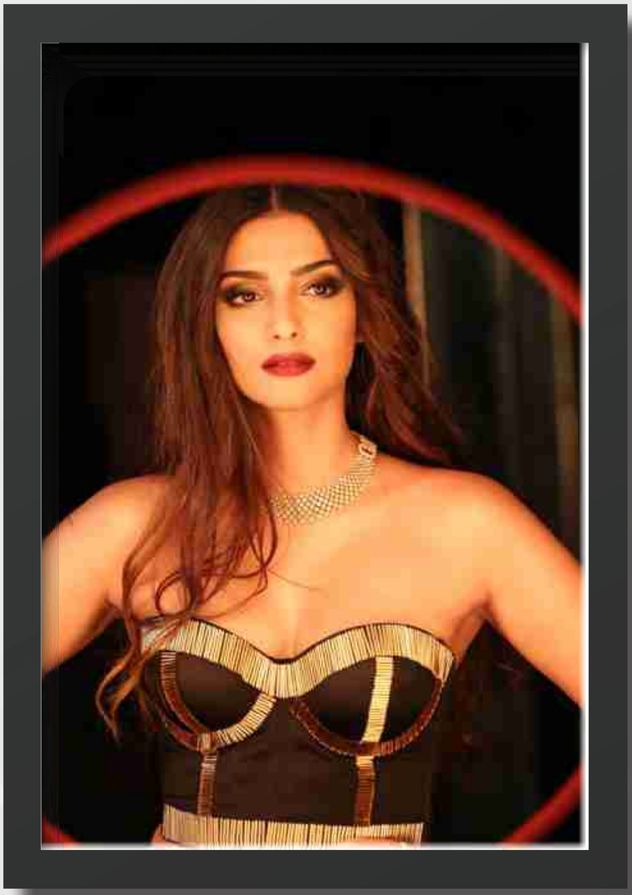
Our Television business continues to perform very well, with 3 of the Top 5 shows (in most weeks) being created by us. We are proactive with our content pipeline and try and evolve new storylines and genres before the market evolves. For example, this year we were quick to identify the needs and demands of our audience that have been watching Kumkum Bhagya since 2014. We were quick to launch Kkundali Bhagya which is a spin-off of Kumkum Bhagya and allows viewers to connect with endearing characters of the main show but in a newer setting. The show has been extremely popular and both Kumkum Bhagya and Kkundali Bhagya have been consistently number 1 and number 2 shows on Indian television. Our hit franchises such as Naagin continues to do very well and this year Naagin 2 was successfully completed and was widely appreciated across the rural and urban masses.

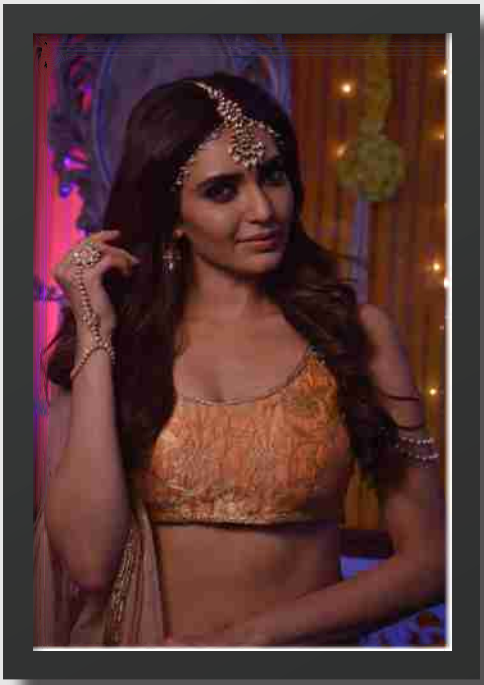
Our movie business is in the process of being stabilized and restored to profitability. We remain passionate about movie making and driven by stories and scripts that need to engage and delight cinema-goers. We follow a portfolio approach to movie making with a strategy to pre-sell rights as early as feasible and also enter into co-production agreements with like-minded creative talent. This enables us to contain our investment and lock-in significant revenue pre-release. Veere di Wedding, which released in July 2018 has been profitable after adopting the new strategy of pre-sales plus co-production. This film has demonstrated we can produce films that win both – critical acclaim as well as commercial box office revenues. We will continue to find and back talent that will develop a differentiated cinematic experience, which delivers successful results.

In over two decades we have created over 18,000 hours of hit content and yet we did not own much of it. A few years ago, we believed it was important to actually own the customer and own the IP of the content that we create. ALTBalaji is our strategic foray into the world of consumer and IP ownership through a B2C digital content business. We believe there is an immense opportunity to monetize the incredible potential of original, premium, on-demand entertainment and ALTBalaji enables us to do it.

We are extremely proud and happy with our first year of operations of ALTBalaji. ALTBalaji surpassed a million paid users mark within a year of launch and we are the #1 repository of original Indian drama shows with 17 shows. Our strategy is to create original and exclusive content, build a B2C business through alliances and partnerships and own IP and monetize effectively across platforms. With content creation ability in our DNA, strong distribution and partnership alliances we see a huge opportunity to scale up this segment and we believe the show has just begun.

We continually strive to enhance value for investors for which the team at Balaji Telefilms is working very diligently to strengthen our positioning of content leadership and seize the opportunity unfolding in the digital landscape. We take this occasion to thank all the shareholders for their on-going support and encouragement.





COO & CFO LETTER

Dear Shareholders,

It gives us great pleasure to present to you Balaji Telefilms Annual Report 2017-18. This report highlights many notable achievements made by your Company through the year, in a dynamic and evolving environment. We are proud to celebrate these successes in our continuous pursuit of "Creating Value by Creating Content" across Television, Movies and our foray into the Digital medium, ALTBalaji.

We began the FY2017-18 with three objectives. Our first and perhaps the most critical task was to launch our digital B2C business –ALTBalaji. The second was to continue our market leadership position in television content by creating relevant storylines with memorable characters. The third was to restore the profitability in our movie business by making conservative investments and adopting a more de-risked approach to movie making. We are proud to say that we were able to achieve all the objectives beyond the set targets at the end of the financial year.

ALTBalaji has had a very positive start in its first year of launch, becoming the number 1 repository of original Indian content. Our viewers have well received the shows and in addition to our viewers, we have also had critical acclaim from various participants in the wider entertainment ecosystem such as content producers and creative talent. We ended the year with over 1.2 million subscriptions with 800 million minutes of content watched and numerous awards for our shows.

During the year, we benefited from the increase in availability of the

> "Balaji Telefilms is well positioned to be the premier content company for Indian audiences"

internet, faster internet speeds, reduced data costs and cheaper handsets in the country all leading to higher consumption of video on the internet. However, digital content viewing and subscription-based content are still in a nascent stage in India. Technology is already ushering in rapid changes and penetration of broadband among the masses through low-cost solutions will only increase the size of the digital entertainment market. At ALTBalaji, we look at all these changes as an opportunity and are always ready to make use of innovations to connect better with our customers.

In addition to the Indian market, ALTBalaji also had an immediate impact on the global media and entertainment landscape and we have acquired customers in over 90 countries. Balaji's content has always connected with the Indian diaspora outside the country and ALTBalaji now allows them to reconnect with original and exclusive content on the App.

ALTBalaji's content is centred on creating original and exclusive stories for individual consumption. India is predominantly a single TV market with less than 5% of households having access to a second screen; therefore television content needs to appeal to a family watching the television together. This has lead to the content on TV becoming more mass and one-size-fits-all. We believe the growth of the Internet and smartphones has created OTT as a viable and much needed second screen in households. This second screen allows us to tell individual stories and explore new genres and format of storytelling. Our first year has seen us create successful shows such as " The Test Case" and "Bose: Dead / Alive" that appeal to a premium urban audience, Karrle Tu Bhi Mohabbat that is an upgrade to television content while using well-known television stars, Ragini MMS is a spine-tingling horror series and Class of 2017 for the younger audiences. We will continue to add more such entertaining content, solidifying our position as India's number 1 destination for original shows.

Our TV business remains a stable and cash-generative business. Our television shows continue to lead the charts and we receive

> **ALTBalaji will help position ourselves for further success in the coming years and ride on the growth of digital content consumption for individual audiences worldwide**

incentive fees based on Television Rating Point achieved. During the year, we launched a spin-off series of our long-running show Kumkum Bhagya called KKundali Bhagya which has also done very well. Both these shows have consistently been ranked in the top 5 shows during the year. FY2018 also saw us complete Season 2 of Naagin, one of India's most-watched weekend fantasy fiction dramas. Our popular shows such as Yeh Hai Mohabbatein and Kasam Tere Pyaar Ki continue to run through the year with Yeh Hai Mohabbatein recently completing 1,500 episodes.

In our movie business, our primary focus is to restore the segment back to profitability after a couple of loss-making years. We have carefully decided to invest in scripts and projects where we believe we can pre-sell the content to satellite and digital platforms. In addition to pre-sales, we are also working collaboratively with other creative talent and co-producing movies, thereby bringing in fresh creative inputs and cost efficiencies into our projects. Our pipeline for FY2019 looks very attractive with movies for different audiences and we have managed to pre-sell a significant portion of the costs associated with these movies, thereby protecting our bottom line.

Financial highlights

Balaji Telefilms Limited had a good FY2018 with few notable achievements during the year- the launch of ALTBalaji, a massive fund infusion into the Company and the completion of a corporate reorganisation.

The television production business had a reasonably flat year concerning the number of hours of content produced and revenue growth, but we continue to measure this business on two important metrics - the revenue per hour and gross margin, both of which have grown this year. Our average revenue per hour has increased to ₹ 0.33 crores as compared to ₹ 0.29 crores in the previous year, a growth of 14%. The gross margins have improved by 300bps to 29.7% from 26.7%.

Our standalone revenues were ₹ 416.6 crores as compared to previous year's ₹ 408.5 crores. EBITDA grew an impressive 19 times to ₹ 53.1 crores from ₹ 2.8 crores, on the back of a de-risking strategy to the movie business achieved via pre-sales of distribution rights and co-production of movies. Our profits after tax and exceptional items on a standalone basis decreased to ₹ 16.3 crores from ₹ 29.4 crores due to the impact of deferred tax and exceptional tax items. Please note that FY2017 PAT was positively impacted by the creation of a deferred tax asset of ₹ 27.8 cr due to the merger of our movie production business and BOLT Media into Balaji Telefilms Limited. This increased the PBT of ₹ 2.26cr to ₹ 29.4 Cr. FY2018 including normal tax of ₹ 2.1 Cr on capital gains, tax on completion of assessments for earlier years of ₹ 7 Cr. and deferred tax charge of ₹ 21.2 crores with an additional ₹ 9 crores of exceptional item towards the provision of income tax. However, if we were to look at a normalised PAT, i.e. profit taxed at the normal income tax rate, excluding any impact of deferred tax and exceptional tax items, it would reflect a good PAT performance of ₹ 36.5 cr in FY2018 as against ₹ 1.5 cr in FY2017.

This year also saw the commercial launch of ALTBalaji and we expect to be in an investment phase for the next 2 to 3 years. ALTBalaji will help position ourselves for further success in the coming years and ride on the growth of digital content consumption for individual audiences worldwide. We expect to maintain our cash spends on ALTBalaji at ₹ 100 cr to ₹ 150cr a year for the next 2-3 years while revenue scales up, expecting to break even within the next three years.

Coming to vital corporate developments during the year,

Reliance Industries Limited (RIL) showed trust in your Company and its strategy to build its IP library and a B2C business; it invested ₹ 413 crore to acquire a 24.9% stake in Balaji Telefilms Limited in the month of August 2017. The transaction was structured as a preferential allotment at ₹ 164 a share. This is one of the largest-ever fund infusions for the Company and this investment will help ALTBalaji become India's content powerhouse as it scales up content creation for ALTBalaji.

To streamline the group structure, the Company merged the production business of its wholly owned subsidiary Balaji Motion Pictures Limited and BOLT Media Private Limited into the parent company Balaji Telefilms Limited. This streamlining of group structure will help build up efficiencies and combine similar business interest into one corporate entity, resulting in operational synergies, a focused management, an optimisation of group structure and an efficient administration. The final approval for this reorganisation was received during the year and operationally all functions have also been merged into Balaji Telefilms Limited.

Going forward, we will continue to deploy our financial resources in opportunities that have the most favourable risk-return profile. Our TV business remains a very stable and cash generative business. We do not foresee any significant capital investments in this business during the coming years.

In our movies business, we will be judicious with deploying fresh capital and are looking to improve the financial health of the movie business by working on pre-sales and co-production models. Our slate for FY2019 has already been pre-sold to a large broadcaster and this gives us confidence and flexibility in the way we operate.

We believe ALTBalaji is the future of the Company and we will make sizeable investments in this segment. We will make continuous but controlled investments in the digital platform and are well funded to make these investments. The company today is debt free and has over ₹ 442 crores in mutual fund investments which will allow us to pursue growth without raising fresh capital.

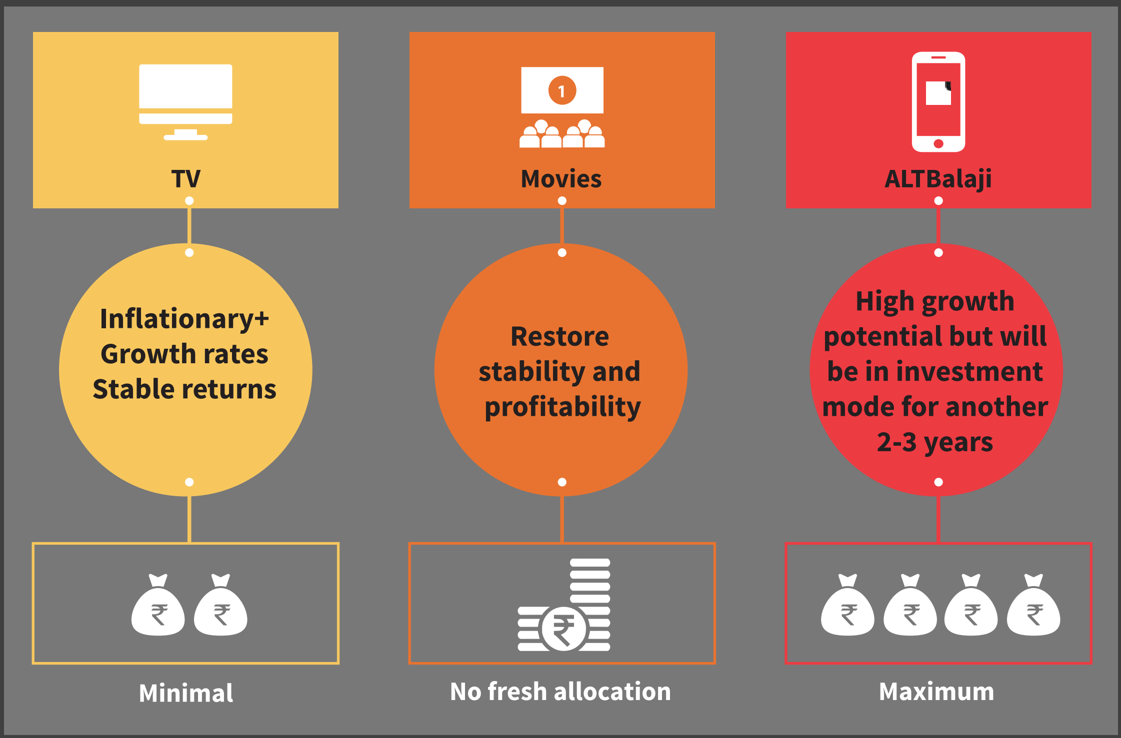
Overall as a business, Balaji Telefilms Limited has robust processes and controls that allow us to seamlessly shift from a content production business to a content IP and consumer ownership business. I, along with my team, are taking all the necessary steps to build on this strong foundation and grow Balaji Telefilms Limited to greater heights for the foreseeable future.

We thank all the shareholders, employees, clients, viewers and board members for their support and encouragement during the year and showing the confidence in our management, business model and strategy.

Nachiket Pantvaidya
Group COO and CEO of ALT Digital Media Entertainment Limted

Sanjay Dwivedi
Group Chief Financial Officer

Capital Allocation Strategy



KEY FACTS

24	YEARS AS A LEADING ENTERTAINMENT COMPANY
19	ACCESS TO MODERN STUDIOS AND 31 EDITING SUITES
18,000+	HOURS OF TELEVISION CONTENT PRODUCED ACROSS GENRES
9	TV SHOWS DURING THE YEAR
33.0	AVERAGE REVENUE PER HOUR IN FY2018 (IN LACS)
1.2M	PAID USERS IN YEAR 1 ON ALTBalaji
17	ORIGINAL DIGITAL SHOWS IN YEAR 1
2	MOVIES PRODUCED IN THE YEAR TOTAL LIBRARY OF 36

KEY HIGHLIGHTS OF THE YEAR

TELEVISION BUSINESS

- Launched a new spin off series on Zee TV called Kkundali Bhagya based on the hit show Kumkum Bhagya running on the same channel
- Chandra Nandni on Star Plus sucessfully completed 250 episodes & came to an end
- Naagin series continues to do well. Season 2 was completed duirng the year & Season 3 will launch in FY2019
- 4 shows (Yeh Hai Mohabbatein, Kasam Tere Pyaar Ki, Chandrakanta & Kumkum Bhagya) running consistently throughout the years

BALAJI MOTION PICTURES LIMITED

- Two movies released during FY2018, Half Girlfriend, & Super Singh and distributed one Lipstick Under My Burkha
- Movie business stabilised and turned profitable
- Veere Di Wedding released on 1st June 2018 and has done very well at the box office

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALTBalaji)

- Number 1 repository of original Indian content featuring some of India's best talent
- Surpassed a million paying user base within a year of launch – over 13 million users across 90 countries
- Ranked Number 4 in Google's most popular apps for India in 2017 and is the only video subscription service in the top 5 which features other free photo editing and messaging apps
- 800 million minutes of video consumed in year 1 with an average watch time of 120 minutes per user
- Won numerous awards including Best OTT Platform, Web Person Of The Year, Best Web Series, Best Actor and Best Actress

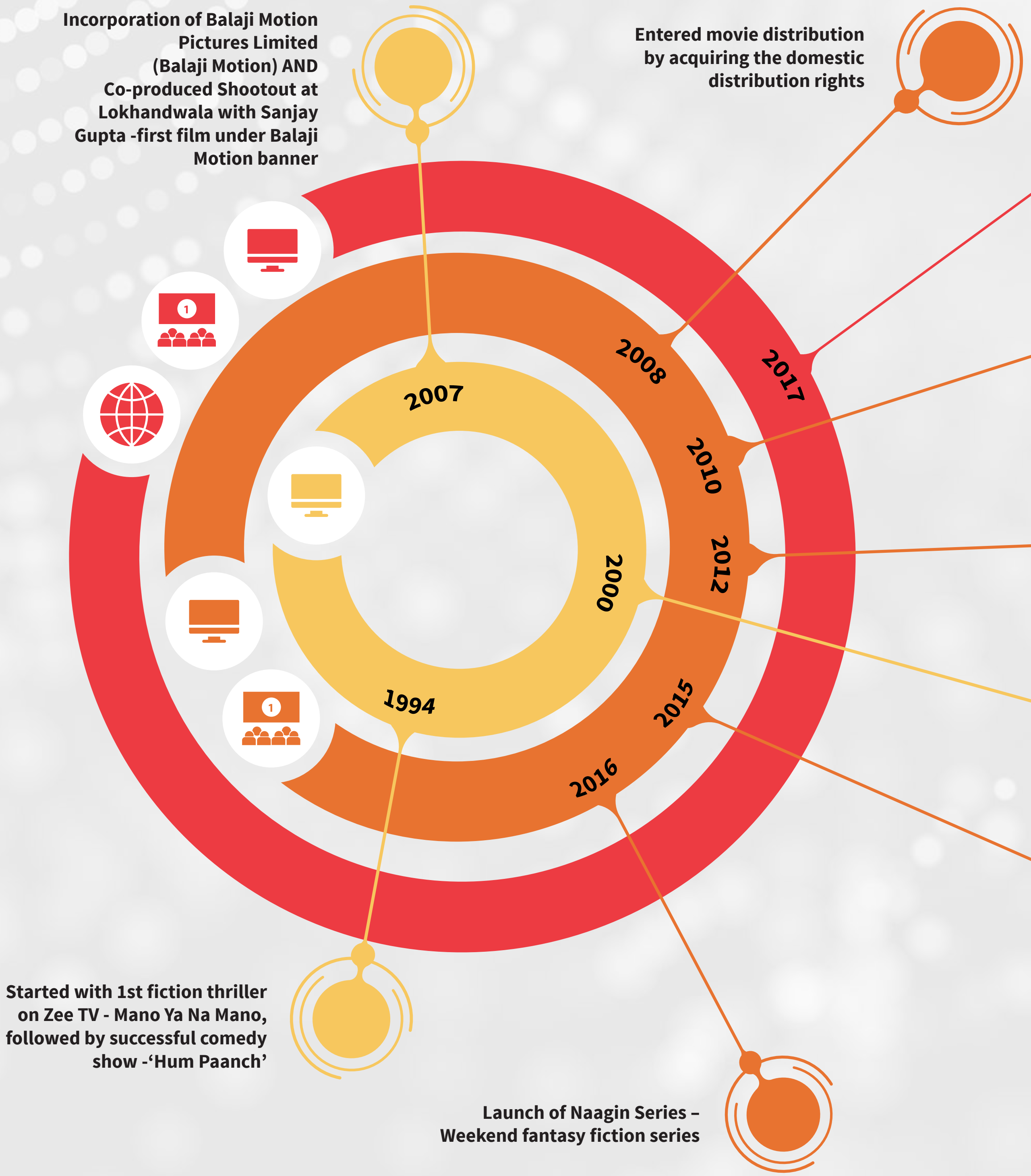
MARINATING FILMS PRIVATE LIMITED

- Launched Season 3 of Box Cricket League (BCL)

CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

- Launch of new web series – Dhimaner Dinkaal (Bengali)

ENTERTAINING JOURNEY FOR OVER 2 DECADES



Television

Movies

Digital

ALTBalaji launched commercially

Preferential allotment of shares to Reliance Industries Limited

Release of 'Once Upon a Time in Mumbai'

Year of hit films –Shor in the City, Ragini MMS, Taryanche Bait and The Dirty Picture

Produced most popular shows which dominated Star Plus –Kyunki Saas Bhi Kabhi Bahu Thi, Kahaani Ghar Ghar Ki and Kasautii Zindagii Kay

Incorporated ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALTBalaji) - an over-the-top (OTT) platform offering SVOD services

SUCCESSFUL BUSINESS PERFORMANCE

HOURS OF PROGRAMMING

(Hrs)

FY2018	819
FY2017	960
FY2016	1,002
FY2015	962
FY2014	554

REALISATION PER HOUR

(₹ in Lacs)

FY2018	33.0
FY2017	28.9
FY2016	24.7
FY2015	20.0
FY2014	22.5

INCOME FROM OPERATIONS

(₹ in Lacs)

FY2018	41,660
FY2017	40,850
FY2016	25,685
FY2015	20,969
FY2014	13,154

EBITDA

(₹ in Lacs)

FY2018	5,310
FY2017	280
FY2016	5,833
FY2015	2,295
FY2014	2,266

EBITDA MARGIN

(%)

FY2018	13%
FY2017	1%
FY2016	23%
FY2015	11%
FY2014	17%

PROFIT BEFORE TAX (Rs in Lacs)

(₹ in Lacs)

FY2018	4,670
FY2017	230
FY2016	4,961
FY2015	1,506
FY2014	1,602

PROFIT AFTER TAX

(₹ in Lacs)

FY2018	1,630
FY2017	2,940
FY2016	3,704
FY2015	1,227
FY2014	1,002

PROFIT AFTER TAX MARGIN

(%)

FY2018	4%
FY2017	7%
FY2016	14%
FY2015	6%
FY2014	8%

EARNINGS PER SHARE

(₹)

FY2018	1.79
FY2017	3.87
FY2016	4.88
FY2015	1.88
FY2014	1.54

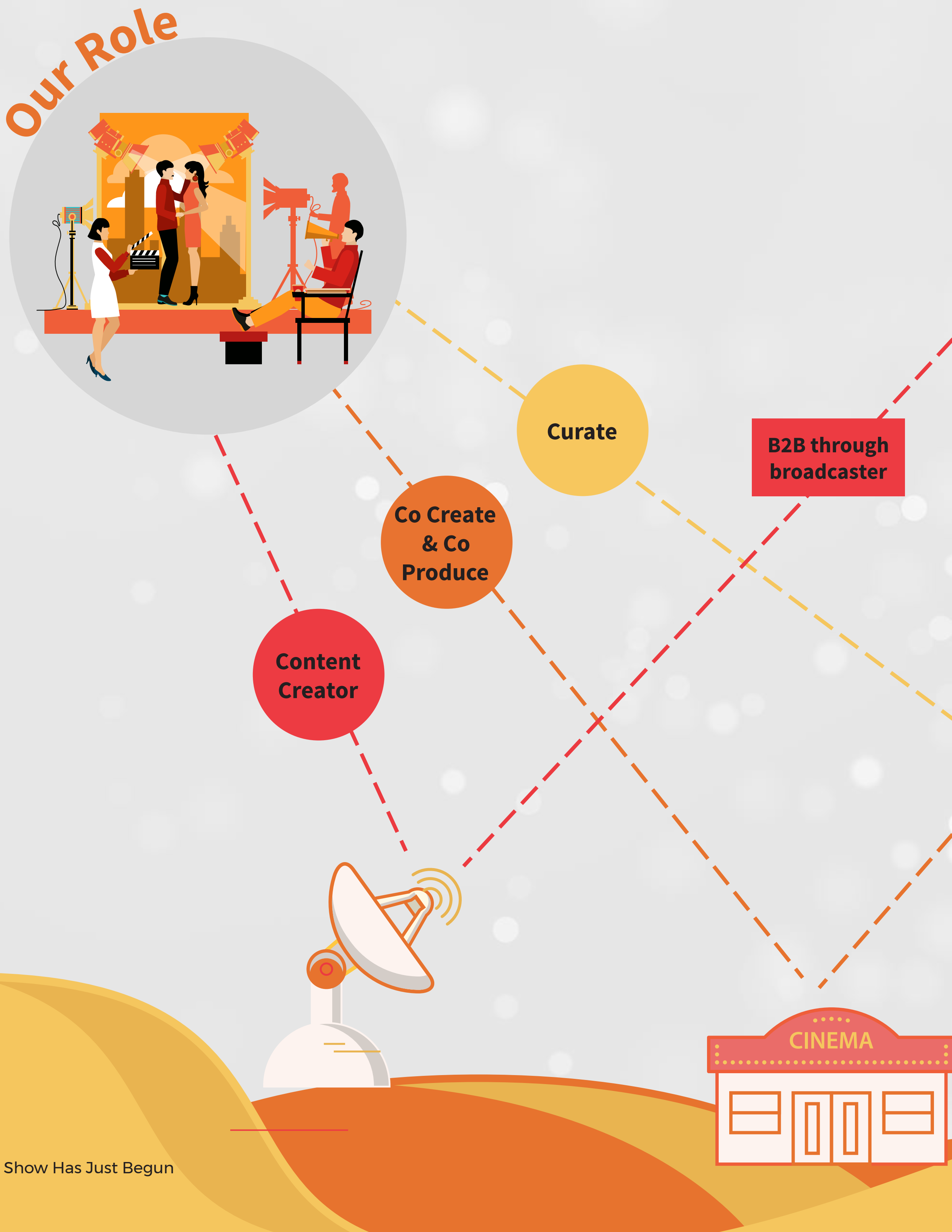
RESERVES

(₹ in Lacs)

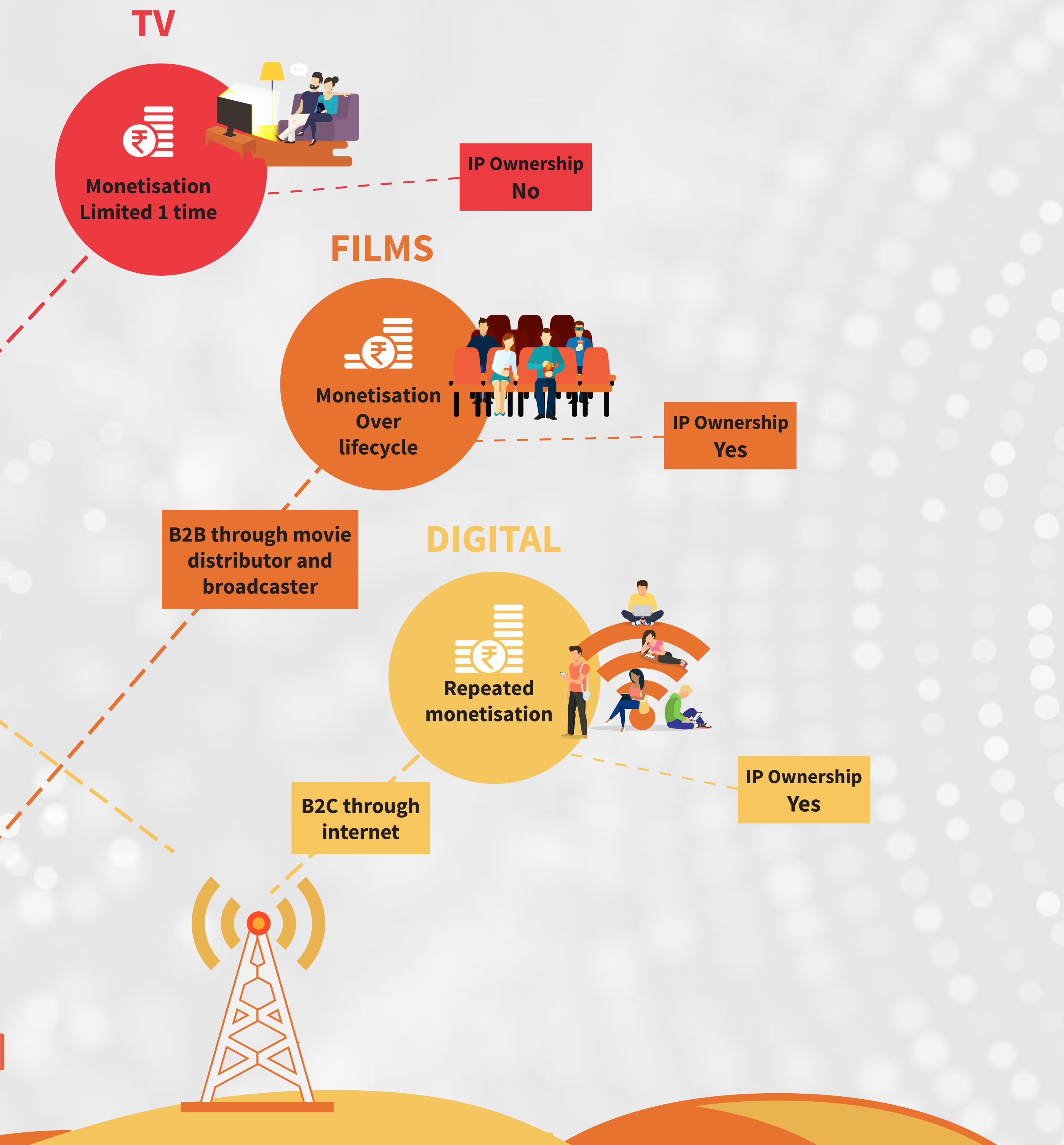
FY2018	96,308
FY2017	55,998
FY2016	60,806
FY2015	41,695
FY2014	41,116

Note: FY2017 and FY2018 numbers are as per IND-AS accounting standards. FY2014, FY2015 and FY2016 numbers are as per IGAAP
Based on Standalone numbers

BUSINESS BUILT ON ENTERTAINMENT



AND CREATING COMPELLING CONTENT



OUR BUSINESSES

BALAJI TELEFILMS LIMITED

We are a household name in the Indian television world with unmatched experience in entertainment and a proven ability in gauging the pulse of masses. Exemplary track record with a string of hit shows in Hindi and Regional television across sub segments of the Indian GEC space. Current shows form the bedrock of Indian GEC channels.

TV SHOWS ON AIR DURING FY2018

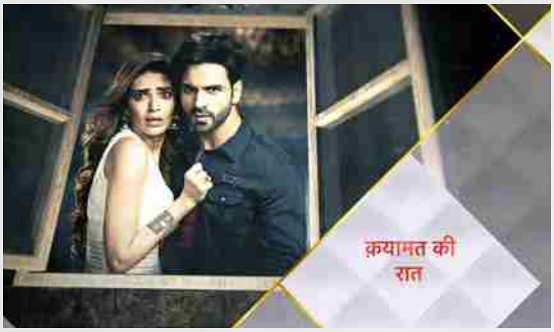
SHOW	CHANNEL	ON AIR Q1	ON AIR Q2	ON AIR Q3	ON AIR Q4
Kasam Tere Pyaar Ki	Colors				
Chandrakanta	Colors				
Naagin 2	Colors				
Yeh Hai Mohabbatein	Star				
Chandra Nandni	Star				
Dhhai Kilo Prem	Star				
Pardes Mein Hai Meraa Dill	Star				
Kumkum Bhagya	Zee				
Kkundali Bhagya	Zee				

The Show Has Just Begun

TO COMMENCE SHORTLY

Naagin 3
Colors

Dil Hi Toh Hai
Sony



Qayamat Ki Raat
Star Plus

Kasautii Zindagii Kay
Star Plus

BALAJI MOTION PICTURES LIMITED

Balaji Motion Pictures Limted (Balaji Motion) has become synonymous with commercial cutting edge cinematic content supported by intensive and innovative marketing. Today, with a number of award-winning and acclaimed box office blockbusters, we have firmly established our position as one of India's exciting motion picture studios in the business. Track record include both commercial hits as well as critically acclaimed movies. Our focus will be selectively commissioning new movies.

We will continue building on our credibility as a leading motion pictures studio and maintain focus on scripts, budgets, economies of scale and out-of-the-box marketing. The emphasis will continue to be on optimising risk-return trade-off by pre-sale of rights & co-products.

MOVIES RELEASED IN FY2018

HALF GIRLFRIEND

SUPER SINGH

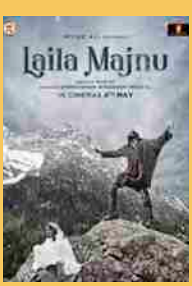
MOVIE DISTRIBUTED IN FY2018

LIPSTICK UNDER MY BURKHA

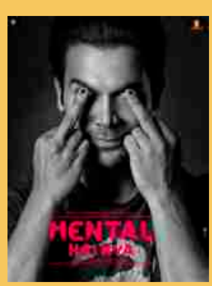
MOVIE RELEASED IN Q1 FY2019

VEERE DI WEDDING

MOVIE PIPELINE



LAILA MAJNU



MENTAL HAI KYA

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALTBalaji)

The Company's digital content business is housed under ALT Digital Media Entertainment Limted, which was incorporated as a wholly-owned subsidiary in August 2015. Through the subsidiary, we have made a strategic foray into the B2C digital content business segment to monetise the incredible potential of original, premium, on-demand entertainment.

Number 1 repository of Indian drama content with 17 original shows (excluding Kids and Comedy short clips).

Total paid users at the end of March 2018 were at 1.2 million (excluding Reliance Jio platform users) and over 11 million direct app install and an additional 2.2 million through web browser – creating a stable base of customers to target repeat usage and longer term subscription packs

Distribution tie up across Telecom and internet service provides – ALTBalaji's content is avaliable on Reliance Jio, Airtel TV and Vodafone Play platforms

Won numerous awards including Best OTT Platform, Web Person Of The Year, Best Web Series, Best Actor and Best Actress

800 million minutes of video consumed so far with an average watch time of 120 minutes per user

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALTBalaji) - SHOWS

MARINATING FILMS PRIVATE LIMITED

In our aim to create TV-centric intellectual property rights as additional revenue, we acquired a majority stake in Marinating Films Private Limited. The subsidiary owns the concept, format and all proprietary rights and intellectual property rights in Box Cricket League (BCL), The Indian Telly Calender (ITC) and Indian Television Style Awards (TSA).

CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

The subsidiary leverages Balaji's competitive strengths to create exciting entertainment along with Chhayabani's glorious heritage of producing extremely notable films in Bengali. This collaboration brings together two different media houses, with distinctive strengths to create exciting content, while also attracting high quality talent.

BRAND EK

Brand EK is a premium and affordable range of women's wear and accessories. The line comprises of women's ethnic wear, sarees and jewellery. Launched by Ekta Kapoor, the range ensembles the designs worn by TV celebrities on the popular TV shows.

AWARDS

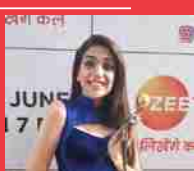
BALAJI TELEFILMS LIMITED

GOLD AWARDS 2018

Kkundali Bhagya

Best Actor (Female)
Shradha Arya (Preeta Arora)

Best Actor In Supporting Role (Male)
Manit Joura (Rishabh Luthra)



Best Actor In Supporting Role (Female)
Anjum Fakih (Srishty Arora)

Best Actress Female
Sriti Jha
Kumkum Bhagya

Best Actor Male
Shabir Ahluwalia
Kumkum Bhagya

Best Negative Female
Shikha Singh
Kumkum Bhagya

1000 Episode
Kumkum Bhagya

Best Show Fiction
Kumkum Bhagya

Producer Honours For Completing 1000 Eps
Yeh Hai Mohabbatein

Most Celebrated Actor (Female)
Divyanka Tripathi
Yeh Hai Mohabbatein

Most Celebrated Actor (Male)
Karan Patel
Yeh Hai Mohabbatein

Kesh King Healthy Hair
Divyanka Tripathi

Most Fit Actor (Female)
Surbhi Jyoti

Dadasaheb Phalke Excellence Award (2018)

Karan Patel

BALAJI MOTION PICTURES LIMITED

Lipstick Under My Burkha

OXFAM Award
Best Film on Gender Equality
Alankrita Shrivastava

Screen Award
Best Actress (Critics)
Konkona Sen Sharma

Glasgow Film Festival 2017
Audience Award
Alankrita Shrivastava

Half Girlfriend (2017)
Zee Cine Awards 2018
Viewers' Choice Award

Best Song of the Year
Tanishk Bagchi
(lyricist) (composer)
Arafat Mehmood
(lyricist)
For the song "Baarish"

ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Web Person Of The Year
Ekta Kapoor
IWM Digital Awards

Best OTT Platform
ALTBalaji
IWM Digital Awards
DIGIXX Awards

Movers And Shakers Award

Best Actress Web Series
Nimrat Kaur
The Test Case
IWM Digital Awards & ITA

Best Web Series
BOSE: DEAD/ALIVE
IWM Digital Awards

Best Actor
Rajkummar Rao
BOSE: DEAD/ALIVE
IWM Digital Awards
DIGIXX Awards

Best Director
Pulkit
BOSE: DEAD/ALIVE
IWM Digital Awards

Best Screenplay
Class of 2017
IWM Digital Awards

Best Director
Nagesh Kukunoor
The Test Case
ITA

Best Dialogue
Reshu Nath
BOSE: DEAD/ALIVE
IWM Digital Awards

Ekta Kapoor

"Flo" - FICCI (Federation of Indian Chambers of Commerce and Industry) Ladies Organisation received from President of India.

BOARD OF DIRECTORS

Mr. Jeetendra Kapoor

Promoter and Non-Executive Chairman

Mr. Jeetendra Kapoor is a celebrated movie star, starring in more than 200 movies in his career of 45 years. He is particularly popular as a romantic lead and for his flair for dance. He is also a reputed TV and film producer. He has won a number of prestigious awards, including the Filmfare Lifetime Achievement Award, Screen Lifetime Achievement Award, Guild Award for Lifetime Achievement and several other lifetime achievement awards, as well as the Legend of Indian Cinema Award in 2004, the Dadasaheb Phalke Academy Award in 2014 and the Raj Kapoor Lifetime Contribution Award by Government of Maharashtra in 2016 among many other achievements and awards. He also frequently attends industry events as guest of honour.

Mrs. Shobha Kapoor

Promoter and Managing Director

Mrs. Shobha Kapoor has been in charge of Company's operational management and efficiency and in controlling 'on set' activity. She has won a number of prestigious awards including CEO of the Year (Indian Telly Awards), Businesswoman of the Year (The Economic Times) and numerous Best Producer awards for various TV shows produced by our Company.

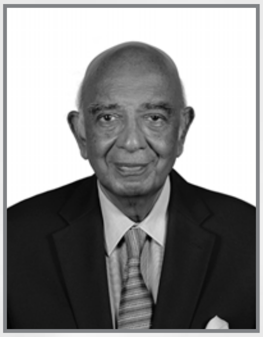
Ms. Ekta Kapoor

Promoter and Joint Managing Director

Ms. Ekta Kapoor undertakes the day-to-day creative direction of TV shows and movies produced by our Company. She has won a number of prestigious 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). She was also placed at the first position among the '50 Most Influential Women' in the Indian marketing, advertising and media ecosystems by IMPACT magazine in 2016. She also featured in Top 50 powerful women in India by Fortune India in the year 2014 and 2015. Ms. Ekta Kapoor has also won numerous prestigious awards in the year 2017 as Business Today's Most Powerful Women in Indian Business Awards, Khaas Rishta Award 2017, 25 Most Powerful Women in India Business, ITA Awards as Sterling Icon of Entertainment, Variety's (500 Most Influential people in the world) and in 2018 she was awarded with IWM (Indian Wikimedia) Digital Awards as Web Person of the year and also honoured with FLO Icon Award at the 34th Annual session of FICCI (Federation of Indian Chambers of Commerce and Industry) Ladies Organisation.

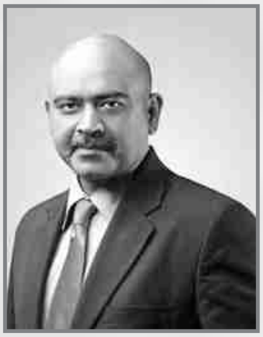
Mr. Tusshar Kapoor
Promoter and Non-Executive Director

Mr. Tusshar Kapoor has been involved with our Company since August 2010. He holds Bachelor's Degree in business administration from the esteemed University of Michigan, United States and also won a number of prestigious awards including the Filmfare Award and the Zee Cine Award for Best Male Debutant of the Year, 2001 and a very popular actor in the comic genre, with "Golmaal" and "Kya Kool Hai Hum" being among the most notable movie franchises of this genre



Mr. Duraiswamy Gunaseela Rajan
Independent Director

Mr. Duraiswamy Gunaseela Rajan is a Chartered Accountant by profession and is a Fellow Member of the Institute of Chartered Accountants in England and Wales (Life Member) and the Institute of Chartered Accountants of India. He is an Associate Member of the Institute of Internal Auditors. Mr. Rajan served as a Partner at Lovelock & Lewes from 1967 and was the Senior Partner (Chairman) of the firm from 1984 till 1990. He also served as the Chairman of the Direct Taxation Committee of the Southern India Chamber of Commerce & Industry and a Member of the Board of Governors of The Doon School, Dehradun. He was also President of the Management Consultants Association of India and Chairman of the Indian Paint Association – Southern Region. Presently, he is adviser, consultant and director/member of supervisory Board of various other domestic and international groups.



Mr. Ashutosh Khanna
Independent Director

Mr. Ashutosh Khanna holds a Master's in Management from the University of Mumbai and a Bachelor's Degree from Delhi University. He works as Senior Partner with Korn/Ferry and specializes in the Consumer Industry. He has also worked in the communication industry earlier and carries with him deep insights of multiple industries. He was the Chief Operating Officer at Grey Worldwide, India. He is recognized as a leading HR consultant and is a sought after speaker at Industry and HR forums on his views for the future of the industry.

BOARD OF DIRECTORS

Mr. Pradeep Kumar Sarda

Independent Director

Mr. Pradeep Kumar Sarda is a commerce graduate. He served as a Director of Sarda Papers Limited from October 16, 1992 to May 25, 2013. He also served as the Chairman of Sarda Papers Limited till May 25, 2013. Mr. Sarda serves as the Chairman of the Sarda Group of Industries. He serves as a Director of Mercury Trade Links Ltd. He serves as Chairman of the Governing Board of Ecole Mondiale World School, Mumbai. He possesses a rich experience across multiple industry verticals, comprising paper, engineering, construction, real estate and education.

Mr. Virendra Babubhai Dalal

Independent Director

Mr. Virendra Babubhai Dalal is a Chartered Accountant by profession and is a member of the Institute of Chartered Accountants of India. He has an academic experience of more than 10 years as part-time lecturer in Accountancy, having worked with the Dahanukar College of Commerce and Economics affiliated to University of Mumbai. He is a Director on board of Superadd Trade Private Limited. He is a proprietor of V.B. Dalal & Company, a firm of Chartered Accountants established in July 1969. He has over 40 years of experience in Audit and Direct Taxation and has handled International assignments in internal and Operational Audits in U. K, Portugal, Kenya and Indonesia.

Mr. Devender Kumar Vasal

Independent Director

Mr. Devender Kumar Vasal holds a Bachelor's Degree in Commerce and a Bachelor's Degree in Law from the University of Delhi. He has over 35 years of rich experience in the Finance, Capital Markets, Banking, General Corporate Advice and Regulatory Practices. He was a Senior Partner at DSK Legal, Executive Vice President and Head of Legal & Compliance at Development Credit Bank Limited, Head of Legal (India Region – including certain proximate territories) at Standard Chartered Bank, Senior Manager Legal at Bank of Baroda, Head of Legal at what is now HDFC Bank. He also held the position of Group General Legal Counsel at Sterlite group, now known as the Vedanta Resources PLC.

Mr. Arun Kumar Purwar
Independent Director

Mr. Arun Kumar Purwar is the Chairman of ILFS Renewable Energy. He also works as an Independent Director in Companies across diverse sectors like power, solar energy, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ("SBI") from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and has been associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the CEO of the year award from the Institute of Technology and Management (2004), "Outstanding Achiever of the Year" award from the Indian Banks' Association (2004) and "Finance Man of the Year" Award by the Bombay Management Association in 2006.

Mr. Anshuman Thakur
Additional Director

Anshuman Thakur is a Senior Vice President - Strategy & Planning at Reliance Industries Ltd. He joined the Reliance Group in 2014 and has ever since been closely involved with the Jio business. He has over 19 years of experience in corporate strategy and investment banking and has worked across diverse industries. Prior to joining Reliance, he worked with Morgan Stanley as Head of Mergers & Acquisitions in India. He was a TMT coverage banker at Rothschild prior to his stint at Morgan Stanley. He has also worked with Arthur Andersen and Ernst & Young in the area of corporate finance and strategy. Mr. Thakur has done his graduate studies in Economics and Master's in Business Administration from the Indian Institute of Management, Ahmedabad.

Ms. Jyoti Deshpande
Additional Director

Ms. Jyoti Deshpande, 47 years has over 25 years of experience in media and entertainment across advertising, media consulting, television and film. From April 2018, Ms. Deshpande joined Reliance Industries Limited (RIL) as President of the Chairman's Office to set up and head the Media and Entertainment business. In her new role at RIL, Ms. Deshpande leads the company's initiatives in Media and Entertainment to organically build and grow businesses around the content ecosystem such as Broadcasting, Films, Sports, Music, Digital, Gaming, Animation etc., as well as integrate RIL's existing media investments such as Viacom, Balaji Telefilms, Eros, Saavn and IndiaCast with a view to build, scale and consolidate the fragmented $20 billion Indian M&E sector.

Ms. Deshpande was recently featured in Forbes Emergent 25 business women in Asia list in May 2018. She was also featured in the prestigious Fortune India magazine's 50 Most Powerful Women in Business (2017/2015) which celebrates the journeys and triumphs of women who not only impact their organizations but are also thought leaders in their industry.

Management Discussion & Analysis

1. Economic Review

Indian Economy

India has become the fastest-growing major economy in the world according to the Central Statistics Organization (CSO) and International Monetary Fund (IMF). India is expected to be one of the most powerful economies of the world in a period of 10 to 15 years backed by its strong democracy and partnerships.

FY2017-18 was marked by a significant economic measure taken by the government: It implemented the Goods and Services Tax (GST) from July, 2017 as the country moved to 'one nation-one tax'. The reform has helped India move into the Top 100 Club in the World Bank's 'Global Ease of Doing Business' rankings.

The Indian economy continued to grow strongly, as the economy recovered in the 2nd half post stabilization of the GST regime. India's GDP growth rate in 2017-18 was 6.6 per cent and is expected to grow to 7.3 per cent in 2018-19.

The Government of India has taken significant initiatives to strengthen the economic credentials of the country and make it one of the strongest economies in the world. The Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Outlook

India's gross domestic product (GDP) is expected to keep growing at a rapid pace and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India has made progress on structural changes in the recent past and the implementation of the Goods and Services Tax (GST) will help reduce internal barriers to trade, increase efficiency and improve tax compliance. The corporate debt overhang and associated banking sector's credit-quality concerns have exerted a

drag on investment in India. The massive bank recapitalisation programme will improve the banking sector's ability to support growth.

Source – IMF & CSO

2. India's Media and Entertainment Sector Overview

The Indian Economy is growing and the Media and Entertainment sector is a reflection of this. The year 2017 saw India recuperate from demonetisation to confront new difficulties and opportunities provided by the implementation of the GST. In any case, the Indian economy proceeded on its development direction thus did the M&E segment. Favourable demographics, a rise in consumer income and a huge demand for entertainment, knowledge, escapism, sports and news aided the growth of the M&E sector in the country. The M&E industry grows with the economy though at a higher pace and its medium-term outlook is bright. The Indian M&E sector now finds itself at its digital tipping point.

India is now the second largest smartphone market in the world, and more than half the country is expected to have access to affordable broadband by 2020 which could result in over 500 mn online video consumers.

These changes will grow digital content consumption significantly and this gives the M&E companies with an exciting opportunity to develop businesses and cater to the new generation of Indian digital consumers.

Media and Entertainment Sector Growth

The Indian M&E sector grew to ₹ 1.5 trillion

Segment	FY2016	FY2017	YOY Growth	FY2018E	FY2020E	CAGR 2016-20
Television	**594**	**660**	**11%**	**734**	**862**	**9.80%**
Filmed Entertainment	**122**	**156**	**28%**	**166**	**192**	**11.90%**
Digital Media	**92**	**119**	**29%**	**151**	**224**	**24.90%**
Animation & VFX	54	67	24%	80	114	20.40%
Out of Home Media	32	34	6%	37	43	7.70%
Radio	24	26	8%	28	34	8.60%
Music	12	13	8%	14	18	10.60%

Key Markets for Balaji Telefilms Limited

All figures are gross of taxes (₹ in billion)
Source – FICCI-EY M&E Report 2018

Media & Entertainment sectors growth in 2017 was led by digital, film, gaming and events

INDIAN TELEVISION INDUSTRY

The TV industry improved from ₹ 594 billion in 2016 to ₹ 660 billion in 2017, a growth of 11.2% (9.8% net of taxes). Advertising grew to ₹ 267 billion while distribution increased to ₹ 393 billion. Advertising comprised 40% of revenues, while distribution was 60% of the total revenue.

The number of licensed private satellite TV channels reached 877, of which, 389 were news channels and 488 were non-news channels. 300 channels were paid channels, while 577 were free to air.

The entertainment industry continues to be dominated by the television segment, with the sector accounting for 44.24 per cent of revenue share in 2016, which is expected to grow further to 48.18 per cent by 2021.

Particulars	2016	2017	2018E	2020E
Advertising	243	267	304	368
Distribution	351	393	430	494
Total	594	660	734	862

Source – FICCI-EY M&E Report 2018

ADVERTISING

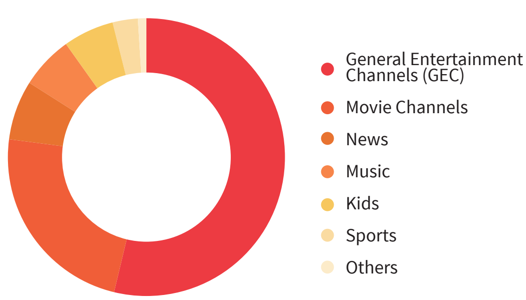
In 2017, the number of advertisers on TV increased to 12,964 and ad volume grew to 70 million insertions, as reported by BARC. Ad volume growth was dependant on several factors such as elections in several large Indian states, penetration of regional channels, launch of new channels, and marquee non-fiction programming, which continued to attract advertisers, irrespective of the impact of demonetisation or GST.

DISTRIBUTION

The distribution segment in India has an estimated 60,000 local cable operators (LCOs) and more than 6,000 multi-service operators (MSOs).

- TV viewing households grew to 183 million
- Digitisation resulted in increased customer ARPUs
- MSOs moved to a prepaid model with LCOs

77% of viewership is GEC & movie driven



INDIAN FILM INDUSTRY

The Indian film segment grew by 27% in 2017 on the back of box office growth – both domestic & international – coupled with increased revenues from the sale of satellite and digital rights. The film segment reached ₹ 156 billion in 2017.

Revenues	2016	2017	2018E	2020E
Domestic theatricals	85.6	96.3	103.0	118.0
Overseas theatricals	8.5	25.0	25.0	28.0
Broadcast rights	16.0	19.0	20.0	22.0
Digital / OTT rights	6.0	8.5	10.0	14.5
In-cinema advertising	5.9	6.4	7.5	9.0
Home video	0.4	0.3	0.2	0.2
Total	122.4	155.5	165.7	191.7

All figures are gross of taxes (₹ in billion)

The Hindi films comprise the majority component of the Indian film segment. They contribute almost 40% of the net domestic box office (BO) collections annually, despite comprising only 17% of the films made. Films in 29 other Indian languages account for approximately 75% of the films released but they contribute nearly 50% to the annual domestic box office collections.

2017 proved, beyond a reasonable doubt, that content is the king and it was the story, above everything else, that made a film successful.

Within the local space, Gujarati films registered a 44% increase and Malayalam films recorded a 38% rise over 2016. Malayalam, Bengali and Marathi cinema, in particular, have been known for their keen focus on content-driven cinema and they did not disappoint this year as well.

Indian cinema witnessed one of the highest footfalls in the world. Single screen cinemas have reduced from 9,710 screens with 91% share of total screens in India in 2009 to less than 71% share in 2017 with 6,780 screens. Multiplexes have grown at a steady rate of over 10% over the last three years due to rising urbanisation resulting in higher footfalls, higher propensity to consume films with rising per-ticket realisation and operational synergies.

DIGITAL MEDIA

Digital media has grown significantly over the past few years and continues to lead the growth charts on advertising. Subscription revenues are rising and are anticipated to make their presence felt by 2020.

Particulars	2016	2017	2018E	2020E
Advertising	89.2	114.9	145.5	203.6
Subscription	2.6	3.9	5.7	20.1
Total	91.8	118.9	151.2	223.7

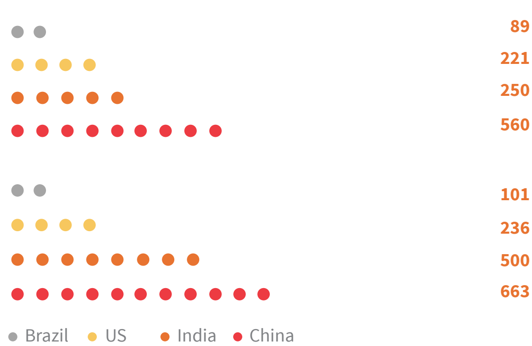
All figures are gross of taxes (₹ in billion)

In 2017, digital media grew by 29.4%, (27.8% net of the impact of GST) on the back of 28.8% growth in advertising and a 50% growth in the subscription. Subscription, which was just 3.3% of total digital revenues in 2016, is expected to grow to 9% by 2020.

Digital Infrastructure

The rapid growth of connections through devices like smartphones and tablet has resulted in the media consumption shift beyond traditional formats such as broadcast and Cable. An increase in digital consumption in India will help media combinations to drive consumer aggregation.

Comparison of online video audience (in mn)



Source – FICCI-EY M&E Report 2018

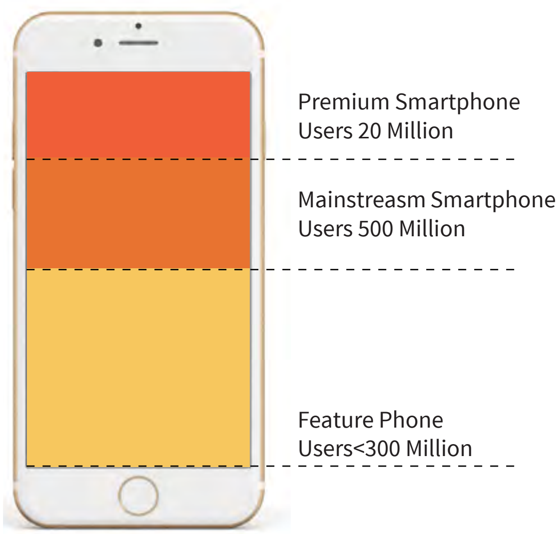
Consumption growth

Video Consumption

India will become the second largest online video audience – The video viewing audience in India is expected to grow significantly in the near future at a CAGR of over 13%. By 2020, India is expected to become the second largest video-audience globally. Online video audience in the country is expected to reach ~500 million by 2020 from 250 million in 2017, a 2x growth driven by increasing mobile penetration, internet speeds, the advent of 4G and falling data charges.

Smartphone penetration reached around 33% in 2017.

Low cost smartphone options increased



Smartphone uptake was being driven by 4 factors

Availability of smart phones at affordable price points

Improvement in internet speeds

Improving mobile coverage across the country

Availability of local language content

3. COMPANY OVERVIEW

OUR TELEVISION BUSINESS - CORNER-STONE OF THE INDIAN TV INDUSTRY

We have been in the business for over two decades and people look upon us as the GOLD STANDARD. Over the years we have garnered numerous appreciation and awards for our productions. We are known to make history and have had several successful shows.

Today we provide content for all the major broadcasters such as Star, Zee, Sony, Colors and Doordarshan.

Our TV Shows Aired during the year

1. Kasam Tere Pyaar Ki - It is the story of two childhood friends Rishi and Tanushree, who grew up separately but are destined to be together as star-crossed lovers till eternity. After 17 years, Rishi marries Tanushree but she is shot to death. She is reincarnated as Tanuja. Both Rishi & Tanuja die in a car accident and are reborn as Ranbeer & Kratika to fulfill their promise.

2. Chandrakanta - Chandrakanta is born to Ratnaprabha, a great Ayyara, who has the most powerful dagger of Lord Vishnu. Iravati, an evil queen wants the dagger to rule the whole world and conquers Vijaygarh. Ratnaprabha stores the dagger at Lord Vishnu's temple to protect it and pass it to Chandrakanta after 21 years.

3. Naagin 2 (ended in Q1FY18) - A widowed Shivanya doesn't want Shivaangi to become an Ichchhadhaari Naagin to protect the Naagmani. A learned saint tells Shivanya that this can be avoided by getting Shivaangi married before she turns 25. Rocky, the fiancè of Shesha and the adopted nephew of Yaamini, falls in love with Shivaangi. Unaware of Rocky's relation to Yaamini, Shivanya arranges for him to marry Shivaangi.

4. Yeh Hai Mohabbatein - This is a romantic soap opera about two different people and how their lives are linked by their daughter at start and finally how they fall in love with each other madly. Tamil dentist Ishita Vishwanathan Iyer and Punjabi businessman Raman Kumar Bhalla live in Delhi with their parents. Ishita, who is infertile, forms a motherly bond with Raman's troubled little daughter, Ruhi. To prevent Raman's ill-intentioned ex-wife, Shagun, from taking custody of the girl, Ishita and Raman get married and develop a deep bond.

5. Chandra Nandni (ended in Q3FY18) - The story is about Chandragupta Maurya, the founder of the Mauryan empire, a great warrior and ruler, known for uniting the Indian sub-continent. However, the show focuses on his love story with a princess named Nandni.

6. Dhhai Kilo Prem (ended in Q2FY18) - Set in small town India, this is an unusual love story of Deepika and Piyush, an overweight couple, who help each other overcome their personal and social issues. The story traces the journey of this couple, who start with hatred for each other feelings, but slowly, a soft corner arises in Deepika's heart for him, as she realizes that Piyush is soft hearted guy, cares for all, but is often, not allowed to open his heart and mouth.

7. Pardes Mein Hai Meraa Dill (ended in Q1FY18) - This is romantic daily soap about two heartbroken souls who start a new life in Austria. They are called Naina and Raghav. Raghav loves Sanjana but she ignores him. Naina broke up with her fiance Amit, due to her break up, she loses hope. She goes to Austria for her mom's operation as her mom is a heart patient. There she meets Raghav. They develop magical experiences in Austria and become friends.

8. Kumkum Bhagya - Abhi and Pragya have got separated from each other because dadi had died and Pragya held responsible for this. Pragya is managing work for King Singh who's the rapstar of London and who has come to Delhi for an event where Abhi and his family were present. Abhi family has shifted to Delhi. Here Abhi meets Pragya and gets to know about the relation of Pragya and King Singh as husband and wife. Abhi has married to Tanu which is revealed to Pragya, but Pragya has a daughter has not been disclosed to Abhi.

9. Kkundali Bhagya - The show narrates the story of two sisters Preeta and Srishti and their attempt to find their mother Sarla and the dynamics which lead to their acquaintance with the rich and famous "Luthra" family. The elder son of Luthra family, Rishabh Luthra, owns a celebrity management firm which manages rockstar Abhi Mehra's musical concerts and cricketer Karan Luthra's cricket career. His younger brother Karan Luthra has an effortless swag and charm that makes him an unabashed Casanova, a playboy because of the star cricketer celeb status he owns.

01. OUR MOVIE BUSINESS - PRODUCERS OF DIFFERENTIATED CINEMATIC CONTENT

Balaji Motion Pictures Limted (Balaji Motion) has become synonymous with commercial cutting-edge cinematic content supported by intensive and innovative marketing. Over a period we have built a diversified film library which would provide stable and recurring future cash flows.

Our movies' emphasis is on film content rather than the star cast with focus on better quality scripts, budgets, economies of scale and innovative marketing strategies.

MOVIES RELEASED IN THE YEAR

1. Half Girlfriend - 'Half Girlfriend', an adaptation of Chetan Bhagat's bestselling novel by the same name, sets out to explore the 'in-between' space in relationships today. The intense-musical revolve around a Boy from Bihar – Madhav Jha (Arjun Kapoor), who falls in love with an upper-class Delhi-girl – Riya Somani (Shraddha Kapoor). Riya & Madhav's characters come from dramatically different worlds, with little or nothing in common. Eventually, love blossoms in the most unexpected, unconventional way when a boy, who can't speak perfect English, sets out to woo the girl of his dreams. It narrates a love that is maybe somewhere in between, but a love that still is unconditional. Madhav goes half way around the world for his half girlfriend. More than a friend, less than a girlfriend, Riya decides to be Madhav's 'Half Girlfriend'. Half Girlfriend is packed with melodious and soul-stirring music.

2. Super Singh - Sajjan is a carefree village boy from Punjab, now living in Montreal, Canada where he is in his 3rd year of University. Like most immigrant kids, he desires to be a part of the mainstream western culture and tries hard to fit in. Twinkle (Sonam Bajwa) is a typical girl-next-door who likes Sajjan. However, Sajjan is interested in Cathy, the hot Caucasian girl on campus. One day to impress Cathy he wins a challenge and knocks out Cathy's boyfriend and his friends without even laying a hand on them. Astonished at his new powers, Sajjan and his best friend Ustaad, try to figure out where and how he got these powers from. This is a fun, comedic, romantic and adventurous story about a boy discovering the true meaning of love, courage, sacrifice, responsibility, culture, family and above all, his true inner self and his role in the world!

MOVIES DISTRIBUTED THIS YEAR

1. Lipstick Under My Burkha - Set in the crowded lanes of small -own India, a burkha-clad college girl struggles with issues of cultural identity and her aspirations to be a pop singer. A young two-timing beautician seeks to escape the claustrophobia of her small town. An oppressed housewife and mother of three lives the alternate life of an enterprising saleswoman. Also, 55-year-old widow rediscovers her sexuality through a phone romance. Trapped in their worlds, they claim their desires through secret acts of rebellion.

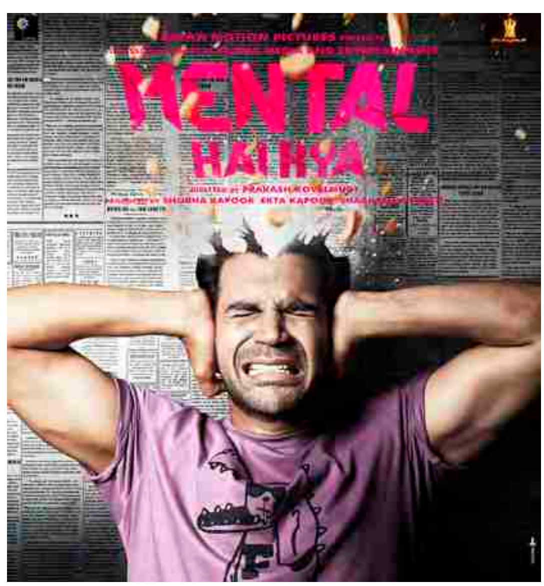
MOVIES RELEASED AFTER MARCH

1. Veere Di Wedding - Ten years later when four best friends reunite, they don't realise how much life has changed from what they expected. The film is set against the backdrop of Delhi where the girls are born and brought up. This coming of age story revolves around their trials and tribulations in the modern day world, regarding family acceptance, marriage & society perception. "Veere Di Wedding" is a high spirited and upbeat story that talks about the lives of four childhood friends Kalindi (Kareena Kapoor), Avni (Sonam Kapoor), Meera (Shikha Talsania) & Sakshi (Swara Bhaskar).

MOVIES UNDER PRODUCTION

1. Laila Majnu - Some love stories never die, they get recreated – re-imagined & retold on the big screen. One such epic love story is Laila Majnu, being adapted by Imtiaz Ali and Ekta Kapoor. Taking the leap out of the classic folklore- Laila Majnu, the story is written by Imtiaz Ali in a re-envisioned, contemporary style. Set in today's day and time, Laila Majnu have real problems and hindrances relevant to the youth of today. They both fall in love in the mystical backdrop of Kashmir, against their feuding families and a passionate, unique and contemporary love story unravels after that.

2. Mental Hain Kya? - In a Mad world, only the Mad are sane! Mental Hain Kya? starring Kangana Ranaut and Rajkumar Rao is an intriguing thriller filled with ounces of humour. The film is a thrilling journey of Bobby Batliwala Garewal who is a deadly concoction of half Parsi half Punjabi genes. She has very few friends and her bouts of funny, odd behaviour often drive people away and sometimes even draws them close! Bobby is a voice-over artist who dubs for various characters and films and at times starts donning and living the characters she is lending her voice to. Life takes an unexpected turn when she meets Keshav and the incidents that follow is going to crumble their world. The film gears from India to London following a cat and mouse chase between them. Will a chance to encounter with Keshav tantalise her world into a whirlwind or will she get a grip of it and bear out justice?



02. OUR DIGITAL BUSINESS

ALTBalaji is our strategic foray into the B2C digital content business segment to monetise the incredible potential of original, premium, and on-demand entertainment. Tailored especially for Indians across the globe, the platform hosts premium, high -quality shows featuring celebrities, acclaimed writers and award-winning directors; making ALTBalaji a true alternative to mainstream entertainment.

OUR CONTENT APPROACH: CREATE CONTENT FOR INDIVIDUAL CONSUMPTION

"Upgrade to TV"	"Retell Classics"	"Tent Pole"
TV Stars in a newer digital format	Adapt classical stories for newer audiences	Original and exclusive high impact content
Storylines and ideas that would not work on traditional TV	Build and develop on the immense fresh talent pool	Utilize the best talent available including Film talent
Appeals to mass audiences	Appeals to large segments of the audience	Appeals to niche but still large segments
Example - Karrle Tu Bhi Mohabbat Season 2 launched within 9 months of Season 1	Dev DD – a modern take on Devdas has over 1m viewers already and soon entering Season 2	Bose: Dead / Alive has an IMDb rating of 9.4 –one of the highest for a web series

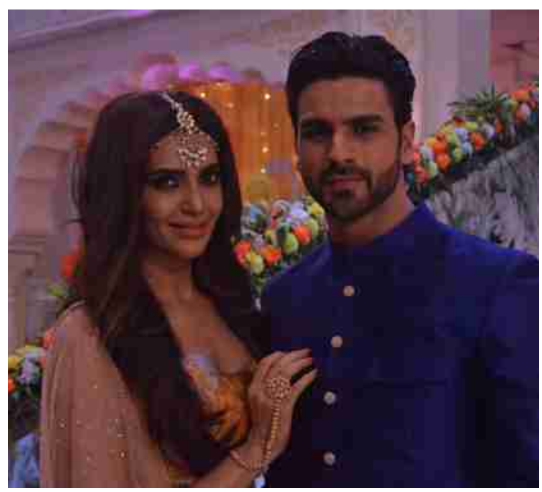
OUR DISTRIBUTION STRATEGY

In India, Balaji Telefilms has partnered with Telecom giants Jio, Vodafone and Airtel and DTH/ISP companies Airtel, Spectra and ACT. We have joined hands with the top payment gateways of India viz. Paytm, Fortumo, Mobiwik, Ola Money, Airtel Money, Oxigen, Freecharge, Payu Money, UPI, Jio Money and Paypal. Our exclusive streaming partners are Amazon fireTV and Apple TV. We have also partnered with Ola Play.

In the International market, Telecom partners of Balaji Telefilms include XL Axiata (Indonesia), Dialog (Sri Lanka), Celcom (Malaysia), Ooredoo (Oman) and Telkomsel (Indonesia). Our international payment partner is the world-renowned PayPal. Our streaming partners include Amazon fireTV, YuppTV, Roku and Apple TV in the global market.

OUR SUCCESS IN YEAR 1

ALTBalaji has become the cornerstone for Indian made original fiction content. In the first year of operations we completed 17 original shows featuring some of India's best talent. We had over 13 million viewers across 90 countries with a paid user base of 1.2m (ex Reliance Jio customers)



4. RISKS & CHALLENGES

The company has implemented a robust framework for identification, management and mitigation of potential risks. Some of these risks are discussed below:

01. EXTERNAL RISKS AND MITIGATION

Changing consumer tastes: We continuously assess the performance of our TV shows using external ratings. These ratings are published on a weekly basis and allows us to make changes to our content to cater to the changes. In the movie business our policy of pre-sales and co-production allows us to mitigate the potential loss of income if viewer tastes were to dramatically change between the date of commissioning a movie and its actual theatrical release. In the digital business we create content that appeals to various customer target groups (across the ages of 20 to 40) and hence aim to make something for every consumer vs a one size fit all.

Regulatory uncertainty: The M&E industry is governed by the rules and regulations framed by the authorities and regulatory bodies of the different countries we operate in. The policies and regulations issued by them have a bearing on the industry as a whole. We continue to abide by all regulations and also proactively consult our stakeholders to keep ahead of any changes in regulation. We engage with external consultants and subject matter experts where necessary

Piracy of content: Our digital and movie business rely extensively on consumer paying to watch the content. If consumers were able to access the content illegally and view it without paying, it would significantly reduce our revenues. To avoid such risks, we have digital right management technology, we actively monitor the internet for pirated content. There are a number of technology tools that we use to monitor our content in addition to relying on having strong Intellectual property ownership rights via contracts and agreements within our business

02. Internal risks and mitigation

Cost controls: We have strong culture of cost control and budgeting. In our TV business we review each of the costs on a weekly basis and are able to identify any cost overrun before it escalates. The nature of TV production allows us to control our expenses on a per episode basis. In the digital business there has been an increase in competition resulting in increasing the prices of content creation, however our 20 year legacy of dealing with talent and other production houses allows us to manage these costs effectively. We also have a strong history of unearthing new talent and this allows us to work with newer and relatively cheaper talent. We are not engaged in the business of content acquisition and aggregation and therefore do not need to acquire content at un-economical levels.

Developing capabilities for digital: Balaji Telefilms has historically been a B2B business and created capabilities across content creation. With the launch of ALTBalaji we have embarked on a B2C journey and will need to develop skills across consumer acquisition, marketing and customer service. In addition ALTBalaji being a technology platform will require us to have cutting ede technology to compete with other OTT players. We have decided to build each of these teams with a mixture of inhouse and out sourced expertise. Our technology platform for example today is on par with global OTT standards and allows viewers to have a error free viewing experience.

Retaining key talent: Our creative and operational talent are the real assets and we constantly evolve our practises and policies to create a healthy and rewarding workplace. We have recently iniated an ESOP for employees and hope to broadbase this further in the coming years. Structurally our business have also been realigned to make them ready for the future.

5. FINANCIAL AND OPERATIONAL PERFORMANCE:

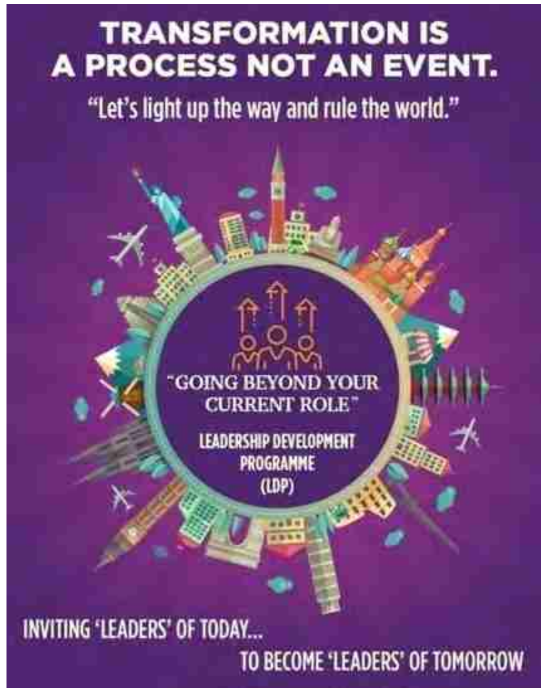
The detailed financial & operational performance is provided from page no 108.

6. HUMAN CAPITAL:

The total employee strength of the company was 228 as on 31st March 2018. At Balaji Telefilms Limited, talent management has always been recognized as a critical business function that facilitates in transforming boardroom strategies into business realities. Our people are our biggest assets. Our human force drives an entrepreneurial spirit and speed in the organization.

At Balaji, the robust and resilient talent management framework facilitates in identifying and nurturing employees with long-term potential to take up critical leadership roles. The objective of this meticulous and consistent effort is to build a strong future-fit talent pool that is empowered to take the organization into a new orbit of growth and sustainability, while at the same time driving career aspirations.

The company ensures that proper encouragement both moral and financial is extended to employees to keep them motivated.



7. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

Company's internal control systems commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control processes and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems

**Shareholder visit conducted by Company.*

Cautionary statement

Statement made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

BOARD'S REPORT

The Directors take pleasure in presenting the 24th Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2018.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

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

(₹ in lacs)

PARTICULARS	2017-18	2016-17
Income from operations	41,658.69	40,846.28
Less: Total expenditure	36,351.07	40,568.23
Operating profit	**5,307.62**	**278.05**
Less : Interest	-	-
Less: Depreciation	1,389.93	1,226.97
Operating Profit after interest and depreciation	**3,917.69**	**(948.92)**
Add : Other income	1,659.28	1,174.92
Less : Exceptional items	905.07	-
Profit before tax	**4,671.90**	**226.00**
Less: Provision for taxation	3,041.80	(2,712.42)
Net profit after tax	**1,630.10**	**2,938.42**
Other Comprehensive Income	**(3.73)**	**(7.87)**
Balance brought forward from previous year	21,333.03	18,402.48
Adjustment of Depreciation on account of transitional provision of Schedule II of Companies Act 2013	-	-
Appropriations:		
Disposable profits	22,959.40	21,333.03
Less: Interim dividend	-	-
Less: Payment of dividend	404.52	-
Less: Corporate dividend tax	82.35	-
Less: Transfer to General Reserve	-	-
Balance carried to balance sheet	**22,472.53**	**21,333.03**

Note: The financial statements for the year ended March 31, 2018 has been prepared under IND AS (Indian Accounting Standards). The figures for the previous year (2016-17) are adjusted so as to give effect of merger of production unit of Balaji Motion Pictures Limited and Bolt Media Limited with Balaji Telefilms Limited.

RESULTS OF OPERATIONS

During the year under review, the Standalone Revenue from operations of the Company is ₹ 41,658.69 lacs an increase of 1% over the previous year's ₹ 40,846.28 lacs.

BOARD'S REPORT

During the year the operating EBITDA stood at ₹ 5,307.62 lacs as against ₹ 278.03 lacs in the previous year. Previous Year's EBITDA was impacted by certain piracy issues with two of our movies resulting in loss of revenues from the theatrical sales.

During the year, Profit before Tax stood at ₹ 4,671.89 lacs as against ₹ 225.98 lacs in the previous year. Profit Before Tax during the current year included an exceptional expense of ₹ 905.07 lacs towards certain income tax provisions. The Core business of the Company performed well as profit before tax is over 20 times of previous year.

During the year, Net Profit After Tax stood at ₹ 1,630.10 lacs as compared to ₹ 2,938.42 lacs of previous year. Current year Net Profit After Tax is lower mainly on account of normal tax of ₹ 205.85 lacs on capital gains, tax on completion of assessments ₹ 708.98 lacs and deferred tax charge of ₹ 2,125.10 lacs on account of merger of BMPL films production division for business losses in the previous year.

Normalised Profit After Tax (at normal income tax rate, excluding any impact of deferred tax and exceptional tax items) for the year is ₹ 3,558.62 lacs as compared to ₹ 158.42 lacs in previous year. As per the Consolidated Accounts, the total revenue from operations has decreased by 1.29% from ₹ 41,867.05 lacs to ₹ 41,331.79 lacs during the year.

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

DIVIDEND

The Directors of the Company are pleased to recommend a Final Dividend of ₹ 0.40 per equity share of the face value of ₹ 2/- each for the financial year ended March 31, 2018.

The Final Dividend, subject to the approval of Members at the Annual General Meeting (**AGM**) on August 31, 2018 will be paid to the Members whose name appear in the Register of Members, as on Friday, August 24, 2018. The total dividend for the financial year will absorb ₹ 4,87,67,214/- including Dividend Distribution Tax of ₹ 83,15,036/-.

UNPAID/UNCLAIMED DIVIDEND

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 87,221/- of unpaid/unclaimed dividend were transferred during the year to the Investor Education and Protection Fund.

TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to the General Reserve and an amount of ₹ 22,472.53 lacs is proposed to be retained in the statement of profit and loss account.

BORROWINGS

The Company does not have any borrowings during the year under review.

SHARE CAPITAL

- During the year under review, Authorized Share Capital of the Company has been increased from ₹ 26,00,00,000/- (Rupees Twenty Six Crores Only) to ₹ 36,00,00,000/- (Rupees Thirty Six Crores Only). Therefore as on March 31, 2018 the Authorized Share Capital of the Company is ₹ 36,00,00,000/- (Rupees Thirty Six Crores Only) divided into 15,00,00,000 Equity Shares of ₹ 2/- each and ₹ 6,00,00,000/- (Rupees Six Crores Only) divided into 3,00,00,000 Preference Shares of ₹ 2/- each.

- During the financial year 2017-18 the Company has issued and allotted 2,52,00,000 equity shares of the face value of ₹ 2/- each at a price of ₹ 164/- which includes a premium of ₹ 162/- per equity share on preferential allotment basis to Reliance Industries Limited (RIL). Therefore paid-up Equity Share Capital of the Company as on March 31, 2018 is ₹ 20,22,60,886/- (Rupees Twenty Crores Twenty-Two Lacs Sixty Thousand Eight Hundred and Eighty-Six Only). Of the total paid up share capital of the Company, 32.51% is held by Promoters and Promoter Group, all in dematerialized form and balance of 67.49% is held by persons other

BOARD'S REPORT

than Promoters and Promoter Group out of which majority is in dematerialized form.

- The Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

CHANGE IN NATURE OF BUSINESS

During the year under review, Scheme of Arrangement and Amalgamation between Balaji Telefilms Limited **("Company")** with Balaji Motion Pictures Limited **("BMPL")** and Bolt Media Limited **("BOLT")** **("Scheme")** came into effect from December 15, 2017 vide order of the National Company Law Tribunal, Mumbai dated November 02, 2017 as a result of which, there has been change in the nature of business of the Company, with the addition to carry out the film production business in the existing main object clause of the Memorandum of Association.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SUBSIDIARIES

As on March 31, 2018 your Company has following Subsidiaries:

i) BALAJI MOTION PICTURES LIMITED (BMPL)

During the year under review the film production undertaking of BMPL has demerged and is vested in Balaji Telefilms Limited w.e.f. December 15, 2017. However, BMPL will continue with the business of distribution of motion pictures and films.

ii) ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALT DIGITAL)

The Company's digital content business is housed under ALT Digital, which was incorporated as a wholly-owned subsidiary in July 2015. Through the subsidiary, we have made a strategic foray into the B2C digital content business segment to monetize the incredible potential of original, premium, on-demand entertainment.

iii) CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED (CBEPL)

CBEPL is a Kolkata-based subsidiary of Balaji Telefilms Limited (BTL). It has a glorious heritage of producing TV content and Web series in Bengali.

iv) MARINATING FILMS PRIVATE LIMITED (MFPL)

MFPL is a subsidiary of BTL. It owns the concept, format and all proprietary rights and intellectual property rights in Box Cricket League (BCL), The Indian Telly Calender (ITC) and Indian Television Style Awards (TSA).

v) BOLT MEDIA LIMITED (BOLT)

During the year under review, BOLT ceased to be wholly-owned subsidiary of your Company on account of merger with Balaji Telefilms Limited w.e.f. December 15, 2017.

A detailed review of the operations, performance and future outlook and its businesses during the year under review of the above mentioned subsidiaries form part of the Management Discussion and Analysis which forms part of the Annual Report.

EVENT MEDIA LLP

During the year under review, the Company exited from Event Media LLP and it ceased to be designated partner w.e.f. January 15, 2018.

SCHEME OF ARRANGEMENT AND AMALGAMATION

The National Company Law Tribunal, Mumbai **("NCLT")**

BOARD'S REPORT

by an order dated November 02, 2017 sanctioned the Scheme of Arrangement and Amalgamation between Balaji Telefilms Limited **("Company")** with Balaji Motion Pictures Limited **("BMPL")** and Bolt Media Limited **("BOLT") ("Scheme")** which came into effect from December 15, 2017. Pursuant to the Scheme:

a. the Film Production Undertaking of BMPL has demerged and vested in the Company in accordance with Sections 232 read with Section 230 of the Companies Act, 2013 and in compliance with Section 2(19AA) of the Income Tax Act, 1961 and consequently the paid-up share capital of BMPL stands reduced to ₹ 2,00,00,000/-(Rupees Two Crores Only); and

b. Bolt has amalgamated with the Company in accordance with Sections 232 read with Section 230 of the Companies Act, 2013 and in compliance with Section 2(1B) of the Income Tax Act, 1961.

EMPLOYEE STOCK OPTION PLAN (ESOP)

In order to motivate, incentivize and reward employees, the Company instituted Balaji Telefilms Limited ESOP 2017 **("ESOP 2017")**, which was approved by the Members through Postal Ballot dated December 30, 2017. The total number of options granted under ESOP 2017 shall not exceed 53,22,655 (Fifty-Three Lacs Twenty-Two Thousand Six Hundred and Fifty-Five). Each option when exercised shall be converted into equivalent number of shares of face value of ₹ 2/- each. The applicable disclosure under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the **"ESOP Regulations"**) as at March 31, 2018 is available on the website of the Company at http://www.balajitelefilms.com/pdf/ESOP_2017_Disclosure_under_SEBI(SBEB)%20_Regulations_2014.pdf Certificate from M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, with respect to the implementation of ESOP Scheme would be placed before the Members at the ensuing AGM and a copy of the same shall be available for inspection at the Registered Office of the Company.

AUDITED FINANCIAL STATEMENTS OF THE SUBSIDIARIES

The Audited Financial Statements, the Auditors' Report thereon and the Board's Report with applicable annexures for the year ended March 31, 2017 for the Subsidiary Companies are annexed along with the Annual Report.

Further a statement containing the salient features of our subsidiaries in the prescribed format AOC-1 is appended as Annexure I to the Board's Report.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('Listing Regulations')**. The Policy, as approved by the Board, is available on the Company's website at http://balajitelefilms.com/policy-determining-material-subsidiary.php

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company is prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The Annual Financial Statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the Registered Offices of the respective Subsidiary Companies and will be available to investors seeking information at any time.

MATERIAL EVENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material events have occurred between the end of financial year 2017-18 and the date of this report, which have effect over the financial position of the Company except appointment of Mr. Sunil Lulla as Group Chief Executive Officer of the Company w.e.f. May 25, 2018.

BOARD'S REPORT

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMPs)

Appointment and Resignation of Mr. Jyotindra Thacker

Mr. Jyotindra Thacker, who was appointed as a Non–Executive Additional Director on the Board of the Company w.e.f. September 01, 2017 stepped down from the position of Directorship w.e.f. March 22, 2018, due to his pre-occupation in other matters. The Board places on record, its appreciation for his inspiring guidance and his contribution to improve the overall functioning of the Company.

Appointment of Mr. Anshuman Thakur and Ms. Jyoti Deshpande

During the financial year 2017-18, the Board of Directors, had appointed Mr. Anshuman Thakur and Ms. Jyoti Deshpande as a Non–Executive Additional Director of the Company vide resolution passed by circulation on September 01, 2017 and March 23, 2018 respectively who will hold office upto the date of ensuing AGM and shall not be liable to retire by rotation. Appropriate resolutions for the appointment of Mr. Anshuman Thakur and Ms. Jyoti Deshpande as Non-Executive Director are being placed for the approval of the Members of the Company at the ensuing AGM. The Board recommends their appointment as Non-Executive Director of the Company.

Retirement by rotation and subsequent re-appointment

Mr. Jeetendra Kapoor, Non-Executive Director, is liable to retire by rotation at the ensuing AGM, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible has offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the 24th AGM of the Company. The Board recommends his re-appointment as Non - Executive Director of the Company.

Further, the Board of Directors at their meeting held on May 19, 2018, pursuant to Regulation 17(1A) of the Listing Regulations, as amended on May 09, 2018 and the applicable provisions of the Companies Act, 2013, if any, read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to his re-appointment at the ensuing AGM, considered and approved the continuation of Mr. Jeetendra Kapoor (DIN: 00005345), aged 76 years as Chairman, Non-Executive Director of the Company from April 01, 2019, till the date he retires by rotation.

Appropriate resolution for the continuation of Mr. Jeetendra Kapoor, as Non-Executive Director is being placed for the approval of the Members of the Company at the ensuing AGM. The Board recommends his continuation as Non- Executive Director of the Company.

Re-appointment of Managing Director & Joint Managing Director

The present term of appointment of Mrs. Shobha Kapoor and Ms. Ekta Kapoor as Managng Director and Joint Managing Director respectively is valid upto November 09, 2018. The Board has, subject to the approval of the Members in the forthcoming AGM, approve the re-appointment of Mrs. Shobha Kapoor and Ms. Ekta Kapoor as Managng Director and Joint Managing Director for another period of 5 (five) years, post completion of the present term.

Re-appointment of Independent Directors

The first term of office of Mr. Duraiswamy Gunaseela Rajan, Mr. Pradeep Kumar Sarda and Mr. Ashutosh Khanna, as Independent Directors, will expire on March 31, 2019 and that of Mr. Devender Kumar Vasal on May 14, 2019. The Board on the recommendation of Nomination and Remuneration Committee has recommended their re-appointment as Independent Directors of the Company for a second term of 5 (five) consecutive years. Appropriate resolutions for their re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 24th AGM of the Company.

BOARD'S REPORT

Change in Key Managerial Personnel (KMPs)

During the year under review, Mr. Sameer Nair has resigned from the position of Group Chief Executive Officer (KMP) w.e.f. July 15, 2017.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

AUDITORS

STATUTORY AUDIT

M/s. Price Waterhouse Chartered Accountants LLP were appointed as Statutory Auditors of the Company at the AGM held on August 31, 2017, for a term of 5 (five) consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, earlier the appointment of Auditors was required to be ratified by Members at every AGM. However, in accordance with the Companies Amendment Act, 2017 enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

COST AUDIT

In accordance with Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Makarand M. Joshi & Co., Practising Company Secretaries as Secretarial Auditors of the Company for the financial year 2018-19.

AUDIT REPORTS

- The Report given by the Statutory Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.
- Secretarial Audit Report issued by M/s. Makarand M. Joshi & Co., Practising Company Secretaries in form MR-3 for the financial year 2017-18 is appended as Annexure II to this Report. The said Report does not contain any qualification, reservation, disclaimer or observation requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 except adverse remark which reads as under:

"During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that in few instance the Connected Persons has traded in trading window closure and there were also contra trade instances for which the Company is in process to take action and to intimate the same to SEBI.*"

With regards to remark contained in the Secretarial Audit Report, Directors wish to state that:

1. Board has taken appropriate action as required under Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (Code) and the same was intimated to Securities Exchange Board of India (SEBI). In addition to this, the Company has also taken necessary steps to create awareness such as conducting training sessions on SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code, timely E-mails to Employees/Professionals.
2. The Company is also in the process of installing software so as to track the trading carried out by the employees of the Company to curtail the instances of Insider Trading.

COMMITTEES OF THE BOARD

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, the Board had

BOARD'S REPORT

constituted various Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Internal Complaints Committee and Corporate Social Responsibility Committee. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein forms part of the Corporate Governance Report which forms part of the Annual Report.

DETAILS OF POLICY DEVELOPED AND IMPLEMETED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

The Annual Report on CSR activities is annexed herewith as Annexure III to the Board's Report.

OTHER DISCLOSURES

i) EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT-9 is appended as Annexure IV to this report.

ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instances of frauds committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report

iii) SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

iv) INTERNAL FINANCIAL CONTROLS SYSTEM AND ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

v) VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

vi) DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure V(a) to this Report.

vii) DISCLOSURE UNDER RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details relating to the remuneration of the specified employees covered under

BOARD'S REPORT

Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure V(b) to this Report.

viii) RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at **http://balajitelefilms.com/related-party-transaction-policy.php.** The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions entered during the year were placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on annual basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at Arm's Length Price. All Related Party Transactions entered during the year were in ordinary course of the business and on Arm's Length Price. No Material Related Party Transactions i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company except investment of ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) in ALT Digital Media Entertainment Limited which is wholly-owned subsidiary of the Company, however as per Section 188 of the Companies Act, 2013, Members approval for such transaction need not be sought if the transactions are between the holding company and its wholly-owned subsidiaries whose accounts are consolidated with the holding company and placed before the Members at the General Meeting for approval.

ix) BUSINESS RISK MANAGEMENT

The Company has in place a risk management Policy, pursuant to the provisions of Section 134 of the Act. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators.

x) FIXED DEPOSITS

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

xi) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

xii) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year 2017-18, no sexual harassment complaint has been registered with the Company.

xiii) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company & its future operations.

BOARD'S REPORT

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

The provisions of Section 134(3)(m) of the Companies Act, 2013, relating to Conservation of Energy do not apply to the Company. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy-efficient equipments. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipments with more energy-efficient equipments. Currently, we use Compact Fluorescent Lamp (CFL) fixtures to reduce the power consumption in the illumination system.

TECHNOLOGY ABSORPTION

The provisions of Section 134(3)(m) of the Companies Act, 2013, relating to Technology Absorption do not apply to the Company. The Company's research and development initiative mainly consists of ideation of new subjects for our content production business, which are used in the creation of new storyline and tracks. The expenses incurred on such initiatives are not practically quantifiable.
The Company is an integrated player in the entertainment industry and our business is such that there is limited scope for new technology absorption, adaptation and innovation. However, the Company uses the latest technology, wherever possible to deliver superior production value, as a regular process.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings in terms of actual inflows is ₹ 673.50 lacs (Previous Year: ₹ 8.05 lacs) and the foreign exchange outgo in terms of actual outflows is ₹ 273.22 lacs (Previous Year ₹ 504.45 lacs).

CORPORATE GOVERNANCE

Your Company has been practicing 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 the Listing Regulations together with a Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report.

MEETINGS OF THE BOARD

During the year under review, six (6) meetings of the Board of Directors were held the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

NOMINATION & REMUNERATION POLICY

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2018, the Board comprised of twelve Directors, of whom two are Executive Directors, two Non-Executive Non-Independent Directors, six Independent Directors and two Non-Executive Additional Directors. The policy of the Company on Directors appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under Section 178(3) of the Companies Act, 2013 is available on our website at **http://balajitelefilms.com/pdf/Nomination%20and%20Remuneration%20Policy.pdf**

During the year under review clause 2 of Part C of the policy was modified which reads as under:

"*The remuneration / compensation / commission etc. to the Director (Executive and Non-Executive), KMP and Senior Management Personnel will be reviewed by the Members of the Committee and Board annually or at the discretion of the Committee.*"

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board in consultation with the Nomination and Remuneration Committee lays down the evaluation criteria for the performance evaluation of Executive/Non-Executive/ Independent Directors. The questionnaire of the

BOARD'S REPORT

survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

1) Knowledge to perform the role;

2) Time and Level of Participation;

3) Performance of Duties and Level of Oversight;

4) Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

BOARD EVALUATION

Schedule IV of Companies Act, 2013 mandates that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated.

The evaluation of the Board as a whole, its Committees and Individual Directors was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report which forms part of Annual Report. The Board approved the evaluation process results as collated by the Nomination & Remuneration Committee of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to any material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the Company for the year under review;

c) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts for the financial year ended March 31, 2018 had been prepared on a 'going concern' basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
Jeetendra Kapoor
Chairman
DIN: 00005345

Place: Mumbai
Date: May 19, 2018

ANNEXURES TO THE BOARD REPORT

ANNEXURE I

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso of Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts Rules, 2014-AOC-I]

(₹ in Lacs)

Name of the Subsidiary	FY ended	Date of acquisition	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit & Loss before tax	Provision for tax (including deferred tax)	Profit & Loss after tax	% of Shareholding
Balaji Motion Pictures Limited	March 31, 2018	N.A.	N.A.	200.00	(497.63)	715.81	1,013.44	-	762.78	(101.90)	-	(101.90)	100
ALT Digital Media Entertainment Limited	March 31, 2018	N.A.	N.A.	30,005.00	(11,653.49)	21,131.44	2,779.93	10,015.79	683.74	(9,805.04)	(282.67)	(9,522.37)	100
Marinating Films Private Limited	March 31, 2018	December 24, 2014	N.A.	446.00*	(676.13)	1,253.89	1,355.12	-	980.15	(127.16)	46.05	(173.21)	51
Chhayabani Balaji Entertainment Private Limited	March 31, 2018	N.A.	N.A.	155.00*	(129.00)	168.18	159.27	-	235.32	(66.38)	(1.33)	(65.05)	50

* Amount invested by Parent Company (at cost)

For and on behalf of the Board of Directors

Sd/-
Jeetendra Kapoor
Chairman
DIN: 00005345

Place: Mumbai
Date: May 19, 2018

ANNEXURE II

FORM NO. MR-3 SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
BALAJI TELEFILMS LIMITED
C-13 Balaji House, Dalia Industrial Estate,
Opp. Laxmi Indl. Estate,
New Link Road, Andheri (West)
Mumbai - 400 053

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Balaji Telefilms Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

i) The Companies Act, 2013 (**the Act**) and the rules made there under;

ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (**Not applicable to the Company during the audit period**);

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) :-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

ANNEXURE II

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the audit period**);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the audit period**);

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the audit period); and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after 'LODR').

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Listing Agreement Entered with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that in few instance the Connected Persons has traded in trading window closure and there were also contra trade instances for which the Company is in process to take action and to intimate the same to SEBI.*

We further report that, having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the law applicable specifically to the Company i.e. The Cinematograph Act, 1952.

We further report that
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

ANNEXURE II

We further report that during the audit period

a) The Company has altered it Authorized Share Capital from ₹ 26,00,00,000 (Rupees Twenty Six Crores) divided into 10,00,00,000 (Ten Crores) Equity Shares of ₹ 2/- (Rupees Two) each and 3,00,00,000 (Three Crores) Preference Shares of ₹ 2/- (Rupees Two) each to ₹ 36,00,00,000 (Rupees Thirty Six Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of ₹ 2 (Rupees Two) each and ₹ 6,00,00,000 (Rupees Six Crores) divided into 3,00,00,000 (Three Crores) Preference Shares of ₹ 2/- (Rupees Two) each by passing ordinary resolution in Extra Ordinary General Meeting held on 16.08.2017.

b) The Company has issued and allotted 2,52,00,000 Equity shares at a price of ₹ 164/- including Premium of ₹ 162/- to Reliance Industries Limited on preferential allotment basis.

c) The Company has altered its Article of Association to give Investor the right to appoint 2 Non-Executive Directors on the Board as Investor Nominee Director.

d) The Company has Composite Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 391 to 394 read with Section 100 of the Companies Act, 1956 or under Section 230 to 234 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013 (“Scheme of Arrangement and Amalgamation”) involving (i) the demerger of the undertaking pertaining to the film production business of Balaji Motion Pictures Limited, a wholly owned subsidiary, and vesting of the same in Company and the consequent reduction in the equity share capital of Balaji Motion Pictures Limited; (ii) the amalgamation of BOLT Media Limited, a wholly owned subsidiary, with the Company

For MMJC & Associates LLP
Company Secretaries

Arti Ahuja Jewani
Designated Partner
FCS No. 8503
CP No. 9346

Place: Mumbai
Date: May 19, 2018

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To
The Members,
BALAJI TELEFILMS LIMITED
C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Indl. Estate,
New Link Road, Andheri (West)
Mumbai - 400 053

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MMJC & Associates LLP
Company Secretaries

Arti Ahuja Jewani
Designated Partner
FCS No. 8503
CP No. 9346

Place: Mumbai
Date: May 19, 2018

ANNEXURE III CSR REPORT

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the Company website at **http://balajitelefilms.com/corporate-social-responsibility.php**
2	The Composition of the CSR Committee	Mr. Jeetendra Kapoor - Chairman Mrs. Shobha Kapoor - Member Mr. D.G. Rajan- Member Mr. Ashutosh Khanna - Member
3	Average Net Profit of the Company for last three financial years	₹ 2,865.81 lacs
4	Prescribed CSR Expenditure (2% of the average net profit of the Company for last three financial years)	₹ 57.32 lacs
5	Details of CSR Spent during the financial year	
	a) Total amount to be spent for the financial year.	₹ 45.43 lacs
	b) Amount unspent, if any.	₹ 11.89 lacs
	c) Manner in which the amount spent during the financial year	Refer Annexure A
6	Reasons for not spending 2% of the average net profit of the last three financial years	Lack of avenues and opportunities
7	CSR Committee Responsibility Statement	The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

ANNEXURE A
TO ANNEXURE III OF CSR REPORT

(Amount in ₹)

Sr. No.	CSR project or activity Identified	Sector in which the Project is covered (Clause no. of Schdule VII to the Companies Act, 2013, as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto to the March 31, 2018	Amount spent: Direct or through implementing agency
					Direct expenditure	Overheads		
1	Krishna Kala Trust	Cl (iii) Providing help to old age people	Local Area	25,87,000	16,50,000	-	16,50,000	Direct
2	Old Age Home	Cl (ii) Providing help to old age people	Local Area		9,37,000	-	9,37,000	Direct
3	Akara Bibi Shaikh	Cl (i) Eye Operation Medical Aid	Local Area	1,73,970	18,500	-	18,500	Direct
4	Quality Care India Ltd.	Cl (i) Providing Medical Aid	Local Area		1,27,000	-	1,27,000	Direct
5	The Pulse Hospital	Cl (i) Providing Medical Aid	Local Area		28,470	-	28,470	Direct
6	Ammada Trust	Cl (iii) Women Empowerment	Local Area	2,00,000	2,00,000	-	2,00,000	Direct
7	Children Education	Cl (ii) Providing Financial assistance for Education	Local Area	61,975	51,575	-	51,575	Direct
8	Late Shri Vishnu Waman Trust	Cl (ii) Providing aid for Education	Local Area		10,400	-	10,400	Direct
9	Ketto Foundation	Cl (i) Providing aid for Health Care	Local Area	7,39,054	4,90,000	-	4,90,000	Direct
10	Milaap Fund Raiser	Cl (i) Providing aid for Health Care	Local Area		75,000	-	75,000	Direct
11	Shree Ganesha Multispecialty Hospital	Cl (i) Providing aid for Health Care	Local Area		1,74,054	-	1,74,054	Direct
12	Animal Welfare	Cl (iv) Providing aid for Animals	Local Area	7,81,308	7,81,308	-	7,81,308	Direct
	TOTAL			**45,43,307**			**45,43,307**	

For and on behalf of the CSR Committee

Sd/-
Shobha Kapoor
Managing Director
DIN:00005124

Sd/-
Jeetendra Kapoor
Chairman-CSR Committee
DIN: 0000534

Place: Mumbai
Date: May 19, 2018

ANNEXURE IV

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I) REGISTRATION & OTHER DETAILS

1	**CIN**	L99999MH1994PLC082802
2	**Registration Date**	10/11/1994
3	**Name of the Company**	Balaji Telefilms Limited
4	**Category/Sub-category of the Company**	Company Limited by Shares/Public Non-Government Company
5	**Address of the Registered office & Contact details**	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, Maharashtra. Tel:- +91-022-4068000, Fax: +91-022-40698181 Email: investor@balajitelefilms.com Website: www.balajitelefilms.com
6	**Whether listed Company**	Yes
7	**Name, Address & Contact details of the Registrar & Transfer Agent, if any**	Karvy Computershare Private Limited Karvy Selenium Tower-B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032. Tel: +91-40-33211500, 33215570 Fax: +91-40-23440674 Email: einward.ris@karvy.com Website: www.karvy.com

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Media & Entertainment	591	100

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Motion Pictures Limited*	U22300MH2007PLC168515	Subsidiary Company	100	2 (87)
ALT Digital Media Entertainment Limited *	U74999MH2015PLC266206	Subsidiary Company	100	2 (87)
Marinating Films Private Limited*	U74120MH2011PTC220971	Subsidiary Company	51	2 (87)

ANNEXURE IV

Chhayabani Balaji Entertainment Private Limited*	U22190MH2015PTC261948	Subsidiary Company	50	2 (87)

*Registered Office at C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, Maharashtra.

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,20,61,521	0	3,20,61,521	42.22	3,28,73,663	0	3,28,73,663	32.51	-9.72
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	**3,20,61,521**	**0**	**3,20,61,521**	**42.22**	**3,28,73,663**	**0**	**3,28,73,663**	**32.51**	**-9.72**
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Institutions	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**3,20,61,521**	**0**	**3,20,61,521**	**42.22**	**3,28,73,663**	**0**	**3,28,73,663**	**32.51**	**-9.72**
Total Shareholding of Promoters A= A(1) + A(2)	**3,20,61,521**	**0**	**3,20,61,521**	**42.22**	**3,28,73,663**	**0**	**3,28,73,663**	**32.51**	**-9.72**
B. Public Shareholding									

ANNEXURE IV

(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	1,44,874	0	1,44,874	0.14	0.14
b) Banks / Financial Institutions	19,15,918	0	19,15,918	2.52	21,36,939	0	21,36,939	2.11	-0.41
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	1,65,09,250	0	1,65,09,250	21.74	1,80,66,634	0	1,80,66,634	17.86	-3.88
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
j) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**1,84,25,168**	**0**	**1,84,25,168**	**24.27**	**2,03,48,447**	**0**	**2,03,48,447**	**20.12**	**-4.14**
(2) Non-Institutions									
a) Bodies Corporate	66,70,978	0	66,70,978	8.79	3,20,66,764	0	3,20,66,764	31.71	22.92
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	72,25,405	6,616	72,32,021	9.52	76,95,194	6,115	77,01,309	7.62	-1.91
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	83,45,465	0	83,45,465	10.99	59,94,209	0	59,94,209	5.93	-5.06
c) Others									
HUF	14,78,544	0	14,78,544	1.95	6,04,389	0	6,04,389	0.6	-1.35
Foreign Corporate Bodies	0	0	0	0	0	0	0	0	0
Directors	300	0	300	0	300	0	300	0	0
Clearing Members	2,46,692	0	2,46,692	0.32	58,792	0	58,792	0.06	-0.27
IEPF	0	0	0	0	738	0	738	0	0

ANNEXURE IV

Non Resident Indians	12,03,246	0	12,03,246	1.58	7,53,639	0	7,53,639	0.75	-0.84
NRI Non-Repatriation	2,63,958	0	2,63,958	0.35	7,26,143	0	7,26,143	0.72	0.37
Trusts	2,550	0	2,550	0	2,050	0	2,050	0	0
Sub-total (B)(2)	**2,54,37,318**	**6,616**	**2,54,43,754**	**33.51**	**4,79,02,218**	**6,115**	**4,79,08,333**	**47.37**	**13.86**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**4,38,62,306**	**6,616**	**4,38,68,922**	**57.78**	**6,82,50,665**	**6,115**	**6,82,56,780**	**67.49**	**9.72**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**7,59,23,827**	**6,616**	**7,59,30,443**	**100**	**10,11,24,328**	**6,115**	**10,11,30,443**	**100.00**	**0.00**

ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2017			Shareholding at the end of the year i.e. March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Jeetendra Kapoor	32,60,522	4.29	0	32,60,522	3.22	0	-1.07
2	Shobha Kapoor	1,00,35,633	13.22	0	1,00,35,633	9.92	0	-3.3
3	Ekta Kapoor	1,67,35,116	22.04	0	1,75,47,258	17.35	0	-4.69
4	Tusshar Kapoor	20,30,250	2.67	0	20,30,250	2.01	0	-0.66
	Total	**3,20,61,521**	**42.22**	**0**	**3,28,73,663**	**32.51**	**0**	**-9.71**

Notes:
1. Percentage calculated on the paid-up share capital (7,59,30,443 shares) at the beginning of the year.
2. Percentage calculated on the paid-up share capital (10,11,30,443 shares) at the end of the year.

iii) Change in Promoters' Shareholding:

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Jeetendra Kapoor**				
	At the beginning of the year	32,60,522	4.29	32,60,522	4.29
	Bought during the year	-	-	32,60,522	4.29

ANNEXURE IV

	Sold during the year	-	-	32,60,522	4.29
	At the end of the year	32,60,522	3.22*	32,60,522	3.22
2	**Shobha Kapoor**				
	At the beginning of the year	1,00,35,633	13.22	100,35,633	13.22
	Bought during the year	-	-	100,35,633	13.22
	Sold during the year	-	-	100,35,633	13.22
	At the end of the year	1,00,35,633	9.92*	100,35,633	9.92
3	**Ekta Kapoor**				
	At the beginning of the year	1,67,35,116	22.04	1,67,35,116	22.04
	Bought shares prior to Preferential Allotment dated August 22, 2018	8,12,142	1.00	1,75,47,258	23.10
	Sold during the year	-	-	1,75,47,258	23.10
	At the end of the year	1,75,47,258	17.35*	1,75,47,258	17.35
4	**Tusshar Kapoor**				
	At the beginning of the year	20,30,250	2.67	20,30,250	2.67
	Bought during the year	-	-	20,30,250	2.67
	Sold during the year	-	-	20,30,250	2.67
	At the end of the year	20,30,250	2.01*	20,30,250	2.01

Notes:

*The percentage change in promoters' holding is due to increase in the paid-up share capital of the Company.

1. Percentage calculated on the paid-up share capital (7,59,30,443 shares) at the beginning of the year.
2. Percentage calculated on the paid-up share capital (10,11,30,443 shares) at the end of the year.
3. Percentage calculated prior to preferential allotment was on paid-up share capital (7,59,30,443 shares) and post preferential allotment was on paid-up share capital (10,11,30,443 shares).

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2018:

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Reliance Industries Limited**				
	At the beginning of the year	-	-	-	-
	Preferential Allotment on August 22, 2018	2,52,00,000	24.99	2,52,00,000	24.99
	Sold during the year	-	-	2,52,00,000	24.99

ANNEXURE IV

	At the end of the year	2,52,00,000	24.99	2,52,00,000	24.99
2	**Atyant Capital India Fund I**				
	At the beginning of the year	40,78,223	5.37	40,78,223	5.37
	Bought shares during the year	-	-	40,78,223	5.37
	Sold during the year	-	-	40,78,223	5.37
	At the end of the year	40,78,223	4.03	40,78,223	4.03
3	**AADI Financial Advisors LLP**				
	At the beginning of the year	30,00,000	3.95	30,00,000	3.95
	Bought shares post Preferential Allotment dated August 22, 2018	6,35,000	0.63	36,35,000	3.59
	Sold during the year	-	-	36,35,000	3.59
	At the end of the year	36,35,000	3.59	36,35,000	3.59
4	**GHI LTP Ltd.**				
	At the beginning of the year	36,00,000	4.74	36,00,000	4.74
	Bought shares during the year	-	-	36,00,000	4.74
	Sold during the year	-	-	36,00,000	4.74
	At the end of the year	36,00,000	3.56	36,00,000	3.56
5	**Vanderbilt University jointly with Atyant Capital Management Limited**				
	At the beginning of the year	26,45,000	3.49	26,45,000	3.49
	Bought shares prior to Preferential Allotment dated August 22, 2018	10,50,000	1.38	36,95,000	4.87
	Sold shares prior to Preferential Allotment dated August 22, 2018	1,53,773	0.20	35,41,227	4.66
	At the end of the year	35,41,227	3.50	35,41,227	3.50
6	**India capital Fund Limited**				
	At the beginning of the year	27,44,777	3.61	27,44,777	3.61
	Bought shares prior to Preferential Allotment dated August 22, 2018	61,000	0.08	28,05,777	3.69
	Sold shares prior to Preferential Allotment dated August 22, 2018	14,00,000	1.84	14,05,777	1.85
	Bought shares post Preferential Allotment dated August 22, 2018	4,71,000	0.46	18,76,777	1.86

ANNEXURE IV

	At the end of the year	18,76,777	1.86	18,76,777	1.86
7	**Axis Bank Limited**				
	At the beginning of the year	15,00,000	1.97	15,00,000	1.97
	Bought shares post Preferential Allotment dated August 22, 2018	1,17,000	0.12	16,17,000	1.60
	Sold during the year	-	-	16,17,000	1.60
	At the end of the year	16,17,000	1.60	16,17,000	1.60
8	**GHI JBD Ltd.**				
	At the beginning of the year	12,95,000	1.70	12,95,000	1.70
	Bought shares during the year	-	-	12,95,000	1.70
	Sold during the year	-	-	12,95,000	1.70
	At the end of the year	12,95,000	1.28	12,95,000	1.28
9	**GHI HSP Ltd.**				
	At the beginning of the year	11,87,663	1.56	11,87,663	1.56
	Bought shares during the year	-	-	11,87,663	1.56
	Sold during the year	-	-	11,87,663	1.56
	At the end of the year	11,87,663	1.17	11,87,663	1.17
10	**HSBC Global Investment Funds-Indian Equity**				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Bought shares post Preferential Allotment dated August 22, 2018	8,05,765	0.80	8,05,765	0.80
	Sold during the year	-	-	8,05,765	0.80
	At the end of the year	8,05,765	0.80	8,05,765	0.80

Notes:
1. Percentage calculated on the paid-up share capital (7,59,30,443 shares) at the beginning of the year.
2. Percentage calculated on the paid-up share capital (10,11,30,443 shares) at the end of the year.
3. Percentage calculated prior to preferential allotment was on paid-up share capital (7,59,30,443 shares) and post preferential allotment was on paid-up share capital (10,11,30,443 shares).

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors / KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Jeetendra Kapoor**				

ANNEXURE IV

	At the beginning of the year	32,60,522	4.29	32,60,522	4.29
	Bought during the year	-	-	32,60,522	4.29
	Sold during the year	-	-	32,60,522	4.29
	At the end of the year	32,60,522	3.22	32,60,522	3.22
2	**Shobha Kapoor**				
	At the beginning of the year	1,00,35,633	13.22	100,35,633	13.22
	Bought during the year	-	-	100,35,633	13.22
	Sold during the year	-	-	100,35,633	13.22
	At the end of the year	1,00,35,633	9.92	100,35,633	9.92
3	**Ekta Kapoor**				
	At the beginning of the year	1,67,35,116	22.04	1,67,35,116	22.04
	Bought shares prior to Preferential Allotment dated August 22, 2018	8,12,142	1.06	1,75,47,258	23.10
	Sold during the year	-	-	1,75,47,258	23.10
	At the end of the year	1,75,47,258	17.35	1,75,47,258	17.35
4	**Tusshar Kapoor**				
	At the beginning of the year	20,30,250	2.67	20,30,250	2.67
	Bought during the year	-	-	20,30,250	2.67
	Sold during the year	-	-	20,30,250	2.67
	At the end of the year	20,30,250	2.01	20,30,250	2.01
5	**D. G. Rajan**				
	At the beginning of the year	300	0.00	300	0.00
	Bought during the year	-	-	300	0.00
	Sold during the year	-	-	300	0.00
	At the end of the year	300	0.00	300	0.00

Notes:

1. Directors: Mr. Arun Kumar Purwar, Mr. Ashutosh Khanna, Mr. Pradeep Kumar Sarda, Mr. D. K. Vasal, Mr. V. B. Dalal, Mr. Anshuman Thakur, Ms. Jyoti Deshpande and KMP's: Mr. Sanjay Dwivedi and Mrs. Simmi Singh Bisht did not hold any shares during the financial year 2017-18.
2. Mr. Sameer Nair ceased to be Group Chief Executive Officer of the Company w.e.f. July 15, 2017 and his shareholding as on April 01, 2017 was 6,92,729 shares. As on July 15, 2017, there was no change.
3. Percentage calculated on the paid-up share capital (7,59,30,443 shares) at the beginning of the year.
4. Percentage calculated on the paid-up share capital (10,11,30,443 shares) at the end of the year.
5. Percentage calculated prior to preferential allotment was on paid-up share capital (7,59,30,443 shares) and post preferential allotment was on paid-up share capital (10,11,30,443 shares).

ANNEXURE IV

V) INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2017-18.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-Time Directors and/or Manager: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Shobha Kapoor Managing Director	Ekta Kapoor Joint Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,22,45,000	2,22,45,000	4,44,90,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission-as 1.06% of profit	-	-	-
5	Others- Employer's Contribution to Provident Fund.	17,28,000	17,28,000	34,56,000
	Total (A)	**2,39,73,000**	**2,39,73,000**	**4,79,46,000**
	Ceiling as per the Act (per annum)	**₹ 2,42,00,999/-** per Managerial Personnel (Calculated as per Schedule V of the Companies Act, 2013)		

ii) Remuneration To Other Directors: (Amount in ₹)

Sr. No.	Particulars of Rmuneration	Name of Directors						Total Amount
1	**Independent Directors**	**D. G. Rajan**	**Ashutosh Khanna**	**D. K. Vasal**	**V. B. Dalal**	**Arun Kumar Purwar**	**Pradeep Kumar Sarda**	
	Fee for attending Board and Committee meetings	5,50,000	7,00,000	7,50,000	7,50,000	7,00,000	3,25,000	37,75,000
	Commission	-	-	-	-	-	-	
	Others	-	-	-	-	-	-	
	Total (1)	**5,50,000**	**7,00,000**	**7,50,000**	**7,50,000**	**7,00,000**	**3,25,000**	**37,75,000**

ANNEXURE IV

2	**Other Non-Executive Directors**	**Jeetendra Kapoor**	**Tusshar Kapoor**	**Anshuman Thakur**	**Jyotindra Thacker**			
	Fee for attending Board and Committee meetings	6,25,000	3,00,000	2,00,000	2,00,000			13,25,000
	Commission	-	-	-	-			-
	Others, please specify	-	-	-	-			-
	Total (2)	**6,25,000**	**3,00,000**	**2,00,000**	**2,00,000**			**13,25,000**
	Total (B) = (1+2)	**1,175,000**	**10,00,000**	**9,50,000**	**9,50,000**			**51,00,000**
	Total Managerial Remuneration (A+B)							**5,30,46,000**
	Ceiling as per Act	₹ **2,42,00,999/-** per Managerial Personnel (Calculated as per Schedule V of the Companies Act, 2013)						

Note: The Independent Directors and Non-Executive Directors have been paid only sitting fees for attending the meetings of the Board or Committees which is excluded under Section 197(2) of the Companies Act 2013.

iii) Remuneration to Key Managerial Personnel other than MD / Manager / WTD: **(Amount in ₹)**

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			**Total Amount**
		Sameer Nair-Group CEO	**Sanjay Dwivedi-Group CFO**	**Simmi Singh Bisht-Group Head Secretarial**	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,60,64,402	1,72,79,109	19,17,163	4,52,60,674
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit	-	-	-	-
5	Others-Provident Fund and other allowances	3,27,122	6,57,600	1,13,927	10,98,649
	Total	**2,63,91,524***	**1,79,36,709****	**20,31,090****	**4,63,59,323**

ANNEXURE IV

Notes:
*Remuneration paid to Mr. Sameer Nair is for the period April 01, 2017 to July 15, 2017.
**Includes One time performance bonus of ₹ 35.00 lacs and ₹ 1.00 lacs paid to Group CFO & Group Head Secretarial respectively.

VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act , 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Sd/-
Jeetendra Kapoor
Chairman
DIN: 00005345

Place: Mumbai
Date: May 19, 2018

ANNEXURE V

PARTICULARS OF EMPLOYEES
As on financial year ended March 31, 2018

I) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) Remuneration to Managing Directors:

(Amount in ₹)

Name of the Director	Title	*Remuneration in Fiscal Year 2018	Remuneration in Fiscal Year 2017	No. of Stock options /RSUs granted in fiscal 2018	% increase of remuneration in 2018 as compared to 2017	Excl of MD	Incl of MD	Ratio of remuneration to	
						Ratio of Remuneration to Median Remuneration of Employees	Ratio of Remuneration to Median Remuneration of Employees and MD	Revenues (fiscal 2018)	Net Profit (fiscal 2018)
Shobha Kapoor	Managing Director	2,39,73,000	2,29,25,413	-	5	1:67	1:67	1:174	1:19
Ekta Kapoor	Joint Managing Director	2,39,73,000	2,38,68,948	-	-	1:67	1:67	1:174	1:19

Note: *Includes Employer's Contribution to Provident Fund

ii) Remuneration paid to Independent Directors:

(Amount in ₹)

Name of the Directors	Remuneration in Fiscal 2018	Remuneration in Fiscal 2017	Number of Stock Option / PSUs granted in Fiscal 2018	% increase of remuneration (2018 over 2017)
D.G. Rajan	5,50,000	6,00,000	-	(8.33)
Ashutosh Khanna	7,00,000	4,00,000	-	75
D. K. Vasal	7,50,000	6,00,000	-	25
V. B. Dalal	7,50,000	6,00,000	-	25
Pradeep Kumar Sarda	3,25,000	1,00,000	-	225
Arun Kumar Purwar	7,00,000	6,00,000	-	16.67

iii) Remuneration of other KMP:

(Amount in ₹)

Name of the KMP	Title	Remuneration in Fiscal Year 2018	Remuneration in Fiscal Year 2017	No. of Stock options / RSUs granted in fiscal 2017	% increase of remuneration in 2018 as compared to 2017	Excl of MD	Incl of MD	Ratio of remuneration to	
						Ratio of Remuneration to Median Remuneration of Employees	Ratio of Remuneration to Median Remuneration of Employees and MD	Revenues (fiscal 2018)	Net Profit (fiscal 2018)
Sameer Nair	Group CEO	2,63,91,524*	4,38,42,908	-	-	1:74	1:73	1:158	1:18
Sanjay Dwivedi	Group CFO	1,79,36,709**	96,38,964	-	86.00	1:50	1:50	1.232	1:26
Simmi Singh Bisht	Group Head Secretarial	20,31,090**	19,53,771	-	3.95	1:6	1:6	1:2051	1:230

ANNEXURE V

Notes:
*Remuneration paid to Mr. Sameer Nair is for the period April 01, 2017 to July 15, 2017.
** Includes One time Performance Bonus of ₹ 35.00 lcas and ₹ 1.00 lacs to Group CFO & Group Head Secretarial respectively.

The average percentage increase made in the salaries of employees other than managerial remuneration in the last financial year i.e. 2017-18 was 11 % whereas there has been no change in the managerial remuneration for the same financial year.

The number of permanent employees on the role of the Company is 99.

It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

II) Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i) The following details are given hereunder in respect of employees employed throughout the year and were in receipt of remuneration aggregating ₹ 1.02 Crores or more per annum:

Employee Name	Designation	Educational Qualification	Age	Experience (in years)W	Date of Joining	Gross Remuneration paid	Previous Employment and Designation	Whether such employee holds by himself or alongwith his spouse or dependent children not less than 2% of the Equity Shares of the Company	Whether such employee is a relative of any Director or Manager and if yes name of the Director or Manager.
Mrs. Shobha Kapoor	Managing Director	Undergraduate	68	23	10-Nov-94	2,39,73,000	N.A.	Yes	Yes. She is wife of Mr. Jeetendra Kapoor and Mother of Ms. Ekta Kapoor and Mr. Tusshar Kapoor

ANNEXURE V

Ekta Kapoor	Joint Managing Director	Undergraduate	42	23	10-Nov-94	2,39,73,000	N.A.	Yes	Yes. She is daughter of Mr. Jeetendra Kapoor and Shobha Kapoor and sister of Mr. Tusshar Kapoor

ii) There were no employees employed for a part of year and were in receipt of remuneration aggregating ₹ 8.5 lacs or more per month.

For and on behalf of the Board of Directors

Sd/-
Jeetendra Kapoor
Chairman
DIN: 00005345

Place: Mumbai
Date: May 19, 2018

CORPORATE GOVERNANCE REPORT

Balaji Telefilms Limited is committed to strong Corporate Governance and believes in its indispensability in investor's protection. Integrity, transparency, accountability and compliance with laws are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

The Report is on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter to be referred as 'Listing Regulations').

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 through ethical business conduct.
- Ensure that the Board continues in its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

CODE OF CONDUCT

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

BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board either directly exercises its powers or 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.

COMPOSITION

The Board of your Company has an appropriate mix of Executive and Non-Executive Directors with half of the Board of Company comprising of Independent Directors to maintain its independence and separate its functions of governance and management. Listing Regulations mandate that for a Company with a Non-Executive Chairman who is also a promoter, at least half of the Board should be Independent Directors. As on March 31, 2018, the Board comprised of twelve Directors, of whom two are Executive Directors, two Non-Executive Non-Independent Directors, six Independent Directors and two Non-Executive Additional Directors. The Composition of the Board represents an optimal mix of professionalism, knowledge and experience so as to enable the Board to discharge its responsibilities and provide effective leadership to the business.

None of the Directors of the Company held committee Membership of more than ten committees or committee Chairmanships of more than five committees across all Companies in which the person is a Director.

The names and categories of the Directors on the Board, their attendance at Company's Board Meetings and its Annual General Meeting during the financial year 2017-18 and also the number of Directorships and Committee Memberships/Chairmanships held by them in various Companies as on March 31, 2018 are given below:

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Name of the Directors	Attendance Particulars			No. of other Directorships and Committee Membership/Chairmanship			No. of shares held as on March 31, 2018
	Board Meetings		Last AGM	*Other Directorships	#Commitee Memberships	#Commitee Chairmanships	
	Held	Attended					
Mr. Jeetendra Kapoor (P, N, NI)	6	6	Present	3	1	0	32,60,522
Mrs. Shobha Kapoor (P, E, NI)	6	6	Present	6	0	0	1,00,35,633
Ms. Ekta Kapoor (P, E, NI)	6	5	Absent	6	0	0	1,75,47,258
Mr. Tusshar Kapoor (P, N, NI)	6	3	Present	4	1	0	20,30,250
Mr. Pradeep Kumar Sarda (N, I)	6	3	Absent	2	2	0	NIL
Mr. D. G. Rajan (N, I)	6	4	Present	6	5	4	300
Mr. Ashutosh Khanna (N, I)	6	6	Absent	1	0	0	NIL
Mr. D.K. Vasal (N, I)	6	6	Present	4	2	0	NIL
Mr. V.B. Dalal (N, I)	6	6	Absent	4	2	0	NIL
Mr. Arun Kumar Purwar (N, I)	6	6	Present	8	5	3	NIL
Mr. Jyotindra Thacker** (N, NI)	2	2	-	N.A.	N.A.	N.A.	N.A.
Mr. Anshuman Thakur*** (N, NI)	2	2	-	0	0	0	NIL
Ms. Jyoti Deshpande**** (N, NI)	-	-	-	2	0	0	NIL

P=Promoter, E= Executive, N=Non-Executive, I=Independent, NI=Non-Independent
*Excluding Private Limited Company, Foreign Companies, Section 8 Companies and Alternate Directorships but including Deemed Public Company
#Includes only Audit Committee and Stakeholders' Relationship Committee.
**Appointed w.e.f. September 01, 2017 and ceased w.e.f. March 21, 2018. Two meetings were held during his tenure.
***Appointed w.e.f. September 01, 2017. Two meetings were held during his tenure.
**** Appointed w.e.f. March 23, 2018. No meeting was held during her tenure.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors except Mr. Jeetendra Kapoor, Mr. Tusshar Kapoor, Ms. Jyoti Deshpande and Mr. Anshuman Thakur are Independent. Pursuant to Regulation 25 of the Listing Regulations, a meeting of Independent Directors is required to be held once in a year inter alia, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting of Independent Directors of the Company was held on May 23, 2017 without the presence of Executive Directors or Management Representatives.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company/Business policy and strategy

CORPORATE GOVERNANCE REPORT

apart from other Board business. The Board/ Committee Meetings are pre-scheduled and tentative dates of the Board and Committee meetings are informed well in advance to facilitate Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board/Committee meetings is prepared by the Company Secretary in consultation with the Chairman and Managing Director of the Company. The Agenda is circulated atleast 7 days prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the year under review, six (6) meetings of the Board of Directors were held, the dates being May 23, 2017, July 20, 2017, August 10, 2017, August 22, 2017, November 10, 2017 and February 13, 2018. The maximum time gap between any two meetings was not more than one hundred twenty days.

FAMILARIZATION PROGRAMME OF DIRECTORS

The Company has framed the familiarization programme for its Independent Directors. The same has been uploaded on the website of the Company and the web link for the same is **http://www.balajitelefilms.com/familiarisation-programme-independent-directors.php**

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the Evaluation criteria for the Performance Evaluation of Executive/Non-Executive/ Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Minutes of the meetings of all Committees are placed before the Board for review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has currently established the following Statutory Committees:

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 terms and composition of the Audit Committee are as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013.

The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment, remuneration and terms of appointment of Auditors and approving payment for any other services rendered by the Statutory Auditors, reviewing the Annual Financial Statements and Auditors' Report before submission to the Board, reviewing the Quarterly Financial Statements before submission to the Board, evaluation of internal financial controls and risk management systems, reviewing adequacy of internal audit function,

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structure and staffing of the internal audit function, reviewing findings of internal investigations and discussing the nature and scope of audit as well as post-audit discussion with external auditors, reviewing functioning of Whistle Blower Mechanism and such other responsibilities as set out in Section 177 of the Companies Act, 2013 and Part C, Schedule II of Listing Regulations.

In addition to the above, the Audit Committee mandatorily reviews the following:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the Internal Auditor; and
- statement of deviation(s):

    a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;

    b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Composition

Name of the Members	Designation	Nature of Membership
Mr. D. G. Rajan	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non-Executive Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. V. B. Dalal	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, Audit Committee held four (4) meetings, the dates being May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. D. G. Rajan	4	4
Mr. Jeetendra Kapoor	4	4
Mr. Pradeep Kumar Sarda	4	2
Mr. D. K. Vasal	4	4
Mr. V. B. Dalal	4	4

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

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NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The Committee is entrusted with the following role and responsibilities:

1. Formulation of criteria for determining qualifications, positive attributes & independence of a Director and to recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.

2. Formulation of criteria for evaluation of Independent Directors and the Board.

3. Devising a policy on Board diversity.

4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Performance evaluation criteria for Independent Directors

In accordance with Companies Act, 2013 and Listing Regulations, the Committee has laid down the following criteria to evaluate the performance of Independent Directors:

1) Knowledge to perform the role;
2) Time and Level of Participation;
3) Performance of Duties and Level of Oversight;
4) Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

Composition

Name of the Members	Designation	Nature of Membership
Mr. Ashutosh Khanna	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non-Executive Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, the Nomination & Remuneration Committee held six (6) meetings, the dates being May 22, 2017, August 10, 2017, August 31, 2017, November 09, 2017, February 13, 2018 and March 21, 2018. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Ashutosh Khanna	6	4
Mr. Jeetendra Kapoor	6	6
Mr. Pradeep Kumar Sarda	6	4
Mr. D. K. Vasal	6	6

Nomination & Remuneration Policy and Details of Remuneration Paid

The Nomination & Remuneration Policy of the Company along with the evaluation criteria for Independent Directors and the Board may be accessed at **http://balajitelefilms.com/nomination-remuneration-policy.php**

CORPORATE GOVERNANCE REPORT

Details of the remuneration paid to the Directors of the Company for the year ended March 31, 2018:

(Amount in ₹)

Name	Designation	Salary	Perquisites	Sitting Fees	Commission	Employer Contribution to Provident Fund	Total
Mrs. Shobha Kapoor	Managing Director	2,22,45,000	-		-	17,28,000	2,39,73,000
Ms. Ekta Kapoor	Joint Managing Director	2,22,45,000	-		-	17,28,000	2,39,73,000
Mr. Jeetendra Kapoor	Chairman	-	-	6,25,000	-	-	6,25,000
Mr. Tusshar Kapoor	Director	-	-	3,00,000	-	-	3,00,000
Mr. Pradeep kumar Sarda	Independent Director	-	-	3,25,000	-	-	3,25,000
Mr. D. G. Rajan	Independent Director	-	-	5,50,000	-	-	5,50,000
Mr. Ashutosh Khanna	Independent Director	-	-	7,00,000	-	-	7,00,000
Mr. D. K. Vasal	Independent Director	-	-	7,50,000	-	-	7,50,000
Mr. V. B. Dalal	Independent Director	-	-	7,50,000	-	-	7,50,000
Mr. Arun Kumar Purwar	Independent Director	-	-	7,00,000	-	-	7,00,000
Mr. Jyotindra Thacker	Non-Executive Director	-	-	2,00,000	-	-	2,00,000
Mr. Anshuman Thakur	Non-Executive Director	-	-	2,00,000	-	-	2,00,000
Ms. Jyoti Deshpande	Non-Executive Director	-	-	-	-	-	-

Note: During the year under review, no performance linked incentive was paid/stock option was granted to any Directors of the Company.

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.

STAKEHOLDER RELATIONSHIP COMMITTEE

Terms of Reference

The functions and powers of the Stakeholder Relationship Committee include approval/rejection of transfer/transmission and rematerialisation of Equity Shares, issue of Duplicate Share Certificates, oversee the performance of the Company's Registrar and Transfer Agents and also maintaining investor relations and review and redressal of shareholders/ investors grievances/complaints related to non-receipt of annual report and non-receipt of declared dividends. The details for any assistance of any grievances in this respect are given in the General Shareholder Information section of this Report.

Composition

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non-Executive Director	Chairman

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Mrs. Shobha Kapoor	Executive Director	Member
Ms. Ekta Kapoor	Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, Stakeholder Relationship Committee held four (4) meetings, the dates being May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Jeetendra Kapoor	4	4
Mrs. Shobha Kapoor	4	4
Ms. Ekta Kapoor	4	4
Mr. D. K. Vasal	4	4

Shareholder's Complaints during the financial year 2017-18

Sr. No.	Nature of Complaints	Opening Bal.	Received	Disposed	Pending
1.	Non-receipt of Dividend	0	35	35	0
2.	Non-receipt of Annual Report	0	25	25	0
3.	Letters from Regulatory Authorities (NSE/BSE/ROC)	0	4	4	0

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

The terms of reference of the Committee includes formulation and recommendation to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Company from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and perform any other function or duty as stipulated by the Companies Act, Securities and Exchange Board of India, Stock Exchanges and any other Regulatory Authority or under any applicable laws, as may be prescribed from time to time.

Composition

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non-Executive Director	Chairman
Mrs. Shobha Kapoor	Executive Director	Member
Mr. D. G. Rajan	Independent Director	Member
Mr. Ashutosh Khanna	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, Corporate Social Responsibility Committee held four (4) meetings, the dates being May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The details of the attendance thereat are as follows:

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Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Jeetendra Kapoor	4	4
Mrs. Shobha Kapoor	4	4
Mr. D. G. Rajan	4	4
Mr. Ashutosh Khanna	4	4

INTERNAL COMPLAINTS COMMITTEE

Terms of Reference

The Board of Directors in its Board meeting held on January 24, 2014, constituted the Internal Complaints Committee of the Company to deal with all complaints and allegations of Sexual Harassment at work place. During the year under review, the Internal Complaints Committee was re-constituted on February 13, 2018.

Composition

The current composition of Internal Complaints Committee is as follows:

Sr. No.	Name of the Committee Member	Position in Committee	Designation
1.	Mrs. Coralie Ansari	Presiding Officer	Group Head-HR
2.	Mr. Nachiket Pantvaidya	Internal Member	Group COO
3.	Mr. Sanjay Dwivedi	Internal Member	Group CFO
4.	Mrs. Simmi Singh Bisht	Internal Member	Group Head Secretarial
5.	Ms. Priyanka Chaudhari	Internal Member	VP & Sr. Counsel, Legal
6.	Ms. Neha Kedia	External Member	Vice President – Complykaro

GENERAL BODY MEETINGS:

Annual General Meeting

During the preceding three years, the Company's Annual General Meetings were held at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053, Maharashtra.

The date and time of Annual General Meetings held during last three years and the Special Resolutions passed thereat, are as follows:

Financial Year	Date and Time	Time	Special Resolutions passed
2016-17	Thursday, August 31, 2017	12:00 Noon	Payment of Commission to Non- Executive Directors for a period of 5 years w.e.f. April 01, 2017.
2015-16	Wednesday, August 31, 2016	3:00 p.m.	• Payment of Commission to Mrs. Shobha Kapoor (DIN: 00005124), Managing Director of the Company for the F.Y. 2015-16; • Payment of Commission to Ms. Ekta Kapoor (DIN: 00005093), Joint Managing Director of the Company for the F.Y. 2015-16; • Revision in remuneration of Mrs. Shobha Kapoor (DIN: 00005124), Managing Director of the Company; • Revision in remuneration of Ms. Ekta Kapoor (DIN: 00005093), Joint Managing Director of the Company.

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2014-15	Monday, August 31, 2015	3:00 p.m.	• Re-appointment of Mrs. Shobha Kapoor (DIN: 00005124) as Managing Director of the Company; • Re-appointment of Ms. Ekta Kapoor (DIN: 00005093) as Joint Managing Director of the Company; • Further issue of Securities; • Alteration of Articles of Association.

Resolution(s) passed through Postal Ballot

During the year, Members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot, including Electronic Voting (E-voting).

Date of Postal Ballot Notice: November 10, 2017
Date of Approval: December 30, 2017

Voting period: December 01, 2017 at 9:00 a.m. to Saturday, December 30, 2017 at 5:00 p.m.
Date of Declaration of Result: December 30, 2017

Name of the Resolution	Type of Resolution	Votes in favour of the resolution (%)	Votes against the resolution (%)
Approval of Balaji Telefilms – Employee Stock Option Plan 2017 ("BALAJI TELEFILMS ESOP 2017") and grant of Employees Stock Options to the Employees of the Company thereafter.	Special	99.7940	0.2060
Grant of Stock Options to the Employees of the Subsidiary Company(ies) of the Company under Balaji Telefilms Employees Stock Option Plan 2017.	Special	99.7939	0.2061

The Postal Ballot Notice along with the Postal Ballot Form was sent to the Members whose name appears in the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited as on November 24, 2017. The Postal Ballot Notice was sent to Members in electronic form to the Email addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose Email IDs are not registered, physical copies of the Postal Ballot Notice was sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope. Voting rights are reckoned on the paid up value of the shares registered in the name of the Members as on the cut off date November 24, 2017.

The Company had published a notice in the newspaper on Friday, December 01, 2017 in Business Standard and Mumbai Lakshadeep in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard – 2. The Board had appointed Mr. Bhavesh Desai, Practising Company Secretary, as Scrutinizer, to conduct the Postal Ballot process in a fair and transparent manner and had engaged the services of Karvy Computershare Private Limited as the agency for the purpose of providing E-voting facility. Mr. Bhavesh Desai, Scrutinizer, had submitted his report on the Postal Ballot to Mrs. Simmi Singh Bisht, Group Head Secretarial of the Company on December 30, 2017.

There is no immediate proposal for passing any resolution through Postal Ballot.

MEANS OF COMMUNICATION:

i) Publication of quarterly results

The Unaudited Quarterly/Half Yearly Financial Results are announced within forty-five days

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of the close of the quarter. The Annual Audited Financial Results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are sent to BSE & NSE and are published in Business Standard (All India) and Mumbai Lakshadeep (Regional Daily) within forty-eight hours after they are approved by the Board. Simultaneously, they are also put on the Company's website and can be accessed at **http://balajitelefilms.com/outcome-board-meetings-agm-egm.php**

ii) Website and News releases

The Annual Report of the Company, the quarterly/half yearly results, the annual results, presentations made to the Institutional Investors and Analysts of the Company are also placed on the Company's website **www.balajitelefilms.com.**

The Company also informs by way of intimation to BSE & NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in this regard.

DISCLOSURES

i) Related Parties Transactions

There has been no material related party transaction between the Company and its Directors, the Management, subsidiaries or relatives, except for those disclosed in the Board's Report. In line with requirement of Companies Act, 2013 and Listing Regulations, your Company has formulated a policy on Related Party Transactions which is also available at Company's website under the weblink **http://www.balajitelefilms.com/related-party-trancation-policy.php**

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review. Prior omnibus approval is obtained for Related Party Transactions on annual basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at Arm's Length Price. All Related Party Transactions entered during the year were in ordinary course of the business and on Arm's Length Price.

Transactions with the related parties are disclosed in 'Notes forming part of the financial statements'.

ii) Disclosure of Pending Cases/Instances of Non-Compliances

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.

iii) Compliance with the Discretionary Requirements under the Listing Regulations

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements under the Listing Regulations as on March 31, 2018 to the extent mentioned below:

- **Audit qualifications:** Your Company is in the regime of unqualified financial statements.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- **Non-Executive Chairman's Office:** Chairman office is separate from that of the Managing Director & CEO.

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iv) Vigil Mechanism/Whistle Blower Policy

The Company has established Whistle Blower Policy for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics 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 personnel has been denied access to the Audit Committee of the Board of Directors of the Company.

In order to maintain highest levels of confidentiality, the Company has appointed an outsourced agency viz. 'In Touch India Limited' to receive complaints and coordinate with the Whistle Blower, if required. This agency forwards the complaints received, to the Ethics Committee for preliminary review. The Ethics Committee decides further course of action after preliminary review of the complaint/protected disclosure. The Ethics Committee comprises of the following individuals:

1. Group Chief Executive Officer.
2. Group Chief Financial Officer
3. Group Head – Human Resource
4. General Counsel - Legal

In case the Whistle Blower is not satisfied with action taken on his/her complaint, then the Whistle Blower can write to the Chairman of the Audit Committee (Email- dgrajan@balajitelefilms.com).

When escalating the matter, Whistle Blower should provide complete details of the complaint and the reason for dissatisfaction.

An employee who wishes to report a complaint or make a protected disclosure can contact 'In Touch India Limited' through the following channels:

- Hotline - 1800 103 2931
- Website - www.speak-up.info/balaji
- E-mail id - balaji@intouch-india.com

There were no complaints received during the financial year 2017-18.

v) Prevention of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013. The code requires Designated Employees, Directors, Officers to maintain the confidentiality of all Price Sensitive Information, prohibits Directors/Designated Employees to deal in securities of the Company while in possession of price-sensitive information and during the period when the trading window is closed. Any Director intending to deal in the securities of the Company above the minimum threshold limits shall obtain pre-clearance of the transactions as per the pre-dealing procedure of the Company. The Compliance Officer of the Company is responsible for implementation of the code.

vi) Policy on Prevention & Prohibition of Sexual Harassment at Workplace

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

vii) Subsidiary Companies

The Company does not have any material subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth of the Holding Company in the immediately preceding accounting year.

The Company has formulated a Policy for determining 'Material Subsidiaries' and the same has been uploaded on the website of the Company and the weblink for the same is http://

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www.balajitelefilms.com/policy-determining-material-subsidiary.php

The copies of the minutes of the meetings of the Board of Directors of the subsidiary companies are individually given to all the Directors and are tabled at the subsequent Board meetings.

viii) Disclosure on Risk Management

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

ix) Code of Conduct

The Company has laid down a Code of Conduct for the Directors and Senior Management of the Company and a Code of Conduct for Independent Directors. 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 along with the Auditors' Certificate on Compliance of Listing Regulations by the Company is annexed to this report. Declaration from Independent Directors affirming Compliance with the Code of Conduct has also been received.

x) CFO Certification

As required under Regulation 17(8) of the Listing Regulations, a Certificate from Mr. Sanjay Dwivedi, Group CFO of the Company, on the Financial Statements of the Company is annexed to this report.

GENERAL SHAREHOLDER INFORMATION:

1	**Annual General Meeting**	
	Date	31-Aug-18
	Time	12.00 Noon
	Venue	The Club, 197, D. N. Nagar, Andheri (West), Mumbai – 400 053, Maharashtra.
2	**Date of Book Closure**	Saturday, August 25, 2018 to Friday, August 31, 2018
3	**Financial Calendar**	
	Financial Year	April 01, 2018 to March 31, 2019
	*Financial reporting for 1st quarter ending 30th June, 2018	Second week of August 2018
	*Financial reporting for 2nd quarter ending 30th September, 2018	Third week of November 2018
	*Financial reporting for the year ending 31st March, 2019	Fourth week of May 2019
	*Annual General Meeting for year ending 31st March, 2019 * **Tentative and subject to change.**	August 2019
4	**Payment of dividend**	On or after September 05, 2018

CORPORATE GOVERNANCE REPORT

5	**Listing details**	
	Name of Stock Exchange(s)	**BSE Ltd.** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax:+91-22-22721919/3027 **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: +91-22-26598237/3
	ISIN	INE794B01026
	Stock Code	BSE: 532382 NSE: BALAJITELE
	Listing Fees	Paid for both the above Stock Exchanges
	Listing on Stock Exchanges outside India	Not Listed
6.	**Registered Office of Company**	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000, Fax: +91-22-40698181/82 E-mail: **investor@balajitelefilms.com** Web site:**www.balajitelefilms.com**
7.	**Share Transfer Agent**	Karvy Computershare Private Limited (Company's Registrar and Transfer Agents) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032. Tel: +91-40-33211500/5570 Fax No. +91-40-23440674 Mobile No: +91 8374554433 Email: **einward.ris@karvy.com** Website: **www.karvycomputershare.com**
8.	**Share Transfer System** Shares sent for physical transfer are registered and returned within fifteen days from the date of receipt, if the documents are clear in all respects. The Stakeholder Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2017-2018 and no share transfer pending as on March 31, 2018.	

CORPORATE GOVERNANCE REPORT

9. **Shares under Lock-in**
   In accordance with SEBI Guidelines, currently 2,52,00,000 Equity Shares held by Reliance Industries Limited (RIL) are subject to Lock-in period of 1 year in accordance with the SEBI (ICDR) guidelines.

10. **Dematerialisation of Equity Share**
    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, 2018 about 99.99% comprising 10,11,24,328 Equity Shares were in the dematerialised form.

11. **Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**
    The Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments as on March 31, 2018.

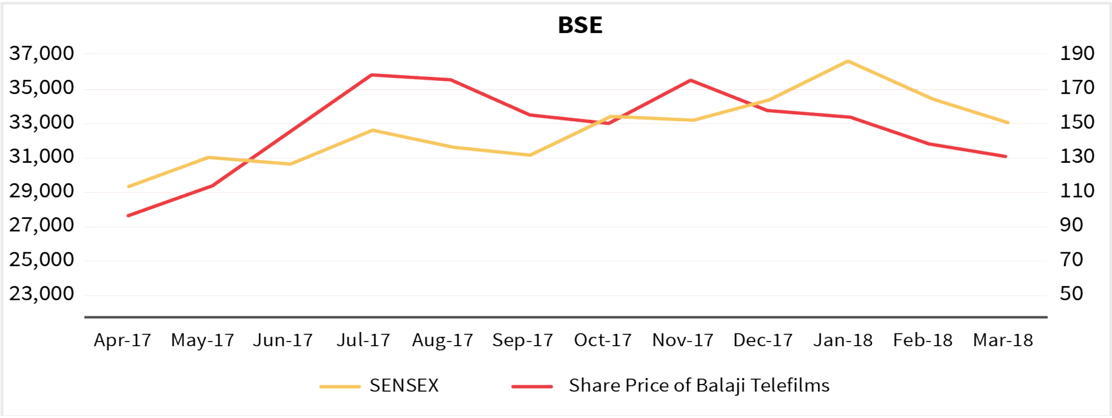
12. **Stock Market Data relating to Shares listed in India**
    The monthly high and low prices on BSE Ltd. and National Stock Exchange of India Limited as well as the volume of shares traded during the financial year 2017-18 are as below:

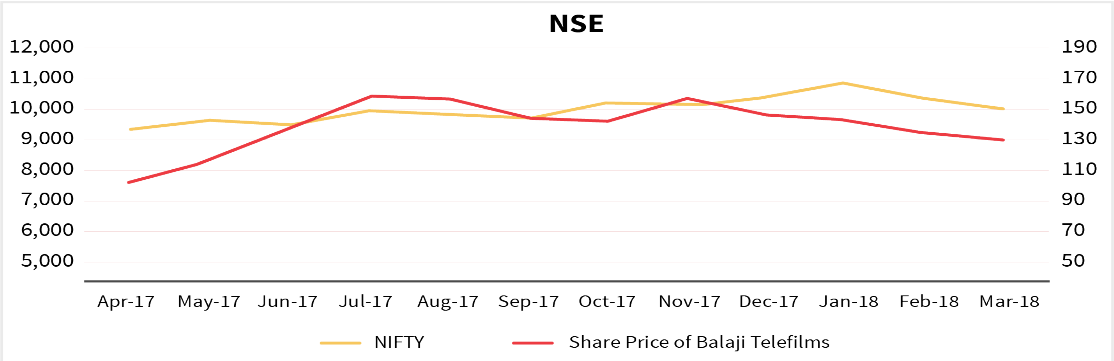
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	112.9	95.5	19,43,734	112.80	95.45	74,26,212
May	124.8	100.1	12,39,652	124.75	99.75	64,16,899
June	158.75	115.1	31,66,927	158.90	115.15	1,59,05,051
July	203	142.5	83,20,605	202.80	144.00	3,90,62,652
August	178.4	144.45	24,38,044	178.00	144.40	1,07,48,381
September	174	150.1	13,95,054	174.30	149.55	57,20,260
October	163	145.9	15,33,333	162.70	145.05	33,62,750
November	180.95	135.9	23,77,777	181.00	135.10	1,19,16,473
December	174	145	11,73,493	174.00	145.05	54,73,002
January	170.5	150.2	15,17,523	170.55	150.00	65,08,252
February	151.15	131	6,42,152	151.95	130.85	21,49,717
March	141.6	121.05	4,64,522	142.00	121.00	24,64,185

13. **Stock Performance in comparison to Broad -Based Indices**

    The chart below shows the comparision of the Company's share price movement on BSE and National Stock Exchange of India Limited vis-à-vis the movement of the BSE Sensex and NSE Nifty respectively for the financial year ended March 31, 2018 (based on month end closing):

CORPORATE GOVERNANCE REPORT





14. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2018

Description	Cases	Shares	% Equity
Banks	4	17,15,888	1.70
Clearing Members	65	58,792	0.06
Directors	1	300	0.00
Foreign Nationals	1	181	0.00
Foreign Portfolio Investors	21	1,80,66,634	17.86
H U F	574	6,04,389	0.60
IEPF	1	738	0.00
Indian Financial Institutions	2	4,21,051	0.42
Bodies Corporates	470	3,18,73,439	31.52
Mutual Funds	1	1,44,874	0.14

CORPORATE GOVERNANCE REPORT

NBFC	9	1,93,325	0.19
Non Resident Indians	403	7,53,639	0.75
NRI (Non Repatriation)	188	7,26,143	0.72
Company Promoters	4	3,28,73,663	32.51
Resident Individuals	22926	1,36,95,337	13.54
Trusts	2	2,050	0.00
Grand Total	**24672**	**10,11,30,443**	**100**

15. Distribution of shareholding as on March 31, 2018

Number of Share	No. of Share Holders	% of Total Shareholders	Total Shares	Amount	% Holding
1 - 5000	24296	98.47	62,60,271	1,25,20,542	6.19
5001 - 10000	179	0.73	13,11,007	26,22,014	1.30
10001 - 20000	66	0.27	9,78,326	19,56,652	0.97
20001 - 30000	32	0.13	8,04,800	16,09,600	0.80
30001 - 40000	15	0.06	5,35,310	10,70,620	0.53
40001 - 50000	12	0.05	5,45,323	10,90,646	0.54
50001 - 100000	25	0.10	19,68,224	39,36,448	1.95
100001 and above	47	0.19	8,87,27,182	17,74,54,364	87.74
TOTAL	**24672**	**100.00**	**10,11,30,443**	**20,22,60,886**	**100.00**

16. Plant Locations

Other than the registered office, the Company does not have any other office. The details of the registered office of the Company is provided in the Corporate Information section of the Annual Report.

17. Address for Correspondence

Investors' Correspondence		Financial Statements Queries
Mrs. Simmi Singh Bisht **Group Head Secretarial** Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000 Fax: +91-22-40698181/82 Email: **investor@balajitelefilms.com** **simmi.bisht@balajitelefilms.com**	**Mr. Kartik Sankaran** **Senior VP Investor Relations** Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000 Fax: +91-22-40698181/82 Email: **kartik.sankaran@balajitelefilms.com**	**Mr. Sanjay Dwivedi** **Group Chief Financial Officer** Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000 Fax: +91-22 40698181/82 Email:**sanjay.dwivedi@balajitelefilms.com**

MANAGING DIRECTOR AND CFO CERTIFICATION

To,
The Board of Directors
BALAJI TELEFILMS LIMITED

We, the undersigned, in our respective capacities as Managing Director and Group Chief Financial Officer of Balaji Telefilms Limited ('the Company'), to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2018 and to the best of our knowledge and belief, we state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any 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. We further state that to the best of our knowledge and belief, there are 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 are responsible for establishing and maintaining internal controls for financial reporting and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

   i. significant changes, if any, in the internal control over financial reporting during the year;

   ii. significant changes, if any, in accounting policies made 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 we 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.

	Sd/-	Sd/-
	Shobha Kapoor	**Sanjay Dwivedi**
Mumbai, May 19, 2018	Managing Director	Group Chief Financial Officer

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Shobha Kapoor, Managing Director of the Company, hereby confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct as applicable to them, in respect of the financial year ended March 31, 2018.

Sd/-
Shobha Kapoor
Managing Director

Mumbai, May 19, 2018

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai, May 19, 2018

Independent Auditors' Report

TO THE MEMBERS OF BALAJI TELEFILMS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Balaji Telefilms Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records inaccordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Independent Auditors' Report

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 30.12 to the financial statements which states that during the year ended March 31, 2018, the composite Scheme of Arrangement and Amalgamation between the Company and two of its subsidiaries (the 'Scheme') was approved by the National Company Law Tribunal and subsequently filed with the relevant regulatory authorities and has become effective thereafter. The figures disclosed in the Financial Statement for the year ended March 31, 2017 have been adjusted to give effect to the Scheme. Our opinion is not qualified in respect of this matter.

Other Matter

10. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 23, 2017, expressed an unmodified opinion on those standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143 (3) of the Act, we report that:

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

Independent Auditors' Report

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 30.1.

ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Balaji Telefilms Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Balaji Telefilms Limited("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of

Annexure A
to Independent Auditors' Report

the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure B
to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Balaji Telefilms Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 4 on Property, plant and equipment to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year (Television serials, Films and Internet series produced are verified with reference to the title documents/ agreements). No differences were noticed on physical verification of inventory as compared to book records.

iii. The Company has granted unsecured loans, to one company covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, no schedule for repayment of principal and payment of interest has been stipulated by the Company. Therefore, in absence of stipulation of repayment terms we do not make any comment on the regularity of repayment of principal and payment of interest.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, service tax, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income-tax, sales-tax, service tax, value added taxas at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Annexure B
to Independent Auditors' Report

Name of the statute	Nature of dues	Amount (₹. in Lacs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	2,943.00	April 2008 to April 2011	Commissioner of Service Tax
The Income Tax Act, 1961	Tax Deducted at Source	218.08	2009-10 and 2010-11	High Court
Value Added Tax and Central Sales Tax Act	Sales Tax and VAT	145.50	2012-13	Joint Commissioner of Sales Tax

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date. Therefore provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS)24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has made a private placement of shares during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

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Balance Sheet

As at March 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	3,022.63	3,348.92
(b) Capital work-in-progress	4	226.79	340.27
(c) Financial Assets			
(i) Investments	5	34,586.63	19,871.28
(ii) Loans	6	894.30	801.19
(iii) Other financial assets	7(i)	371.65	423.63
(d) Deferred tax assets (net)	8	1,963.69	2,987.13
(e) Current tax assets (net)	9	2,149.47	3,239.62
(f) Other non-current assets	10	5,773.76	3,799.73
Total non-current assets		**48,988.92**	**34,811.77**
Current assets			
(a) Inventories	11	6,855.96	9,205.45
(b) Financial assets			
(i) Investments	12	34,190.36	5,141.01
(ii) Trade receivables	13	8,298.44	9,971.25
(iii) Cash and cash equivalents	14	1,039.58	1,053.98
(iv) Loans	15	910.38	306.65
(v) Other financial assets	7(ii)	1,216.04	1,231.10
(c) Other current assets	16	2,766.97	7,495.76
Total current assets		**55,277.73**	**34,405.20**
Total Assets		**1,04,266.65**	**69,216.97**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	17	2,022.61	1,518.61
(b) Other equity	18	96,307.89	55,998.26
Total equity		**98,330.50**	**57,516.87**
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	19	4,268.43	6,704.23
(ii) Other financial liabilities	20	365.85	982.83
(b) Other current liabilities	21	647.67	3,722.79
(c) Current Tax Liabilities (net)	22	654.20	290.25
Total current liabilities		**5,936.15**	**11,700.10**
Total Equity and Liabilities		**1,04,266.65**	**69,216.97**

The above Balance Sheet should be read in conjunction with the accompanying notes

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Simmi Singh Bisht
(Group Head Secretarial)
Place : Mumbai
Date : May 19, 2018

Sanjay Dwivedi
(Group CFO)

Statement of Profit and Loss

for the year ended March 31, 2018

Particulars	Note No.	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
(I) Revenue from operations	23	41,658.69	40,846.28
(II) Other Income	24	1,659.28	1,174.92
(III) Total income (I+II)		**43,317.97**	**42,021.20**
(IV) Expenses			
(a) Cost of Production / Acquisition and Telecast Fees	25	27,845.88	30,004.28
(b) Changes in inventories	25	2,349.50	2,469.51
(c) Marketing and distribution expenses		1,312.00	3,325.11
(d) Employee benefits expense	26	1,595.94	1,851.66
(e) Depreciation and amortization expense	27	1,389.93	1,226.97
(f) Other expenses	28	3,247.75	2,917.67
(V) Total expenses		**37,741.00**	**41,795.20**
(VI) Profit before exceptional items and tax (III-V)		**5,576.97**	**226.00**
(VII) Less: Exceptional Items	30.2	**905.07**	**-**
(VIII) Profit Before Tax (VI-VII)		**4,671.90**	**226.00**
(IX) Tax expense:	29		
(a) Current tax		1,309.38	106.67
(b) Deferred tax		1,023.44	(2,780.00)
(c) Short/(Excess) provision for tax in respect of earlier years		708.98	(39.09)
Total tax expense		**3,041.80**	**(2,712.42)**
(X) Profit for the year (VIII-IX)		**1,630.10**	**2,938.42**
(XI) Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset)		(5.70)	(12.22)
Income tax relating to items that will not be reclassified to profit or loss		1.97	4.35
Total other comprehensive income for the year		(3.73)	(7.87)
(XII) Total comprehensive income for the year (X+XI)		**1,626.37**	**2,930.55**
(XIII) Basic and diluted earnings per share (In ₹) (Face value of ₹ 2 each)	30.7	**1.79**	**3.87**

The above statement of Profit and Loss should be read in conjunction with the accompanying notes
This is the statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Simmi Singh Bisht
(Group Head Secretarial)
Place : Mumbai
Date : May 19, 2018

Sanjay Dwivedi
(Group CFO)

Statement of Cash Flow

for the year ended March 31, 2018

	Particulars	For the year ended March 31, 2018 ₹ In Lacs		For the year ended March 31, 2017 ₹ In Lacs	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax		**4,671.90**		**226.00**
	Adjustments for:				
	Depreciation and amortisation	1,389.93		1,226.97	
	Advances written off	199.52		-	
	Provision for doubtful debts (net)	113.13		49.35	
	Loss on sale of fixed assets	26.63		22.75	
	Profit on sale of current investments (non-trade) (net)	(660.83)		(605.50)	
	Exceptional items considered in income-tax	905.07		-	
	Gratuity asset written off	30.62		-	
	Creditors written back	-		(248.56)	
	Advances written back	(67.29)		-	
	Amortisation of prepaid rent element of rental security deposit	74.38		74.65	
	Loss on fair valuation of non current investments (net of tax)	-		205.29	
	Unwinding of discount on security deposit	(74.42)		(67.48)	
	Profit on fair valuation of investments (net of tax)	(716.05)		-	
	Service tax CENVAT credit write-off	153.57		-	
	Interest income on fixed deposits	(16.76)		(10.89)	
	Interest income on income-tax refund	(41.61)		(124.74)	
	Interest income on loan to subsidiary	(24.40)	1,291.49	(21.03)	500.81
	Operating profit before working capital changes		**5,963.39**		**726.81**
	Adjustments for:				
	Decrease/(Increase) in trade receivable	1,559.68		(1,395.46)	
	Decrease in other current financial assets	14.56		282.60	
	Decrease/(Increase) in other current assets	4,470.21		(2,407.12)	
	(Increase)/Decrease in other non current financial assets	(48.01)		386.74	
	(Increase)/Decrease in loans	(18.69)		146.93	
	(Increase) in other non current assets	(2,173.55)		(2,717.30)	
	Decrease in inventories	2,349.50		2,469.51	
	(Decrease)/Increase in trade payables	(2,368.51)		3,607.12	
	Increase/(Decrease) in other financial liabilities	0.34		(8.79)	
	(Decrease)/Increase in other current liabilities	(3,075.12)	710.41	808.98	1,173.21
	Cash from operations		**6,673.80**		**1,900.02**
	Income-tax (paid)		(1,469.34)		(432.22)
	Net Cash Flow from Operating Activities (A)		**5,204.46**		**1,467.80**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payments for property, plant and equipment	(1,016.08)		(1,714.03)	
	Proceeds from sale of property, plant and equipment	39.30		-	
	Payments for purchase of current investments	(73,732.04)		(4,650.00)	
	Proceeds from sale of current investments	45,969.10		4,507.63	
	Payments for purchase of non current investments	(15,025.00)		-	
	Proceeds from sale of non current investments	497.24		-	
	Loans to related parties	(603.85)		(135.72)	
	Interest Income	82.77		156.66	
	Net Cash (Used In) Investing Activities (B)		**(43,788.56)**		**(1,835.46)**

Statement of Cash Flow

for the year ended March 31, 2018

	Particulars	For the year ended March 31, 2018 ₹ In Lacs		For the year ended March 31, 2017 ₹ In Lacs	
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity share capital	41,328.00		-	
	Share issue costs	(1,653.87)		-	
	Dividend paid to company's shareholders (including DDT)	(486.87)		-	
	Net Cash Flow from Financing Activities (C)		**39,187.26**		**-**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		**603.16**		**(367.66)**
	Cash and cash equivalents at the beginning of the year		70.48		438.14
	Cash and cash equivalents at the end of the year		**673.64**		**70.48**

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

(ii) Cash and cash equivalents above comprises of	₹ In Lacs	₹ In Lacs
- Cash and cash equivalent as per note 14 (excluding balance in unpaid dividend account & Fixed deposits kept in lien against bank guarantee.)	1,034.98	1,049.14
- Temporarily overdrawn book balances as per note 20	(361.34)	(978.66)
Cash and cash equivalents at the end of the year as per cash flow statement	**673.64**	**70.48**

The above statement of cash flows should be read in conjunction with the accompanying notes

This is the statement of cash flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Simmi Singh Bisht
(Group Head Secretarial)
Place : Mumbai
Date : May 19, 2018

Sanjay Dwivedi
(Group CFO)

Statement of changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	₹ in Lacs
As at April 01, 2016	**1,518.61**
Changes in equity share capital during the year	-
As at March 31, 2017	**1,518.61**
As at April 1, 2017	**1,518.61**
Changes in equity share capital during the year	504.00
As at March 31, 2018	**2,022.61**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and surplus				
	General Reserve	Securities Premium	Retained earnings	Capital reserve	Total
Balance as at April 01, 2016	**5,133.10**	**29,579.21**	**26,093.75**	**-**	**60,806.06**
Profit for the year	-	-	2,938.42	-	2,938.42
Other comprehensive income for the year	-	-	(7.87)	-	(7.87)
Total comprehensive income for the year	**-**	**-**	**2,930.55**	**-**	**2,930.55**
Add: Carried forward balances of transferor companies (Refer Note 30.12)	-	-	(7,691.27)	-	(7,691.27)
Add: On account of merger of transferor companies (Refer Note 30.12)	-	-	-	(47.08)	(47.08)
Balance as at March 31, 2017	**5,133.10**	**29,579.21**	**21,333.03**	**(47.08)**	**55,998.26**
As at April 1, 2017	**5,133.10**	**29,579.21**	**21,333.03**	**(47.08)**	**55,998.26**
Profit for the year	-	-	1,630.10	-	1,630.10
Other comprehensive income for the year	-	-	(3.73)	-	(3.73)
Total comprehensive income for the year	**-**	**-**	**1,626.37**	**-**	**1,626.37**
Share issue costs	-	(1,653.87)	-	-	(1,653.87)
On issue of equity shares	-	40,824.00	-	-	40,824.00
Payment of dividends	-	-	(404.52)	-	(404.52)
Dividend distribution tax	-	-	(82.35)	-	(82.35)
Balance as at March 31, 2018	**5,133.10**	**68,749.34**	**22,472.53**	**(47.08)**	**96,307.89**

The above Statement Of changes In Equity should be read in conjunction with the accompanying notes

This is the Statement Of changes In Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
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D.G. Rajan
(Director)
DIN: 00303060

Simmi Singh Bisht
(Group Head Secretarial)

Sanjay Dwivedi
(Group CFO)

Place : Mumbai
Date : May 19, 2018

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 1: Background

Balaji Telefilms Limited ('the Company') was incorporated on November 10, 1994 under the Companies Act, 1956. The Company has established itself as a leader in television content in India particularly for Hindi language content and has also successfully ventured in the regional television content market and event business. The company is also in the business of production of films. The registered office and principal place of business of the Company is at Andheri (West), Mumbai.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Financial Statements.

(a) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criterias set out in the Schedule III to the Companies Act, 2013.

Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained it's operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

<u>Historical cost convention</u>
The financial statements have been prepared on a historical cost basis, except for the following:

(I) certain financial assets and liabilities that are measured at fair value;
(II) defined benefit plans - plan assets measured at fair value.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Company consists of the managing director, chief executive officer and chief financial officer which assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 30.9 for segment information presented.

(c) Foreign Currency Translation

(i) <u>Functional and presentation currency</u>
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) <u>Transactions and balances</u>
Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at

Notes forming part of the Financial Statements

for the year ended March 31, 2018

the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria has been met for each of the Company's activities.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any discounts and any taxes collected on behalf of the government which are levied on sales such as Service tax, Sales tax, Value Added Tax and Goods and Service Tax (GST) etc.

(i) Revenue from commissioned television programmes is recognised when relevant episodes of programmes (television serials) are telecast by the broadcaster (customer).

(ii) Revenue from web series is recognised on delivery of relevant content to the producers (customer).

(iii) Revenue from sale and licensing of movies is recognized in accordance with the licensing agreement as the films are screened and is stated as the Company's share of box office receipts.

Revenue from licensing of content rights are recognized in the period in which the relevant content is delivered to the customers in accordance with the terms of the relevant agreements.

(iv) Revenue from Events is recognised when the relevant event is delivered and technical clearance is received from the broadcasting channels.

(e) Interest and Dividend Income Recognition:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(f) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred

Notes forming part of the Financial Statements

for the year ended March 31, 2018

income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of Cash Flow Statement, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Company's cash management.

(i) Inventories

Inventories comprise of Television / Internet Series, Films and Events and are stated at the lower of cost and net realisable value. Cost is determined on the following basis:
Television / Internet Series: At average cost
Films / Events : Actual/Unamortised Cost
Unamortised cost of Films : The cost of film 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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(j) Trade receivables

Trade receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Financial Instruments

(i) Financial Assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Investments in Subsidiaries, associates, and Joint Ventures:

The Company accounts for its equity investments in subsidiaries, associates and joint venture at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates, and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

The Company accounts for its investments other than equity in subsidiaries, associates and joint venture at fair value through profit or loss.

Financial assets at fair value through profit or loss (FVTPL):

Investments in instruments other than covered above are classified as FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in those instruments.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt instruments are designated as at fair value through profit or loss on initial recognition.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30.15 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of Financial Assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(l) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be

Notes forming part of the Financial Statements

for the year ended March 31, 2018

contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 except for the following assets which are depreciated as per management estimates of their useful life which are as under:

Studios and sets – 3 years
Leasehold improvements – on a straight-line basis over the period of lease

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(n) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

(o) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the

Notes forming part of the Financial Statements

for the year ended March 31, 2018

amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 – "Provision, contingent liabilities and contingent assets" is made.

(p) Business combinations

Business combination of entities under common control is accounted as per Appendix C of the Ind-AS 103, except if required otherwise as per the Scheme of business combination approved by the National Company Law Tribunal.

(q) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity;
(b) defined contribution plans such as provident fund

Defined benefit plans:

The Company has taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

The liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. 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'.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Defined contribution plans:

Contributions to Provident Fund and Pension Fund are charged to the Statement of Profit and Loss as incurred. Provident fund contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

(r) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lakhs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimated useful life of Tangible Assets:

The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Estimation of Current Tax Expense and Income Tax Payable / Receivable:

The calculation of Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses.

Estimation of Defined Benefit Obligation:

The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, this liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Estimation of Contingent Liabilities:
The company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability.

Recognition of Deferred Tax Assets:
The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operates.

Impairment of Trade Receivables:
Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 4 - Property, plant and equipment

(₹ in Lacs)

Description of Assets	Buildings - Freehold	Computers	Plant and machinery - Others	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total	Capital work-in-progress
I. Gross Carrying Amount											
Balance as at April 1, 2016	**472.57**	**1,053.61**	**2,337.71**	**6,970.66**	**1,030.29**	**327.42**	**391.04**	**95.28**	**386.41**	**13,064.99**	**-**
Carried forward balances of transferor companies (Refer note 30.12)	-	43.43	215.39	22.50	155.52	7.85	43.51	-	68.29	556.49	-
Additions	-	45.71	6.48	-	246.07	1.20	5.66	-	-	305.12	1,408.91
Transfer	-	-	-	1,068.64	-	-	-	-	-	1,068.64	(1,068.64)
Disposals	-	-	-	(2,183.60)	(18.47)	-	-	-	-	(2,202.07)	-
Balance as at March 31, 2017	**472.57**	**1,142.75**	**2,559.58**	**5,878.20**	**1,413.41**	**336.47**	**440.21**	**95.28**	**454.70**	**12,793.17**	**340.27**
II. Accumulated Depreciation											
Balance as at April 1, 2016	**(88.90)**	**(1,032.93)**	**(1,815.62)**	**(5,499.97)**	**(676.70)**	**(274.89)**	**(345.23)**	**(58.01)**	**(386.41)**	**(10,178.66)**	**-**
Carried forward balances of transferor companies (Refer note 30.12)	-	(38.02)	(36.76)	(22.49)	(30.04)	(1.80)	(20.54)	-	(68.29)	(217.94)	-
Depreciation expense	(7.90)	(17.53)	(104.09)	(943.02)	(107.95)	(13.26)	(23.87)	(9.35)	-	(1,226.97)	-
Disposals	-	-	-	2,160.85	18.47	-	-	-	-	2,179.32	-
Balance as at March 31, 2017	**(96.80)**	**(1,088.48)**	**(1,956.47)**	**(4,304.63)**	**(796.22)**	**(289.95)**	**(389.64)**	**(67.36)**	**(454.70)**	**(9,444.25)**	**-**
III. Net Carrying Amount as at March 31, 2017	**375.77**	**54.27**	**603.11**	**1,573.57**	**617.19**	**46.52**	**50.57**	**27.92**	**-**	**3,348.92**	**340.27**
I. Gross Carrying Amount											
Balance as at April 1, 2017	**472.57**	**1,142.75**	**2,559.58**	**5,878.20**	**1,413.41**	**336.47**	**440.21**	**95.28**	**454.70**	**12,793.17**	**340.27**
Additions	-	18.71	1.64	-	261.85	0.10	15.56	0.90	-	298.76	717.32
Transfer	-	-	-	830.80	-	-	-	-	-	830.80	(830.80)
Disposals	-	-	-	-	(385.82)	-	-	-	-	(385.82)	-
Balance as at March 31, 2018	**472.57**	**1,161.46**	**2,561.22**	**6,709.00**	**1,289.44**	**336.57**	**455.77**	**96.18**	**454.70**	**13,536.91**	**226.79**
II. Accumulated Depreciation											
Balance as at April 1, 2017	**(96.80)**	**(1,088.48)**	**(1,956.47)**	**(4,304.63)**	**(796.22)**	**(289.95)**	**(389.64)**	**(67.36)**	**(454.70)**	**(9,444.25)**	**-**
Depreciation expense	(7.90)	(22.85)	(98.98)	(1,089.38)	(125.48)	(12.39)	(23.69)	(9.26)	-	(1,389.93)	-
Disposals	-	-	-	-	319.90	-	-	-	-	319.90	-
Balance as at March 31, 2018	**(104.70)**	**(1,111.33)**	**(2,055.45)**	**(5,394.01)**	**(601.80)**	**(302.34)**	**(413.33)**	**(76.62)**	**(454.70)**	**(10,514.28)**	**-**
III. Net Carrying Amount as at March 31, 2018	**367.87**	**50.13**	**505.77**	**1,314.99**	**687.64**	**34.23**	**42.44**	**19.56**	**-**	**3,022.63**	**226.79**

Notes

a. Building includes ₹ 220.86 lacs (Previous year ₹220.86 lacs), being cost of ownership premises in Co-operative Society including cost of shares of face value of ₹ 0.01 lac received under Bye-laws of the Society.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 5 Non-current investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	₹ in Lacs		₹ in Lacs	
(1) Investment in fully paid-up Equity shares (unquoted) (at cost)				
(i) Wholly owned subsidiaries :				
2,000,000 (Previous year 2,000,000) Equity shares of ₹ 10/- each in Balaji Motion Pictures Limited		200.00		200.00
300,050,000 (Previous year 150,050,000) Equity shares of ₹ 10/- each in Alt Digital Media Entertainment Limited		30,005.00		15,005.00
(ii) Subsidiaries :				
(a)5,100 (Previous year 5,100) Equity Shares of ₹ 10/- each in Marinating Films Private Limited		100.00		100.00
(b)Investment in Limited Liability Partnership Event Media LLP (Refer Note 30.10)		-		0.51
(c)25,000 (Previous year 25,000) Equity Shares of ₹ 10/- each in Chhayabani Balaji Entertainment Private Limited		2.50		2.50
(2) Investment in optionally convertible debentures (OCDs) (unquoted) (at fair value through profit or loss)				
(i) Aristo Learning Private Limited (Refer Note below)				
Series A Nil (Previous year 3,000) Debentures of ₹ 100 each	-		3.00	
Series B Nil (Previous year 62,810) Debentures of ₹ 100 each	-	-	62.81	-
	-		65.81	
Less : Provision for diminution in value of investments	-	-	65.81	-
(ii) Second School Learning Private Limited (Refer Note below)				
Series A Nil (Previous year 1,000) Debentures of ₹ 100 each	-		1.00	
Series B Nil (Previous year 399,000) Debentures of ₹ 100 each	-		399.00	
	-		400.00	
Less : Provision for diminution in value of investments	-	-	400.00	-

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Particulars	As at March 31, 2018 ₹ in Lacs		As at March 31, 2017 ₹ in Lacs	
(3) Investment in fully paid-up preference shares of subsidiaries (unquoted) (at fair value through profit or loss)				
(i)Subsidiary :				
(a) 4,450,000 (Previous year 3,450,000) Preference shares of ₹ 10/- each in Marinating Films Private Limited		923.99		480.31
(b)750,000 (Previous year 500,000) Preference shares of ₹ 10/- each in Chhayabani Balaji Entertainment Private limited		188.20		46.15
(4) Investment in Associate (unquoted) (at cost)				
(i) IPB Capital Advisors LLP		0.50		0.50
(ii) Indus Balaji Education Capital Advisors LLP		0.38		0.38
(5) Investment in Indus Balaji Investor Trust (unquoted) (at fair value through profit or loss)				
(i) 2,959,617 (Previous year 3,200,000) Class A units of ₹ 100 each	3,164.82		4,030.93	
(ii) 5,000 (Previous year 5,000) Class B units of ₹ 100 each	1.24		5.00	
		3,166.06		4,035.93
Aggregate carrying value of unquoted investments		**34,586.63**		**19,871.28**
Aggregate amount of impairement in the value of investments		**-**		**465.81**

Note: During the year, Aristo Learning Private Limited and Second School Learning Private Limited are dissolved and names struck off by the Registrar of Companies

Note 6 Loans (Non-current)

Particulars	As at March 31, 2018 ₹ in Lacs		As at March 31, 2017 ₹ in Lacs	
Unsecured, considered good (Unless otherwise stated)				
(a) Security deposits				
Considered good (Refer note below)	870.30		801.19	
Considered doubtful	50.92		50.92	
	921.22		852.11	
Less: Provision for doubtful deposits	50.92		50.92	
		870.30		801.19
(b) Loans to professionals staff		24.00		-
Total		**894.30**		**801.19**

Note: Security Deposits include deposits given to three Directors of the company for the properties taken on lease from them.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 7 Other financial assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
i) Non-current financial assets		
Unsecured, Considered good		
(a) Share application money pending allotment	-	100.00
(b) Fixed deposits with banks having more than 12 months maturity (Refer Note 1 below)	371.65	323.63
Total	**371.65**	**423.63**
ii) Current financial assets		
Unsecured, Considered good		
(a) Subsidiaries current account (Refer Note 2 below)	110.26	-
(b) Interest accrued on fixed deposits with banks	-	0.51
(c) Unbilled revenue	1,091.86	1,230.59
(d) Others	13.92	-
Total	**1,216.04**	**1,231.10**

Note 1: The above fixed deposits with banks are kept in lien against bank guarantees

Note 2: The above amount represents collections made by the subsidiary company pertaining to the acquired business (Refer Note 30.12)

Note 8 Deferred tax asset (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Deferred tax assets		
Depreciation on fixed assets	783.00	604.37
Minimum Alternate Tax credit entitlement	1,188.67	85.49
Carried forward tax losses	619.05	2,676.31
Security deposits	27.64	-
Provisions	113.96	113.53
	2,732.32	3,479.70
Deferred tax liabilities		
Fair valuation of investments	(768.63)	(483.39)
Security deposits	-	(9.18)
	(768.63)	(492.57)
Deferred tax assets (net)	**1,963.69**	**2,987.13**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Movement in deferred tax balances

Particulars	For the year ended March 31, 2018		
	Opening Balance	(Charged)/ Credited to profit or loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Fair value of investments	483.39	(285.24)	768.63
Security deposits	9.18	36.82	(27.64)
	492.57	**(248.42)**	**740.99**
Tax effect of items constituting deferred tax assets			
Depreciation on fixed assets	604.37	178.63	783.00
Carried forward Tax Losses	2,676.31	(2,057.26)	619.05
Minimum Alternate Tax Credit	85.49	1,103.18	1,188.67
Provisions	113.53	0.43	113.96
	3,479.70	(775.02)	2,704.68
Net deferred tax asset/ (liabilities)	**2,987.13**	**(1,023.44)**	**1,963.69**

Particulars	For the year ended March 31, 2017		
	Opening Balance	(Charged)/ Credited to profit or loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Fair value of investments	554.45	71.06	483.39
Security deposits	-	(9.18)	9.18
	554.45	**61.88**	**492.57**
Tax effect of items constituting deferred tax assets			
Depreciation on fixed assets	451.16	153.21	604.37
Carried forward Tax Losses	-	2,676.31	2,676.31
Minimum Alternate Tax Credit	85.49	-	85.49
Provisions	224.93	(111.40)	113.53
	761.58	2,718.12	3,479.70
Net deferred tax asset /(liabilities)	**207.13**	**2,780.00**	**2,987.13**

Note 9 Current tax assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Advance payment of income-tax	2,149.47	3,239.62
Total	**2,149.47**	**3,239.62**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 10 Other non-current assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Advance to vendors	5,773.76	3,799.73
Total	**5,773.76**	**3,799.73**

Note 11 Inventories

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Finished		
Television serials	1,512.61	1,709.60
Films	690.24	681.67
Work in process		
Films	3,674.90	5,820.33
Internet series	978.21	993.85
Total	**6,855.96**	**9,205.45**

Note 12 Current investments (unquoted)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Investment in mutual funds (Non trade) (carried at fair value through profit or loss)	34,190.36	5,141.01
Total	**34,190.36**	**5,141.01**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity (Units)	Amount (₹ in lacs)	Quantity (Units)	Amount (₹ in lacs)
IN UNITS OF MUTUAL FUNDS				
Reliance Regular Savings Fund - Debt Plan-Growth Plan	7,204,165.45	1,743.96	2,960,565.86	695.50
HDFC Short Term Plan - Regular Plan - Growth	1,657,247.97	570.66	1,657,247.97	536.78
Birla Sun Life Short Term Fund - Growth - Regular Plan	3,176,433.78	2,110.64	862,729.40	537.24
AXIS Short Term Fund - Growth	3,003,941.17	566.17	3,003,941.17	534.11
ICICI Prudential Banking & PSU Debt Fund - Growth	-	-	2,886,052.86	541.39
Birla Sun Life Savings Fund - Growth	-	-	79,242.09	252.51
ICICI Prudential Savings Fund - Growth	-	-	103,463.59	253.02
ICICI Prudential Flexible Income Plan - Growth	-	-	145,848.46	454.08
Axis Treasury Advantage Fund - Growth	27,049.82	523.83	11,068.64	201.01
Aditya Birla SL Corporate Bond Fund	15,898,883.10	2,057.41	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity (Units)	Amount (₹ in lacs)	Quantity (Units)	Amount (₹ in lacs)
Aditya Birla SL Short Term Opportunities Fund- Growth	1,970,963.76	568.73	-	-
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	-	-	456,600.00	63.31
Aditya Birla SL Treasury Optimizer Plan - Growth	691,085.32	1,531.21	-	-
Axis Liquid Fund - Growth	85,400.23	1,640.31	-	-
HDFC Liquid Fund - Regular Plan - Growth	20,770.96	708.41	-	-
HDFC Medium Term Opportunities Fund	5,289,717.85	1,021.49	-	-
HDFC Short Term Opportunities Fund - Growth	8,028,947.03	1,539.53	-	-
ICICI Prudential Corporate Bond Fund	9,440,367.51	2,551.62	-	-
ICICI Prudential Regular Savings Fund	13,827,599.05	2,568.49	-	-
IDFC Credit Opportunities Fund - Regular Plan Growth	23,781,937.00	2,549.16	-	-
Kotak Corporate Bond Fund - Growth	67,596.10	1,542.87	-	-
Kotak Income Opportunities Fund- Growth	8,077,655.15	1,544.88	-	-
Kotak Low Duration Fund - Growth	50,717.71	1,076.80	-	-
UTI Short Term Income Fund Institutional - Growth Option	-	-	2,694,691.46	537.28
Kotak Medium Term Fund - Growth	10,669,322.14	1,539.87	-	-
L&T Income Opportunities Fund - Regular Plan- Growth	10,300,252.36	2,050.51	-	-
Reliance Corporate Bond Fund- Growth	18,527,324.78	2,596.25	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 Growth Plan	10,073,102.63	1,015.31	-	-
Birla Sunlife-Short Term Opportunities Fund	-	-	19,70,963.76	534.78
UTI Short Term Income Fund - Institutional Option	2,694,691.46	572.25	-	-
Total		**34,190.36**		**5,141.01**

Note 13 Trade receivables

Particulars	As at March 31, 2018		As at March 31, 2017	
	₹ in Lacs		₹ in Lacs	
Trade receivables (unsecured)				
Considered good	8,298.44		9,971.25	
Considered doubtful	345.70		232.57	
	8,644.14		10,203.82	
Less: Allowance for doubtful debts	345.70		232.57	
Total		**8,298.44**		**9,971.25**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The average credit period on sales is 75 days. No interest is charged on trade receivables overdue. The Company has generally recognised an allowance for doubtful debts at 100% against receivables from whom recoverability is uncertain.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Company has provided ₹ 345.70 (Previous Year ₹ 232.57) lacs towards doubtful receivables as at March 31, 2018

Note 14 Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
(a) Cash on hand	24.17	26.59
(b) Balances with banks-		
(i) In current accounts	1,010.81	1,022.55
(ii) In deposit accounts		
- Fixed deposits kept in lien against bank guarantee	-	0.58
(c) Unpaid dividend accounts	4.60	4.26
Total	**1,039.58**	**1,053.98**

Note 15 Loans (Current)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Unsecured, considered good		
(a) Loans to related parties	886.38	282.53
(b) Security deposits	-	24.12
(c) Loans to professional staff	24.00	-
Total	**910.38**	**306.65**

Note 16 Other Current assets

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
(a) Prepaid expenses	102.35	197.47
(b) Balances with government authorities	1,608.97	1,292.31
(c) Advances to vendors	1,055.65	6,005.98
Total	**2,766.97**	**7,495.76**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 17 Share capital

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) Authorised		
150,000,000 (Previous Year 100,000,000) Equity shares of ₹ 2/- each	3,000.00	2,000.00
30,000,000 (Previous year 30,000,000)Preference shares of ₹ 2/- each	600.00	600.00
	3,600.00	**2,600.00**
(b) Issued, Subscribed and fully paid-up		
101,130,443 (Previous Year 75,930,443) Equity shares of ₹ 2/- each	2,022.61	1,518.61
Total	**2,022.61**	**1,518.61**

Notes :

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% of Holding	Number of shares	% of Holding
Reliance Industries Ltd.	25,200,000	24.92	-	-
Ekta Kapoor	16,735,116	16.55	16,735,116	22.04
Shobha Kapoor	10,035,633	9.92	10,035,633	13.22

(ii) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	75,930,443	1,518.61	75,930,443	1,518.61
Add: Issue of Equity Shares during the year	25,200,000	504.00	-	-
Equity shares outstanding at the end of the year	101,130,443	2,022.61	75,930,443	1,518.61

(iii) Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the shareholders will be eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(iv) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2018.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 18 Other equity - Reserves & Surplus

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) General reserve	5,133.10	5,133.10
(b) Securities premium account	68,749.34	29,579.21
(c) Retained earnings	22,472.53	21,333.03
(d) Capital Reserve (Merger effect)	(47.08)	(47.08)
Total	**96,307.89**	**55,998.26**

Note 18.1 General Reserve

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of year	5,133.10	5,133.10
Add: Transferred from retained earnings	-	-
Balance at the end of the year	**5,133.10**	**5,133.10**

Note 18.2 Securities premium account

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of year	29,579.21	29,579.21
Add: On issue of equity shares	40,824.00	-
Less: Share issue costs	(1,653.87)	-
Balance at the end of the year	**68,749.34**	**29,579.21**

Note 18.3 Retained earnings

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of year		
- of Transferee Company	21,333.03	26,093.75
- of Transferor Companies (Refer note 30.12)	-	(7,691.27)
	21,333.03	18,402.48
Profit for the year	1,630.10	2,938.42
Other comprehensive income for the year	(3.73)	(7.87)
Total comprehensive income for the year	**1,626.37**	**2,930.55**
Payment of dividends	(404.52)	-
Dividend distribution tax	(82.35)	-
Balance at the end of the year	**22,472.53**	**21,333.03**

Note 18.4 Capital reserve

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of year	(47.08)	-
Add: On account of scheme of arrangement (Refer note 30.12)	-	(47.08)
Balance at the end of the year	**(47.08)**	**(47.08)**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Nature and purpose of reserves :

A. General Reserve : General reserve is created out of transfer from retained earnings and is a free reserve.

B. Securities Premium Account : Security Premium is created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

C. Capital Reserve : Capital Reserve represents excess of net assets taken over pursuant to the scheme of arrangement sanctioned by National Company Law Tribunal (Refer note 30.12).

Note 19 Trade payables

Particulars	**As at March 31, 2018 ₹ in Lacs**	**As at March 31, 2017 ₹ in Lacs**
Trade payables	4,268.43	6,704.23
Total	**4,268.43**	**6,704.23**

Notes:

(a) Micro, Small and Medium Enterprises :

The balances above includes ₹ Nil (Previous Year ₹ Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act).
No interest is paid / payable during the year to any Micro / Small Enterprise registered under the MSME.
There were no delayed payments during the year to any Micro or Small Enterprise registered under the MSME Act.
The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

Note 20 Other financial liabilities (current)

Particulars	**As at March 31, 2018 ₹ in Lacs**	**As at March 31, 2017 ₹ in Lacs**
Unpaid dividends (Refer Note below)	4.51	4.17
Temporarily overdrawn book balances	361.34	978.66
Total	**365.85**	**982.83**

Note

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

Note 21 Other current liabilities

Particulars	**As at March 31, 2018 ₹ in Lacs**	**As at March 31, 2017 ₹ in Lacs**
Advances from customers	318.79	3,195.10
Statutory liabilities	176.89	311.97
Employee Benefit Payables	151.99	215.72
Total	**647.67**	**3,722.79**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 22 Current tax liabilities (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Provision for tax	654.20	290.25
Total	**654.20**	**290.25**

Note 23 Revenue from operations

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
(a) Sale of services		
Commissioned television programs	27,099.74	27,786.90
Internet programs	2,784.29	191.37
Sale and licensing of movies	10,409.68	12,633.02
Sale of television programs/ movies concept rights	100.60	103.52
Event Management	1,169.00	-
(b) Other Operating Income		
Facilities / equipment hire income	95.38	110.64
Service income	-	20.83
Total	**41,658.69**	**40,846.28**

Note 24 Other Income

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
(a) Interest income		
On fixed deposits with banks	16.76	10.89
On Income-tax refund	41.61	124.74
On loan given to subsidiary company / capital contribution to body corporate	24.40	21.03
(b) Unwinding of discount on security deposit	74.42	67.48
(c) Profit on sale of Investments (non-trade) (net)	660.83	605.49
(d) Unrealised gains on Investments at fair value through profit or loss	716.05	-
(e) Insurance claim received	55.33	96.73
(f) Advances written back	67.29	-
(g) Creditors written back	-	247.37
(h) Others	2.59	1.19
Total	**1,659.28**	**1,174.92**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 25 Cost of Production / Acquisition and Telecast Fees

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Production expenses including purchase of costumes and dresses	715.55	944.27
Artists, Directors, technicians and Professional Fees	12,565.85	15,566.19
Location hire charges	1,584.74	1,581.47
Shooting and location expenses	4,706.28	6,625.35
Telecasting fees / purchase of rights	8.65	33.98
Food and refreshment charges	443.71	496.23
Sets & studio maintenance charges	800.60	639.26
Uplinking charges	108.53	146.66
Insurance expense	37.97	12.18
Line production cost	4,194.39	1,040.67
Set properties and equipment hire charges	1,918.78	2,062.61
Purchase of tapes	5.18	6.84
Sound expense	98.78	21.10
Other production expenses	656.87	827.47
Total	**27,845.88**	**30,004.28**

Changes in Inventories :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Opening balance :		
Television serials, internet series and films	9,205.45	11,674.96
Closing balance :		
Television serials, internet series and films	6,855.95	9,205.45
Total changes in inventories	**2,349.50**	**2,469.51**

Note 26 Employee Benefits Expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Salaries and wages	1,440.72	1,716.88
Contributions to provident and other funds (Refer Note 30.6(a))	88.19	81.21
Gratuity (Refer Note 30.6(b))	30.62	6.67
Staff welfare expenses	36.41	46.90
Total	**1,595.94**	**1,851.66**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 27 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Depreciation of property, plant and equipment (Refer Note 4)	1,389.93	1,226.97
Total	**1,389.93**	**1,226.97**

Note 28 Other expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Power and fuel	101.17	80.08
Rent including lease rentals	183.76	200.59
Repairs and maintenance - Machinery	-	8.95
Repairs and maintenance - Others	83.17	83.02
Insurance	54.68	62.05
Rates and taxes	556.32	327.18
Communication expenses	31.12	21.71
Legal and professional charges (Refer Note 28.1)	1,244.39	1,213.76
Security and housekeeping expenses	39.30	19.77
Business promotion expenses	86.90	55.71
Travelling and conveyance expenses	82.25	77.91
Donations and contributions	18.36	44.00
Expenditure on corporate social responsibility (Refer Note 28.2)	45.43	61.50
Advances written off	199.52	-
Provision for doubtful debts and advances	113.13	49.35
Bad debts written off	78.10	-
Software expenses	14.90	31.14
Directors sitting fees	51.75	40.25
Unrealised loss on investments at fair value thorugh profit or loss (net)	-	205.29
Loss on sale of fixed assets	26.63	-
Foreign exchange loss (net)	-	25.80
Interest on others (VAT Assessment)	-	83.54
Miscellaneous expenses	236.87	226.07
Total	**3,247.75**	**2,917.67**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 28.1 Details of auditors remuneration (Included in legal and professional charges)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
As Auditors :		
Audit fee	29.50	37.62
In other capacities :		
Other services / Certification	18.50	8.00
Reimbursement of expenses	0.84	0.16
Total	**48.84**	**45.78**

Note 28.2 Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Amounts required to be spent as per section 135 of the Act	57.32	60.88
Amounts spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	45.43	61.50
Total	**45.43**	**61.50**

Note 29 Tax expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Income tax expense		
Current tax		
Current tax on profits for the year	1,309.38	106.67
Adjustments for current tax of prior periods	708.98	(39.09)
	2,018.36	67.58
Deferred tax		
Decrease / (increase) in deferred tax assets	775.02	(2,718.12)
(Decrease) / increase in deferred tax liabilities	248.42	(61.88)
Total deferred tax expense/(benefit)	1,023.44	(2,780.00)
Income tax expense	**3,041.80**	**(2,712.42)**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Income Tax Expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Profit before exceptional items and tax	5,576.97	226.00
Income Tax calculated at 34.608% (Previous year- 33.063%)	**1,930.08**	**74.72**
Tax effect of amounts that are not deductible in determining taxable profit	95.31	47.60
Effect of set off of brought forward unabsorbed depreciation	-	(31.97)
Effect of set off of brought forward business losses	-	(69.06)
Effect of set off of carried forward long term capital losses	-	(46.24)
Tax on deductions under chapter VI-A	(3.62)	(2.53)
Expired tax losses	281.08	-
Previously unrecognised tax losses now recognised after merger	-	(2,676.31)
Excess provision for tax in respect of earlier years	708.98	(39.09)
Tax rate difference	12.76	-
Others	17.21	30.46
Total	**3,041.80**	**(2,712.42)**
Income Tax expense recognised in profit & loss	**3,041.80**	**(2,712.42)**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 30 Additional information to the financial statements and disclosure under Accounting Standards

30.1

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Contingent liabilities (to the extent not provided for)		
In respect of VAT Matters	145.50	-
In respect of Service Tax Matters	2,943.00	2,943.00
In respect of Income Tax Matters	218.08	-
In respect of Labour Matters (net of ₹ 14.67 lacs paid under protest)	79.36	79.36

Pursuant to the notices issued to Balaji Motion Pictures Limited (BMPL), pertaining to the films division acquired by company under scheme of merger (Refer Note 30.12), under Section 153A of Income-tax Act, 1961 (in respect of proceedings initiated under section 132) the assessments for all the relevant assessment years were completed by the Department during the quarter ended June 30, 2015. During the year ended March 31, 2017, the BMPL has filed appeals with the Income-tax Appellate Tribunal (ITAT), against the Orders passed by the Commissioner of Income-tax (Appeals) confirming the penalty imposed by the assessing officer. During the year ended March 31, 2018, ITAT deleted the penalty for Assessment year 2010-11 and order is awaited for AY 2013-14.

30.2 Pursuant to action under Section 132 of the Income-tax Act, 1961 during the financial year 2013-14, the Company filed Return of Income u/s 153A for the respective years from FY 2006-07 to FY 2013-14. Income Tax Department completed the assessment thereof u/s 143(3) read with Section 153A in the financial year 2015-16. However, since there were differences in the original returns filed u/s 139(1) and those filed u/s 153A for the respective years, orders levying penalty were passed. The Company succeeded in cancelling the penalty for one of the years. Penalty procedings for other years is still pending for disposal before the Income-tax Appellate Tribunal, Mumbai. The Order u/s 132B dated September 27, 2017 is received by the Company. The Company, as a matter of abundant precaution, has adjusted the net penalty amount against the advance tax balance appearing in the books and the resultant charge (net of interest on refund due) amounting to Rs. 905.07 lacs is debited to the Statement of Profit and Loss and disclosed under Exceptional Items for the year ended March 31, 2018.

30.3 The Company has investments in subsidiaries/body corporates namely Balaji Motion Pictures Limited (BMPL), ALT Digital Media Entertainment Limited (ALT), Chhayabani Balaji Entertainment Private Limited (CBEPL) and Marinating Films Private Limited (MFPL) aggregating to ₹ 31,419.69 lacs (Previous year ₹ 15,834.47 lacs including investment in Event Media LLP (EMLLP)). Further, the Company has also given loans and advances aggregating to ₹ 886.38 lacs to BMPL (Previous year ₹ 282.53 lacs given to BMPL, ALT and EMLLP). As per the latest audited balance sheet of BMPL and MFPL for the year ended March 31, 2018, the accumulated losses have fully eroded the net-worth of the respective companies. However, no provision for diminution in the value of the investments is considered necessary as the investments are strategic long-term investments and the diminution in the value of investments is temporary in nature. As per the latest audited balance sheet of CBEPL the investment is substantially eroded and in ALT the investment is partially eroded as at March 31, 2018, these investments have been recently made and the diminution in the value is temporary in nature. The company is committed to provide financial support to BMPL, ALT, CBEPL and MFPL for a period of atleast 12 months from the date of signature of these financial statements, in such case if assistance is needed.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

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

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

(₹ in Lacs)

Name of the party	Relationship	Amount outstanding as at March 31, 2018	Maximum balance outstanding during the year
Balaji Motion Pictures Limited	100% Subsidiary	886.38	996.11
		(194.40)	(194.40)
Event Media LLP	Subsidiary Body Corporate	-	138.48
		(88.05)	(102.51)
ALT Digital Media Entertainment Limited	100% Subsidiary	-	8.57
		(0.08)	(56.58)

Note: Figures in Brackets denote last year's figures

30.5 Related Party Transactions

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Balaji Motion Pictures Limited	Subsidiary Company
Marinating Films Private Limited	Subsidiary Company
Alt Digital Media Entertainment Limited	Subsidiary Company
Chhayabani Balaji Entertainment Private Limited	Subsidiary Company
Event Media LLP	Subsidiary Body Corporate (upto January 15, 2018)
IPB Capital Advisors LLP	Associate
Indus Balaji Education Capital Advisors LLP	Associate
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. Anshuman Thakur	Key management person
Mr. Arun K. Purwar	Key management person
Mr. D G Rajan	Key management person
Mr. Ashutosh Khanna	Key management person
Mr. Devender Kumar Vasal	Key management person
Mr. V B Dalal	Key management person
Mr. Pradeep Sarda	Key management person
Mr. Jyotindra Thacker	Key management person
Mr. Sameer Nair	Key management person (upto July 15, 2017)

Notes forming part of the Financial Statements

for the year ended March 31, 2018

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

Nature of Transactions	Subsidiary Company	Key Management Person	Subsidiary Body Corporate
Loans given			
Balaji Motion Pictures Limited	883.03	-	-
	(183.10)	(-)	(-)
Event Media LLP	-	-	-
	(-)	(-)	(6.96)
Alt Digital Media Entertainment Limited	-	-	-
	(17.24)	(-)	(-)
Loans Recovered / Adjusted			
Balaji Motion Pictures Limited	215.98	-	-
	(-)	(-)	(-)
Event Media LLP	-	-	-
	(-)	(-)	(15.00)
Alt Digital Media Entertainment Limited	-	-	-
	(56.58)	(-)	(-)
Loans including Interest and Investment written off			
Event Media LLP	-	-	80.83
	(-)	(-)	(16.54)
Share Application Money paid			
Marinating Films Private Limited	-	-	-
	(100.00)	(-)	(-)
Sale of Contents			
Alt Digital Media Entertainment Limited	2,774.12	-	-
	(183.38)	(-)	(-)
Reimbursement of Expenses			
Alt Digital Media Entertainment Limited	166.98	-	-
	(-)	(-)	(-)
Sale of Films Digital Rights			
Alt Digital Media Entertainment Limited	76.00	-	-
	(-)	(-)	(-)
Interest Income on Loan Given			
Balaji Motion Pictures Limited	24.40	-	-
	(11.30)	(-)	(-)
Event Media LLP	-	-	-
	(-)	(-)	(9.58)
Alt Digital Media Entertainment Limited	-	-	-
	(0.15)	(-)	(-)
Rent Income			
Balaji Motion Pictures Limited	1.50	-	-
	(-)	(-)	(-)
Directors sitting fees			
Mr. Jeetendra Kapoor	-	6.25	-
	(-)	(5.00)	(-)
Mr. Tusshar Kapoor	-	3.00	-
	(-)	(5.00)	(-)
Mr. Anshuman Thakur	-	2.00	-
	(-)	(-)	(-)
Mr. Arun K. Purwar	-	7.00	-
	(-)	(6.00)	(-)
Mr. Ashutosh Khanna	-	7.00	-
	(-)	(4.00)	(-)
Mr. D.G. Rajan	-	5.50	-
	(-)	(6.00)	(-)

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Nature of Transactions	Subsidiary Company	Key Management Person	Subsidiary Body Corporate
Mr. Devender Kumar Vasal	-	7.50	-
	(-)	(6.00)	(-)
Mr. Jyotindra Thacker	-	2.00	-
	(-)	(-)	(-)
Mr. Pradeep Sarda	-	3.25	-
	(-)	(1.00)	(-)
Mr. V.B. Dalal	-	7.50	-
	(-)	(6.00)	(-)
Rent paid			
Mr. Jeetendra Kapoor	-	50.16	-
	(-)	(49.41)	(-)
Mrs. Shobha Kapoor	-	1,416.70	-
	(-)	(1,474.23)	(-)
Mr. Tusshar Kapoor	-	13.13	-
	(-)	(13.13)	(-)
Ms.Ekta Kapoor	-	215.61	-
	(-)	(214.86)	(-)
Remuneration (Refer note (iii) below)			
Mrs. Shobha Kapoor	-	239.73	-
	(-)	(200.43)	(-)
Ms Ekta Kapoor	-	239.73	-
	(-)	(209.86)	(-)
Mr. Sameer Nair	-	263.92	-
	(-)	(435.70)	(-)
Investment made			
Marinating Films Private Limited	100.00	-	-
	(-)	(-)	(-)
Chhayabani Balaji Entertainment Private Limited	25.00	-	-
	(-)	(-)	(-)
Alt Digital Media Entertainment Limited	15,000.00	-	-
	(-)	(-)	(-)
Amount receivable as at Mar 31, 2018			
Mrs. Shobha Kapoor *	-	340.00	-
	(-)	(340.00)	(-)
Mr. Jeetendra Kapoor *	-	300.00	-
	(-)	(300.00)	(-)
Mr. Tusshar Kapoor *	-	100.00	-
	(-)	(100.00)	(-)
Ms. Ekta Kapoor *	-	100.00	-
	(-)	(100.00)	(-)
Balaji Motion Pictures Limited	996.64	-	-
	(194.40)	(-)	(-)
Event Media LLP	-	-	-
	(-)	(-)	(88.05)
Alt Digital Media Entertainment Limited	55.23	-	-
	(0.08)	(-)	(-)
Advance received			
Alt Digital Media Entertainment Limited	210.60	-	-
	(136.70)	(-)	(-)

* - Deposit for leased property

Notes forming part of the Financial Statements

for the year ended March 31, 2018

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.

(iii) The company provides long term benefits in the form of gratuity to its key managerial person along with all employees, cost of the same is not identifiable seperately and hence not disclosed.

30.6 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹ 88.19 lacs (Previous Year ₹ 81.21 lacs)

b) Defined Benefit Plans

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at March 31, 2018	Valuation as at March 31, 2017
Discount rate(s)	7.80%	7.34%/7.66%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of employee turnover	10.00%	2.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Defined benefit plans – as per actuarial valuation on March 31, 2018

(₹ in Lacs)

Particulars	Funded Plan Gratuity March 31, 2018	Funded Plan Gratuity March 31, 2017
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the year	5.37	22.83
Return on Plan Assets, Excluding Interest Income	0.33	(10.61)
Change in asset ceiling	-	-
Net Expense for the period recognised in Other Comprehensive Income (OCI)	**5.70**	**12.22**
Expenses recognised in the Statement of Profit or Loss for the current year		
Current Service Cost	9.44	10.10
Past Service Cost	8.70	-
Net interest cost	(2.25)	(3.43)
Plan asset written off	14.73	-
Expenses Recognized	**30.62**	**6.67**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Particulars	Funded Plan Gratuity March 31, 2018	Funded Plan Gratuity March 31, 2017
I. Net Asset/(Liability) recognised in the Balance Sheet		
Present value of defined benefit obligation at the end of the year	(95.83)	(71.04)
Fair value of plan assets at the end of the year	107.95	101.66
Surplus/(Deficit)	12.14	30.62
Net (liability)/ Asset recognized in the Balance sheet	**-**	**30.62**
II. Change in the obligation during the year ended		
Present value of defined benefit obligation at the beginning of the year	71.04	36.57
- Balance transferred from transferor companies	-	5.53
Total present value of defined benefit obligation at the beginning of the year	71.04	42.10
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	9.44	10.10
- Past Service Cost	8.70	-
- Interest Cost	5.22	3.43
(Benefit paid from the Fund)	(3.94)	(7.37)
Actuarial (Gains)/ Losses on Obligations - Due to change in demographic assumptions	9.31	-
Actuarial (Gains)/ Losses on Obligations - Due to change in financial assumptions	(2.42)	5.46
Actuarial (Gains)/ Losses on Obligations- Due to experience	(1.52)	17.32
Present value of defined benefit obligation at the end of the year	**95.83**	**71.04**
III. Change in fair value of assets during the year ended 31st March		
Fair value of plan assets at the beginning of the year	101.66	67.79
- Balance transferred from transferor companies	-	16.83
Total Fair value of plan assets at the beginning of the year	101.66	84.62
Interest Income	7.47	6.80
Contributions by the employer	3.09	7.00
(Benefit paid from the Fund)	(3.94)	(7.37)
Return on Plan Assets, excluding Interest Income	(0.33)	10.61
Fair value of plan assets at the end of the year	**107.95**	**101.66**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Projected Benefit Obligation on Current Assumptions	95.81	71.04
Delta Effect of +1% Change in Rate of Discounting	(5.20)	(7.65)
Delta Effect of -1% Change in Rate of Discounting	5.82	9.08
Delta Effect of +1% Change in Rate of Salary Increase	5.55	7.67
Delta Effect of -1% Change in Rate of Salary Increase	(5.10)	(6.54)
Delta Effect of +1% Change in Rate of Employee Turnover	0.80	2.06
Delta Effect of -1% Change in Rate of Employee Turnover	(0.91)	(2.37)

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.
The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

Maturity profile of defined benefit obligation:

(₹ in Lacs)

Projected Benefits Payable in future years from Date of Reporting	For the year ended March 31, 2018	For the year ended March 31, 2017
1st Following year	12.84	3.80
2nd Following year	9.76	2.01
3rd Following year	9.45	2.28
4th Following year	9.93	2.38
5th Following year	9.55	2.49
Sum of Years 6 to 10	47.89	31.39
Sum of Years 11 and above	68.64	142.83

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2018 by category are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Asset category:		
Deposits with Insurance companies	107.95	101.66
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Where required by Ind AS 24 an entity discloses information about: (a) related party transactions with post-employment benefit plans; and (b) post-employment benefits for key management personnel.

Note: Where required by Ind AS 37 an entity discloses information about contingent liabilities arising from post employment benefit obligations.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

30.7 Earning per share

Basic and Diluted earnings per share is calculation is as below:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year attributable to equity share holders (₹ in Lacs) (a)	1,630.10	2,938.42
Weighted average number of equity shares outstanding during the year (Nos.) (b)	91,257,566	75,930,443
Earnings per share - Basic and diluted (₹) (a/b)	1.79	3.87
Nominal value of shares (₹)	2	2

30.8 Lease Transactions

Amount of lease rentals charged to the Statement of profit and loss in respect of operating leases is ₹ 1,768.50 Lacs (Previous Year ₹1,782.06 Lacs)

30.9 Segment Information

The company has presented data relating to it's segments in it's Consolidated Financial Statements. Accordingly, in term of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosure related to it's segments are presented in the Standalone Financial Statements.

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

Name of the LLP	Names of partners in the LLP	As at March 31, 2018		As at March 31, 2017	
		Total capital ₹ in Lacs	Share of each partner in the profits of the LLP	Total capital ₹ in Lacs	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.500	50.00%	0.500	50.00%
	IP Capital Advisors LLP	0.490	49.00%	0.490	49.00%
	IPM Capital Advisors LLP	0.010	1.00%	0.010	1.00%
		1.000	**100%**	**1.000**	**100.00%**
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.375	18.75%	0.375	18.75%
	IP Capital Advisors LLP	0.375	18.75%	0.375	18.75%
	IPX Capital Advisors LLP	0.250	12.50%	0.250	12.50%
	Mohit Ralhan	0.500	25.00%	0.500	25.00%
	IPM Capital Advisors LLP	0.500	25.00%	0.500	25.00%
		2.000	**100.00%**	**2.000**	**100.00%**
Event Medial LLP	Balaji Telefilms Limited*	-	-	0.510	51.00%
	Select Media Holdings LLP	0.490	49.00%	0.490	49.00%
		0.490	**-**	**1.000**	**100.00%**

* During the year the company has exited the partnership.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

30.11 The company is in arbitration/ litigation in respect of certain advances recoverable from vendors out standing as at March 31, 2018. On the basis of the evaluation carried out by the company, in consultation with the lawyers, the amounts are considered recoverable.

30.12 The composite Scheme of Arrangement and Amalgamation (the 'Scheme') between the Company and two of its subsidiaries viz. Balaji Motion Pictures Limited ('BMPL') and Bolt Media Limited ('Bolt'), for the merger of Bolt and the film production undertaking of BMPL with the Company and the consequent capital reduction in the books of BMPL has been approved by the National Company Law Tribunal (Mumbai bench) ('NCLT') and subsequently filed with the Registrar of Companies, Securities and Exchange Board of India and Stock Exchanges by December 15, 2017 (the 'Effective date'). Pursuant to the Scheme becoming effective, the same has been accounted for in accordance with 'Pooling of Interest' method specified in Appendix C of Ind-AS 103 Business Combinations.

Details of assets and liabilities acquired are as under :

(₹ in Lacs)

Particulars	BMPL	BOLT	Total
Assets taken over:			
Property, plant and equipment	336.28	2.27	338.55
Non Current Financial assets	201.00	-	201.00
Current tax assets (net)	854.71	63.15	917.86
Other Non current assets	3,909.22	-	3,909.22
Inventories	10,516.07	-	10,516.07
Current Financial Assets :			
(i) Trade receivables	41.76	35.12	76.88
(ii) Cash and cash equivalents	59.56	26.85	86.41
(iii) Other financial assets	226.96	-	226.96
Other Current Assets	2,715.53	3.56	2,719.09
Total (A)	**18,861.09**	**130.95**	**18,992.04**
Liabilities taken over:			
Financial liabilities :			
(i) Borrowings	21,840.97	232.14	22,073.11
(ii) Trade payables	254.27	14.52	268.79
(iii) Other financial liabilities	980.09	58.60	1,038.69
Other Current Liabilities	544.80	-	544.80
Total (B)	**23,620.13**	**305.26**	**23,925.39**
Losses taken over (C)	**7,511.96**	**179.31**	**7,691.27**
Investment cancellation (D)	**2,800.00**	**5.00**	**2,805.00**
Capital Reserve	(47.08)	-	(47.08)

30.13 Disclosure on Specified Bank Notes (SBNs)

(a) Disclosure as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

(₹ in Lacs)

Particulars	Specified bank notes (SBNs)*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**48.86**	**0.40**	**49.26**
Add: Permitted receipts	29.57	0.87	30.44
Less: Permitted payments	48.86	0.39	49.25
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	**29.57**	**0.88**	**30.45**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member
S.O. 3407(E), dated the November 8, 2016.

(b) The reporting or disclosure related to SBNs is not applicable to the Company for the year ended March 31, 2018

30.14 The Company has adopted the employee stock option plan by the name of Balaji Telefilms ESOP, 2017. The members of the company have approved the scheme by passing Special Resolution by way of Postal Ballot on December 30, 2017. The Nomination and Remuneration Committee made note of the approved scheme and recommended the same to the Board for signing at its meeting held on February 13, 2018. The scheme has received In principal-approval from BSE and NSE on April 13, 2018 and April 26, 2018 respectively.

30.15 Fair Value Measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

(a) Financial instrument by category.

(₹ in Lacs)

Financial Assets	**March 31, 2018**			**March 31, 2017**		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Non-current financial assets						
Investment	4,278.25	-	-	4,562.39	-	-
Loans	-	-	894.30	-	-	801.19
Other financial assets	-	-	371.65	-	-	423.63
Current financial assets						
Investment	34,190.36	-	-	5,141.01	-	-
Trade receivables	-	-	8,298.44	-	-	9,971.25
Cash and cash equivalents	-	-	1,039.58	-	-	1,053.98
Loans	-	-	910.38	-	-	306.65
Other financial assets	-	-	1,216.04	-	-	1,231.10
Total Financial Assets	**38,468.61**	**-**	**12,730.39**	**9,703.40**	**-**	**13,787.80**
Financial Liabilities						
Trade payables	-	-	4,268.43	-	-	6,704.23
Other financial liabilities	-	-	365.85	-	-	982.83
Total Financial Liabilities	**-**	**-**	**4,634.28**	**-**	**-**	**7,687.06**

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed the accounting standard. An explanation of each level follows underneath the table.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial instrument at FVPL				
Investment in unquoted preference shares	-	-	1,112.20	1,112.20
Investment in trusts	-	-	3,166.05	3,166.05
Mutual Fund	-	34,190.36	-	34,190.36
Total Financial Assets	**-**	**34,190.36**	**4,278.25**	**38,468.61**

(₹ in Lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Loans	-	-	894.30	894.30
Other financial assets	-	-	371.65	371.65
Total Financial Assets	**-**	**-**	**1,265.95**	**1,265.95**

(₹ in Lacs)

Financial assets and liabilities measured at fair value recurring fair value measurement March 31, 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial instrument at FVPL				
Investment in unquoted preference shares	-	-	526.46	526.46
Investment in trusts	-	-	4,035.93	4,035.93
Mutual Fund	-	5,141.01	-	5,141.01
Total Financial Assets	**-**	**5,141.01**	**4,562.39**	**9,703.40**

(₹ in Lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Loans	-	-	801.19	801.19
Other financial assets	-	-	423.63	423.63
Total Financial Assets	**-**	**-**	**1,224.82**	**1,224.82**

The carrying value of trade receivables, cash and cash equivalents, loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Level-1 Hierarchy includes financial instruments measured using quoted price.

Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

(ii) Valuation technique used to determine fair value
Specific valuation technique used to value financial instruments include:
1) The mutual funds are valued using closing NAV available in the market.
2) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Investment in unquoted preference shares	Investment in units of trusts
As at April 1, 2016	**526.46**	**4,035.93**
Changes during the year	-	-
As at March 31, 2017	**526.46**	**4,035.93**
Acquisitions	125.00	-
Sales	-	(471.17)
Gains/(Losses) recognised in profit or loss	460.73	(398.70)
As at March 31, 2018	**1,112.19**	**3,166.06**

(iv) Valuation input and sensitivity assessment

Expected growth rate is the significant unobservable input which has been used in the level 3 fair valuation mesurements. The sensitivity to changes in the expected growth rate to the valuation as at March 31, 2018 is as follows:

- Investment in Indus Balaji Investor Trust (growth rate considered - 5%): Increasing/Decreasing the expected growth rate by 1% would change the fair value by ₹ 285.94 lacs and (₹ 226.06) lacs respectively.
- Investment in preference shares of Marinating Films Private Limited (growth rate considered - 5%): Increasing/Decreasing the expected growth rate by 1% would change the fair value by ₹ 29.01 lacs and (₹ 27.99) lacs respectively.

- Investment in preference shares of Chhayabani Balaji Entertainment Private limited (growth rate considered - 5%):
Increasing/Decreasing the expected growth rate by 1% would change the fair value by ₹ 4.80 lacs and (₹ 4.20) lacs respectively.

(v) Valuation process

The valuation of financial assets required for financial reporting purposes is done by an independent valuer appointed by the management. Assumptions used for the valuation are provided by the finance department of the Company after discussion with the chief financial officer (CFO) and business unit heads.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

30.16 Financial Risk Management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(A) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

(i) Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings and hence the risk is reduced. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the company only invests with high rated banks/institutions. The Company's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in note 30.15.

Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by it as at March 31, 2018 and March 31, 2017. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity grouping based on their contractual maturities.

(₹ in Lacs)

Contractual maturities of financial liabilities	6 months or less	6 months -1 years	More than 1 year	Total
March 31, 2018				
Trade payables	4,268.43	-	-	4,268.43
Other Financial Liabilities	365.85	-	-	365.85
Total financial liabilities	**4,634.28**	**-**	**-**	**4,634.28**

(₹ in Lacs)

Contractual maturities of financial liabilities	6 months or less	6 months -1 years	More than 1 year	Total
March 31, 2017				
Trade payables	6,704.23	-	-	6,704.23
Other Financial Liabilities	982.83	-	-	982.83
Total financial liabilities	**7,687.06**	**-**	**-**	**7,687.06**

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Foreign currency risk exposure:

The Company does not have any exposure to foreign currency risk as at March 31, 2018 (Previous year ₹ Nil).

(b) Interest rate risk

The Company does not have any borrowings and is thus not exposed to interest rate risk as at March 31, 2018 (Previous year ₹ Nil).

(c) Price risk

(i) Exposure

The company's exposure to investments arises from investment held by the company in mutual funds and classified in the balance sheet as fair value through profit or loss.

To manage its price risk arising from investments in mutual funds, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company. Preference investments in subsidiaries are held for strategic purpose and are not trading in nature.

(ii) Sensitivity

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Net asset value - Increase 5% (March 31, 2017 5%)*	1,112.14	168.09
Net asset value - Decrease 2% (March 31, 2017 2%)*	(444.86)	(67.24)

*Profit after tax for the year would increase/ decrease as a result of gains/ losses on investments classified at fair value through profit or loss.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

30.17 Capital Management

The company considers the following components of its Balance Sheet to be managed capital:
Total equity as shown in the balance sheet including reserves, retained earnigs and share capital.

The company aim is to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.
The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

30.18 Dividends

(₹ in Lacs)

Particulars	March 31, 2018	March 31, 2017
Equity Shares		
(i) Final Dividend paid During the financial year 2017-18 of ₹ 0.40 per fully paid share pertaining to dividends proposed for the year ended March 31, 2017.	486.87	-
(ii) Dividend not recognised at the end of the reporting period In addition to the above dividends, since the year end, the Company has proposed dividend of ₹ 0.40 per fully paid share for the financial year 2017-18 (₹ 0.40 per fully paid share for the financial year 2016-17)	487.67	486.87

30.19 Recent accounting pronouncements - Standards issued but not yet effective :

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the new revenue standard (Ind AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.
The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

- the estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. for example, when A fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Simmi Singh Bisht
(Group Head Secretarial)
Place : Mumbai
Date : May 19, 2018

Sanjay Dwivedi
(Group CFO)

Independent Auditors' Report

To the Members of Balaji Telefilms Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Balaji Telefilms Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and associates; (refer Note 35.3 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

Independent Auditors' Report

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

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associates as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. The consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 0.05 lacs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of two associates whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these associates and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to these associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Management.

9. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 23, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and associates incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with

Independent Auditors' Report

the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and associates incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its associates – Refer Note 35.1 to the consolidated Ind AS financial statements.

ii. The Group and its associates had long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associates incorporated in India during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Balaji Telefilms Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of Balaji Telefilms Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two associates incorporated in India namely IPB Capital Advisors LLP and Indus Balaji Education Capital Advisors LLP, as they are Limited Liability Partnership Firms.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Annexure A
to Independent Auditors' Report

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

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Consolidated Balance Sheet

As at March 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	3,233.87	3,473.56
(b) Capital work-in-progress	4	226.79	1,061.23
(c) Goodwill on consolidation	5	146.91	146.91
(d) Other intangible assets	5	795.04	10.30
(e) Financial assets			
(i) Investments	6	3,166.88	4,037.43
(ii) Loans	7	913.10	866.63
(iii) Other financial assets	8(i)	371.66	323.63
(f) Deferred tax assets (net)	9	1,963.69	912.17
(g) Current tax assets (net)	10	2,280.71	2,664.88
(h)Other non-current assets	11	5,773.76	3,799.73
Total non-current assets		**18,872.41**	**17,296.47**
Current assets			
(a) Inventories	12	12,780.47	9,830.97
(b) Financial assets			
(i) Investments	13	44,206.15	15,720.65
(ii) Trade receivables	14	9,346.90	9,760.74
(iii) Cash and cash equivalents	15	2,196.14	1,592.03
(iv) Other balances with banks	16	0.58	0.58
(v) Loans	17	398.72	24.50
(vi) Other financial assets	8(ii)	1,113.06	680.51
(c) Other current assets	18	6,000.37	8,619.06
Total current assets		**76,042.39**	**46,229.04**
Total Assets		**94,914.80**	**63,525.51**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	19	2,022.61	1,518.61
(b) Other equity			
- Equity component of compound financial instrument		66.45	43.62
- Reserves & surplus	20	83,263.59	49,159.38
Equity attributable to owners of the Company		**85,352.65**	**50,721.61**
Non-controlling interests		(392.81)	(310.62)
Total equity		**84,959.84**	**50,410.99**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8.33	6.38
(b) Provisions	22	17.92	-
(c) Deferred tax liabilities (net)	9	-	721.34
Total non-current liabilities		**26.25**	**727.72**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	23	7,438.67	7,190.48
(ii) Other financial liabilities	24	381.44	982.99
(b) Other current liabilities	25	1,454.38	2,997.86
(c) Current tax liabilities (net)	26	654.22	1,215.47
Total current liabilities		**9,928.71**	**12,386.80**
Total Equity and Liabilities		**94,914.80**	**63,525.51**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes
This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Simmi Singh Bisht
(Group Head Secretarial)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

	Particulars	Note No.	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
(I)	Revenue from operations	27	41,331.79	41,867.05
(II)	Other Income	28	1,902.65	2,027.31
(III)	**Total income (I+II)**		**43,234.44**	**43,894.36**
(IV)	**Expenses**			
	(a) Cost of production / Acquisition and Telecast fees	29	30,145.98	30,847.09
	(b) Changes in inventories	29	2,227.72	2,725.53
	(c) Marketing and distribution expenses		5,518.89	3,643.38
	(d) Employee benefits expense	30	3,114.49	2,834.32
	(e) Finance costs	31	5.00	3.62
	(f) Depreciation and amortization expense	32	1,770.62	1,254.02
	(g) Other expenses	33	5,503.02	3,874.20
(V)	**Total expenses**		**48,285.72**	**45,182.16**
(VI)	**(Loss) before share of net (loss)/profit of associates, exceptional items and tax (III-V)**		**(5,051.28)**	**(1,287.80)**
(VII)	Add: Share of net (loss)/profit of associates		(0.05)	0.62
(VIII)	**(Loss) before exceptional items and tax (VI+VII)**		**(5,051.33)**	**(1,287.18)**
(IX)	Less: Exceptional Items	35.2	905.07	-
(X)	**(Loss) before Tax (VIII-IX)**		**(5,956.40)**	**(1,287.18)**
(XI)	**Tax expense:**	34		
	(a) Current tax		1,309.38	1,677.63
	(b) Deferred tax		(1,771.77)	47.80
	(c) (Excess) provision for tax in respect of earlier years		(860.69)	(39.09)
	Total tax expense		**(1,323.08)**	**1,686.34**
(XII)	**(Loss) for the year (X-XI)**		**(4,633.32)**	**(2,973.52)**
(XIII)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities / (asset)		(12.46)	(14.65)
	Income tax relating to items that will not be reclassified to profit or loss		1.97	4.35
	Total other comprehensive income for the year		**(10.49)**	**(10.30)**
(XIV)	**Total comprehensive income for the year (XII+XIII)**		**(4,643.81)**	**(2,983.82)**
(XV)	**(Loss) for the year attributable to :**			
	- Owners of the Company		(4,515.26)	(2,814.91)
	- Non-controlling interest		(118.06)	(158.61)
(XVI)	**Other Comprehensive Income for the year attributable to :**			
	- Owners of the Company		(10.49)	(10.30)
	- Non-controlling interest		-	-
(XVII)	**Total comprehensive income for year attributable to :**			
	- Owners of the Company		(4,525.76)	(2,825.21)
	- Non-controlling interest		(118.06)	(158.61)
(XVIII)	**Basic and diluted earnings per share attributable to owners of the Company (in ₹)** (Face value of ₹ 2 each)	35.6	**(4.95)**	**(3.71)**

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes
This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Directot)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Simmi Singh Bisht
(Group Head Secretarial)

Consolidated Statement of Cash Flow

for the year ended March 31, 2018

	Particulars	For the year ended March 31, 2018 ₹ in Lacs		For the year ended March 31, 2017 ₹ in Lacs	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net (Loss) before tax		**(5,956.40)**		**(1,287.18)**
	Adjustments for:				
	Depreciation and amortisation	1,770.62		1,254.02	
	Finance cost	5.00		3.62	
	Advances written off	199.52		-	
	Provision for doubtful debts (net)	122.11		119.89	
	Loss on sale of fixed assets	26.63		-	
	Profit on sale of current investments (non-trade) (net)	(1,380.73)		(891.19)	
	Exceptional items considered in income-tax	905.07		-	
	Amortisation of content	2,964.44		-	
	Discontinued shows written off	29.04		-	
	Advances written back	(67.29)		-	
	Loss on fair valuation of current investments (net of tax)	57.50		-	
	Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)	10.49		10.30	
	Amortisation of prepaid rent element of rental security deposit	78.54		78.28	
	Unwinding of discount on security deposit	(78.68)		(70.86)	
	Gratuity asset written off	30.62		-	
	Profit on fair valuation of Investments (net of tax)	(259.67)		(576.46)	
	Service Tax CENVAT credit write-off	153.57		-	
	Credit written back	-		(248.56)	
	Interest income on fixed deposits	(16.76)		(10.89)	
	Interest income on income-tax refund	(41.61)		(132.62)	
	Share of net (loss)/profit of associates	0.05		(0.62)	
	Loss before working capital changes		**(1,447.94)**		**(1,752.27)**
	Adjustments for:				
	Decrease / (Increase) in trade receivable	291.74		(1,748.81)	
	(Increase) / Decrease in inventories	(5,942.98)		2,100.01	
	Increase in trade payables	315.48		1,670.80	
	(Increase) / Decrease in other financials assets	(432.55)		443.95	
	Decrease / (Increase) in other current assets	2,355.95		(3,407.13)	
	Increase / (Decrease) in provisions	17.92		(3.70)	
	(Increase) in non-current loan	(46.47)		-	
	(Increase) in current loan	(295.54)		(609.65)	
	(Increase) / Decrease in non-current financial assets	(31.28)		633.33	
	(Increase) / Decrease in other non-current assets	(1,974.03)		109.48	
	Increase in other financial liabilities	15.59		8.85	
	(Decrease) / Increase in other current liabilities	(1,543.49)		1,704.43	
	Cash from operations		**(7,269.66)**		**901.56**
	Income-tax (paid)		(1,658.82)		(425.00)
	Net cash flow (used in) operating activities (A)		**(10,376.42)**		**(1,275.71)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payments for property, plant and equipment	(1,161.34)		(2,331.61)	
	Payments for intangible assets	(370.22)		(11.89)	
	Proceeds from sale of property, plant and equipment	39.30		-	
	Payments for purchase of current investments	(87,979.99)		(10,720.92)	

Consolidated Statement of Cash Flow

for the year ended March 31, 2018

Particulars		For the year ended March 31, 2018		For the year ended March 31, 2017	
		₹ in Lacs		₹ in Lacs	
	Proceeds from sale of current investments	61,445.33		14,203.62	
	Proceeds from sale of non current investments	497.24		-	
	Bank Balance not considered as cash and cash equivalents	(0.34)		41.60	
	Net Cash (used in) / from investing activities (B)		**(27,530.02)**		**1,180.80**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity share capital	41,328.00		-	
	Share issue costs	(1,738.59)		-	
	Isssue of preference share	25.00		-	
	Dividend paid to company's shareholders (including DDT)	(486.87)		-	
	Net cash flow from financing activities (C)		**39,127.54**		**-**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,221.10**		**(94.91)**
	Cash and cash equivalents at the beginning of the year		609.10		704.01
	Cash and cash equivalents at the end of the year		**1,830.20**		**609.10**
(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 15).					
		₹ in Lacs		₹ in Lacs	
(ii) Cash and cash equivalents above comprises of					
	- Cash and cash equivalent as per note 15 (excluding balance in unpaid dividend account)		2,191.54		1,587.77
	- Temporarily overdrawn book balances as per note 24		(361.34)		(978.67)
	Cash and cash equivalents at the end of the year		**1,830.20**		**609.10**

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes

This is the Consolidated Statement of Cash Flow referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Simmi Singh Bisht
(Group Head Secretarial)

Consolidated Statement of changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	(₹ in Lacs)
As at April 1, 2016	**1,518.61**
Changes in equity share capital during the year	-
As at March 31, 2017	**1,518.61**
As at April 1, 2017	**1,518.61**
Changes in equity share capital during the year	504.00
As at March 31, 2018	**2,022.61**

B. Other Equity

(₹ in Lacs)

Particulars	Attributable to owners of Balaji Telefilms Limited					Non-controlling interest	Total
	Equity component of compound financial instrument	Reserves and surplus			Total other equity		
		General Reserve	Securities Premium	Retained earnings			
Balance as at April 1, 2016	**43.62**	**5,133.10**	**29,579.21**	**17,272.28**	**52,028.21**	**(152.01)**	**51,876.20**
Loss for the year	-	-	-	(2,814.91)	(2,814.91)	(158.61)	(2,973.52)
Other comprehensive income for the year	-	-	-	(10.30)	(10.30)	-	(10.30)
Total comprehensive income for the year	**-**	**-**	**-**	**(2,825.21)**	**(2,825.21)**	**(158.61)**	**(2,983.82)**
As at March 31, 2017	**43.62**	**5,133.10**	**29,579.21**	**14,447.07**	**49,203.00**	**(310.62)**	**48,892.38**
Balance as at April 1, 2017	**43.62**	**5,133.10**	**29,579.21**	**14,447.07**	**49,203.00**	**(310.62)**	**48,892.38**
Loss for the year	-	-	-	(4,515.26)	(4,515.26)	(118.06)	(4,633.32)
Other comprehensive income for the year	-	-	-	(10.49)	(10.49)	-	(10.49)
Total comprehensive income for the year	**-**	**-**	**-**	**(4,525.75)**	**(4,525.75)**	**(118.06)**	**(4,643.81)**
On issue of equity shares	-	-	40,824.00	-	40,824.00	-	40,824.00
Issue of zero dividend reedemable optionally convertible preference shares	22.83	-	-	-	22.83	-	22.83
Share issue expenses	-	-	(1,653.87)	(53.30)	(1,707.17)	-	(1,707.17)
Payment of dividends	-	-	-	(404.52)	(404.52)	-	(404.52)
Dividend distribution tax	-	-	-	(82.35)	(82.35)	-	(82.35)
Non-controlling interest on disposal of subsidiary (Refer Note 35.10)	-	-	-	-	-	35.87	35.87
As at March 31, 2018	**66.45**	**5,133.10**	**68,749.34**	**9,381.15**	**83,330.04**	**(392.81)**	**82,937.23**

The above Consolidated Statement of changes in Equity should be read in conjunction with the accompanying notes
This is the Consolidated Statement of changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Simmi Singh Bisht
(Group Head Secretarial)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 1 : Background

Balaji Telefilms Limited (the 'Company') and its subsidiaries/associates (the 'Group') has established themselves in the business of television content in India particularly for Hindi language content, the Group has also successfully ventured in the regional television and digital content market, event business and production of films. The Company was incorporated on November 10, 1994 under the Companies Act, 1956. Balaji Telefilms Limited along with its subsidiaries is hereafter referred to as group. The registered office and principal place of business is at Andheri (West), Mumbai.

Note 2 : Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Consolidated Financial Statements.

(a) Basis of preparation

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the group's normal operating cycle and other criterias set out in the Schedule III to the Companies Act, 2013.

Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained it's operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

<u>Historical cost convention</u>
The consolidated financial statements have been prepared on a historical cost basis, except for the following:

(I) certain financial assets and liabilities that are measured at fair value;

(II) defined benefit plans - plan assets measured at fair value.

<u>Amended standard adopted by the group</u>
The amendment to Ind AS7 requires disclosure of changes in liabilities arising from financing activities, see Note 21.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. During the year the Company has exited from Event Media LLP & hence the same has not been consolidated in March 31, 2018 consolidated financial statements.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

(iii) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interests in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Group consists of the managing director, chief executive officer and chief financial officer which assesses the financial performance and position of the Group, and makes strategic decisions. Refer note 35.9 for segment information presented.

(d) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian rupee (₹), which is group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(e) Revenue Recognition

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria has been met for each of the group's activities.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any discounts and any taxes collected on behalf of the government which are levied on sales such as Service Tax, Sales tax, Value Added Tax and Goods and Service Tax (GST), etc.

(i) Revenue from commissioned television programme, licensing fees and free commercial time is recognised when relevant episodes of programmes (television serials/event) are telecast by the broadcaster (customer).

(ii) Revenue from web series is recognized on delivery of relevant content to the producers (customer).

(iii) Revenue from sale and licensing of movies is recognized in accordance with the licensing agreement as the films are screened and is stated as the Group's share of box office receipts.

Revenue from licensing of content rights are recognized in the period in which the relevant content is delivered to the customers in accordance with the terms of the relevant agreements.

(iv) Subscription revenue is recognized over the subscription period

(v) Revenue from Events is recognized when the relevant event is delivered and technical clearance is received from the broadcasting channels.

(vi) Revenue from franchise fees is recognized on sale of franchise rights.

(vii) Revenue from internet sale is recognized when the customer has the right to showcase the programme on their digital platform as per the terms of the agreement.

Revenue recognized during the year in excess of billings are recorded as unbilled revenue. Billings in excess of revenue are recorded as deferred revenue until the above revenue recognition criteria is met.

(f) Interest and Dividend Income Recognition

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(g) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

at the end of the reporting period in the country where the Group generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred Tax assets are recognized for all deductible temporary differences and unused tax losses only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(h) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of Cash Flow Statement, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Group's cash management.

(j) Inventories

Inventories comprise of Television / Internet Series, Films, and Events and are stated at the lower of cost and net realizable value. Cost is determined on the following basis:

Television : At average cost

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Films / Events : Actual/Unamortized Cost

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

Internet series : Cost comprise of actual cost including all costs incurred to acquire the internet series. Inventory is amortized as per the amortization policy of the Group based on expected pattern of realization of economic benefits.

For original web-series, amortization of content cost begins when the episode is launched (launch date) on the platform of the Group. In first year from the launch date 75% of the cost of each episode is amortised and in second year 25% of the cost is amortised. For web-series which are acquired and film rights, amortization is done on straight line basis over the period of the contract. For any additional cost incurred to acquire an item of inventory after its launch date, accelerated amortization is provided on an episodic basis from the original launch date of the particular episode in the month of the additional cost being incurred. Dubbing and Subtitling costs are charged to the Statement of Profit and Loss as and when incurred.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

(k) Trade Receivables

Trade receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(l) Financial Instruments

(i) Financial Assets

Classification :

The Group classifies its financial assets in the following measurement categories :

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Measurement :

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL): Investments in instruments other than covered above are classified as FVTPL, unless the Group has irrevocably elected on initial recognition to present

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for the year ended March 31, 2018

subsequent changes in fair value in other comprehensive income for investments in those instruments.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt instruments are designated as at fair value through profit or loss on initial recognition.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35.17 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of Financial Assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(m) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(n) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 except for the following assets which are depreciated as per management estimates of their useful life which are as under :

Studios and sets – 3 years
Leasehold improvements – on a straight line basis over the period of lease

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(o) Intangible assets :

(i) Recognition and Measurement

Intangible assets are recognized if they are separately identifiable and the group controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit and Loss. Intangible assets acquired are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

(ii) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer Software: 2-3 years

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(p) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit or loss.

(q) Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 – "Provision, contingent liabilities and contingent assets" is made.

(r) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Group operates the following post-employment schemes:
(a) defined benefit plans such as gratuity;
(b) defined contribution plans such as provident fund

Defined benefit plans :

The Group has taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

The liability recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

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'.

Defined contribution plans :
Contributions to Provident Fund and Pension Fund are charged to the Statement of Profit and Loss as incurred. Provident fund contributions are made to a government administered provident fund towards which the Group has no further obligations beyond its monthly contributions.

(s) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lacs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- **Estimated useful life of Tangible/Intangible Assets**
  The Group reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortization expense in future periods.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

- **Estimation of Current Tax Expense and Income Tax Payable / Receivable**
  The calculation of Group's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses.

- **Estimation of Defined Benefit Obligation**
  The Group's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, this liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Estimation of Contingent Liabilities**
  The group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability.

- **Recognition of Deferred Tax Assets**
  The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the group operates.

- **Impairment of Trade Receivables**
  Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

  Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 4 Property, plant and equipment

(₹ in Lacs)

Description of Assets	Buildings - Freehold	Computers	Plant and machinery - Others	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total	Capital work-in-progress
I. Gross Carrying Amount											
Balance as at April 1, 2016	**472.57**	**1,111.10**	**2,554.33**	**6,993.14**	**1,185.81**	**337.01**	**441.39**	**95.49**	**461.57**	**13,652.41**	**228.38**
Additions	-	87.68	6.48	-	246.07	5.06	34.36	-	50.50	430.15	1,901.49
Transfer	-	-	-	1,068.64	-	-	-	-	-	1,068.64	(1,068.64)
Disposals	-	-	-	(2,183.60)	(18.47)	-	-	-	-	(2,202.07)	-
Balance as at March 31, 2017	**472.57**	**1,198.78**	**2,560.81**	**5,878.18**	**1,413.41**	**342.07**	**475.75**	**95.49**	**512.07**	**12,949.13**	**1,061.23**
II. Accumulated Depreciation											
Balance as at April 1, 2016	**(88.90)**	**(1,074.59)**	**(1,852.39)**	**(5,522.46)**	**(706.74)**	**(276.80)**	**(366.31)**	**(58.03)**	**(456.23)**	**(10,402.45)**	**-**
Depreciation expense	(7.90)	(30.86)	(104.22)	(943.03)	(107.95)	(13.61)	(26.82)	(9.37)	(8.67)	(1,252.43)	-
Disposals	-	-	-	2,160.84	18.47	-	-	-	-	2,179.31	-
Balance as at March 31, 2017	**(96.80)**	**(1,105.45)**	**(1,956.61)**	**(4,304.65)**	**(796.22)**	**(290.41)**	**(393.13)**	**(67.40)**	**(464.90)**	**(9,475.57)**	**-**
III. Net Carrying Amount as at March 31, 2017	**375.77**	**93.33**	**604.20**	**1,573.53**	**617.19**	**51.66**	**82.62**	**28.09**	**47.17**	**3,473.56**	**1,061.23**
I. Gross Carrying Amount											
Balance as at April 1, 2017	**472.57**	**1,198.78**	**2,560.81**	**5,878.18**	**1,413.41**	**342.07**	**475.75**	**95.49**	**512.07**	**12,949.13**	**1,061.23**
Additions	-	121.06	1.66	37.97	261.85	0.10	19.66	0.90	0.82	444.02	717.31
Transfer	-	-	-	830.80	-	-	-	-	-	830.80	(1,551.75)
Disposals	-	-	-	-	(385.82)	-	-	-	-	(385.82)	-
Balance as at March 31, 2018	**472.57**	**1,319.84**	**2,562.47**	**6,746.95**	**1,289.44**	**342.17**	**495.41**	**96.39**	**512.89**	**13,838.13**	**226.79**
II. Accumulated Depreciation											
Balance as at April 1, 2017	**(96.80)**	**(1,105.45)**	**(1,956.61)**	**(4,304.65)**	**(796.22)**	**(290.41)**	**(393.13)**	**(67.40)**	**(464.90)**	**(9,475.57)**	**-**
Depreciation expense	(7.90)	(51.39)	(99.11)	(1,092.07)	(125.48)	(12.94)	(31.28)	(9.28)	(19.14)	(1,448.59)	-
Disposals	-	-	-	-	319.90	-	-	-	-	319.90	-
Balance as at March 31, 2018	**(104.70)**	**(1,156.84)**	**(2,055.72)**	**(5,396.72)**	**(601.80)**	**(303.35)**	**(424.41)**	**(76.68)**	**(484.04)**	**(10,604.26)**	**-**
III. Net Carrying Amount as at March 31, 2018	**367.87**	**163.00**	**506.75**	**1,350.23**	**687.64**	**38.82**	**71.00**	**19.71**	**28.85**	**3,233.87**	**226.79**

Notes

a. Building includes ₹ 220.86 lacs (Previous year ₹ 220.86 lacs), being cost of ownership premises in Co-operative Society including cost of shares of face value of ₹ 0.01 lac received under Bye-laws of the Society.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 5 Intangible assets

(₹ in Lacs)

Description of Assets	Other Intangible assets (Computer software)	Goodwill on consolidation
I. Gross Carrying Amount		
Balance as at April 1, 2016	-	146.91
Additions	11.89	-
Disposals	-	-
Balance as at March 31, 2017	**11.89**	**146.91**
II. Accumulated Depreciation		
Balance as at April 1, 2016	**-**	**-**
Amortisation expense	(1.59)	-
Disposals	-	-
Balance as at March 31, 2017	**(1.59)**	**-**
III. Net Carrying Amount as at March 31, 2017	**10.30**	**146.91**

I. Gross Carrying Amount		
Balance as at April 1, 2017	**11.89**	**146.91**
Additions	385.82	-
Transfer from capital work in progress	720.95	-
Disposals	-	-
Balance as at March 31, 2018	**1,118.66**	**146.91**
II. Accumulated Depreciation		
Balance as at April 1, 2017	**(1.59)**	**-**
Amortisation expense	(322.03)	-
Disposals	-	-
Balance as at March 31, 2018	**(323.62)**	**-**
III. Net Carrying Amount as at March 31, 2018	**795.04**	**146.91**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 6 Non-current investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	₹ in Lacs		₹ in Lacs	
(1) Investment in optionally convertible debentures (OCDs) (unquoted) (at fair value through profit or loss)				
(i) Aristo Learning Private Limited (Refer Note below)				
Series A Nil (Previous year 3,000) Debentures of ₹ 100 each	-		3.00	
Series B Nil (Previous year 62,810) Debentures of ₹ 100 each	-		62.81	
	-		65.81	
Less : Provision for diminution in value of investments	-	-	(65.81)	-
(ii) Second School Learning Private Limited (Refer Note below)				
Series A Nil (Previous year 1,000) Debentures of ₹ 100 each	-		1.00	
Series B Nil (Previous year 399,000) Debentures of ₹ 100 each	-		399.00	
	-		400.00	
Less : Provision for diminution in value of investments	-	-	(400.00)	-
(2) Investment in associate (unquoted) (at cost)				
(i) IPB Capital Advisors LLP	0.50		0.50	
Add: Group's share of net (loss)/profit for the year	(0.05)	0.45	0.62	1.12
(ii) Indus Balaji Education Capital Advisors LLP		0.38		0.38
(3) Investment in Indus Balaji Investor Trust (unquoted) (at fair value through profit or loss)				
(i) 2,959,617 (Previous year 3,200,000) Class A units of ₹ 100 each	3,164.82		4,030.93	
(ii) 5,000 (Previous year 5,000) Class B units of ₹100 each	1.23		5.00	
		3,166.05		4,035.93
Aggregate carrying value of unquoted investments		**3,166.88**		**4,037.43**
Aggregate amount of impairment in the value of investments		**-**		**465.81**

Note: During the year, Aristo Learning Private Limited and Second School Learning Private Limited are dissolved and names struck off by the Registrar of Companies

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 7 Loans (Non-current)

Particulars	As at March 31, 2018 ₹ in Lacs		As at March 31, 2017 ₹ in Lacs)	
Unsecured, considered good (Unless otherwise stated)				
(a) Security Deposits				
Considered good (Refer note below)	889.10		866.63	
Considered doubtful	50.92		50.92	
	940.02		917.55	
Less: Provision for doubtful deposits	50.92		50.92	
		889.10		866.63
(b) Loans to professionals staff		24.00		-
Total		**913.10**		**866.63**

Note: Security Deposits include deposits given to three Directors of the company for the properties taken on lease from them.

Note 8 Other financial assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
i) Non-current financial assets		
(Unsecured, considered good)		
Fixed deposits with banks having more than 12 months maturity (Refer Note below)	371.66	323.63
Total	**371.66**	**323.63**
ii) Current financial assets		
(Unsecured, considered good)		
Recoverable from co-producer	-	59.82
Interest accrued on fixed deposits with banks	-	0.51
Unbilled revenue	1,098.64	620.18
Others	14.42	-
Total	**1,113.06**	**680.51**

Note: The above fixed deposits with banks are kept in lien against bank guarantees

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 9 Deferred tax assets/liabilities (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Deferred tax assets		
Depreciation on fixed assets	783.00	602.85
Minimum alternate tax credit	1,188.67	85.49
Carried forward tax losses	816.47	-
Security deposits	27.64	-
Provisions	113.96	223.83
Total deferred tax assets	**2,929.74**	**912.17**
Deferred tax liabilities		
Fair valuation of investments	966.05	712.16
Security deposits	-	9.18
Total deferred tax liabilities	**966.05**	**721.34**
Deferred tax asset (net)	**1,963.69**	**190.83**

Movement in deferred tax balances

Particulars	For the year ended March 31, 2018		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Fair value of investments	712.16	253.89	966.05
Security deposits	9.18	(9.18)	-
	721.34	**244.71**	**966.05**
Tax effect of items constituting deferred tax assets			
Depreciation on fixed assets	602.85	180.15	783.00
Minimum Alternate Tax Credit	85.49	1,103.18	1,188.67
Provisions	223.83	(108.99)	113.96
Security deposit	-	27.64	27.64
Carried forward tax loss	-	816.47	816.47
	912.17	2,018.45	2,929.74
Net Deferred Tax Asset / (Liabilities)	**190.83**	**1,773.74**	**1,963.69**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Particulars	For the year ended March 31, 2017		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Fair value of investments	521.84	190.32	712.16
Security deposits	-	9.18	9.18
	521.84	**199.50**	**721.34**
Tax effect of items constituting deferred tax assets			
Depreciation on fixed assets	451.15	151.70	602.85
Minimum Alternate Tax Credit	85.49	-	85.49
Provisions	223.83	-	223.83
	760.47	151.70	912.17
Net Deferred Tax Asset / (Liabilities)	**238.63**	**(47.80)**	**190.83**

Note 10 Current tax assets (net)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Advance payment of income tax	2,280.71	2,664.88
Total	**2,280.71**	**2,664.88**

Note 11 Other non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Advance to vendors	5,773.40	3,799.73
Prepaid expenses	0.36	-
Total	**5,773.76**	**3,799.73**

Note 12 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Finished		
Television serials	1,519.61	1,709.60
Films	690.24	681.67
Internet series	4,962.03	625.52
Events	114.77	-
Work in process		
Films	3,674.90	5,820.33
Internet series	1,818.92	993.85
Total	**12,780.47**	**9,830.97**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 13 Current investments (unquoted)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Investment in mutual funds (Non trade) (carried at fair value through profit and loss)	44,206.15	15,720.65
Total	**44,206.15**	**15,720.65**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity (units)	Amount (₹ in Lacs)	Quantity (units)	Amount (₹ in Lacs)
IN UNITS OF MUTUAL FUNDS				
Reliance Regular Savings Fund - Debt Plan-Growth Plan	7,204,165.45	1,743.96	2,960,565.86	695.50
HDFC Short Term Plan - Regular Plan - Growth	1,657,247.97	570.66	1,657,247.97	536.78
Birla Sun Life Short Term Fund - Growth - Regular Plan	3,176,433.78	2,110.64	862,729.40	537.24
AXIS Short Term Fund - Growth	4,278,051.33	806.31	9,746,410.27	1,732.93
ICICI Prudential Banking & PSU Debt Fund - Growth	-	-	2,886,052.86	541.39
Birla Sun Life Savings Fund - Growth	-	-	79,242.09	252.51
ICICI Prudential Savings Fund - Growth	223,359.21	581.32	103,463.59	253.02
ICICI Prudential Flexible Income Plan - Growth	-	-	672,101.28	2,092.51
Axis Treasury Advantage Fund - Growth	27,049.82	523.83	11,068.64	201.01
Aditya Birla SL Corporate Bond Fund	15,898,883.10	2,057.41	-	-
Aditya Birla SL Short Term Opportunities Fund-Growth	1,970,963.76	568.73	-	-
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	-	-	456,600.00	63.31
Aditya Birla SL Treasury Optimizer Plan - Growth	691,085.32	1,531.21	-	-
Axis Liquid Fund - Growth	91,261.06	1,752.88	-	-
HDFC Liquid Fund - Regular Plan - Growth	20,770.96	708.41	-	-
HDFC Medium Term Opportunities Fund	5,289,717.85	1,021.49	-	-
HDFC Short Term Opportunities Fund - Growth	8,028,947.03	1,539.53	6,658,985.10	1,197.82
ICICI Prudential Corporate Bond Fund	9,440,367.51	2,551.62	-	-
ICICI Prudential Regular Savings Fund	13,827,599.05	2,568.49	-	-
IDFC Credit Opportunities Fund - Regular Plan Growth	23,781,937.00	2,549.16	-	-
Kotak Corporate Bond Fund - Growth	67,596.10	1,542.87	-	-
Kotak Income Opportunities Fund- Growth	8,077,655.15	1,544.86	-	-
Kotak Low Duration Fund - Growth	50,717.71	1,076.80	-	-
UTI Short Term Income Fund Institutional - Growth Option	2,694,691.46	572.26	2,694,691.46	537.28
Kotak Medium Term Fund - Growth	10,669,322.14	1,539.87	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity (units)	Amount (₹ in Lacs)	Quantity (units)	Amount (₹ in Lacs)
L&T Income Opportunities Fund - Regular Plan- Growth	10,300,252.36	2,050.51	-	-
Reliance Corporate Bond Fund- Growth	18,527,324.78	2,596.25	-	-
Reliance Fixed Horizon Fund - XXXVI - Series 4 Growth Plan	10,073,102.63	1,015.31	-	-
Birla Sunlife-Short Term Opportunities Fund	-	-	1,970,963.76	534.78
Reliance Banking & PSU Debt Fund	13,943,630.55	1,748.14	13,943,630.55	1,643.61
Aditya Birla SL Short Term Fund	1,553,352.56	1,032.15	2,638,117.66	1,642.80
ICICI Prudential Short Term	3,550,741.07	1,285.81	3,550,741.07	1,211.59
Kotak Low Duration Standard-G	10,689.10	226.93	-	-
ICICI Pru Liquid Plan Reg-G	206,838.99	530.00	-	-
HDFC Regular Savings Fund - Regular Plan	4,465,535.00	1,537.66	-	-
Kotak Low Duration Fund Standard	48,778.66	1,035.56	-	-
Aditya Birla SL Savings Fund	302,615.63	1,034.66	356,253.15	1,135.21
HDFC Floating Rate Income Fund - ST Plan - Wholesale Option	1,398,604.38	422.99	-	-
Reliance Medium Term Fund	625,314.21	227.87	-	-
UTI Floating Rate STP	-	-	32,243.13	856.07
Aditya Birla SL Cash Plus	-	-	21,221.68	55.29
Total		**44,206.15**		**15,720.65**

Note 14 Trade receivables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Trade receivables (unsecured)		
Considered good	9,346.90	9,760.74
Considered doubtful	425.23	303.12
	9,772.13	10,063.86
Less: Allowance for doubtful debts	425.23	303.12
Total	**9,346.90**	**9,760.74**

The average credit period on sales is 45 to 75 days. No interest is charged on trade receivables overdue. The group has generally recognised an allowance for doubtful debts at 100% against receivables from whom recoverability is uncertain.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The group has provided ₹ 425.23 (Previous Year ₹ 303.12) lacs towards doubtful receivables as at March 31, 2018.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 15 Cash and cash equivalents

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Cash on hand	27.84	38.13
Balances with banks-		
In current accounts	2,163.70	1,549.64
Unpaid dividend accounts	4.60	4.26
Total	**2,196.14**	**1,592.03**

Note 16 Other balances with banks

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Fixed deposits with original maturity of more than 3 months but less than 12 months (Refer note below)	0.58	0.58
Total	**0.58**	**0.58**

Note : Fixed deposits kept in lien against bank guarantee.

Note 17 Loans (current)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unseured, considered good		
Securiy deposit	374.72	24.50
Loans to professionals staff	24.00	-
Total	**398.72**	**24.50**

Note 18 Other current assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Prepaid expenses	126.12	199.92
Balances with government authorities	4,219.25	1,889.72
Advance to vendors	1,655.00	6,529.27
Others	-	0.15
Total	**6,000.37**	**8,619.06**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 19 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
(a) Authorised		
150,000,000 (Previous year 100,000,000) Equity shares of ₹ 2/- each	3,000.00	2,000.00
30,000,000 (Previous year 30,000,000) Preference shares of ₹ 2/- each	600.00	600.00
	3,600.00	**2,600.00**
(b) Issued, Subscribed and fully paid-up		
101,130,443 (Previous year 75,930,443) Equity shares of ₹ 2/- each	2,022.61	1,518.61
Total	**2,022.61**	**1,518.61**

Notes :

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Reliance Industries Ltd.	25,200,000	24.92	-	-
Ekta Kapoor	16,735,116	16.55	16,735,116	22.04
Shobha Kapoor	10,035,633	9.92	10,035,633	13.22

(ii) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	75,930,443	1,518.61	75,930,443	1,518.61
Add: Issue of Equity Shares during the year	25,200,000	504.00	-	-
Equity shares outstanding at the end of the year	101,130,443	2,022.61	75,930,443	1,518.61

(iii) Terms and rights attached to equity shares

The group has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the shareholders will be eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(iv) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2018.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 20 Other equity - Reserves and Surplus

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) General reserve	5,133.10	5,133.10
(b) Securities premium account	68,749.34	29,579.21
(c) Retained earnings	9,381.15	14,447.07
Total	**83,263.59**	**49,159.38**

Note 20.1 General Reserve

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of the year	5,133.10	5,133.10
Add: Transferred from retained earnings	-	-
Balance at end of the year	**5,133.10**	**5,133.10**

Note 20.2 Securities premium account

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of the year	29,579.21	29,579.21
Add: On issue of equity shares	40,824.00	-
Share issue costs	(1,653.87)	-
Balance at end of the year	**68,749.34**	**29,579.21**

Note 20.3 Retained earnings

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at beginning of the year	14,447.07	17,272.28
Loss for the year	(4,515.26)	(2,814.91)
Other comprehensive income for the year (net of tax)	(10.49)	(10.30)
Total comprehensive income for the year	**(4,525.75)**	**(2,825.21)**
Share issue costs	(53.30)	-
Payment of dividends	(404.52)	-
Dividend distribution tax	(82.35)	-
Balance at end of the year	**9,381.15**	**14,447.07**

Nature and purpose of reserves :

A. General Reserve : General reserve is created out of transfer from retained earnings and is a free reserve.

B. Securities Premium Account : Security Premium is created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 21 Borrowings (Non-current)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured : Liability component of compound financial instrument 750,000 (previous year 500,000) Zero dividend reedemable optionally convertible preference shares of ₹ 10/- each	8.33	6.38
Total	**8.33**	**6.38**

Terms of issue

Particulars	Maturity date	Terms of repayment
250,000 Zero dividend reedemable optionally convertible preference shares	September 22, 2025	Single repayment at the end of the term
250,000 Zero dividend reedemable optionally convertible preference shares	February 4, 2026	
250,000 Zero dividend reedemable optionally convertible preference shares	November 28, 2037	

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2018

Particulars	As at March 31, 2018
Cash and cash equivalents	2,191.54
Non-current borrowings	(8.33)
Total	**2,183.21**

Particulars	Other Assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Non-current borrowings	
Net debt as at March 31, 2017	**1,587.77**	**(6.38)**	**1,581.39**
Cash flows	603.77	(0.24)	603.53
Interest expense	-	(1.71)	(1.71)
Net debt as at March 31, 2018	**2,191.54**	**(8.33)**	**2,183.21**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 22 Provisions (Non-current)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Provision for gratuity (Refer Note 35.5)	17.92	-
Total	**17.92**	**-**

Note 23 Trade payables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Trade payables	7,438.67	7,190.48
Total	**7,438.67**	**7,190.48**

Notes:

(a) Micro, Small and Medium Enterprises :

The balances above includes ₹ Nil (Previous Year ₹ Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act). No interest is paid / payable during the year to any Micro / Small Enterprise registered under the MSME. There were no delayed payments during the year to any Micro or Small Enterprise registered under the MSME Act. The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

Note 24 Other financial liabilities (current)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unpaid dividends (Refer Note below)	4.51	4.17
Interest accrued and due on capital contribution	-	0.15
Temporarily overdrawn book balances	361.34	978.67
Payables for purchase of fixed assets	15.59	-
Total	**381.44**	**982.99**

Note

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

Note 25 Other current liabilities

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Statutory liabilities	222.64	454.20
Advances from customers	287.29	2,436.55
Employee benefit payables	943.24	106.69
Deferred revenue	-	0.42
Others	1.21	-
Total	**1,454.38**	**2,997.86**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 26 Current tax liabilities (net)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Provision for tax	654.22	1,215.47
Total	**654.22**	**1,215.47**

Note 27 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Sale of services		
Commissioned television programs	27,239.75	27,989.39
Subscription income	465.26	-
Licence rights	695.66	750.78
Licensing of digital content rights	218.48	-
Franchise / Participation fees	215.00	67.50
Internet programs	10.18	191.37
Sale and licensing of movies	10,333.68	12,633.02
Sale of television programs / movies concept rights	100.60	103.52
Event management	1,169.00	-
Film distrbution service	762.78	-
Free commercial time	26.02	-
Other operating income		
Facilities / equipment hire Income	95.38	110.64
Service income	-	20.83
Total	**41,331.79**	**41,867.05**

Note 28 Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
Interest income		
On fixed deposits with banks	16.76	10.89
On Income-tax Refund	41.61	132.62
Unwinding of discount on security deposit	78.68	70.86
Profit on sale of investments (non-trade) (net)	1,380.73	891.19
Unrealised gains on investments at fair value through profit or loss	259.67	576.46
Insurance claim received	55.32	96.73
Advances written back	67.29	-
Creditors written back	-	247.37
Others	2.59	1.19
Total	**1,902.65**	**2,027.31**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 29 Cost of production / Acquisition and Telecast fees

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Amortisation of content	2,964.44	-
Producer's share of film distribution revenue	638.88	-
Purchase of costumes and dresses	583.01	417.91
Artists, Directors and other technicians fees	11,382.75	15,558.48
Location hire charges	1,110.72	1,913.14
Shooting and location expenses	4,706.28	6,601.57
Telecasting fees / purchase of rights	802.25	575.32
Sets and studio maintenance charges	694.53	636.14
Uplinking charges	108.53	146.66
Insurance expense	35.66	11.95
Dubbing and subtitiling	88.39	-
Food and refreshments	444.29	505.30
Line production cost	4,194.39	1,040.67
Marketing and distribution expenses	2.95	-
Set properties and equipment hire charges	1,596.16	2,145.93
Discontinued shows written off	29.04	-
Purchase of tapes	2.87	12.19
Sound expense	97.67	21.09
Other production expenses	663.17	1,260.74
Total	**30,145.98**	**30,847.09**

Change in Inventories:

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Opening balance :		
Television serials, internet series,events and films	9,830.97	11,930.98
Closing balance :		
Television serials, internet series,events and films	12,780.47	9,830.97
	(2,949.50)	**2,100.01**
Changes in inventories subject to amortisation	5,177.22	625.52
Net changes in inventories	**2,227.72**	**2,725.53**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 30 Employee Benefits Expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Salaries and wages	2,870.01	2,649.64
Contributions to provident and other funds (Refer Note 35.5(a))	156.57	125.13
Gratuity (Refer Note 35.5(b))	46.86	15.06
Staff welfare expenses	41.05	44.49
Total	**3,114.49**	**2,834.32**

Note 31 Finance cost

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest on delayed payment of taxes etc.	0.17	3.54
Interest on liability component of compound financial instrument	1.71	-
Others	3.12	-
Capital contribution from partners	-	0.08
Total	**5.00**	**3.62**

Note 32 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Depreciation of property, plant and equipment (Refer Note 4)	1,448.59	1,252.43
Amortisation of Intangible assets (Refer Note 5)	322.03	1.59
Total	**1,770.62**	**1,254.02**

Note 33 Other expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Power and fuel	118.83	90.81
Rent including lease rentals	322.30	317.95
Repairs and maintenance - Machinery	-	8.95
Repairs and maintenance - Others	92.05	84.32
Insurance	54.68	62.05
Rates and taxes	673.37	357.82
Communication expenses	52.52	38.70
Legal and professional charges (Refer Note 33.1)	2,219.62	1,764.85
Security and housekeeping expenses	39.30	19.77
Business promotion expenses	86.90	55.71
Travelling and conveyance expenses	170.96	101.90
Digital space charges	180.63	2.84

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Donations and contributions	18.36	44.00
Expenditure on corporate social responsibility (Refer Note 33.2)	45.43	61.50
Advances written off	199.52	-
Provision for doubtful debts and advances	122.11	119.89
Bad debts written off	78.10	-
Software expenses	194.37	51.09
Directors sitting fees	76.25	64.50
Unrealised loss on investments at fair value through profit or loss	57.50	-
License and hosting fees	340.33	262.09
Commision	53.90	-
Interest on others (VAT Assessment)	-	89.24
Loss of fixed assets written off	26.63	-
Foreign exchange loss (net)	5.35	33.32
Miscellaneous expenses	274.01	242.90
Total	**5,503.02**	**3,874.20**

Note 33.1 Details of auditors remuneration (included in legal and professional charges)

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
As auditors :		
Audit fees	38.50	58.00
In other capacity :		
Other services / Certification	21.00	8.00
Reimbursement of expenses	0.84	0.22
Total	**60.34**	**66.22**

Note 33.2 Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Amounts required to be spent as per section 135 of the Act	**57.32**	**60.88**
Amounts spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	45.43	61.50
	45.43	**61.50**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 34 Tax expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Income tax expense		
Current tax		
Current tax on profits for the year	1,309.38	1,677.63
Adjustments for current tax of prior periods	(860.69)	(39.09)
	448.69	**1,638.54**
Deferred tax		
Decrease / (increase) in deferred tax asset	(2,016.48)	(151.70)
(Decrease) / increase in deferred tax liabilities	244.71	199.50
Total deferred tax expense / (benefit)	(1,771.77)	47.80
Total	**(1,323.08)**	**1,686.34**

Income Tax Expense for the year can be reconciled to the accounting profit as follows :

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
(Loss) before tax and exceptional items	(5,051.33)	(1,287.18)
Income Tax calculated at 34.608% (Previous year- 33.063%)	**(1,748.16)**	**(425.58)**
Tax effect of amounts that are not deductible in determining taxable profit	95.31	498.08
Effect of income that is allowed for taxation	-	(472.91)
Tax on short term capital gain	-	78.53
Tax impact on losses of Subsidiaries for which no deferred tax recognised	3,452.54	2,022.04
Tax impact on temporary differences for which no deferred tax recognised	43.03	-
Deferred Tax impact of subsidiaries losses on merger	(2,557.26)	-
Tax on deductions under chapter VI-A	(3.62)	(2.64)
Expired tax losses	281.08	-
Deferred Tax for the year	-	47.80
Excess provision for tax in respect of earlier years	(860.69)	(39.09)
Tax rate difference	12.76	-
Others	(38.07)	(19.89)
Total	**(1,323.08)**	**1,686.34**
Income Tax expense recognised in profit & loss	**(1,323.08)**	**1,686.34**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Note 35 Additional information to the financial statements and disclosure under Accounting Standards

35.1

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Contingent liabilities (to the extent not provided for)		
In respect of VAT matters	145.50	-
In respect of Service Tax Matters	2,943.00	2,943.00
In respect of Income Tax Matters	218.08	-
In respect of Labour Matters (net of ₹ 14.67 lacs paid under protest)	79.36	79.36

Pursuant to the notices originally issued to Balaji Motion Pictures Limited (BMPL) (now pertaining to Balaji Telefilms Limited persuant to acquisition of the film production business of BMPL) under Section 153A of Income-tax Act, 1961 (in respect of proceedings initiated under section 132) the assessments for all the relevant assessment years were completed by the Department during the quarter ended June 30, 2015. During the year ended March 31, 2017, BMPL had filed appeals with the Income-tax Appellate Tribunal (ITAT), against the Orders passed by the Commissioner of Income-tax (Appeals) confirming the penalty imposed by the assessing officer. During the year ended March 31, 2018, ITAT deleted the penalty for Assessment year 2010-11 and order is awaited for AY 2013-14.

35.2 Pursuant to action under Section 132 of the Income-tax Act, 1961 during the financial year 2013-14, the Company filed Return of Income u/s 153A for the respective years from FY 2006-07 to FY 2013-14. Income Tax Department completed the assessment thereof u/s 143(3) read with Section 153A in the financial year 2015-16. However, since there were differences in the original returns filed u/s 139(1) and those filed u/s 153A for the respective years, orders levying penalty were passed. The Company succeeded in cancelling the penalty for one of the years. Penalty proceedings for other years is still pending for disposal before the Income-tax Appellate Tribunal, Mumbai. The Order u/s 132B dated September 27, 2017 is received by the Company. The Company, as a matter of abundant precaution, has adjusted the net penalty amount against the advance tax balance appearing in the books and the resultant charge (net of interest on refund due) amounting to ₹ 905.07 lacs is debited to the Statement of Profit and Loss and disclosed under Exceptional Items for the year ended March 31, 2018.

Notes forming part of the Consolidated Financial Statements

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35.3 Interest in other entities

(a) Subsidiaries

The group's subsidiaries as at March 31, 2018 are set out below. Proportion of ownership interest held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principle activity
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
Balaji Motion Pictures Limited	India	100%	100%	-	-	Distribution of films
ALT Digital Entertainment Limited	India	100%	100%	-	-	Subscription based sale & licencing of digital content
Marinating Films Private Limited	India	51%	51%	49%	49%	Event management relating to film and television industry
Chhayabani Balaji Entertainment Private Limited*	India	50%	50%	50%	50%	Production of television content
Event Media LLP	India	0%	51%	49%	49%	Event management

* The group controls the composition of the Board of directors of the company and accordingly it has been considered for consolidation as a subsidiary

(b) Interest in associates

Set out below are the interest of the group in associates which are individually immaterial to the group. The country of incorporation or registration is also their principal place of business and the proportion of ownership is the same as voting rights held.

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying value	
					March 31, 2018	March 31, 2017
IPB Capital Advisors LLP	India	50.00%	Associate	Equity method	0.45	1.12
Indus Balaji Education Capital Advisors LLP	India	27.28%	Associate	Equity method	0.38	0.38

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

35.4 Related Party Transactions

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Balaji Motion Pictures Limited	Subsidiary Company
Marinating Films Private Limited	Subsidiary Company
Bolt Media Limited	Subsidiary Company (upto December 15, 2017)
ALT Digital Entertainment Limited	Subsidiary Company
Chhayabani Balaji Entertainment Private Limited	Subsidiary Company
Event Media LLP	Subsidiary Body Corporate (upto January 15, 2018)
IPB Capital Advisors LLP	Associate
Indus Balaji Education Capital Advisors LLP	Associate
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. Anshuman Thakur	Key management person
Mr. Arun K. Purwar	Key management person
Mr. D G Rajan	Key management person
Mr. Ashutosh Khanna	Key management person
Mr. Devender Kumar Vasal	Key management person
Mr. V B Dalal	Key management person
Mr. Pradeep Sarda	Key management person
Mr. Jyotindra Thacker	Key management person
Mr. Sameer Nair	Key management person (upto July 15, 2017)

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

(₹ in Lacs)

Nature of Transactions	Key Management Person
Directors sitting fees	
Mr. Jeetendra Kapoor	8.25
	(7.50)
Mr. Tusshar Kapoor	4.50
	(7.50)
Mr. Anshuman Thakur	2.00
	(-)
Mr. Arun K. Purwar	7.00
	(6.00)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

Nature of Transactions	Key Management Person
Mr. Ashutosh Khanna	9.00
	(6.50)
Mr. D.G. Rajan	11.25
	(11.50)
Mr. Devender Kumar Vasal	13.50
	(11.25)
Mr. Jyotindra Thacker	2.00
	(-)
Mr. Pradeep Sarda	4.25
	(2.00)
Mr. V.B. Dalal	14.50
	(12.25)
Rent paid	
Mr. Jeetendra Kapoor	52.41
	(52.41)
Mrs. Shobha Kapoor	1,416.70
	(1,474.23)
Mr. Tusshar Kapoor	13.13
	(13.13)
Ms.Ekta Kapoor	217.86
	(217.86)
Remuneration (Refer note (iii) below)	
Mrs. Shobha Kapoor	239.73
	(200.43)
Ms. Ekta Kapoor	239.73
	(209.86)
Mr. Sameer Nair	263.92
	(435.70)

(c) Closing balances as at March 31, 2018

(₹ in Lacs)

Amount receivable as at March 31, 2018	
Mrs. Shobha Kapoor *	340.00
	(340.00)
Mr. Jeetendra Kapoor *	300.00
	(300.00)
Mr. Tusshar Kapoor *	100.00
	(100.00)
Ms. Ekta Kapoor *	100.00
	(100.00)

* - Deposit for leased property

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

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.

(iii) The group provides long term benefits in the form of gratuity to its key managerial person along with all employees, cost of the same is not identifiable seperately and hence not disclosed.

35.5 Employee Benefits

a) Defined Contribution Plans

Both the employees and the group make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹ 156.57 lacs (previous year ₹ 125.13 lacs).

b) Defined Benefit Plans

Gratuity

The group operates a gratuity plan covering qualifying employees. The benefit payable is as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**Valuation as at**	
	March 31, 2018	**March 31, 2017**
Discount rate(s)	7.80%	7.22%
Expected rate(s) of salary increase	5%	5%
Rate of Employee Turnover	10%	2%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality Rate after employment	N.A.	N.A.

Defined benefit plans – as per actuarial valuation on March 31, 2018

(₹ in lacs)

Particulars	**Funded Plan Gratuity March 31, 2018**	**Funded Plan Gratuity March 31, 2017**
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the year	11.86	27.41
Return on Plan Assets, Excluding Interest Income	0.60	(11.48)
Net (Income)/Expense for the period recognised in other comprehensive income (OCI)	**12.46**	**15.93**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lacs)

Particulars	Funded Plan Gratuity March 31, 2018	Funded Plan Gratuity March 31, 2017
Expenses recognised in the Statement of Profit or Loss for Current period		
Current Service Cost	24.41	18.19
Past service cost	8.69	-
Net interest cost	(2.33)	(3.13)
Plan asset written off	16.09	-
Expenses Recognized	**46.86**	**15.06**
I. Net Asset/(Liability) recognised in the Balance Sheet		
Present value of defined benefit obligation at the end of the year	(135.14)	(87.71)
Fair value of plan assets at the end of the year	129.38	118.83
Surplus/(Deficit)	(5.76)	31.12
Net (Liability)/ Asset recognized in the Balance sheet	**17.92**	**31.12**
II. Change in the obligation during the year ended		
Present value of defined benefit obligation at the beginning of the year	87.71	45.80
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	24.40	18.19
- Past service cost	8.69	-
- Interest Cost	6.42	3.68
(Benefit paid from the Fund)	(3.94)	(7.38)
Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	8.05	-
Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	(2.47)	6.51
Actuarial (Gains)/ Losses on Obligations- Due to experience	6.28	20.91
Present value of defined benefit obligation at the end of the year	**135.14**	**87.71**
III. Change in fair value of assets during the year ended 31st March		
Fair value of plan assets at the beginning of the year	118.83	84.62
Interest Income	8.74	6.81
Contributions by the employer	6.35	23.30
Benefit paid from the Fund	(3.94)	(7.38)
Return on Plan Assets, excluding Interest Income	(0.60)	11.48
Fair value of plan assets at the end of the year	**129.38**	**118.83**

Notes forming part of the Consolidated Financial Statements

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The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

(₹ in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Projected Benefit Obligation on Current Assumptions	135.15	87.71
Delta Effect of +1% Change in Rate of Discounting	(8.76)	(9.37)
Delta Effect of -1% Change in Rate of Discounting	9.92	11.09
Delta Effect of +1% Change in Rate of Salary Increase	9.53	9.61
Delta Effect of -1% Change in Rate of Salary Increase	(8.62)	(8.23)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.74)	1.18
Delta Effect of -1% Change in Rate of Employee Turnover	0.73	(1.42)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The group expects to contribute ₹ 40 lakhs to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation:

(₹ in lacs)

Projected Benefits Payable in future years from Date of Reporting	For the year ended March 31, 2018	For the year ended March 31, 2017
1st Following year	13.17	3.91
2nd Following year	10.10	2.13
3rd Following year	10.88	2.43
4th Following year	13.50	3.34
5th Following year	13.72	4.39
Sum of Years 6 to 10	68.09	40.69
Sum of Years 11 and above	137.47	189.99

Plan Assets

The fair value of Group's pension plan asset as of March 31,2018 and 2017 by category are as follows:

(₹ in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Asset category:		
Deposits with Insurance companies	129.38	118.83
	100%	100%

Notes forming part of the Consolidated Financial Statements

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The Group's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The group evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the group compares actual returns for each asset category with published benchmarks.

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Where required by Ind AS 24 an entity discloses information about: (a) related party transactions with post-employment benefit plans; and (b) post-employment benefits for key management personnel.

Note: Where required by Ind AS 37 an entity discloses information about contingent liabilities arising from post employment benefit obligations.

35.6 Earning per share

Basic and diluted earnings per share calculation is as below:

(₹ in lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Profit for the year attributable to equity share holders (₹ in Lacs)	(4,515.26)	(2,814.91)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	91,257,566	75,930,443
(c) Earnings per share - Basic and Diluted (₹) (a/b)	(4.95)	(3.71)
(d) Nominal value of shares (₹)	2	2

35.7 In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", 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 Ind AS 12 regarding reasonable certainty, deferred tax asset has not been recognised to the extent of ₹ 3,175.63 lacs. The recognition of deferred tax asset will be reassessed at each subsequent reporting date and will be accounted for in the year in which the reasonable certainty is established.

35.8 Lease Transactions

Amount of lease rentals charged to the Statement of profit and loss in respect of operating leases is ₹ 1,433.02 Lacs (Previous Year ₹ 2,231.09 lacs)

Commitments for minimum lease payments in relation to non-cancellable operating leases payable is as follows:

(₹ in lacs)

Particulars	March 31, 2018	March 31, 2017
Within 1 year	135.99	130.08
Later than 1 year but not later than 5 years	30.42	166.41

Notes forming part of the Consolidated Financial Statements

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35.9 Segment Information

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) Films : Income from business of production and / or distribution of motion pictures and films
(c) Digital : Income from subscription based sale of digital content

(₹ in lacs)

Particulars	Commissioned Programmes		Films		Digital		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	32,421.03	29,234.03	11,172.47	12,633.02	683.74	-	44,277.24	41,867.05
Less: Inter Segment sale	2,869.45	-	76.00	-	-	-	2,945.45	-
Total Revenue	**29,551.58**	**29,234.03**	**11,096.47**	**12,633.02**	**683.74**	**-**	**41,331.79**	**41,867.05**
Segment result	7,061.91	3,959.18	1,823.88	(2,490.55)	(6,971.12)	(2,053.02)	1,914.68	(584.39)
Finance cost							(5.00)	(3.62)
Unallocable expenses							(9,768.67)	(2,970.06)
Unallocable income							1,902.65	2,270.27
Profit / (Loss) before tax							**(5,956.35)**	**(1,287.80)**
Add: Share of profit/ (loss) of associates							(0.05)	0.62
Tax expense							1,323.08	(1,686.34)
(Loss) for the year							**(4,633.32)**	**(2,973.52)**
Segment assets	12,592.44	20,141.96	11,650.70	16,005.31	8,452.51	2,595.34	32,695.65	38,742.61
Unallocable assets							62,219.15	24,782.90
Total assets							**94,914.80**	**63,525.51**
Segment liabilities	4,146.76	7,399.95	345.64	2,456.08	1,901.03	274.57	6,393.43	10,130.60
Unallocated liabilities							3,561.53	2,983.92
Total Liabilities							**9,954.96**	**13,114.52**
Other Information								
Capital expenditure (allocable)	756.94	1,415.39	-	0.38	385.82	492.58	1,142.76	1,908.35
Capital expenditure (unallocable)							404.40	435.18
Depreciation / Amortisation (allocable)	1,191.18	1,047.24	16.30	49.01	376.10	-	1,583.58	1,096.25
Depreciation / Amortisation (unallocable)							187.04	157.77

Notes forming part of the Consolidated Financial Statements

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35.10 Details relating to Investment in Limited Liability Partnership (LLP)

Name of the LLP	Names of partners in the LLP	As at March 31, 2018		As at March 31, 2017	
		Total capital ₹ in lacs	Share of each partner in the profits of the LLP	Total capital ₹ in lacs	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.500	50.00%	0.500	50.00%
	IP Capital Advisors LLP	0.490	49.00%	0.490	49.00%
	IPM Capital Advisors LLP	0.010	1.00%	0.010	1.00%
		1.000	**100.00%**	**1.000**	**100%**
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.375	18.75%	0.375	18.75%
	IP Capital Advisors LLP	0.375	18.75%	0.375	18.75%
	IPX Capital Advisors LLP	0.250	12.50%	0.250	12.50%
	Mohit Ralhan	0.500	25.00%	0.500	25.00%
	IPM Capital Advisors LLP	0.500	25.00%	0.500	25.00%
		2.000	**100.00%**	**2.000**	**100%**
Event Media LLP	Balaji Telefilms Limited*	-	0.00%	0.510	51.00%
	Select Media Holding LLP	0.490	49.00%	0.490	49.00%
		0.490	**49.00%**	**1.000**	**100.00%**

* During the year the company has exited the partnership.

35.11 The Company is in arbitration/ litigation in respect of certain advances recoverable from vendors outstanding as at March 31, 2018. On the basis of the evaluation carried out by the company, in consultation with the lawyers, the amounts are considered recoverable.

35.12 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of entity in the group	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated total comprehensie income	Amount (₹ in lacs)
Parent								
Balaji Telefilms Limited								
March 31, 2018	115.74%	98,330.50	-35.18%	1,630.06	35.53%	(3.73)	-35.02%	1,626.33
March 31, 2017	129.76%	65,414.70	-104.19%	3,098.23	79.72%	(8.21)	-103.56%	3,090.02
Subsidiaries (group's share)								
Balaji Motion Pictures Limited								
March 31, 2018	-0.35%	(297.63)	2.20%	(101.90)	12.66%	(1.33)	2.22%	(103.23)
March 31, 2017	-18.23%	(9,188.30)	148.99%	(4,430.23)	-3.30%	0.34	148.46%	(4,429.89)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

Name of entity in the group	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)	As % of consolidated other comprehensive income	Amount (₹ in lacs)	As % of consolidated total comprehensie income	Amount (₹ in lacs)
ALT Digital Entertainment Limited								
March 31, 2018	21.60%	18,351.52	205.52%	(9,522.36)	51.81%	(5.43)	205.17%	(9,527.79)
March 31, 2017	27.24%	13,732.02	42.65%	(1,268.11)	23.58%	(2.43)	42.58%	(1,270.54)
Marinating Films Private Limited								
March 31, 2018	0.27%	229.58	1.91%	(88.34)	0.00%	-	1.90%	(88.34)
March 31, 2017	0.43%	219.03	4.22%	(125.61)	0.00%	-	4.21%	(125.61)
Chhayabani Balaji Entertainment Private Limited								
March 31, 2018	0.08%	70.91	0.70%	(32.53)	0.00%	-	0.70%	(32.53)
March 31, 2017	0.11%	55.83	0.98%	(29.19)	0.00%	-	0.98%	(29.19)
Event Media LLP								
March 31, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2017	-0.07%	(36.64)	0.31%	(9.09)	0.00%	-	0.30%	(9.09)
Bolt Media Limited								
March 31, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2017	-0.45%	(225.84)	1.73%	(51.53)	0.00%	-	1.73%	(51.53)
Non-controlling interests in all subsidiaries								
March 31, 2018	-0.46%	(392.81)	2.55%	(118.06)	0.00%	-	2.54%	(118.06)
March 31, 2017	-0.62%	(310.62)	5.33%	(158.61)	0.00%	-	5.32%	(158.61)
Associates								
IPB Capital Advisors LLP								
March 31, 2018	*	0.45	*	(0.05)	0.00%	-	*	(0.05)
March 31, 2017	*	1.12	*	0.62	0.00%	-	*	0.62
Indus Balaji Education Capital Advisors LLP								
March 31, 2018	*	0.38	0.00%	-	0.00%	-	0.00%	-
March 31, 2017	*	0.38	0.00%	-	0.00%	-	0.00%	-
Total								
March 31, 2018	136.88%	116,292.90	177.70%	(8,233.18)	100.00%	(10.49)	177.52%	(8,243.67)
March 31, 2017	138.19%	69,661.68	100.00%	(2,973.52)	100.00%	(10.30)	100.00%	(2,983.82)
Adjustment on consolidation								
March 31, 2018	-36.88%	(31,333.06)	-77.70%	3,599.86	0.00%	-	-77.52%	3,599.86
March 31, 2017	-38.19%	(19,250.69)	0.00%	-	0.00%	-	0.00%	-
Net Total								
March 31, 2018	100%	84,959.84	100%	(4,633.32)	100%	(10.49)	100%	(4,643.81)
March 31, 2017	100%	50,410.99	100%	(2,973.52)	100%	(10.30)	100%	(2,983.82)

* Percentage disclosure is below the rounding off norms of the company

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

35.13 The composite Scheme of Arrangement and Amalgamation (the 'Scheme') between the Company and two of its subsidiaries viz. Balaji Motion Pictures Limited ('BMPL') and Bolt Media Limited ('Bolt'), for the merger of Bolt and the film production undertaking of BMPL with the Company and the consequent capital reduction in the books of BMPL has been approved by the National Company Law Tribunal (Mumbai bench) ('NCLT') and subsequently filed with the Registrar of Companies, Securities and Exchange Board of India and Stock Exchanges by December 15, 2017 (the 'Effective date'). Pursuant to the Scheme becoming effective, the unabsorbed tax losses of the film production undertaking of BMPL become available to the company and consequential current and deferred tax have been recognised in the year ended March 31, 2018 in the Consolidated Financial statements.

35.14 Disclosure on Specified Bank Notes (SBNs)

(a) Disclosure as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

(₹ in lacs)

Particulars	Specified bank notes (SBNs)*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**48.74**	**0.39**	**49.13**
Add: Permitted receipts	29.35	0.86	30.20
Less: Permitted payments	48.74	0.39	49.13
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	**29.35**	**0.86**	**30.20**

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S.O. 3407(E), dated the November 8, 2016.

(b) The reporting or disclosure related to SBNs is not applicable to the group for the year ended March 31, 2018.

35.15 The Company has adopted the employee stock option plan by the name of Balaji Telefilms ESOP, 2017. The members of the company have approved the scheme by passing Special Resolution by way of Postal Ballot on December 30, 2017. The Nomination and Remuneration Committee made note of the approved scheme and recommended the same to the Board for signing at its meeting held on February 13, 2018. The scheme has received In principal-approval from BSE and NSE on April 13, 2018 and April 26, 2018 respectively.

35.16 Fair Value Measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(a) Financial instrument by category

(₹ in lacs)

Financial Assets	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non-current financial assets						
Investment	3,166.05	-	-	4,035.93	-	-
Loans	-	-	913.10	-	-	866.63
Other financial assets	-	-	371.66	-	-	323.63
Current financial assets						
Investment	44,206.15	-	-	15,720.65	-	-
Trade receivables	-	-	9,346.90	-	-	9,760.74
Cash and cash equivalents	-	-	2,196.14	-	-	1,592.03
Other balances with bank	-	-	0.58	-	-	0.58
Loans	-	-	398.72	-	-	24.50
Other financial assets	-	-	1,113.06	-	-	680.51
Total Financial Assets	**47,372.20**	**-**	**14,340.16**	**19,756.58**	**-**	**13,248.62**
Financial Liabilities						
Borrowings	-	-	8.33	-	-	6.38
Trade payables	-	-	7,438.67	-	-	7,190.48
Other financial liabilities	-	-	381.44	-	-	982.99
Total Financial Liabilities	**-**	**-**	**7,828.44**	**-**	**-**	**8,179.85**

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed in the accounting standard. An explanation of each level follows underneath the table.

(₹ in lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2018	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in trusts	-	-	3,166.05	3,166.05
Mutual Fund	-	44,206.15	-	44,206.15
Total Financial Assets	**-**	**44,206.15**	**3,166.05**	**47,372.20**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Loans	-	-	913.10	913.10
Other financial assets	-	-	371.66	371.66
Total Financial assets	**-**	**-**	**1,284.76**	**1,284.76**
Non-current financial liabilities				
Borrowings	-	-	8.33	8.33
Total Financial liablities	**-**	**-**	**8.33**	**8.33**

(₹ in lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in trusts	-	-	4,035.93	4,035.93
Mutual Fund	-	15,720.65	-	15,720.65
Total Financial Assets	**-**	**15,720.65**	**4,035.93**	**19,756.58**

(₹ in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Level 1	Level 2	Level 3	Total
Non-current financial assets				
Loans	-	-	866.63	866.63
Other financial assets	-	-	323.63	323.63
Total Financial assets			**1,190.26**	**1,190.26**
Non-current financial liabilities				
Borrowings	-	-	6.38	6.38
Total Financial liabilities	**-**	**-**	**6.38**	**6.38**

The carrying value of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level-1 Hierarchy includes financial instruments measured using quoted price.

Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(ii) Valuation technique used to determine fair value
Specific valuation technique used to value financial instruments include:

1) The mutual funds are valued using closing NAV available in the market.

2) The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2018 and March 31, 2017.

(₹ in lacs)

Particulars	Investment in units of trusts
As at April 1, 2016	**4,035.93**
Changes during the year	-
As at March 31, 2017	**4,035.93**
Acquisitions	-
Sales	(471.18)
Gains/(Losses) recognised in profit or loss	(398.70)
As at March 31, 2018	**3,166.05**

(iv) Valuation input and sensitivity assessment

Expected growth rate is the significant unobservable input which has been used in the level 3 fair valuation mesurements. The sensitivity to changes in the expected growth rate to the valuation as at March 31, 2018 is as follows:

- Investment in Indus Balaji Investor Trust (growth rate considered - 5%): Increasing/Decreasing the expected growth rate by 1% would change the fair value by ₹ 285.94 lacs and (₹ 226.06) lacs respectively.

(v) Valuation process
The valuation of financial assets required for financial reporting purposes is done by an independent valuer appointed by the management. Assumptions used for the valuation are provided by the finance department of the group after discussion with the chief financial officer (CFO) and business unit heads.

35.17 Financial Risk Management

Risk management framework
The group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the group's activities. The Board of Directors and the management is responsible for overseeing the group's risk assessment and management policies and processes.

(A) Credit Risk
Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the group. The group deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The group uses publicly available financial information and its own trading records to rate its major customers. The group's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(i) Credit Risk Management

Financial instruments and cash deposits

The group maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The group has diversified portfolio of investment with various number of counter-parties which have good credit ratings and hence the risk is reduced. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the group only invests with high rated banks/institutions. The group's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in note 35.16.

Security deposits given to lessors

The group has given security deposit to lessors for premises leased by it as at March 31, 2018 and March 31, 2017. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the group to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the group have not undergone any substantial change, the group expects the historical trend of minimalcredit losses to continue.

(B) Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the group's short-, medium- and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity grouping based on their contractual maturities.

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months - 1 years	More than 1 year	Total
March 31, 2018				
Borrowings	-	-	8.33	8.33
Trade payables	7,438.67	-	-	7,438.67
Other Financial Liabilities	381.44	-	-	381.44
Total financial liabilities	**7,820.11**	**-**	**8.33**	**7,828.44**

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months - 1 years	More than 1 year	Total
March 31, 2017				
Borrowings	-	-	6.38	6.38
Trade payables	7,190.48	-	-	7,190.48
Other Financial Liabilities	982.99	-	-	982.99
Total financial liabilities	**8,173.47**	**-**	**6.38**	**8,179.86**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Foreign currency risk exposure:

The group does not have any exposure to foreign currency risk as at March 31, 2018 (Previous year ₹ Nil).

(b) Interest rate risk

The group does not have any borrowings and is thus not exposed to interest rate risk as at March 31, 2018 (Previous year Nil).

(c) Price risk

(i) Exposure

The group's exposure to investments arises from investment held by the group in mutual funds and classified in the balance sheet as fair value through profit or loss.

To manage its price risk arising from investments in mutual funds, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the respective companies in the group.

(ii) Sensitivity

(₹ in lacs)

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Net asset value - Increase 5% (March 31, 2017 5%)*	1,612.93	697.07
Net asset value - Decrease 2% (March 31, 2017 2%)*	(645.17)	(278.83)

*Profit after tax for the year would increase/ decrease as a result of gains/ losses on investments classified at fair value through profit or loss.

35.18 Capital Management

The group considers the following components of its Balance Sheet to be managed capital:
Total equity as shown in the balance sheet including reserves, retained earnings and share capital.

The group's aim is to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

The group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

35.19 Dividends

(₹ in lacs)

Particulars	March 31, 2018	March 31, 2017
Equity Shares		
(i) Final Dividend paid During the financial year 2017-18 of ₹ 0.40 per fully paid share pertaining to dividends proposed for the year ended March 31, 2017.	486.87	-
(ii) Dividend not recognised at the end of the reporting period In addition to the above dividends, since the year end, the Company has proposed dividend of ₹ 0.40 per fully paid share for the financial year 2017-18 (₹ 0.40 per fully paid share for the financial year 2016-17)	487.67	486.87

35.20 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after April 01, 2018 and early application id not permitted.The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the new revenue standard (Ind AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2018

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- the estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Signatures to notes 1 to 35

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Managing Director)
DIN: 00005124

Ekta Kapoor
(Joint Managing Director)
DIN: 00005093

D.G. Rajan
(Director)
DIN: 00303060

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Simmi Singh Bisht
(Group Head Secretarial)

BOARD'S REPORT

The Directors present the 12th Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2018.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

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

(₹ in lacs)

PARTICULARS	2017-18	2016-17
Income		
Turnover	762.78	-
Other income	-	-
Total	**762.78**	-
Expenditure	**840.28**	**183.10**
(Loss) before depreciation, interest & tax	**(77.50)**	**(183.10)**
Finance costs	24.40	11.30
Depreciation and amortization	-	0.61
(Loss) before tax from continuing operations	**(101.90)**	**(195.01)**
Provision for taxation	-	-
(Loss) after tax from continuing operations	**(101.90)**	**(195.01)**
(Loss) before tax from discontinued operations	**(409.11)**	**(4,274.31)**
Provision for taxation	-	(39.09)
(Loss) after tax from discontinued operations	**(409.11)**	**(4,235.22)**
(Loss) for the year	**(511.01)**	**(4,430.23)**
Balance brought forward from previous year	(12,188.30)	(7,758.41)
Other comprehensive income for the year	(1.33)	0.34
Total	**(12,700.64)**	**(12,188.30)**
Balance transferred to transferee Company on account of demerger	12,155.93	-
Profit on account of scheme of arrangement/demerger	47.08	-
Balance carried to the balance sheet	**(497.63)**	**(12,188.30)**

Note: The financial statements for the year ended March 31, 2018 are prepared under Ind AS (Indian Accounting Standards).

RESULTS OF OPERATIONS

During the year under review, the Company achieved a turnover from continuing operations of ₹ 762.78 lacs as against ₹ Nil during the previous fiscal. In the current financial year, the Company has reported loss from continuing operations of ₹ 101.90 lacs as against loss of ₹ 195.01 lacs in the previous fiscal.

BOARD'S REPORT

DIVIDEND

Considering the loss incurred in the current financial year, Directors have not recommended any dividend for the financial year under review.

TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to reserves, in view of loss incurred by the Company.

BORROWINGS

The Company has borrowed ₹885.87 lacs from Holding Company i.e. Balaji Telefilms Limited during the year under review.

SHARE CAPITAL

During the year under review, the National Company Law Tribunal, Mumbai **("NCLT")** by an order dated November 02, 2017 sanctioned the Scheme of Arrangement and Amalgamation between Balaji Telefilms Limited **("BTL")** with Balaji Motion Pictures Limited **("Company")** and Bolt Media Limited **("BOLT")** **("Scheme")** which came into effect from December 15, 2017. Pursuant to the scheme, the paid-up share sapital of the Company has been reduced from ₹30,00,00,000/- (Rupees Thirty Crores Only) to ₹2,00,00,000/- (Rupees Two Crores Only). Therefore as on March 31, 2018 the paid-up share Capital is ₹ 2,00,00,000/- (Rupees Two Crores Only).

The Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

As on March 31, 2018 the Company is wholly-owned subsidiary of Balaji Telefilms Limited.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

CHANGE IN NATURE OF BUSINESS

During the year under review, Scheme of Arrangement and Amalgamation between Balaji Telefilms Limited **("BTL")** with Balaji Motion Pictures Limited **("Company")** and Bolt Media Limited **("BOLT")** **("Scheme")** came into effect from December 15, 2017 vide order of the National Company Law Tribunal, Mumbai dated November 02, 2017 as a result of which the Film Production Undertaking of the Company has demerged and vested in Balaji Telefilms Limited w.e.f. December 15, 2017. However, the Company will continue with the business of distribution of motion pictures and films.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary, associate and joint venture Company. Thus, the Audited Financial Statements, Auditors' Report thereon and Board's Report along with applicable annexures are not annexed herewith.

SCHEME OF ARRANGEMENT AND AMALGAMATION

The National Company Law Tribunal, Mumbai **("NCLT")** by an order dated November 02, 2017 sanctioned the Scheme of Arrangement and Amalgamation between Balaji Telefilms Limited **("BTL")** with Balaji Motion Pictures Limited **("Company")** and Bolt Media Limited **("BOLT")** **("Scheme")** which came into effect from December 15, 2017. Pursuant to the Scheme:

a. the Film Production Undertaking of the Company has demerged and vested in BTL and consequently the paid-up share capital of your Company stands reduced to ₹200,00,000/-(Rupess Two Crores Only); and

b. BOLT has amalgamated with BTL.

MATERIAL EVENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material events have occurred between the end of

BOARD'S REPORT

financial year and the date of this report, which have effect over the financial position of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, Ms. Neha Shah was appointed as the Company Secretary (Key Managerial Personnel) of the Company w.e.f. June 23, 2017, pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, there was no change in Directorship during the year under review.

Ms. Ekta Kapoor, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM), pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible has offered herself for re-appointment. Appropriate resolution for her re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM.

Re-appointment of Independent Directors

The first term of office of Mr. Duraiswamy Gunaseela Rajan and Mr. Ashutosh Khanna, as Independent Directors, will expire on March 31, 2019. The Board has recommended their re-appointment as Independent Directors of the Company for a second term of 5 (five) consecutive years. Appropriate resolution for their re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 12th AGM of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

AUDITORS

STATUTORY AUDIT

M/s. Price Waterhouse Chartered Accountants LLP were appointed as Statutory Auditors of the Company at the Annual General Meeting **(AGM)** held on August 31, 2017, for a term of 5 (five) consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, earlier the appointment of Auditors was required to be ratified by Members at every AGM. However, in accordance with the Companies Amendment Act, 2017 enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

COST AUDIT

In accordance with Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

In accordance with Section 204 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit is not applicable to the Company.

AUDIT REPORTS

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

i) BOARD MEETINGS

During the year under review, four (4) meetings of the Board of Directors were held on May 22, 2017, August 10, 2017, November 09, 2017 & February 13, 2018. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

BOARD'S REPORT

ii) AUDIT COMMITTEE

In accordance with the provisions of Section 177 of the Companies Act, 2013, Audit Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. D. G. Rajan	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non – Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. V. B. Dalal	Independent Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member

The Scope and terms of reference of the Audit Committee is in accordance with the Act. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the said Committee.

iii) NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Companies Act, 2013, Nomination and Remuneration Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. Ashutosh Khanna	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non – Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member

The Holding Company i.e Balaji Telefilms Limited has Nomination and Remuneration Policy which is applicable to all its subsidiaries which can be accessed at **http://www.balajitelefilms.com/nomination-remuneration-policy.php**

iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of Directors as constituted by the Board of Directors of the Company is in accordance with the requirements of Section 135 of the Companies Act, 2013. The Holding Company i.e Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. The average profit of the Company in preceding three financial years being negative, the Company is not required to incur any CSR expenditure and hence no disclosure is required to be given in this regard.

BOARD'S REPORT

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

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non – Executive Director	Chairman
Mrs. Shobha Kapoor	Non – Executive Director	Member
Ms. Ekta Kapoor	Non – Executive Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member

v) BUSINESS RISK MANAGEMENT

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on businesss objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Audit Committee of the Company does the risk identification, assessment, analysis and mitigation in consultation with the various departments.

OTHER DISCLOSURES

i) EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT-9 is appended as Annexure I to this Report.

ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of frauds committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

iii) SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

iv) INTERNAL FINANCIAL CONTROLS SYSTEM AND ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

v) VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

vi) RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of

BOARD'S REPORT

the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an Arm's Length Price. Further, none of these transactions/contracts/arrangements with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

vii) FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits and as such no amount of principal interest was outstanding as on the Balance Sheet date.

viii) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in this Annual Report.

ix) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the financial year 2017-18, no sexual harassment complaints has been registered with the Company.

x) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going status of the Company & its future operations.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Conservation of Energy do not apply to the Company. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy-efficient equipments. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipments with more energy-efficient equipments. Currently, we use Compact Fluorescent Lamp (CFL) fixtures to reduce the power consumption in the illumination system.

TECHNOLOGY ABSORPTION

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Technology Absorption do not apply to the Company. 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

During the year under review, there were neither earnings nor expenditure in foreign exchange from continuing operations.

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance evaluation of Executive/Non-Executive/

BOARD'S REPORT

Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

1. Knowledge to perform the role;
2. Time and Level of Participation;
3. Performance of Duties and Level of Oversight;
4. Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

BOARD EVALUATION

Schedule IV of Companies Act, 2013 mandates that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated.

The evaluation of the Board as a whole, its Committees and Individual Directors was conducted based on the criteria and framework adopted by the Board. The Board approved evaluation process results as collated by the Nomination and Remuneration Committee of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to any material departures;

b) The Directors had 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 and loss of the Company for the year under review;

c) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts for the financial year ended March 31, 2018 had been prepared on a 'going concern' basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
Jeetendra Kapoor
Chairman
DIN: 00005345

Place: Mumbai
Date: May 19, 2018

ANNEXURE I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I) REGISTRATION & OTHER DETAILS

1	**CIN**	U22300MH2007PLC168515
2	**Registration Date**	09/03/2007
3	**Name of the Company**	Balaji Motion Pictures Limited
4	**Category/Sub-category of the Company**	Company Limited by Shares/ Public Non-Government Company
5	**Address of the Registered office & Contact details**	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email: neha.shah@balajitelefilms.com Website: www.balajitelefilms.com
6	**Whether listed Company**	No
7	**Name, Address & Contact details of the Registrar & Transfer Agent, if any**	N.A.

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Media & Entertainment	591	100

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited **Registered Office**: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, Maharashtra.	L99999MH1994PLC082802	Holding Company	100	2 (46)

ANNEXURE I

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e April 01, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	6*	6	0.00002	0	6*	6	0.0003	0.00028
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	2,99,99,994	2,99,99,994	99.99998	0	19,99,994	19,99,994	99.9997	0.00028
e) Banks/FI	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	**0**	**3,00,00,000**	**3,00,00,000**	**100.00**	**0**	**20,00,000**	**20,00,000**	**100.00**	**0**
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Institutions	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters A= A(1)+A(2)	**0**	**3,00,00,000**	**3,00,00,000**	**100.00**	**0**	**20,00,000**	**20,00,000**	**100.00**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c)Central Govt	0	0	0	0	0	0	0	0	0
d)State Govt(s)									
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0

ANNEXURE I

f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**3,00,00,000**	**3,00,00,000**	**100.00**	**0**	**20,00,000**	**20,00,000**	**100.00**	**0**

Note: * Shares are held jointly with Balaji Telefilms Limited.

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2017			Shareholding at the end of the year i.e. March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Balaji Telefilms Limited	2,99,99,994	99.99998	0	19,99,994	99.9997	0	0.00028
2	Jeetendra Kapoor jointly with Balaji Telefilms Limited	1	0.0000033	0	1	0.00005	0	0.0000467
3	Shobha Kapoor jointly with Balaji Telefilms Limited	1	0.0000033	0	1	0.00005	0	0.0000467

ANNEXURE I

4	Ekta Kapoor jointly with Balaji Telefilms Limited	1	0.0000033	0	1	0.00005	0	0.0000467
5	Tushar Kapoor jointly with Balaji Telefilms Limited	1	0.0000033	0	1	0.00005	0	0.0000467
6	Deepoo Vaswani jointly with Balaji Telefilms Limited	1	0.0000033	0	1	0.00005	0	0.0000467
7	Ramesh Sippy jointly with Balaji Telefilms Limited	1	0.0000033	0	1	0.00005	0	0.0000467
	Total	**3,00,00,000**	**100.00**	**0**	**20,00,000**	**100.00**	**0**	**0**

iii) Change in Promoters' Shareholding:

There are no changes in Promoters' Shareholding during the financial year 2017-18. The percentage change in Promters' holding is due to decrease in the paid-up share capital of the Company.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

The entire share capital of the Company is held by the Holding Company, Promoters and Directors of the Company.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors/ KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Jeetendra Kapoor***				
	At the beginning of the year	1	0.0000033	1	0.0000033
	Bought during the year	-	-	1	0.0000033
	Sold during the year	-	-	1	0.0000033
	At the end of the year	1	0.00005	1	0.00005
2	**Shobha Kapoor***				
	At the beginning of the year	1	0.0000033	1	0.0000033
	Bought shares during the year	-	-	1	0.0000033
	Sold during the year	-	-	1	0.0000033
	At the end of the year	1	0.00005	1	0.00005

ANNEXURE I

3	**Ekta Kapoor***				
	At the beginning of the year	1	0.0000033	1	0.0000033
	Brought shares during the year			1	0.0000033
	Sold during the year	-	-	1	0.0000033
	At the end of the year	1	0.00005	1	0.00005
4	**Tusshar Kapoor ***				
	At the beginning of the year	1	0.0000033	1	0.0000033
	Bought during the year	-	-	1	0.0000033
	Sold during the year	-	-	1	0.0000033
	At the end of the year	1	0.00005	1	0.00005

Notes:
* Shares are held jointly with Balaji Telefilms Limited.
1. The percentage calculated on th paid-up share capital (3,00,00,000 shares) at the beginning of the year.
2. The percentage calculated on th paid-up share capital (20,00,000 shares) at the end of the year.
3. Directors: Mr. D. G. Rajan, Mr. Ashutosh Khanna, Mr. D. K. Vasal, Mr. V. B. Dalal, Mr. Pradeep Kumar Sarda and KMP: Ms. Neha Shah did not hold any shares during the financial year 2017-18.

V) INDEBTEDNESS

Indebtedness of the Company including outstanding/accrued but not due for payment: **(₹ in lacs)**

Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	2,06,04.99	-	2,06,04.99
ii) Interest due but not paid	-	21,32.56	-	21,32.56
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**2,27,37.55**	**-**	**2,27,37.55**
Change in Indebtedness during the financial year				
Addition	-	14,59.50	-	14,59.50
Interest for the year	-	6,09.95	-	6,09.95
Reduction	-	(29,60.27)	-	(29,60.27)
Balance transferred on account of demerger	-	(2,09,60.86)	-	(2,09,60.86)
Net Change	**-**	**(2,18,51.68)**	**-**	**(2,18,51.68)**

ANNEXURE I

Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 - - -	 8,62.11 23.76 -	 - - -	 8,62.11 23.76 -
Total (i+ii+iii)	**-**	**8,85.87**	**-**	**8,85.87**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Tusshar Kapoor Whole Time Director	
1	Gross salary		NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	
	Stock Option	-	
	Sweat Equity	-	
	Commission- as % of profit	-	
	Others-Sitting Fees	1,50,000	1,50,000
	Total (A)	**1,50,000**	**1,50,000**
	Ceiling as per the Act (per annum)	**₹ 60,00,000/-** per Managerial Personnel (Calculated as per Schedule V of the Companies Act, 2013)	

Note:
The Sitting fees paid to Mr. Tusshar Kapoor does not form part of Managerial Remuneration as per Section 197(2).

ii) Remuneration to other Directors : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
	Independent Directors	**D. G. Rajan**	**Ashutosh Khanna**	**D. K. Vasal**	**V. B. Dalal**	**Pradeep Kumar Sarda**	
1	Fee for attending Board and Committee meetings	2,00,000	2,00,000	2,00,000	2,00,000	1,00,000	9,00,000

ANNEXURE I

	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	**2,00,000**	**2,00,000**	**2,00,000**	**2,00,000**	**1,00,000**	**9,00,000**
2	**Other Non-Executive Directors**	**Jeetendra Kapoor**	**Shobha Kapoor**	**Ekta Kapoor**			
	Fee for attending Board and Committee meetings	2,00,000	-	-	-	-	2,00,000
	Commission	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total (2)	**2,00,000**	**-**	**-**	**-**	**-**	**2,00,000**
	Total (B)=(1+2)	**4,00,000**	**2,00,000**	**2,00,000**	**2,00,000**	**1,00,000**	**11,00,000**
	Total Managerial Remuneration (A+B)						**12,50,000**
	Ceiling as per the Act (per annum)			₹ **60,00,000/-** per Managerial Personnel (Calculated as per Schedule V of the Companies Act, 2013)			

Note:
1. The Independent Directors of the Company receive sitting fees for attending the Board/Committee meetings of the Company which is excluded under Section 197 of the Companies Act, 2013.

iii) Remuneration to Key Managerial Personnel other than MD/Manager/WTD: **(Amount in ₹)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		***Neha Shah Company Secretary**	
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,99,110	**2,99,110**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-

ANNEXURE I

3	Sweat Equity		-
4	Commission- as % of profit	-	-
5	Others – Provident Fund and Reimbursements	14,354	14,354
	Total	**3,13,464**	**3,13,464**

Note :* Salary paid to Ms. Neha Shah for the period from June 23, 2017 to March 31, 2018.

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Sd/-
Jeetendra Kapoor
Chairman
DIN: 00005345

Place: Mumbai
Date: May 19, 2018

Independent Auditors' Report

TO THE MEMBERS OF BALAJI MOTION PICTURES LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Balaji Motion Pictures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income

Independent Auditors' Report

(comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 22, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
    ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018. the Company for the year ended March 31, 2018.

Referred to in paragraph 11(f) of the Independent

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure A
to Independent Auditors' Report

Auditors' Report of even date to the members of Balaji Motion Pictures Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Balaji Motion Pictures Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable

Annexure A
to Independent Auditors' Report

assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Referred to in paragraph 10 of the Independent

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure B
to Independent Auditors' Report

Auditors' Report of even date to the members of Balaji Motion Pictures Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

i. The Company does not have fixed assets and therefore the provisions of Clause 3(i) (a), 3(i) (b) and 3(i) (c) of the Order are not applicable to the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, service tax, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not paid/ provided for any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential

Annexure B
to Independent Auditors' Report

allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Balance Sheet

As at March 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	-	288.28
(b) Financial Assets			
(i) Loans	5(i)	-	163.32
(c) Current tax asset (net)	7	-	388.06
(d) Other non-current assets	8(i)	-	3,799.73
Total Non-current assets		**-**	**4,639.39**
Current assets			
(a) Inventories	9	-	6,502.00
(b) Financial assets			
(i) Trade receivables	10	14.93	998.11
(ii) Cash and cash equivalents	11	341.28	422.72
(iii) Other balances with banks	12	0.58	0.58
(iv) Loans	5(ii)	350.00	24.13
(v) Other financial assets	6	-	60.34
(c) Other current assets	8(ii)	9.02	3,358.06
Total current assets		**715.81**	**11,365.94**
Total Assets		**715.81**	**16,005.33**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	200.00	3,000.00
(b) Other equity	14	(497.63)	(12,188.30)
Total equity		**(297.63)**	**(9,188.30)**
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	885.87	22,737.55
(ii) Trade payables	16	9.38	389.03
(iii) Other financial liabilities	17	110.26	-
(b) Other current liabilities	18	7.93	2,067.05
Total current liabilities		**1,013.44**	**25,193.63**
Total Equity and Liabilities		**715.81**	**16,005.33**

The above Balance Sheet should be read in conjunction with the accompanying notes
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Director)
DIN: 00005093

Neha Shah
(Company Secretary)

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

	Particulars	Note No.	For the year ended March 31, 2018 ₹ In Lacs	For the year ended March 31, 2017 ₹ In Lacs
	Continuing operations			
(I)	Revenue from operations	19	762.78	-
(II)	**Total income**		**762.78**	**-**
(III)	**Expenses**			
	(a) Direct cost	20	641.93	-
	(b) Employee benefit expense	21	82.13	83.10
	(c) Finance costs	22	24.40	11.30
	(d) Depreciation expense	23	-	0.61
	(e) Other expenses	24	116.22	100.00
(IV)	**Total expenses**		**864.68**	**195.01**
(V)	**(Loss) before tax from continuing operations (II-IV)**		**(101.90)**	**(195.01)**
(VI)	Tax expense		-	-
(VII)	**(Loss) for the year from continuing operations (V-VI)**		**(101.90)**	**(195.01)**
	Discontinued operations			
(VIII)	**(Loss) before tax from discontinued operations**	25.8	**(409.11)**	**(4,274.31)**
(IX)	Tax expense of discontinued operations		-	(39.09)
(X)	**(Loss) after tax from discontinued operations (VIII + IX)**		**(409.11)**	**(4,235.22)**
(XI)	**(Loss) for the year (VII+X)**		**(511.01)**	**(4,430.23)**
(XII)	Other comprehensive income			
	Items that will not be reclassified to statement of profit or loss			
	-Remeasurements of the defined benefit liabilities / (asset)		(1.33)	0.34
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income for the year (net of tax)		**(1.33)**	**0.34**
(XIII)	**Total comprehensive income for the year arises from (XI+XII)**			
	Continuing operations		(103.23)	(194.67)
	Discontinued operations		(409.11)	(4,235.22)
	Total		**(512.34)**	**(4,429.89)**
(XIV)	**Basic and diluted earnings/(loss) per share (In ₹)**	25.2		
	(Face value of ₹ 10 each)			
	Continuing operation		(0.47)	(0.65)
	Discontinued operation		(1.88)	(14.12)
	Total		**(2.35)**	**(14.77)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Director)
DIN: 00005093

Neha Shah
(Company Secretary)

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of Cash Flow

for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
A. Cash Flow from Operating Activities				
(Loss) before tax from continuing operations		**(101.90)**		**(195.01)**
(Loss) before tax from discontinued operations		**(409.11)**		**(4,274.31)**
Adjustments for:				
Depreciation and amortisation expense	34.55		49.00	
Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI)	-		0.34	
Finance cost	609.95		1,272.05	
Gratuity asset written off	9.79		-	
Interest income on fixed deposit with bank	-		(3.80)	
Sundry Credit balance written back	-	654.29	(39.76)	1,277.83
Operating profit/(loss) before working capital changes		**143.28**		**(3,191.49)**
(Increase) in Other financial assets	(58.77)		37.68	
(Increase) in Other assets	(213.99)		109.48	
Decrease in Inventories	1,833.30		4,014.08	
(Increase) in Trade receivables	(37.60)		(956.35)	
(Increase) in Other financial assets	(290.05)		142.48	
Decrease in Other current assets	1,853.44		(638.73)	
(Decrease) in Trade payables	(91.80)		174.52	
Increase in Other financial liabilities	118.19		(119.59)	
(Decrease) Other current liabilities	(1,709.88)	1,402.86	1,522.25	4,285.82
Cash flow from operating activities before taxes		**1,546.14**		**1,094.33**
Income taxes Paid/(Refunded)		(126.81)		(505.75)
Net cash flow from operating activities (A)		**1,419.33**		**1,600.08**
B. Cash Flow from Investing Activities				
Purchase of fixed assets	-		(0.38)	
Bank Balance not considered as cash and cash equivalents	-		32.81	
Net cash flow from investing activities (B)		**-**		**32.43**
C. Cash Flow from Financing Activities				
Proceeds from current borrowings	1,459.50		3,785.10	
Repayment of short-term borrowings	(2,960.27)		(5,021.07)	
Net cash flow (used in) financing activities (C)		**(1,500.77)**		**(1,235.97)**
Net increase in Cash and cash equivalents (A+B+C)		**(81.44)**		**396.54**
Cash and cash equivalents at the beginning of the year (Refer note 11)		422.72		26.18
Cash and cash equivalents at the end of the year (Refer note 11)		**341.28**		**422.72**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

This is the Statement of Cash Flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Director)
DIN: 00005093

Neha Shah
(Company Secretary)

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of changes in Equity

for the year ended March 31, 2018

A. Equity Share Capital

Particulars	(₹ in lacs)
Balance as at April 1, 2016	**3,000.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**3,000.00**
Reduction in equity share capital on account of de-merger (Refer note 25.8)	(2,800.00)
Balance as at March 31, 2018	**200.00**

B. Other Equity

(₹ in lacs)

	Reserves and Surplus
Particulars	**Retained earnings**
Balance as at April 1, 2016	**(7,758.41)**
Loss for the year	(4,430.23)
Other comprehensive income for the year	0.34
Total comprehensive income for the year	**(4,429.89)**
Balance as at March 31, 2017	**(12,188.30)**
Balance as at April 1, 2017	**(12,188.30)**
Loss for the year	(511.01)
Other comprehensive income for the year	(1.33)
Total comprehensive income for the year	**(512.34)**
Balance transferred to transferee company (Refer note 25.8)	12,155.93
Profit on account of scheme of arrangement (Refer note 25.8)	47.08
Balance as at March 31, 2018	**(497.63)**

The above Statement of changes in Equity should be read in conjunction with the accompanying notes

This is the Statement of changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Director)
DIN: 00005093

Neha Shah
(Company Secretary)

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 1: Background

Balaji Motion Pictures Limited ('the Company') was incorporated on March 9, 2007 under the Companies Act, 1956. The Company is a wholly owned subsidiary of Balaji Telefilms Limited. The company is in the business of distribution of films. The registered office and principal place of business of the Company is at Andheri (West), Mumbai.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements.

(a) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criterias set out in the Schedule III to the Companies Act, 2013.

Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained it's operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

<u>Historical cost convention</u>
The financial statements have been prepared on a historical cost basis, except for the following:

I) certain financial assets and liabilities that are measured at fair value;
II) defined benefit plans - plan assets measured at fair value.

<u>Amended standards adopted by the Company</u>
The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, see note 15.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Company consists of the managing director who assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 25.5 for segment information presented.

(c) Foreign Currency Translation

(i) <u>Functional and presentation currency</u>
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) <u>Transactions and balances</u>
Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(d) Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria has been met for each of the Company's activities.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any discounts and any taxes collected on behalf of the government which are levied on sales such as Service Tax, Sales Tax, Value Added Tax and Goods and Service tax (GST) etc.

Revenue from theatrical distribution of movies is recognized in accordance with the licensing agreement as the films are screened and is stated as the Company's share of box office receipts.

(e) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of Cash Flow Statement, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Company's cash management.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(h) Trade Receivables

Trade receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Financial Instruments

(i) Financial Assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt instruments are designated as at fair value through profit or loss on initial recognition.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of Financial Assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities:

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

(j) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(k) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(l) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit or loss.

(m) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 - "Provision, contingent liabilities and contingent assets" is made.

(n) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity;

(b) defined contribution plans such as provident fund.

Defined benefit plans:

The company has taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

The liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. Contributions

Notes forming part of the Financial Statements

for the year ended March 31, 2018

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'.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans:
Contributions to Provident Fund and Pension Fund are charged to the Statement of Profit and Loss as incurred. Provident fund contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

(o) Earnings Per Share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(p) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lakhs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The areas involving critical estimates or judgements are:

Estimated useful life of Tangible Assets :
The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Estimation of Current Tax Expense and Income Tax Payable / Receivable :
The calculation of Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material adjustment to taxable profits/losses.

Estimation of Defined Benefit Obligation :
The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, this liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Estimation of Contingent Liabilities :
The company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision or contingent liability.

Recognition of Deferred Tax Assets :
The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operates.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 4 - Property, plant and equipment

(₹ in Lacs)

Description of Assets	Computers	Office Equipment	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold improvements	Vehicles	Total
I. Gross carrying amount							
Balance as at April 1, 2016	**39.09**	**43.51**	**215.39**	**7.85**	**68.29**	**155.52**	**529.65**
Additions	0.38	-	-	-	-	-	0.38
Balance as at March 31, 2017	**39.47**	**43.51**	**215.39**	**7.85**	**68.29**	**155.52**	**530.03**
II. Accumulated depreciation							
Balance as at April 1, 2016	**(35.32)**	**(20.54)**	**(36.76)**	**(1.80)**	**(68.29)**	**(30.04)**	**(192.75)**
Depreciation expense	(3.14)	(9.30)	(16.30)	(0.86)	-	(19.40)	(49.00)
Balance as at March 31, 2017	**(38.46)**	**(29.84)**	**(53.06)**	**(2.66)**	**(68.29)**	**(49.44)**	**(241.75)**
III. Net carrying amount							
Balance as at March 31, 2017	**1.01**	**13.67**	**162.33**	**5.19**	**-**	**106.08**	**288.28**
I. Gross carrying amount							
Balance as at April 1, 2017	**39.47**	**43.51**	**215.39**	**7.85**	**68.29**	**155.52**	**530.03**
Balance transferred to transferee company (Refer note 25.8)	(36.92)	(43.51)	(215.39)	(7.85)	(68.29)	(155.52)	(527.48)
Balance as at March 31, 2018	**2.55**	**-**	**-**	**-**	**-**	**-**	**2.55**
II. Accumulated depreciation							
Balance as at April 1, 2017	**(38.46)**	**(29.84)**	**(53.06)**	**(2.66)**	**(68.29)**	**(49.44)**	**(241.75)**
Depreciation expense	(0.60)	(6.41)	(12.27)	(0.65)	-	(14.62)	(34.55)
Balance transferred to transferee company (Refer note 25.8)	36.51	36.25	65.33	3.31	68.29	64.06	273.75
Balance as at March 31, 2018	**(2.55)**	**-**	**-**	**-**	**-**	**-**	**(2.55)**
III. Net carrying amount							
Balance as at March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 5 Loans

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
i) Non-current loans		
Unsecured, considered good		
Security Deposits (Refer note below)	-	163.32
Total	**-**	**163.32**
ii) Current loans		
Unsecured, considered good		
Security Deposit	350.00	24.13
Total	**350.00**	**24.13**

Note: Security Deposits include deposits given to two of the Directors for the properties taken on lease from them.

Note 6 Other financial assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Current financial assets		
Unsecured, considered good		
Recoverable from co-producer	-	59.83
Interest accrued on fixed deposits with banks	-	0.51
Total	**-**	**60.34**

Note 7 Current tax asset

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Advance payment of income- tax	-	388.06
Total	**-**	**388.06**

Note 8 Other assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
i) Non-current assets		
Advance to vendors	-	3,799.73
Total	**-**	**3,799.73**
ii) Current assets		
Prepaid expenses	1.46	50.83
Balances with government authorities	7.56	1,006.98
Advance to vendors	-	2,300.25
Total	**9.02**	**3,358.06**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 9 Inventories

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Films :		
Finished	-	681.67
Work in process	-	5,820.33
Total	**-**	**6,502.00**

Note 10 Trade receivables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured, considered good	14.93	998.11
Total	**14.93**	**998.11**

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Note 11 Cash and cash equivalents

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) Cash on hand	-	5.67
(b) Balances with banks		
In current accounts	341.28	417.05
Total	**341.28**	**422.72**

Note 12 Other balances with Banks

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Fixed deposits with original maturity of more than 3 months but less than 12 months (Refer note below)	0.58	0.58
Total	**0.58**	**0.58**

Note : Fixed deposits kept in lien against bank guarantee.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 13 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017
	₹ in Lacs	₹ in Lacs
Authorised		
35,000,000 (Previous year 35,000,000) Equity shares of ₹10/- each	3,500.00	3,500.00
Total	**3,500.00**	**3,500.00**
Issued, Subscribed and fully paid-up		
2,000,000 (Previous year 30,000,000) Equity shares of ₹10/- each	200.00	3,000.00
Total	**200.00**	**3,000.00**

Notes :

(i) Shares held by holding company / ultimate holding company :

Particulars	As at March 31, 2018	As at March 31, 2017
Balaji Telefilms Limited (immediate and ultimate holding company)	2,000,000	30,000,000

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

Name of Equity Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	2,000,000	100%	30,000,000	100%

(iii) The reconciliation of the number of shares outstanding is set out below:

Name of Equity Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of holding	No. of hares held	% of holding
Equity shares outstanding at the beginning of the year	30,000,000	3,000.00	30,000,000	3,000.00
Less: Reduction of Equity Shares on account of scheme of arrangement (Refer note 25.8)	28,000,000	2,800.00	-	-
Equity shares outstanding at the end of the year	2,000,000	200.00	30,000,000	3,000.00

(iv) The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the shareholders will be eligible to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(v) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2018.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 14 Other equity - Reserves & Surplus

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Deficit in Statement of Profit and Loss		
Balance at beginning of year	**(12,188.30)**	**(7,758.41)**
Loss for the year	(511.01)	(4,430.23)
Other comprehensive income for the year	(1.33)	0.34
Total comprehensive income for the year	**(512.34)**	**(4,429.89)**
Balance transferred to transferee company (Refer note 25.8)	12,155.93	-
Profit on account of scheme of arrangement (Refer note 25.8)	47.08	-
Balance at the end of the year	**(497.63)**	**(12,188.30)**

Note 15 Current borrowings

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Loans from holding company (Unsecured)	885.87	22,737.55
Total	**885.87**	**22,737.55**

Note: Loan is taken from Holding Company, basis the simple interest on reducing balance and is repayable on demand.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2018

Particulars	As at March 31, 2018 ₹ in Lacs
Cash and cash equivalents	341.28
Non-current borrowings	(885.87)
Net debt	**(544.59)**

Particulars	Other Assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Non-current borrowings	
Net debt as at March 31, 2017	**422.72**	**(22,737.55)**	**(22,314.83)**
Cash flows	(81.44)	1,500.77	1,419.33
Interest expense	-	(609.95)	(609.95)
Balance transferred on account of demerger (Refer note 25.8)	-	20,960.86	20,960.86
Net debt as at March 31, 2018	**341.28**	**(885.87)**	**(544.59)**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 16 Trade payables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Trade payables	9.38	389.03
Total	**9.38**	**389.03**

Notes:

(a) Micro, Small and Medium Enterprises :

The balances above includes ₹ Nil (Previous Year ₹ Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act).

No interest is paid / payable during the year to any Micro / Small Enterprise registered under the MSME. There were no delayed payments during the year to any Micro or Small Enterprise registered under the MSME Act.

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

Note 17 Other financial liabilities

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Holding company's current account	110.26	-
Total	**110.26**	**-**

Note :

The above balance represents collections pertaining to the de-merged business, payable to holding company.

Note 18 Other current liabilities

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Employee benefits payable	5.39	-
Statutory liabilities	2.54	0.84
Advances from customers	-	2,066.21
Total	**7.93**	**2,067.05**

Note 19 Revenue from operations

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Sale of Services		
Film distribution service	762.78	-
Total	**762.78**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 20 Direct cost

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Producer's share of film distribution revenue	638.88	-
Marketing and distribution expenses	2.95	-
Other	0.10	-
Total	**641.93**	**-**

Note 21 Employee benefit expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Salaries and wages	78.48	79.31
Contributions to provident fund (Refer note 25.7)	3.65	3.79
Total	**82.13**	**83.10**

Note 22 Finance cost

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest on loan	24.40	11.30
Total	**24.40**	**11.30**

Note 23 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Depreciation of property, plant and equipment	-	0.61
Total	**-**	**0.61**

Note 24 Other expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Rent including lease rentals	6.00	6.00
Legal and professional charges (Refer note 24.1 below)	97.17	76.50
Directors sitting fees	12.50	17.50
Miscellaneous expenses	0.55	-
Total	**116.22**	**100.00**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 24.1 Details of auditors remuneration (included in Legal and Professional charges)

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
As Auditors :		
Audit fee	2.50	2.38
Reimbursement of expenses	-	0.06
Total	**2.50**	**2.44**

Note 25 Additional information to the financial statements and disclosure under Accounting Standards

25.1 Related Party Disclosures

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
ALT Digital Media Entertainment Limited	Fellow Subsidiary
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. D G Rajan	Key management person
Mr. Ashutosh Khanna	Key management person
Mr. Devender Kumar Vasal	Key management person
Mr. V B Dalal	Key management person
Mr. Pradeep Sarda	Key management person

(b) Details of Transactions with related parties during the year ended March 31, 2018

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Fellow Subsidiary
Loan Received			
Balaji Telefilms Limited	1,459.50	-	-
	(3,785.10)	(-)	(-)
Loan Repaid			
Balaji Telefilms Limited	2,960.27	-	-
	(5,021.07)	(-)	(-)
Interest Expense			
Balaji Telefilms Limited	609.95	-	-
	(1,272.05)	(-)	(-)
Sale of Movie Right			
Alt Digital Media Entertainment Limited	-	-	76.00
	(-)	(-)	(-)
Rent Paid			
Balaji Telefilms Limited	1.50	-	-
	(-)	(-)	(-)

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Nature of Transactions	Holding Company	Key Management Person	Fellow Subsidiary
Mr. Jeetendra Kapoor	-	13.10	-
	(-)	(17.47)	(-)
Ms. Ekta Kapoor	-	11.15	-
	(-)	(14.87)	(-)
Directors sitting fees			
Mr. D G Rajan	-	2.00	-
	(-)	(3.00)	(-)
Mr. Ashutosh Khanna	-	2.00	-
	(-)	(2.50)	(-)
Mr. Devender Kumar Vasal	-	2.00	-
	(-)	(3.00)	(-)
Mr. V B Dalal	-	2.00	-
	(-)	(3.00)	(-)
Mr. Pradeep Sarda	-	1.00	-
	(-)	(1.00)	(-)
Mr. Jeetendra Kapoor	-	2.00	-
	(-)	(2.50)	(-)
Mr. Tusshar Kapoor	-	1.50	-
	(-)	(2.50)	(-)

(c) Closing balances as at March 31, 2018

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Fellow Subsidiary
Loan payable			
Balaji Telefilms Limited	885.87	-	-
	(22,737.55)	(-)	(-)
Amount payable on current account			
Balaji Telefilms Limited	110.26	-	-
	(-)	(-)	(-)

Note :

i) Figures in bracket relate to the previous year

Notes forming part of the Financial Statements

for the year ended March 31, 2018

25.2 Earning per share

Basic and diluted earnings per share

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic and diluted earnings per share for profit from continuing operation		
(Loss) for the year attributable to equity shareholders (A) (₹ in Lacs)	(101.90)	(195.01)
Weighted average number of equity shares outstanding during the year (Nos.) (B)	21,791,781	30,000,000
Earnings per share - Basic and diluted (₹) (A/B)	(0.47)	(0.65)
Nominal value of shares (₹)	10	10
Basic and diluted earnings per share for profit from discontinued operation		
(Loss) for the year attributable to equity shareholders (A) (₹ in Lacs)	(409.11)	(4,235.22)
Weighted average number of equity shares outstanding during the year (Nos.) (B)	21,791,781	30,000,000
Earnings per share - Basic and diluted (₹) (A/B)	(1.88)	(14.12)
Nominal value of shares (₹)	10	10
Basic and diluted earnings per share for profit from continuing and discontinued operation		
(Loss) for the year attributable to equity shareholders (A) (₹ in Lacs)	(511.01)	(4,430.23)
Weighted average number of equity shares outstanding during the year (Nos.) (B)	21,791,781	30,000,000
Earnings per share - Basic and diluted (₹) (A/B)	(2.35)	(14.77)
Nominal value of shares (₹)	10	10

25.3 In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", 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 Ind AS 12 regarding reasonable certainty, the deferred tax asset is not accounted for, to the extent of ₹ 77 lacs (previous year ₹ 64 lacs). However, the same will be reassessed at subsequent Reporting date and will be accounted for in the year in which the reasonable certainty is established.

25.4 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 6 Lacs (previous year ₹ 6 lacs)

25.5 Segment Information

The Company is primarily engaged in the business of distribution of films, which in the context of Ind AS 108 on "Operating Segments", constitutes a single reportable segment.

Revenue of approximately ₹ 478.41 lacs (Previous year ₹ Nil) are derived from three major external customers of the company.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

25.6 As at March 31, 2018 the Company has accumulated losses of ₹ 497.63 lacs and the net worth of the Company is fully eroded. However, based on the continuing and committed support from the holding company, the Company has followed the fundamental accounting assumption of 'Going Concern' and will be able to meet all its financial obligations as they fall due for payment for at least 12 months from the date of signature of these financial statements.

25.7 Employee Benefits

a) **Defined Contribution Plans**

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹ 3.65 lacs (previous year ₹ 3.79 lacs)

b) **Defined Benefit Plans**

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable are calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	**Valuation as at**	
	March 31, 2018	**March 31, 2017**
Discount rate(s)	7.80%	7.66%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of Employee Turnover	10.00%	2.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Defined benefit plans – as per actuarial valuation on March 31, 2018

(₹ in Lacs)

Particulars	**Funded Plan**	
	Gratuity	
	March 31, 2018	**March 31, 2017**
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the year	1.30	-
Return on Plan Assets, Excluding Interest Income	0.03	(0.34)
Change in asset ceiling	-	-
Net (Income)/Expense for the year recognised in Other Comprehensive Income (OCI)	**1.33**	**(0.34)**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Particulars	Funded Plan	
	Gratuity	
	March 31, 2018	March 31, 2017
Expenses recognised in the Statement of Profit or Loss for current year		
Current Service Cost	0.66	4.27
Net interest cost	(0.85)	(0.90)
Past service cost	0.09	-
Total	**(0.09)**	**3.37**
Expenses Recognized	**-**	**3.37**
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation at the end of the year	(5.71)	(3.90)
2. Fair value of plan assets at the end of the year	16.14	15.02
3. Surplus/(Deficit)	10.43	11.12
4. Net Asset recognized in the Balance sheet	**-**	**11.12**
II. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	3.90	5.53
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	0.66	4.27
- Past Service Cost	0.09	-
- Interest Cost	0.30	0.44
Liability Transferred Out/Divestments	(0.54)	-
3. Benefit paid from the Fund	-	(6.34)
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	1.05	-
5. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	(0.05)	0.17
6. Actuarial (Gains)/ Losses on Obligations- Due to experience	0.30	(0.17)
Present value of defined benefit obligation at the end of the year	**5.71**	**3.90**
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	15.02	16.83
2. Interest Income	1.15	1.34
3. Contributions by the employer	-	2.85
4. (Benefit paid from the Fund)	-	(6.34)
5. Return on Plan Assets, excluding Interest Income	(0.03)	0.34
6. Fair value of plan assets at the end of the year	**16.14**	**15.02**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Projected Benefit Obligation on Current Assumptions	**5.71**	**3.90**
Delta Effect of +1% Change in Rate of Discounting	**(0.35)**	**(0.54)**
Delta Effect of -1% Change in Rate of Discounting	**0.40**	**0.67**
Delta Effect of +1% Change in Rate of Salary Increase	**0.41**	**0.40**
Delta Effect of -1% Change in Rate of Salary Increase	**(0.36)**	**(0.36)**
Delta Effect of +1% Change in Rate of Employee Turnover	**0.06**	**0.26**
Delta Effect of -1% Change in Rate of Employee Turnover	**(0.08)**	**(0.32)**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

Maturity profile of defined benefit obligation:

(₹ in Lacs)

Projected Benefits Payable in future years from Date of Reporting	For the year ended March 31, 2018	For the year ended March 31, 2017
1st Following year	0.54	0.09
2nd Following year	0.62	0.11
3rd Following year	0.65	0.13
4th Following year	0.62	0.16
5th Following year	0.59	0.17
Sum of Years 6 to 10	2.49	0.92
Sum of Years 11 and above	5.68	14.73

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2018 and 2017 by category are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2018	As at March 31, 2017
Asset category:		
Deposits with Insurance companies	16.14	15.02
	100%	100%

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Where required by Ind AS 24 an entity discloses information about: (a) related party transactions with post employment benefit plans; and (b) post-employment benefits for key management personnel.

Note: Where required by Ind AS 37 an entity discloses information about contingent liabilities arising from post employment benefit obligations.

25.8 Discountinued Operation

(a) Scheme of arrangement :

The composite Scheme of Arrangement and Amalgamation (the 'Scheme') between the Balaji Telefilms Ltd (Transferee Company or BTL) and two of its subsidiaries viz. Balaji Motion Pictures Limited ('BMPL') and Bolt Media Limited ('Bolt'), for the merger of Bolt and the film production undertaking of BMPL with the BTL and the consequent capital reduction in the books of BMPL has been approved by the National Company Law Tribunal (Mumbai bench) ('NCLT') and subsequently filed with the Registrar of Companies, Securities and Exchange Board of India and Stock Exchanges by December 15, 2017 (the 'Effective date'). Pursuant to the Scheme becoming effective, Assets, Liabilities, Income and Expenses relating to production undertaking of the company have been transeferred to the BTL.

(b) Details of assets and liabilities transferred are as under :

(₹ in Lacs)

Particulars	**As at December 15, 2017**	
Assets Transferred:		
Property, plant and equipment		
Gross block	527.48	
Less: Accumulated depreciation	(273.75)	253.73
Non Current Financial assets		222.10
Current tax assets (net)		514.87
Other Non current assets		4,013.72
Inventories		4,668.70
Current Financial Assets :		
(i) Trade receivables		1,020.78
(ii) Cash and cash equivalents		-
(iii) Other financial assets		24.52
		1,045.30
Other Current Assets		1,484.48
Total (A)		**12,202.90**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Liabilities Transferred:		
Financial liabilities :		
(i) Borrowings		20,960.86
(ii) Trade payables		288.13
(iii)Other Current Liabilities		356.92
Total (B)		**21,605.91**
Losses Transferred (C)		**12,155.93**
Reduction in equity share capital (D)		**2,800.00**
Gain on Transfer of Business (B+D-A-C)		47.08

(c) Financial performance and cash flow information :

(₹ in Lacs)

Particulars	**From April 1, 2017 to December 15, 2017**	**For the year ended March 31, 2017**
Revenue	8,168.54	12,801.02
Expenses	8,577.65	17,075.33
(Loss) before income tax	**(409.11)**	**(4,274.31)**
Income tax expense	-	(39.09)
(Loss) after income tax	**(409.11)**	**(4,235.22)**
Net cash inflow from operating activities	1,988.66	1,783.18
Net cash inflow from Investing activities	-	32.43
Net cash outflow from financing activities	(2,411.36)	(1,419.07)
Net (decrease)/increase in cash generated from discountinued operations	**(422.70)**	**396.54**

25.9 Disclosure on Specified Bank Notes (SBNs)

(a) Disclosure as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

(₹ in Lacs)

Particulars	**Specified bank notes (SBNs)***	**Other denomination notes**	**Total**
Closing cash in hand as on November 8, 2016	**0.12**	**0.01**	**0.13**
Add: Permitted receipts	7.72	0.01	7.73
Less: Permitted payments	0.12	-	0.12
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	**7.72**	**0.02**	**7.74**

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S.O. 3407(E), dated the November 8, 2016.

(b) The reporting or disclosure related to SBNs is not applicable to the Company for the year ended March 31, 2018 .

Notes forming part of the Financial Statements

for the year ended March 31, 2018

25.10 Capital management

The company considers total equity as shown in the balance sheet to be managed capital.

The company aim is to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

25.11 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

(a) Financial instrument by category

(₹ in lacs)

Financial Assets	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non-current financial assets						
Loans	-	-	-	-	-	163.32
Current financial assets						
Trade receivables	-	-	14.93	-	-	998.11
Cash and cash equivalents	-	-	341.28	-	-	422.72
Other balances with Banks	-	-	0.58	-	-	0.58
Loans	-	-	350.00	-	-	24.13
Other financial assets	-	-	-	-	-	60.34
Total Financial Assets	**-**	**-**	**706.79**	**-**	**-**	**1,669.20**
Financial Liabilities						
Borrowings	-	-	885.87	-	-	22,737.55
Trade payables	-	-	9.38	-	-	389.03
Other financial liabilities	-	-	110.26	-	-	-
Total Financial Liabilities	**-**	**-**	**1,005.51**	**-**	**-**	**23,126.58**

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed the accounting standard. An explanation of each level follows underneath the table.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(₹in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Non-current financial assets					
Loans	-	-	-	163.32	163.32
Total Financial Assets	**-**	**-**	**-**	**163.32**	**163.32**

The carrying value of trade receivables, cash and cash equivalents, other balances with Banks, trade payables, borrowings and other current financial assets and liabilities are considered to be the same as their fair values due to their short term nature.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level-1 Hierarchy includes financial instruments measured using quoted price.

Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

25.12 Financial Risk Management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(A) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(i) Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the company only invests with high rated banks. The Company's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in Note 25.11.

Security deposits given to lessors

The Company gives security deposit to it lessors for premises leased by it. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity grouping based on their contractual maturities.

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months -1 years	More than 1 year	Total
March 31, 2018				
Borrowings	885.87	-	-	885.87
Trade payables	9.38	-	-	9.38
Other financial liabilities	110.26	-	-	110.26
Total financial liabilities	**1,005.51**	**-**	**-**	**1,005.51**

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months -1 years	More than 1 year	Total
March 31, 2017				
Borrowings	22,737.55	-	-	22,737.55
Trade payables	389.03	-	-	389.03
Other financial liabilities	-	-	-	-
Total financial liabilities	**23,126.58**	**-**	**-**	**23,126.58**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Foreign currency risk exposure:

The Company does not have any exposure to foreign currency risk as at March 31, 2018 (Previous year ₹ Nil).

(b) Interest rate risk

The Company does not have any non-current borrowings and is thus not exposed to interest rate risk as at March 31, 2018 (Previous year ₹ Nil).

(c) Price risk

The Company does not have any investments and is thus not exposed to price risk as at March 31, 2018 (Previous year ₹ Nil).

25.13 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

(a) Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the new revenue standard (Ind AS 115) and the effect on the financial statements, if any.

(b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.
The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(c) Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:
- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- the estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. for example, when A fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Signature to notes 1 to 25

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Jeetendra Kapoor
(Chairman)
DIN: 00005345

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Director)
DIN: 00005093

Neha Shah
(Company Secretary)

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

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BOARD'S REPORT

The Directors present the 7th Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2018.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

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

(₹ in lacs)

PARTICULARS	2017-18	2016-17
Income from operations	980.19	838.66
Total expenditure	1,105.81	1,084.23
Operating (Loss)	**(125.62)**	**(245.57)**
Finance Costs	1.42	0.54
Depreciation	0.12	0.18
(Loss) for the Year before tax	**(127.16)**	**(246.29)**
Provision for tax	46.05	-
(Loss)for the Year after tax	**(173.21)**	**(246.29)**
(Loss) brought forward from previous year	**(502.92)**	**(256.63)**
(Loss) carried to the Balance Sheet	**(676.13)**	**(502.92)**

Note: The financial statements for the year ended March 31, 2018 has been prepared under IND AS (Indian Accounting Standards).

RESULTS OF OPERATIONS

During the year under review, the Company has reported loss of ₹ 173.21 lacs as against loss of ₹ 246.29 lacs in the previous fiscal.

DIVIDEND

Considering the loss incurred in the current financial year, the Directors have not recommended any dividend for the financial year under review.

TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to reserves, in view of loss incurred by the Company.

BORROWINGS

The Company does not have any borrowings during the year under review.

SHARE CAPITAL

The paid-up Share Capital of the Company as on March 31, 2018 was ₹ 4,46,00,000 /- (Rupees Four Crores Forty Six Lacs Only) comprising of 10,000 Equity Shares of Face Value ₹ 10/- each and 44,50,000 Preference Shares of Face Value ₹ 10/- each. The Company has neither issued shares with differential voting rights nor granted stock options or sweat equity. As on March 31, 2018 the Company is a subsidiary of Balaji Telefilms Limited.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

CHANGE IN NATURE OF BUSINESS

There was no change in nature of business during the year under review.

BOARD'S REPORT

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary, associate and joint venture Company. Thus the Audited Financial Statements, the Auditors' Report thereon and Board's Report along with applicable annexures are not annexed herewith.

MATERIAL EVENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

From the end of financial year till the date of preparing this Report:

- The Company has increased the Authorized Share Capital from ₹ 4,50,00,000/- (Rupees Four Crores Fifty Lakhs Only) divided into 50,000 Equity Shares of ₹ 10/- each and 44,50,000 Redeemable Preference Shares of ₹ 10/- each to ₹ 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,05,50,000 Equity Shares of ₹ 10/- each and 44,50,000 Redeemable Preference Shares of ₹ 10/- each.

- The Company has also allotted 44,50,000 fully paid-up Equity Shares of face value of ₹ 10/- each pursuant to the conversion of 34,50,000 Zero Dividend Optionally Convertible Redeemable Preference Shares of ₹ 10/- each and 10,00,000 Zero Dividend Optionally Convertible Redeemable Non- Cumulative Preference Shares of ₹ 10/- each and 32,50,000 Zero Percent Compulsorily Convertible Debentures of the face value of ₹ 10/- each at par to Balaji Telefilms Limited on private placement basis.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, Mr. Sunny Arora has resigned as Director of the Company, w.e.f. February 07, 2018 due to personal reasons.

Mrs. Shobha Kapoor, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM), pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible has offered herself for re-appointment. Appropriate resolution for her re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM.

Further the provisions of Section 203 of the Companies Act, 2013 for the appointment of KMPs are not applicable to the Company.

DECLARATION BY INDEPENDENT DIRECTORS

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

AUDITORS

STATUTORY AUDIT

M/s. Price Waterhouse Chartered Accountants LLP were appointed as Statutory Auditors of the Company at the AGM held on August 31, 2017, for a term of 5 (five) consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of section 139 of the Companies Act, 2013, earlier the appointment of Auditors was required to be ratified by Members at every AGM. However, in accordance with the Companies Amendment Act, 2017 enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

COST AUDIT

In accordance with Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

In accordance with Section 204 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

BOARD'S REPORT

AUDIT REPORTS

The Report given by the Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

DISCLOSURES RELATED TO BOARD AND POLICIES

i) BOARD MEETINGS

During the year under review, four (4) meetings of the Board of Directors were held on May 22, 2017, August 10, 2017, November 09, 2017 & February 13, 2018. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

ii) BUSINESS RISK MANAGEMENT

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Board co-ordinates with the various heads of departments with respect to risk identification, assessment, analysis and mitigation.

iii) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. However the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

i) EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT-9 is appended as Annexure I to this Report.

ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported to the Board, under Section 143(12) of the Companies Act, 2013, any instances of frauds committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

iii) SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

iv) INTERNAL FINANCIAL CONTROLS SYSTEM AND ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

v) RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an Arm's Length Price. Further, none of these contracts/arrangements/transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

BOARD'S REPORT

vi) FIXED DEPOSITS

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

vii) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During th year under review, the Company does not have any Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013. Hence no disclosure is required to be given in this regard.

viii) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the financial year 2017-18, no sexual harassment complaint has been registered with the Company.

ix) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going status of the Company & its future operations.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Conservation of Energy do not apply to the Company. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy-efficient equipments. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipments with more energy-efficient equipments. Currently, we use Compact Fluorescent Lamp (CFL) fixtures to reduce the power consumption in the illumination system.

TECHNOLOGY ABSORPTION

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Technology Absorption do not apply to the Company. 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

During the year under review, there are no foreign exchange earnings or outgo.

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board lays down the evaluation criteria for the performance evaluation of Executive/Non-Executive/Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

1) Knowledge to perform the role;
2) Time and Level of Participation;
3) Performance of Duties and Level of Oversight;
4) Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

BOARD'S REPORT

BOARD EVALUATION

Schedule IV of Companies Act, 2013 mandates that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated.

The evaluation of the Board as a whole and Individual Directors was conducted based on the criteria and framework adopted by the Board. The Board thus approve evaluation process results.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to any material departures;

b) The Directors had 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 and loss of the Company for the year under review;

c) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts for the financial year ended March 31, 2018 had been prepared on a 'going concern' basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
Shobha Kapoor
Chairperson
DIN: 00005124

Place: Mumbai
Date: May 19, 2018

Annexure I

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I) REGISTRATION & OTHER DETAILS

1	**CIN**	U74120MH2011PTC220971
2	**Registration Date**	16/08/2011
3	**Name of the Company**	Marinating Films Private Limited
4	**Category/Sub-category of the Company**	Company Limited by Shares/Private Non-Government Company
5	**Address of the Registered Office & contact details**	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400 053, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email: simmi.bisht@balajitelefilms.com
6	**Whether listed company**	No
7	**Name, Address & contact details of the Registrar & Transfer Agent, if any**	N.A.

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1	Media & Entertainment	591	100

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited **Registered Office:** C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400 053, Maharashtra.	L99999MH1994PLC082802	Holding Company	51	2 (46)

Annexure I

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	4,900	4,900	49.00	0	4,900	4,900	49.00	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	5,100	5,100	51.00	0	5,100	5,100	51.00	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub total (A) (1)	**0**	**10,000**	**10,000**	**100.00**	**0**	**10,000**	**10,000**	**100.00**	**0**
(2)Foreign									
a) Individuals (NRIs/Foreign Individuals]	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Institutions	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters A= A(1) + A(2)	**0**	**10,000**	**10,000**	**100.00**	**0**	**10,000**	**10,000**	**100.00**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2)Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure I

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**10,000**	**10,000**	**100.00**	**0**	**10,000**	**10,000**	**100.00**	**0**

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2017			Shareholding at the end of the year i.e. March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Balaji Telefilms Limited	5,100	51.00	0	5,100	51.00	0	0
2	Anand Mishra	2,450	24.50	0	2,450	24.50	0	0
3	Sunny Arora	2,450	24.50	0	2,450	24.50	0	0
	Total	**10,000**	**100.00**	**0**	**10,000**	**100.00**	**0**	**0**

iii) Change in Promoters' Shareholding:

There are no changes in Promoters' shareholding during the financial year 2017-18.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

The entire share capital of the Company is held by the Holding Company, Promoters and Directors of the Company.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors/KMP	Shareholding		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Anand Mishra**				
	At the beginning of the year	2,450	24.50	2,450	24.50
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	2,450	24.50	2,450	24.50

Notes:

1. Mrs. Shobha Kapoor, Ms. Ekta Kapoor, Mr. D. K. Vasal and Mr. V. B. Dalal did not hold any shares during the financial year 2017-18. Further, the provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel (KMP) are not applicable to the Company,
2. Mr. Sunny Arora ceased to be the Director of the Company w.e.f. February 07, 2018 and his shareholding as on April 01, 2017 was 2,450 shares. As on February 07, 2018, there was no change.

Annexure I

V) INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2017-18.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company does not have any Managing Director, Whole time Director or Manager during the year under review.

ii) Remuneration to other Directors: **(Amount in ₹)**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	**Independent Directors**	**V. B. Dalal**	**D. K. Vasal**	**-**	**-**	
	Fee for attending Board and Committee Meetings	1,00,000	1,00,000	-	-	2,00,000
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	**1,00,000**	**1,00,000**	**-**	**-**	**2,00,000**
2	**Other Non-Executive Directors**	**Anand Prakash Mishra**	**Sunny Arora**	**Shobha Kapoor**	**Ekta Kapoor**	
	Fee for attending Board and Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	4,81,845	4,81,845	-	-	9,63,690
	Total (2)	**4,81,845**	**4,81,845**	**-**	**-**	**9,63,690**
	Total (B)=(1+2)	**5,81,845**	**5,81,845**	**-**	**-**	**11,63,690**
	Total Managerial Remuneration (A+B)					**11,63,690**
	Ceiling as per the Act (per annum)	**₹60,00,000/-** per Managerial Personnel (Calculated as per Schedule V of the Companies Act, 2013)				

Notes:

1. The Independent Directors have been paid only sitting fees for attending the Board meetings of the Company which is excluded under Section 197(2)of the Companies Act, 2013.
2. Remuneration paid to Mr. Sunny Arora is from Period April 01, 2017 to February 07, 2018.

iii) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable to the Company.

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Sd/-
Shobha Kapoor
Chairperson
DIN: 00005124

Place: Mumbai
Date: May 19, 2018

Independent Auditors' Report

TO THE MEMBERS OF MARINATING FILMS PRIVATE LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Marinating Films Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive

Independent Auditors' Report

income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 22, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure A
to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Marinating Films Private Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Marinating Films Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of

Annexure A to Independent Auditors' Report

the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure B
to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Marinating Films Private Limited on the Ind AS financial statements for the year ended March 31, 2018.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 4 on property, plant and equipment to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year (Events organised verified with reference to the title documents / agreements). No differences were noticed on physical verification of inventory as compared to book records.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, service tax and goods and service tax with effect from July 1, 2017, though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Annexure B
to Independent Auditors' Report

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

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Balance Sheet

As at March 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	-	0.12
(b) Financial assets			
(i) Loans	5	-	1.60
(c) Deferred tax asset (net)	6	-	46.05
(d) Current tax asset (net)	7	70.02	58.68
Total Non-current assets		**70.02**	**106.45**
Current assets			
(a) Inventories	8	114.77	-
(b) Financial assets			
(i) Trade receivables	9	921.61	39.32
(ii) Cash and cash equivalents	10	18.92	143.25
(c) Other current assets	11	128.57	93.50
Total Current Assets		**1,183.87**	**276.07**
Total Assets		**1,253.89**	**382.52**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	12	1.00	1.00
(b) Other equity			
- Equity component of compound financial instrument		573.90	475.01
- Reserves & Surplus	13	(676.13)	(502.92)
Total equity		**(101.23)**	**(26.91)**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	7.83	105.30
Total Non-current liabilities		**7.83**	**105.30**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15	1,154.65	124.99
(b) Other current liabilities	16	192.64	179.14
Total Current Liabilities		**1,347.29**	**304.13**
Total Equity and Liabilities		**1,253.89**	**382.52**

The above Balance Sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Anand Prakash Mishra
(Director)
DIN : 03047012

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

	Particulars	Note No.	For the year ended March 31, 2018 ₹ In Lacs	For the year ended March 31, 2017 ₹ In Lacs
1	Revenue from operations	17	980.15	818.28
2	Other income	18	0.04	20.38
3	**Total Income (1+2)**		**980.19**	**838.66**
4	**Expenses**			
	Cost of Production / Acquisition and Telecast Fees	19	1,175.48	807.87
	Changes in inventories	19	(114.77)	60.42
	Marketing expense		10.00	58.03
	Employee benefit expense	20	9.64	41.53
	Finance cost	21	1.42	0.54
	Depreciation and amortisation expense	22	0.12	0.18
	Other expenses	23	25.46	116.38
	Total Expenses		**1,107.35**	**1,084.95**
5	**(Loss) before tax (3-4)**		**(127.16)**	**(246.29)**
6	**Tax expense:**			
	Current tax		-	-
	Deferred tax	6	46.05	-
	Total tax expense		**46.05**	**-**
7	**(Loss) for the year (5-6)**		**(173.21)**	**(246.29)**
8	**Other comprehensive income**		-	-
9	**Total comprehensive income for the year (7+8)**		**(173.21)**	**(246.29)**
10	**Basic & diluted earnings/(loss) per share (in ₹)** (Face value of ₹ 10 each)	24.2	**(1,732.13)**	**(2,462.90)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Anand Prakash Mishra
(Director)
DIN : 03047012

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of Cash Flow

for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
A. Cash Flow from Operating Activities				
(Loss) before tax		(127.16)		(246.29)
Adjustments :				
Depreciation and amortisation expenses	0.12		0.18	
Interest on liability component of compound financial instrument	1.42		-	
Interest on income tax refund	-		(6.58)	
Provision for Bad and Doubtful Debts	8.98		70.55	
Profit on sale of investments	-	10.52	(13.62)	50.53
Operating (Loss) before working capital changes		**(116.64)**		**(195.76)**
(Increase) / Decrease in trade receivables	(891.28)		260.72	
(Increase) / Decrease in inventories	(114.77)		60.42	
Increase / (Decrease) in trade payables	1,029.67		(424.37)	
Decrease in non-current assets	1.60		0.36	
(Increase) in other current assets	(35.07)		(62.03)	
Increase in other current liabilities	13.50	3.65	174.62	9.72
		(112.99)		(186.04)
Income taxes paid		(11.34)		(5.09)
Net cash used in operating activities (A)		**(124.33)**		**(191.13)**
B. Cash Flow from Investing Activities				
Investment in mutual fund	**-**		**(150.00)**	
Investment in mutual fund redeemed	-		265.86	
Net cash flow from investing activities (B)		**-**		**115.86**
C. Cash Flow from Financing Activities				
Share application money	-	-	100.00	
Net cash flow from financing activities (C)		**-**		**100.00**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(124.33)**		**24.73**
Cash and cash equivalents at the beginning of the financial year (Refer note 10)		**143.25**		**118.52**
Cash and cash equivalents at the end of the financial year (Refer note 10)		**18.92**		**143.25**

The above Statement of cash flows should be read in conjunction with the accompanying notes.
This is the Statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Anand Prakash Mishra
(Director)
DIN : 03047012

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of changes in Equity

for the year ended March 31, 2018

A. Equity Share Capital

Particulars	(₹ in Lacs)
As at April 01, 2016	**1.00**
Changes in equity share capital during the year	-
As at March 31, 2017	**1.00**
As at April 1, 2017	**1.00**
Changes in equity share capital during the year	-
As at March 31, 2018	**1.00**

B. Other Equity

(₹ in Lacs)

Particulars	Equity component of compound financial instruments	Reserves and surplus	Total other equity
		Retained earnings	
As at April 01, 2016	**475.01**	**(256.63)**	**218.38**
(Loss) for the year	-	(246.29)	(246.29)
As at March 31, 2017	**475.01**	**(502.92)**	**(27.91)**
As at April 1, 2017	**475.01**	**(502.92)**	**(27.91)**
Issue of Zero dividend optionally convertible non-cummulative redeemable preference shares	98.89	-	98.89
(Loss) for the year	-	(173.21)	(173.21)
As at March 31, 2018	**573.90**	**(676.13)**	**(102.23)**

The above Statement of changes in Equity should be read in conjunction with the accompanying notes.
This is the Statement of changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Anand Prakash Mishra
(Director)
DIN : 03047012

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 1 : Background

Marinating Films Private Limited (MFPL) was incorporated on August 16, 2011 under the Companies Act, 1956 and is in the business of event management relating to films & television industry. The Company is a subsidiary of Balaji Telefilms Ltd. The registered office and principal place of business of the Company is at Andheri (West), Mumbai.

Note 2 : Significant accounting policies

The note provides a list of significant accounting policies adopted in the preparation of these Financial Statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule III to the Companies Act, 2013.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained it's operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

<u>Historical cost convention</u>

The financial statements have been prepared on historical cost basis, except for the following:

I) certain financial liabilities that are measured at fair value.

<u>Amended standard adopted by the company</u>

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, see note 14.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Company consists of the directors and group chief financial officer which assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 24.5 for segment information presented.

(c) Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria have been met for each of the Company's activities. Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any discounts and any taxes collected on behalf of the government which are levied on sales such as Goods & service tax, Service tax, etc.

(i) Revenue from licensing rights and free commercial time is recognized as and when the relevant episodes of the programme (Event) are telecast on broadcasting channels.

(ii) Revenue from franchise fees is recognized on sale of franchise rights.

(iii) Revenue from internet sale is recognized when the customer has the right to showcase the programme on their digital platform as per the terms of the agreement.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(d) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(f) Cash and Cash Equivalents

Cash and cash equivalents include balance held with financial institution. For the purpose of Cash Flow Statement, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Company's cash management.

(g) Inventories

Inventories comprise of Events and are stated at the lower of cost and net realisable value. Cost is determined as actual cost and is charged to the statement of profit and loss when the relevant episode is telecasted on the broadcasting channel.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

(h) Trade receivable

Trade receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(i) Financial Asset

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Initial recognition and Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Subsequent Measurement:

Financial assets are classified as FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in those instruments.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt instruments are designated as at fair value through profit or loss on initial recognition.

Impairment of Financial Assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24.8 (A) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition:

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the

Notes forming part of the Financial Statements

for the year ended March 31, 2018

financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(j) Financial Liabilities

Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(k) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(l) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which

Notes forming part of the Financial Statements

for the year ended March 31, 2018

the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit or loss.

(m) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 - Provision, contingent liabilities and contingent assets is made.

(n) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

(o) Earning per Shares

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(p) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lakhs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

- **Estimated useful life of Tangible Assets:**
  The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- **Recognition of Deferred Tax assets:**
  The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operates.

- **Impairment of Trade Receivable:**
  Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

  Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 4 Property, plant and equipment

(₹ in Lacs)

Description of Assets	Computers	Total
I. Gross Carrying Amount		
Balance as at April 1, 2016	0.53	0.53
Additions	-	-
Balance as at March 31, 2017	**0.53**	**0.53**
II. Accumulated Depreciation		
Balance as at April 1, 2016	(0.23)	(0.23)
Depreciation expense	(0.18)	(0.18)
Balance as at March 31, 2017	**(0.41)**	**(0.41)**
III. Net Carrying Amount as at March 31, 2017	**0.12**	**0.12**
Description of Assets	**Computers**	**Total**
I. Gross Carrying Amount		
Balance as at April 1, 2017	0.53	0.53
Additions	-	-
Balance as at March 31, 2018	**0.53**	**0.53**
II. Accumulated Depreciation		
Balance as at April 1, 2017	(0.41)	(0.41)
Depreciation expense	(0.12)	(0.12)
Balance as at March 31, 2018	**(0.53)**	**(0.53)**
III. Net Carrying Amount as at March 31, 2018	**-**	**-**

Note 5 Loans - Non-current

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured considered good		
Security deposit	-	1.60
Total	**-**	**1.60**

Note 6 Deferred tax asset (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Deferred Tax Assets		
Fair valuation on investments	-	46.05
Total	**-**	**46.05**

Movement in deferred tax balances

(₹ in Lacs)

Particulars	For the year ended March 31, 2017		
	Opening Balance	Charged/ (Credited) to Profit or Loss	Closing Balance
Tax effect of items constituting deferred tax assets			
Fair value of investment	46.05	-	46.05
Net tax assets	**46.05**	**-**	**46.05**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	For the year ended March 31, 2018		
	Opening Balance	Charged/ (Credited) to Profit or Loss	Closing Balance
Tax effect of items constituting deferred tax assets			
Fair value of investment	46.05	46.05	-
Net tax assets	**46.05**	**46.05**	**-**

Note 7 Current tax asset (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Tax deducted at source	70.02	58.68
Total	**70.02**	**58.68**

Note 8 Inventories

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Finished		
Event	114.77	-
Total	**114.77**	**-**

Note 9 Trade receivables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured considered good		
Considered good	921.61	39.32
Considered doubtful	79.53	70.55
	1,001.14	109.87
Less: Allowance for doubtful debts	79.53	70.55
Total	**921.61**	**39.32**

The Company has recognised an allowance for doubtful debts against receivables from whom recoverability is uncertain.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

The Company has provided ₹ 79.53 lacs (March 31, 2017 ₹ 70.55 lacs) towards doubtful receivables.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 10 Cash and cash equivalents

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balances with banks		
in current accounts	18.92	143.25
Total	**18.92**	**143.25**

Note 11 Other current assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Prepaid Rent	-	0.40
Balances with government authorities	128.57	93.10
Total	**128.57**	**93.50**

Note 12 Share capital

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) Authorised		
50,000 (Previous year 50,000) Equity Shares of ₹10/- each	5.00	5.00
3,450,000 (Previous year 3,450,000) Zero dividend optionally convertible redeemable preference shares of ₹10/- each (Refer Note 14)	345.00	345.00
1,000,000 (Previous year Nil) Zero dividend optionally convertible non-cumulative redeemable preference shares of ₹10/- each (Refer Note 14)	100.00	-
	450.00	**350.00**
(b) Issued, Subscribed and fully paid up		
10,000 (Previous year 10,000) Equity Shares of ₹10/- each	1.00	1.00
	1.00	**1.00**

Notes :

(i) Shares held by holding company / ultimate holding company :

Particulars	As at March 31, 2018	As at March 31, 2017
Balaji Telefilms Limited (immediate and ultimate holding company)	5,100	5,100

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

Name of Equity Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	5,100	51.00%	5,100	51.00%
Anand Prakash Mishra	2,450	24.50%	2,450	24.50%
Sunny Satish Arora	2,450	24.50%	2,450	24.50%

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(iii) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	10,000	1	10,000	1
Add: Issue of Equity shares during the year	-	-	-	-
Equity shares outstanding at the end of the year	10,000	1	10,000	1

(iv) The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the shareholders will be eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(v) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2018.

Note 13 Reserves & Surplus

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Retained Earnings		
Balance at beginning of year	(502.92)	(256.63)
(Loss) for the year	(173.21)	(246.29)
Balance at end of the year	**(676.13)**	**(502.92)**

Note 14 Borrowings - Non-current

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured liability component of Compound financial instrument		
3,450,000 (Previous year 3,450,000) Zero dividend optionally convertible redeemable preference shares of ₹ 10/- each	5.30	5.30
1,000,000 (Previous year Nil) Zero dividend optionally convertible non-cummulative redeemable preference shares of ₹ 10/- each	2.53	-
Share Application money pending allotment	-	100.00
Total	**7.83**	**105.30**

Terms of issue

Particulars	Maturity date	Terms of repayment
3,450,000 Zero dividend optionally convertible redeemable preference shares	December 07, 2034	Single repayment at the end of the term
1,000,000 Zero dividend optionally convertible redeemable non-cummulative preference shares	April 03, 2037	

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2018

Particulars	As at March 31, 2018 ₹ in Lacs
Cash and cash equivalents	18.92
Non-current borrowings	(7.83)
Total	**11.09**

Particulars	Other Assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Non-current borrowings	
Net debt as at March 31, 2017	**143.25**	**(5.30)**	**137.95**
Cash flows	(124.33)	(1.11)	(125.44)
Interest expense	-	(1.42)	(1.42)
Net debt as at March 31, 2018	**18.92**	**(7.83)**	**11.09**

Note 15 Trade payables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Trade payables	1,154.65	124.99
Total	**1,154.65**	**124.99**

Notes:

(a) <u>Micro, Small and Medium Enterprises :</u>

Trade payable includes ₹ Nil (March 31, 2017 ₹ Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act). No interest is paid / payable during the year to any Micro / Small Enterprise registered under the MSME. There were no delayed payments during the year to any Micro or Small Enterprise registered under the MSME Act. The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

Note 16 Other current liabilities

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Statutory liabilities	7.01	-
Advanced from customers	185.63	179.14
Total	**192.64**	**179.14**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 17 Revenue from operations

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Sale of services		
Licence Rights	695.65	750.78
Franchise / Participation fees	215.00	67.50
Internet income	43.48	-
Free commercial time	26.02	-
Total	**980.15**	**818.28**

Note 18 Other income

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest income		
-On Income-tax refund	-	6.58
Profit on sale of current investments (non-trade) (net)	-	13.62
Unwinding of discount on security deposit	0.04	0.18
Total	**0.04**	**20.38**

Note 19 Cost of Production / Acquisition and Telecast Fees

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Purchase of costumes and dresses	1.01	2.08
Purchase of tapes / raw stock / negative	-	5.36
Artists, Directors and other technicians fees	175.85	107.36
Shooting and location expenses	61.96	76.54
Telecasting fees	800.00	541.34
Food and refreshments	28.25	10.73
Set properties and equipment hire charges	70.43	38.33
Other production expenses	37.98	26.13
Total	**1,175.48**	**807.87**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Changes in Inventories :

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Opening balance :		
Events	-	60.42
Closing balance :		
Events	114.77	-
Total changes in inventories	**(114.77)**	**60.42**

Note 20 Employee benefit expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Salaries and wages	9.64	41.14
Staff welfare expenses	-	0.39
Total	**9.64**	**41.53**

Note 21 Finance cost

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest on delayed payment of taxes	-	0.54
Interest on Liability component of compound financial instrument	1.42	-
Total	**1.42**	**0.54**

Note 22 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Depreciation of property, plant and equipment	0.12	0.18
Total	**0.12**	**0.18**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 23 Other expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Power and fuel	0.13	0.64
Rent	1.84	4.93
Repairs and maintenance-others	-	0.48
Rates and taxes	1.40	8.32
Legal and professional charges (Refer note 23.1)	9.34	26.17
Travelling and conveyance expenses	1.58	0.38
Director sitting fees	2.00	2.00
Provision for doubtful debts	8.98	70.55
Miscellaneous expenses	0.19	2.91
Total	**25.46**	**116.38**

Note 23.1 Payment to auditors (included in Legal & professional charges)

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
As auditors :		
Audit fees	3.50	5.00
Total	**3.50**	**5.00**

Note 24 Additional information to the financial statements and disclosure under Accounting Standards

24.1 Related Party Transactions

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
ALT Digital Media Entertainment Limited	Fellow Subsidiary
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Sunny Arora	Key management person (upto February 7, 2018)
Mr. Anand Prakash Mishra	Key management person
Mr. Devendra Kumar Vasal	Key management person
Mr. Virendra Babubhai Dalal	Key management person
Marinating Films Partnership	Entity in which key management person has significant influence

Notes forming part of the Financial Statements

for the year ended March 31, 2018

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

(₹ in lacs)

Nature of Transactions	**Holding Company**	**Key management person**	**Fellow subsidiary**
Issue of preference share capital			
Balaji Telefilms Limited	100.00	-	-
	(-)	(-)	(-)
Sale of Digital Rights			
Alt Digital Media Entertainment Limited	-	-	43.48
	(-)	(-)	(-)
Advance received against Sale of Digital Rights			
Alt Digital Media Entertainment Limited	-	-	6.52
	(-)	(-)	(-)
Share application money received			
Balaji Telefilms Limited	-	-	-
	(100.00)	(-)	(-)
Remuneration			
Anand Prakash Mishra	-	4.82	-
	(-)	(20.57)	(-)
Sunny Arora	-	4.82	-
	(-)	(20.57)	(-)
Director Sitting Fees			
Devendra Kumar Vasal	-	1.00	-
	(-)	(1.00)	(-)
Virendra Babubhai Dalal	-	1.00	-
	(-)	(1.00)	(-)

(c) Closing balances as at March 31, 2018

(₹ in lacs)

Nature of Transactions	**Holding Company**	**Key management person**	**Fellow subsidiary**
Amount payable as at March 31, 2018			
Balaji Telefilms Ltd	-	-	-
	(100.00)	(-)	(-)
Advance received for Sale of Digital Rights			
Alt Digital Media Entertainment Limited	-	-	6.52
	(-)	(-)	(-)
Salary payable as at March 31, 2018			
Anand Prakash Mishra	-	-	-
	(-)	(2.68)	(-)
Sunny Arora	-	-	-
	(-)	(2.46)	(-)

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

24.2 Earnings/(loss) per share

Basic and diluted earnings/(loss) per share

Basic 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 year as under :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) (Loss) for the year attributable to equity share holders (₹ in lacs)	(173.21)	(246.29)
(b) Weighted average number of equity shares outstanding	10,000	10,000
(c) Loss per share - Basic and diluted (₹) (a / b)	(1,732.13)	(2,462.90)
(d) Nominal value of shares (₹)	10	10

Note : Impact of optionally convertible preference shares on EPS is anti-dilutive, hence not considered.

24.3 In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses and the requirement of the Ind AS 12 the deferred tax asset is recognised only to the extent of deferred tax liability. The deferred tax asset is not accounted for, to the extent of ₹ 136.12 lacs. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of reasonable certainty in accordance with the aforesaid Ind AS 12.

24.4 Lease Transactions

Amount of lease rentals charged to the statement of profit and loss account in respect of operating leases is ₹ 1.84 lacs (previous year ₹ 4.93 lacs).

24.5 Segment Information

The Company is primarily engaged in the business of event management relating to film and television industry which, in the context of Ind AS 108 on "Operating Segments", constitutes a single reportable segment.

Revenue of approximately ₹ 695.65 lacs (March 31, 2017 ₹ 706.69 from two parties) are derived from a single external customer.

24.6 Disclosures relating to Specified Bank Notes (SBNs):

(a) Notification No. 308(E) dated March 30, 2017 requires every company to disclose certain details relating to specified banking notes. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 and accordingly there is no information to disclose for the year ended March 31, 2017. (b) The reporting or disclosure related to SBNs is not applicable to the Company for the year ended March 31, 2018.

24.7 Fair Value Measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(a) Financial instrument by category

(₹ in lacs)

Financial Assets	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non-current financial assets						
Loans	-	-	-	-	-	1.60
Current financial assets						
Trade receivables	-	-	921.61	-	-	39.32
Cash and cash equivalents	-	-	18.92	-	-	143.25
Total Financial Assets	**-**	**-**	**940.53**	**-**	**-**	**184.17**
Financial Liabilities						
Borrowings	-	-	7.83	-	-	105.30
Trade payables	-	-	1,154.65	-	-	124.99
Total Financial Liabilities	**-**	**-**	**1,162.48**	**-**	**-**	**230.29**

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed the accounting standard. An explanation of each level follows underneath the table.

(₹ in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Non-current financial assets					
Loans	-	-	-	-	-
Total Financial Assets	**-**	-	-	-	-
Non-current financial liabilities Borrowings	-	-	-	7.83	7.83
Total Financial Liabilities	**-**	**-**	**-**	**7.83**	**7.83**

(₹ in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Non-current financial assets					
Loans	-	-	-	1.60	1.60
Total Financial Assets	**-**	**-**	**-**	**1.60**	**1.60**
Non-current financial liabilities Borrowings	-	-	-	105.30	105.30
Total Financial Liabilities	**-**	**-**	**-**	**105.30**	**105.30**

The carrying value of trade receivables, cash and cash equivalents and trade payables are considered to be

Notes forming part of the Financial Statements

for the year ended March 31, 2018

the same as their fair values due to their short term nature.
The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level-1 Hierarchy includes financial instruments measured using quoted price.
Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

24.8 Financial Risk Management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(A) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

(i) Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents. The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the company only invests with high rated banks. The Company's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in Note 24.7.

Security deposits given to lessors

The Company gives security deposit to it lessors for premises leased by it. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity grouping based on their contractual maturities.

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months - 1 years	More than 1 year	Total
March 31, 2018				
Borrowings	-	-	7.83	7.83
Trade payables	1,154.65	-	-	1,154.65
Total financial liabilities	**1,154.65**	**-**	**7.83**	**1,162.48**

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months - 1 years	More than 1 year	Total
March 31, 2017				
Borrowings	-	-	105.30	105.30
Trade payables	124.99	-	-	124.99
Total financial liabilities	**124.99**	**-**	**105.30**	**230.29**

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk exposure:

The Company does not have any exposure to foreign currency risk as at March 31, 2018 (Previous year ₹ Nil).

(ii) Interest rate risk

The Company have borrowings bearing zero interest rate and is thus not exposed to interest rate risk as at March 31, 2018 (Previous year ₹ Nil).

(iii) Price risk

The Company does not have any investments and is thus not exposed to price risk as at March 31, 2018 (Previous year ₹ Nil).

24.9 Capital management

The company considers the following components of its Balance Sheet to be managed capital: Total equity as shown in the balance sheet.

The company aim is to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

24.10 As at March 31, 2018 the Company has accumulated losses of ₹ 676.13 lacs and the net worth of the Company is fully eroded. However, based on the continuing and committed support from the holding company, the Company has followed the fundamental accounting assumption of 'Going Concern' and will be able to meet all its financial obligations as they fall due for payment for at least 12 months from the date of signature of these financial statements.

24.11 Recent accounting pronouncements - Standards issued but not yet effective:
The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers
Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the new revenue standard (IND AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration
The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.
The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses
The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:
- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the

Notes forming part of the Financial Statements

for the year ended March 31, 2018

end of the reporting period.

- the estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. for example, when A fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Signatures to note 1 to 24

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Anand Prakash Mishra
(Director)
DIN : 03047012

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

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BOARD'S REPORT

The Directors present the 3rd Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2018.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

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

(₹ in lacs)

PARTICULARS	2017-18	2016-17
Total Income	*1,407.86	*1,057.02
Total expenditure	(10,836.80)	(2,028.40)
Operating (Loss)	**(9,428.94)**	**(971.38)**
Finance costs	-	0.30
Depreciation	376.10	24.62
(Loss) for the year before tax	**(9,805.04)**	**(996.30)**
Provision for tax	(282.67)	271.82
(Loss) for the year after tax	**(9,522.37)**	**(1,268.12)**
Balance carried to the Balance Sheet	**(9,527.80)**	**(1,270.55)**

Note: The financial statements for the year ended March 31, 2018 has been prepared under IND AS (Indian Accounting Standards).
*Total income includes Other Income to the extent of ₹ 724.12 lacs and ₹ 1,057.02 lacs for FY 17-18 and FY 16-17 respectively.

RESULTS OF OPERATIONS

During the year under review, the Company has reported loss of ₹ 9,527.80 lacs as against loss of ₹ 1,270.55 lacs in the previous fiscal.

DIVIDEND

Considering the loss incurred in the current financial year, Directors have not recommended any dividend for the financial year under review.

TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to the reserves in view of loss incurred by your Company.

BORROWINGS

The Company does not have any borrowings during the year under review.

SHARE CAPITAL

- During the year under review, Authorized Share Capital of the Company has been increased from ₹ 2,252,000,000/- (Rupees Two Hundred Twenty Five Crores and Twenty Lakhs Only) divided into 22,50,00,000 Equity Shares of ₹ 10/- each and 2,00,000 Preference Shares of ₹ 10/- each to ₹ 10,00,20,00,000/- (Rupees One Thousand Crores and Twenty Lakhs Only) divided into 1,00,00,00,000 Equity Shares of ₹ 10/- each and 2,00,000 Preference Shares of ₹ 10/- each.

- During the year under review, the Company has issued and allotted 15,00,00,000 Equity Shares of ₹ 10/- each at par on right basis to its existing shareholders. Therefore, paid-up Equity Share Capital of the Company as on March 31, 2018 is ₹ 3,00,05,00,000/- (Rupees Three Hundred Crores and Five Lakhs Only).

- The Company has neither issued shares with differential voting rights nor granted stock options or sweat equity. As on March 31, 2018, the Company

BOARD'S REPORT

is a wholly-owned subsidiary of Balaji Telefilms Limited.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

CHANGE IN NATURE OF BUSINESS

There was no change in nature of the business of the Company, during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary, associate and joint venture Company. Thus, the Audited Financial Statements, Auditors' Report thereon and Board's Report along with applicable annexures are not annexed herewith.

MATERIAL EVENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material events have occurred between the end of financial year and the date of this Report, which have effect over the financial position of the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, Ms. Poornima Gupta was appointed as the Company Secretary (Key Managerial Personnel) of the Company w.e.f. May 22, 2017 pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, there was no change in Directorship during the year under review.

Ms. Ekta Kapoor, Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM), pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible has offered herself for re-appointment. Appropriate resolution for her re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

AUDITORS

STATUTORY AUDIT

M/s. Price Waterhouse, Chartered Accountants LLP were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) held on August 31, 2017, for a term of 5 (five) consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, earlier the appointment of Auditors was required to be ratified by Members at every AGM. However, in accordance with the Companies Amendment Act, 2017 enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

COST AUDIT

In accordance with Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

BOARD'S REPORT

the Board has appointed M/s. AVS & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for the financial year 2018-19.

AUDIT REPORTS

- The Report given by the Statutory Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.
- Secretarial Audit Report issued by M/s. Parikh & Associates, Practising Company Secretaries in Form MR-3 for the financial year 2017-18 is appended as Annexure I to this Report. The said Report does not contain any qualification, reservation, disclaimer or adverse remark requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

i) BOARD MEETINGS

During the year under review, four (4) meetings of the Board of Directors were held on May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

ii) AUDIT COMMITTEE

In accordance with the provisions of Section 177 of the Companies Act, 2013, Audit Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. D. G. Rajan	Independent Director	Chairman
Mr. Tusshar Kapoor	Non – Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. V. B. Dalal	Independent Director	Member

The Scope and terms of reference of the Audit Committee are in accordance with the Act. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the said Committee.

iii) NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of Section 178 of the Companies Act, 2013, Nomination and Remuneration Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. V. B. Dalal	Independent Director	Chairman
Mr. D. G. Rajan	Independent Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mrs. Shobha Kapoor	Non – Executive Director	Member
Mr. Tusshar Kapoor	Non – Executive Director	Member

The Holding Company i.e Balaji Telefilms Limited has Nomination and Remuneratin Policy which is applicable to all its subsidiaries which can be accessed at **http://www.balajitelefilms.com/nomination-remuneration-policy.php**

iv) BUSINESS R ISK MANAGEMENT

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Per-

BOARD'S REPORT

formance Indicators. The Audit Committee of the Company does the risk identification, assessment, analysis and mitigation in consultation with the various departments.

v) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. However, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

i) EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT-9 is appended as Annexure II to this Report.

ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of frauds committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

iii) SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

iv) INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

v) VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

vi) RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an Arm's Length Price. Further, none of these transactions/contracts/arrangements with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

vii) FIXED DEPOSITS

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

viii) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013, forms part of the notes to the Financial Statements provided in this Annual Report.

BOARD'S REPORT

ix) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the financial year 2017-18, no sexual harassment complaints has been registered with the Company.

x) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going status of the Company & its future operations.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Conservation of Energy do not apply to the Company. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy-efficient equipments. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipments with more energy-efficient equipments. Currently, we use Compact Fluorescent Lamp (CFL) fixtures to reduce the power consumption in the illumination system.

TECHNOLOGY ABSORPTION

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Technology Absorption do not apply to the Company. 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

During the year under review there were no foreign exchange earnings however foreign exchange outgo is ₹ 818.43 Lacs (Previous Year ₹ 1,134.20 Lacs).

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance evaluation of Executive/Non-Executive/ Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

1) Knowledge to perform the role;
2) Time and Level of Participation;
3) Performance of Duties and Level of Oversight;
4) Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

BOARD EVALUATION

Schedule IV of Companies Act, 2013 mandates that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated.

The evaluation of the Board as a whole, its Committees and Individual Directors was conducted based on the criteria and framework adopted by the Board.

BOARD'S REPORT

The Board approved the evaluation process results as collated by the Nomination & Remuneration Committee of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to any material departures;

b) The Directors had 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 as at March 31, 2018 and of the profit and loss of the Company for the year ended on that date;

c) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts for the financial year ended March 31, 2018 had been prepared on a 'going concern' basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
Shobha Kapoor
Chairperson
DIN: 00005124

Place: Mumbai
Date: May 19, 2018

ANNEXURE I

FORM No. MR-3 SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.]

To,
The Members,
ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ALT Digital Media Entertainment Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2018 according to the applicable provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable to the Company during the Audit Period

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company during the Audit Period)

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period)

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable to the Company during the Audit Period)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not Applicable to the Company during the Audit Period)

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period)

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

ANNEXURE I

(Not applicable to the Company during the Audit Period) and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

vi) Other laws applicable specifically to the Company namely:-

1. The Copyright Act, 1957
2. The Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the representation made by the Company in this regard. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and Detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:-

The Company had made allotment of 15,00,00,000 (Fifteen Crores) equity shares at face value of ₹ 10/- aggregating to ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores) on right basis.

For Parikh & Associates
Company Secretaries

Sarvari Shah
Partner
ACS No: 27572
CP No: 11717

Place: Mumbai
Date: May 19, 2018

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

ANNEXURE A

To,
The Members
ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted affairs of the Company.

For Parikh & Associates
Company Secretaries

Sarvari Shah
Partner
ACS No: 27572
CP No: 11717

Place: Mumbai
Date: May 19, 2018

ANNEXURE II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I) REGISTRATION & OTHER DETAILS

1	**CIN**	U74999MH2015PLC266206
2	**Registration Date**	01/07/2015
3	**Name of the Company**	ALT Digital Media Entertainment Limited
4	**Category/Sub-category of the Company**	Company Limited by Shares/Public Non-Government Company
5	**Address of the Registered office & Contact details**	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email: poornima.gupta@altdigital.in Website: www.balajitelefilms.com
6	**Whether listed Company**	No
7	**Name, Address & Contact details of the Registrar & Transfer Agent, if any**	N.A.

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Media & Entertainment	591	100

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited **Registered Office**: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra.	L99999MH1994PLC082802	Holding Company	100	2 (46)

ANNEXURE II

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	18,006*	18,006	0.012	0	18,006*	18,006	0.006	-0.006
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	15,00,31,994	15,00,31,994	99.988	0	30,00,31,994	30,00,31,994	99.994	0.006
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	**0**	**15,00,50,000**	**15,00,50,000**	**100.00**	**0**	**30,00,50,000**	**30,00,50,000**	**100.00**	**0**
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Institutions	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters A= A(1)+A(2)	**0**	**15,00,50,000**	**15,00,50,000**	**100.00**	**0**	**30,00,50,000**	**30,00,50,000**	**100.00**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0

ANNEXURE II

d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**15,00,50,000**	**15,00,50,000**	**100.00**	**0**	**30,00,50,000**	**30,00,50,000**	**100.00**	**0**

Note:
* Shares are held in the capacity of nominee shareholder on behalf of Balaji Telefilms Limited.

ANNEXURE II

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2017			Shareholding at the end of the year i.e. March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Balaji Telefilms Limited	15,00,31,994	99.988	0	30,00,31,994	99.994	0	0.006
2	Jeetendra Kapoor as a nominee of Balaji Telefilms Limited	3,001	0.002	0	3,001	0.001	0	-0.001
3	Shobha Kapoor as a nominee of Balaji Telefilms Limited	3,001	0.002	0	3,001	0.001	0	-0.001
4	Ekta Kapoor as a nominee of Balaji Telefilms Limited	3,001	0.002	0	3,001	0.001	0	-0.001
5	Tusshar Kapoor as a nominee of Balaji Telefilms Limited	3,001	0.002	0	3,001	0.001	0	-0.001
6	Deepoo Vaswani as a nominee of Balaji Telefilms Limited	3,001	0.002	0	3,001	0.001	0	-0.001
7	Ramesh Sippy as a nominee of Balaji Telefilms Limited	3,001	0.002	0	3,001	0.001	0	-0.001
	Total	**15,00,50,000**	**100.00**	**0**	**30,00,50,000**	**100.00**	**0**	**0**

iii) Change in Promoters' Shareholding:

There are no changes in Promoters' shareholding during the financial year 2017-18. The percentage change in the Promoters' holding is due to increase in paid-up share capital of the Company.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

The entire share capital of the Company is held by the Holding Company and Promoters of the Company.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors/ KMP	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Shobha Kapoor***				

ANNEXURE II

	At the beginning of the year	3,001	0.002	3,001	0.002
	Bought during the year	-	-	3,001	0.002
	Sold during the year	-	-	3,001	0.002
	At the end of the year	3,001	0.001	3,001	0.001
2	**Ekta Kapoor ***				
	At the beginning of the year	3,001	0.002	3,001	0.002
	Bought during the year	-	-	3,001	0.002
	Sold during the year	-	-	3,001	0.002
	At the end of the year	3,001	0.001	3,001	0.001
3	**Tusshar Kapoor ***				
	At the beginning of the year	3,001	0.002	3,001	0.002
	Bought during the year	-	-	3,001	0.002
	Sold during the year	-	-	3,001	0.002
	At the end of the year	3,001	0.001	3,001	0.001

Notes:
* Shares are held in the capacity of nominee shareholder on behalf of Balaji Telefilms Limited.
1. The percentage calculated on the paid -up capital (15,00,50,000 shares) at the begining of the year.
2. The percentage calculated on the paid -up capital (30,00,50,000 shares) at the end of the year.
3. Directors: Mr. D. G. Rajan, Mr. D. K. Vasal, Mr. V. B. Dalal and KMPs: Mr Sanjay Dwivedi, Mr. Nachiket Pantvaidya and Ms. Poornima Gupta did not hold any shares during the financial year 2017-18.

V) INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2017-18.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Ms. Ekta Kapoor (KMP) designated as Managing Director has not received any remuneration during the financial year 2017-18.

ii) Remuneration to other Directors: **(₹ in lacs)**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	**Independent Directors**	**D. G. Rajan**	**D. K. Vasal**	**V. B. Dalal**	
	Fee for attending Board and Committee meetings	3,00,000	3,00,000	3,00,000	9,00,000
	Commission				
	Others				
	Total (1)	**3,00,000**	**3,00,000**	**3,00,000**	**9,00,000**

ANNEXURE II

2	**Other Non-Executive Directors**	**Shobha Kapoor**	**Tusshar Kapoor**		
	Fee for attending Board and Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1+2)	3,00,000	3,00,000	3,00,000	9,00,000
	Total Manaagerial Remuneration (A+B)				9,00,000
	Ceiling as per Act (per annum)	N.A.			

Note:
1. The Independent Directors have been paid only sitting fees for attending the Board/Committee meetings of the Company which is excluded under Section 197of the Companies Act, 2013.

iii) Remuneration to Key Managerial Personnel other than MD / Manager / WTD: **(₹ in lacs)**

Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			**Total Amount**
		Nachiket Pantvaidya (Chief Executive Officer)	**Poornima Gupta (Company Secretary)**	**Sanjay Dwivedi (Group Chief Financial Officer)**	
1	Gross salary				
	(a) Salary as per proviosns contained in section 17(1) of the Income Tax Act, 1961	1,00,92,438	3,51,000	-	1,04,43,438
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,26,675	-	-	3,26,675
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit	-	-	-	-
6	Others-Provident Fund and other allowances	5,24,249	16,889	-	5,41,138
	Total	**1,09,43,362**	**3,68,789**	**-**	**1,13,12,151**

Note:

*Salary paid to Ms. Poornima Gupta is for the period from May 22, 2017 to March 31, 2018.

ANNEXURE II

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Sd/-
Shobha Kapoor
Chairperson
DIN: 00005124

Place: Mumbai
Date: May 19, 2018

Independent Auditors' Report

TO THE MEMBERS OF ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Alt Digital Media Entertainment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive

Independent Auditors' Report

income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 23, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

    i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.

    ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure A
to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Alt Digital Media Entertainment Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Alt Digital Media Entertainment Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A
to Independent Auditors' Report

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure B
to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Alt Digital Media Entertainment Limited on the Ind AS financial statements for the year ended March 31, 2018.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 4.1 on property, plant and equipment to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year (Digital programs and film rights verified with reference to the title documents/agreements). No differences were noticed on physical verification of inventory as compared to book records.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, service tax and goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the

Annexure B
to Independent Auditors' Report

Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the said Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Balance Sheet

As at March 31, 2018

Particulars	Note No.	As at March 31, 2018 ₹ In Lacs	As at March 31, 2017 ₹ In Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4.1	172.58	120.46
(b) Capital work-in-progress	4.2	-	720.95
(c) Intangible assets	4.2	795.04	10.30
(d) Financial assets			
(i) Loans	5	18.80	44.67
(e) Current tax asset (net)	6	47.43	-
(f) Other non-current Assets	7	0.36	-
Total Non-current assets		**1,034.21**	**896.38**
Current assets			
(a) Inventories	8	5,883.97	625.52
(b) Financial assets			
(i) Investments	9	10,015.79	10,579.64
(ii) Trade receivables	10	79.27	-
(iii) Cash and cash equivalents	11	794.06	346.32
(iv) Loans	5	24.72	0.37
(v) Other financial assets	12	6.78	-
(c) Other current assets	13	3,292.64	1,073.07
Total Current Assets		**20,097.23**	**12,624.92**
Total Assets		**21,131.44**	**13,521.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	30,005.00	15,005.00
(b) Other equity	15	(11,653.49)	(2,040.94)
Total Equity		**18,351.51**	**12,964.06**
Liabilities			
Non-current liabilities			
(a) Provisions	16	17.92	-
(b) Deferred tax liabilities (net)	17	-	282.67
Total Non-Current Liabilities		**17.92**	**282.67**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	1,960.55	222.54
(ii) Other financial liabilities	19	15.59	-
(b) Other current liabilities	20	785.87	52.03
Total Current Liabilities		**2,762.01**	**274.57**
Total Equity and Liabilities		**21,131.44**	**13,521.30**

The above Balance Sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Managing Director)
DIN: 00005093

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Poornima Gupta
(Company Secretary)

Statement of Profit and Loss

for the year ended March 31, 2018

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
			₹ In Lacs	₹ In Lacs
(I)	Revenue from operations	21	683.74	-
(II)	Other income	22	724.12	1,057.02
(III)	**Total Income (I+II)**		**1,407.86**	**1,057.02**
(IV)	**Expenses**			
	(a) Direct cost	23	3,126.64	-
	(b) Employee benefits expense	24	1,426.79	858.04
	(c) Depreciation and amortization expense	25	376.10	24.62
	(d) Finance cost	26	-	0.30
	(e) Marketing expenses	27	4,196.89	254.24
	(f) Other expenses	28	2,086.48	916.12
(V)	**Total Expenses**		**11,212.90**	**2,053.32**
(VI)	**(Loss) before tax (III-V)**		**(9,805.04)**	**(996.30)**
(VII)	Income Tax expense			
	(a) Current tax		-	1.28
	(b) Deferred tax	17	(282.67)	270.54
	Total tax expenses/(credit)		**(282.67)**	**271.82**
(VIII)	**(Loss) for the year (VI-VII)**		**(9,522.37)**	**(1,268.12)**
(IX)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit libilities/(asset)		(5.43)	(2.43)
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income for the year		**(5.43)**	**(2.43)**
(X)	**Total comprehensive income for the year (VIII+IX)**		**(9,527.80)**	**(1,270.55)**
(XI)	**Basic and diluted earnings/(loss) per share (in ₹)** (Face Value of ₹ 10 each)	31.1	**(4.14)**	**(0.85)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
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Ekta Kapoor
(Managing Director)
DIN: 00005093

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Poornima Gupta
(Company Secretary)

Statement of Cash Flow

for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	₹ In Lacs	₹ In Lacs	₹ In Lacs	₹ In Lacs
A. Cash Flow from Operating Activities				
(Loss) before tax		(9,805.04)		(996.30)
Adjustment for:				
Amortisation of prepaid rent element of rental security deposit	4.16		-	
Loss/(Profit) on fair valuation of current investments (net of tax)	57.50		(781.74)	
Amortisation of inventory	3,009.21		-	
Unwinding of discount on security deposit	(4.22)		(3.20)	
Profit on sale of current investments (non-trade) (net)	(719.90)		(272.08)	
Depreciation and amortisation	376.10		24.62	
Discontinued Shows written off	29.04		-	
Interest on loan from holding company	-		0.15	
Operating (loss) before working capital changes		**(7,053.15)**		**(2,028.55)**
(Increase) in trade receivables	(79.27)		-	
(Increase) in inventory	(8,296.70)		(625.52)	
(Increase) in other current financial assets	(6.78)		-	
(Increase) in other non-current assets	(0.36)		-	
(Increase) in other current assets	(2,223.72)		(993.20)	
(Increase)/Decrease in loans	5.74		(25.12)	
Increase in trade and other payables	1,738.01		87.65	
Increase/(Decrease) in other financial liabilities	-		(15.56)	
Increase/(Decrease) in provisions	12.49		(3.70)	
Increase in other current liabilities	733.84		18.62	
Cash from operations	**(8,116.75)**		**(1,556.83)**	
Income taxes paid	(47.43)		-	
Net cash flow (used in) operating activities		**(15,217.33)**		**(3,585.38)**
B. Cash Flow from Investing Activities				
Proceeds from sale of investments	15,476.23		9,430.16	
Payment for purchase of investments	(14,250.00)		(5,920.93)	
Purchase of intangible assets	(370.22)		(502.87)	
Purchase of property, plant and equipment	(106.19)		(125.28)	
Net cash flow from investing activities		**749.82**		**2,881.08**
C. Cash Flow from Financing Activities				
Repayment of short term borrowings	-		(23.63)	
Proceeds from issue of equity share capital	15,000.00		-	
Share issue costs	(84.75)		-	
Finance cost	**-**		**(0.15)**	
Net cash flow from/(used in) financing activities		**14,915.25**		**(23.78)**
Net increase/(decrease) in cash and cash equivalents		**447.74**		**(728.08)**
Cash and cash equivalents at the beginning of the financial year (Refer Note 11)		346.32		1,074.40
Cash and cash equivalents at the end of the financial year (Refer Note 11)		**794.06**		**346.32**

The above Statement of cash flow should be read in conjunction with the accompanying notes.
This is the Statement of cash flow referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Managing Director)
DIN: 00005093

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Poornima Gupta
(Company Secretary)

Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	₹ in Lacs
As at April 1, 2016	**15,005.00**
Changes in equity share capital during the year	-
As at March 31, 2017	**15,005.00**
As at April 1, 2017	**15,005.00**
Changes in equity share capital during the year	15,000.00
As at March 31, 2018	**30,005.00**

B. Other Equity

Particulars	₹ in Lacs
As at April 1, 2016	**(770.39)**
Loss for the year	(1,268.12)
Other comprehensive income for the year	(2.43)
As at March 31, 2017	**(2,040.94)**
As at April 1, 2017	**(2,040.94)**
Share Issue costs	(84.75)
Loss for the year	(9,522.37)
Other comprehensive income for the year	(5.43)
As at March 31, 2018	**(11,653.49)**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Managing Director)
DIN: 00005093

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Poornima Gupta
(Company Secretary)

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 1: Background

ALT Digital Media Entertainment Limited was incorporated on July 1, 2015 under the Companies Act, 2013. The Company is in the B2C and B2B digital content business and operates a subscription based video on demand (SVOD) over the top (OTT) platform.

Note 2: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Ind AS financial statements.

(a) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criterias set out in the Schedule III to the Companies Act, 2013.

Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained it's operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

<u>**Historical cost convention**</u>

The financial statements have been prepared on a historical cost basis, except for the following:

(I) certain financial assets and liabilities that are measured at fair value;

(II) defined benefit plans - plan assets measured at fair value.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The Chief operating decision maker of the Company consists of the managing director, Chief Executive Officer and Chief Financial Officer which assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 31.4 for segment information presented.

(c) Foreign currency translation

(i) <u>Functional and presentation currency</u>

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) <u>Transactions and balances</u>

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria has been met for each of the Company's activities. Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any discounts and any taxes collected on behalf of the government which are levied on sales such as Service tax, Sales tax, Value Added Tax, Goods & Service Tax (GST), etc.

<u>Subscription Income:</u> Subscription revenue is recognized over the subscription period.
<u>Licensing of Content rights:</u> Revenue from licensing of content rights is recognized on the assignment of rights, over the period or in terms of the agreement with the customer.
Revenue recognized during the year in excess of billings are recorded as unbilled revenue. Billings in excess of revenue are recorded as deferred revenue until the above revenue recognition criteria is met.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(e) Interest and Dividend Income Recognition

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount on initial recognition.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(f) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred Tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of Cash Flow Statement, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Company's cash management.

(i) Inventories

Inventory comprises of web series and film rights which are carried at the lower of cost and net realizable value. Cost is determined at actual cost and includes all costs incurred to acquire the web series/film rights. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Inventory is amortized as per the amortization policy of the company based on expected pattern of realization of economic benefits.

For original web-series, amortization of content cost begins when the episode is launched (launch date) on the platform of the company. In first year from the launch date 75% of the cost of each episode is amortised and in second year 25% of the cost is amortised. For web-series which are acquired and film rights, amortization is done on straight line basis over the period of the contract.

For any additional cost incurred to acquire an item of inventory after its launch date, accelerated amortization is provided on an episodic basis from the original launch date of the particular episode in the month of the additional cost being incurred.

Dubbing and Subtitling costs are charged to the Statement of Profit and Loss as and when incurred.

(j) Trade receivables

Trade receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Financial Instruments

(i) Financial Assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL): Investments in instruments other than covered above are classified as FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt instruments are designated as at fair value through profit or loss on initial recognition.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31.6 details how the Company determines whether there has been a significant increase in credit risk.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of Financial Assets
A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities:
Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement
Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(l) Offsetting Financial Instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, Plant and Equipment
All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.
Depreciation methods, estimated useful lives and residual value
Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013 except for the following assets which are depreciated as per management estimates of their useful life which are as under:

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Leasehold improvements – on a straight line basis over the period of lease

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.
Losses arising from the retirement of, and gains or losses arising from the disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(n) Intangible assets:

(i) Recognition and Measurement

Intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit and Loss. Intangible assets acquired are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

(ii) Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

- Computer Software: 2-3 years

(o) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.
When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit or loss.

(p) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 - "Provision, contingent liabilities and contingent assets" is made.

(q) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity;

(b) defined contribution plans such as provident fund

Defined benefit plans:

The Company has taken a Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

The liability recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. 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'.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans:

Contributions to Provident Fund and Pension Fund are charged to the Statement of Profit and Loss as incurred. Provident fund contributions are made to a government administered provident fund towards which the Company has no further obligations beyond its monthly contributions.

(r) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lakhs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The areas involving critical estimates or judgements are:

- **Estimated useful life of Tangible and Intangible Assets:**
  The Company reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- **Estimation of Defined Benefit Obligation:**
  The Company's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, this liability is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

  The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

  The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 30.

- **Recognition of Deferred Tax Assets:**
  The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operates.

  Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 4.1 - Property, plant and equipment

(₹ in Lacs)

Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease hold improvements	Total
I. Gross Carrying Amount						
Balance as at April 1, 2016	**7.70**	**1.74**	**6.84**	**0.21**	**6.87**	**23.36**
Additions	40.64	3.86	28.69	-	50.50	123.69
Disposals	-	-	-	-	-	-
Balance as at March 31, 2017	**48.34**	**5.60**	**35.53**	**0.21**	**57.37**	**147.05**
II. Accumulated Depreciation						
Balance as at April 1, 2016	**(1.36)**	**(0.11)**	**(0.54)**	**(0.02)**	**(1.53)**	**(3.56)**
Depreciation expense	(11.03)	(0.35)	(2.95)	(0.03)	(8.67)	(23.03)
Disposals	-	-	-	-	-	-
Balance as at March 31, 2017	**(12.39)**	**(0.46)**	**(3.49)**	**(0.05)**	**(10.20)**	**(26.59)**
III. Net Carrying Amount as at March 31, 2017	**35.95**	**5.14**	**32.04**	**0.16**	**47.17**	**120.46**

(₹ in Lacs)

Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease hold improvements	Total
I. Gross Carrying Amount						
Balance as at April 1, 2017	**48.34**	**5.60**	**35.53**	**0.21**	**57.37**	**147.05**
Additions	101.26	-	4.11	-	0.82	106.19
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	**149.60**	**5.60**	**39.64**	**0.21**	**58.19**	**253.24**
II. Accumulated Depreciation						
Balance as at April 1, 2017	**(12.39)**	**(0.46)**	**(3.49)**	**(0.05)**	**(10.20)**	**(26.59)**
Depreciation expense	(26.77)	(0.55)	(7.59)	(0.02)	(19.14)	(54.07)
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	**(39.16)**	**(1.01)**	**(11.08)**	**(0.07)**	**(29.34)**	**(80.66)**
III. Net Carrying Amount as at March 31, 2018	**110.44**	**4.59**	**28.56**	**0.14**	**28.85**	**172.58**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 4.2 Intangible Assets and Capital WIP

(₹ in Lacs)

Description of Assets	Computer Software	Computer Software (CWIP)	Total
I. Gross Carrying Amount			
Balance as at April 1, 2016	**-**	**228.38**	**228.38**
Additions	11.89	492.57	504.46
Disposals	-	-	-
Balance as at March 31, 2017	**11.89**	**720.95**	**732.84**
II. Accumulated Amortisation			
Balance as at April 1, 2016	**-**	**-**	**-**
Amortisation expense	(1.59)	-	(1.59)
Disposals	-	-	-
Balance as at March 31, 2017	**(1.59)**	**-**	**(1.59)**
III. Net Carrying Amount as at March 31, 2017	**10.30**	**720.95**	**731.25**

(₹ in Lacs)

Description of Assets	Computer Software	Computer Software (CWIP)	Total
I. Gross Carrying Amount			
Balance as at April 1, 2017	**11.89**	**720.95**	**732.84**
Additions	385.82	-	385.82
Disposals	-	-	-
Transfers	720.95	(720.95)	-
Balance as at March 31, 2017	**1,118.66**	**-**	**1,118.66**
II. Accumulated Amortisation			
Balance as at April 1, 2017	(1.59)	-	(1.59)
Amortisation expense	(322.03)	-	(322.03)
Disposals	-	-	-
Balance as at March 31, 2018	**(323.62)**	**-**	**(323.62)**
III. Net Carrying Amount as at March 31, 2018	**795.04**	**-**	**795.04**

Note 5 Loans

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Non-Current financial assets		
(Unsecured, considered good)		
Security Deposits	18.80	44.67
Total	**18.80**	**44.67**
Current financial assets		
(Unsecured, considered good)		
Security Deposits	24.72	0.37
Total	**24.72**	**0.37**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 6 Current tax assets (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Tax deducted at source	47.43	-
Total	**47.43**	**-**

Note 7 Other non-current assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(Unsecured, considered good)		
Prepaid expenses	0.36	-
Total	**0.36**	**-**

Note 8 Inventories

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unamortised digital programs / film rights	5,043.26	625.52
Digital programs pending completion	840.71	-
Total	**5,883.97**	**625.52**

Note 9 Current investments (Unquoted)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Investment in mutual funds (Non Trade)		
(Carried at fair value through Profit & Loss)	10,015.79	10,579.64
Total	**10,015.79**	**10,579.64**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity (Units)	Amount ₹ in Lacs	Quantity (Units)	Amount ₹ in Lacs
IN UNITS OF MUTUAL FUNDS				
Reliance Banking & PSU Debt Fund	13,943,630.55	1,748.14	13,943,630.55	1,643.61
Aditya Birla SL Short Term Fund	1,553,352.56	1,032.15	2,638,117.66	1,642.80
ICICI Prudential Short Term	3,550,741.07	1,285.81	3,550,741.07	1,211.59
AXIS Short Term Mutual Fund	1,274,110.16	240.14	6,742,469.10	1,198.82
Kotak Low Duration Standard-G	10,689.10	226.93	-	-
ICICI Pru Liquid Plan Reg-G	206,838.99	530.00	-	-
ICICI Prudential Savings Fund	223,359.21	581.31	-	-
HDFC Regular Savings Fund - Regular Plan	4,465,535.00	1,537.66	-	-
Kotak Low Duration Fund Standard	48,778.66	1,035.56	-	-
Aditya Birla SL Savings Fund	302,615.63	1,034.66	356,253.15	1,135.21
Axis Liquid Fund	5,860.83	112.57	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity (Units)	Amount ₹ in Lacs	Quantity (Units)	Amount ₹ in Lacs
HDFC Floating Rate Income Fund - ST Plan - Wholesale Option	1,398,604.38	422.99	-	-
Reliance Medium Term Fund	625,314.21	227.87	-	-
ICICI Prudential Flexible Income	-	-	526,252.82	1,638.43
UTI Floating Rate STP	-	-	32,243.13	856.07
Aditya Birla SL Cash Plus	-	-	21,221.68	55.29
HDFC Short Term Opportunities Fund - Regular Plan	-	-	6,658,985.10	1,197.82
Total		**10,015.79**		**10,579.64**

Note 10 Trade receivables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured, considered good	79.27	-
Total	**79.27**	**-**

Note 11 Cash and cash equivalents

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Cash and cash equivalents:		
(a) Cash on hand	2.89	11.54
(b) Bank balances:		
- In current accounts	791.17	334.78
Total	**794.06**	**346.32**

Note 12 Other current financial assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(Unsecured, considered good)		
Unbilled Revenue	6.78	-
Total	**6.78**	**-**

Note 13 Other current assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(Unsecured, considered good)		
Prepaid expenses	22.30	5.55
Balances with government authorities	2,461.01	426.82
Advance to suppliers	809.33	640.55
Others	-	0.15
Total	**3,292.64**	**1,073.07**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 14 Equity Share capital

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) Authorised		
1,000,200,000 (Previous year 225,000,000) Equity shares of ₹ 10/- each	100,020.00	22,500.00
200,000 Preferential shares of ₹ 10/- each	20.00	20.00
	100,040.00	**22,520.00**
(b) Issue subscribed and paid-up		
300,050,000 (Previous year 150,050,000) Equity shares of ₹ 10/- each, Fully paid-up	30,005.00	15,005.00
Total	**30,005.00**	**15,005.00**

Notes :

(i) Shares held by holding company/ultimate holding company

Particulars	As at March 31, 2018	As at March 31, 2017
Balaji Telefilms Limited (Nos.)	300,050,000	150,050,000
(immediate and ultimate holding company)		

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Balaji Telefilms Limited	300,050,000	100.00	150,050,000	100.00

(iii) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	(₹) in Lacs	No. of shares	(₹) in Lacs
Equity shares outstanding at the beginning of the year	150,050,000	15,005.00	150,050,000	15,005.00
Add: Issue of Equity Shares during the year	150,000,000	15,000.00	-	-
Equity shares outstanding at the end of the year	300,050,000	30,005.00	150,050,000	15,005.00

(iv) The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the shareholders will be eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(v) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2018.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 15 Other Equity

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Retained Earnings	(11,653.49)	(2,040.94)
Total	**(11,653.49)**	**(2,040.94)**

Note 15.1 Retained earnings

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balance at the beginning of the year	(2,040.94)	(770.39)
Loss for the year	(9,522.37)	(1,268.12)
Other comprehensive income for the year (net of tax)	(5.43)	(2.43)
Total comprehensive income for the year	**(9,527.80)**	**(1,270.55)**
Share Issue Costs	(84.75)	-
Balance at the year end	**(11,653.49)**	**(2,040.94)**

Note 16 Non-current Provisions

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Provision for employee benefits		
Provision for grautity (Refer Note 30)	17.92	-
Total	**17.92**	**-**

Note 17 Deferred tax liability

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Deferred tax asset	(197.42)	-
Deferred tax liability	197.42	282.67
Total	**-**	**282.67**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Movement in deferred tax balances

(₹ in Lacs)

Particulars	**For Year Ended March 31, 2018**		
	Opening Balance	**Charged/ (Credited) to Profit or Loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Fair value of investments	282.67	(85.25)	197.42
	282.67	**(85.25)**	**197.42**
Tax effect of items constituting deferred tax assets			
Carried forward tax losses	-	197.42	197.42
	-	**197.42**	**197.42**
Net Tax Asset/(Liabilities)	**282.67**	**(282.67)**	**-**

Particulars	**For Year Ended March 31, 2017**		
	Opening Balance	**Charged/ (Credited) to Profit or Loss**	**Closing Balance**
Tax effect of items constituting deferred tax liabilities			
Fair value of investments	12.13	270.54	282.67
	12.13	**270.54**	**282.67**
Net Tax Asset/(Liabilities)	**12.13**	**270.54**	**282.67**

Note 18 Trade payables

Particulars	**As at March 31, 2018 ₹ in Lacs**	**As at March 31, 2017 ₹ in Lacs**
Trade payables		
(a) Total outstanding dues to related parties	59.50	7.39
(b) Other	1,901.05	215.15
Total	**1,960.55**	**222.54**

Notes:

Micro, Small and Medium Enterprises :

The balances above includes ₹ Nil (previous year ₹ Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act).

No interest is paid / payable during the year to any Micro / Small Enterprise registered under the MSME. There were no delayed payments during the year to any Micro or Small Enterprise registered under the MSME Act.

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

Note 19 Other current financial liabilities

Particulars	**As at March 31, 2018 ₹ in Lacs**	**As at March 31, 2017 ₹ in Lacs**
Payable to creditors related to fixed assets	15.59	-
Total	**15.59**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 20 Other current liabilities

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Statutory liabilities	138.83	51.61
Employee benefits payable	157.76	-
Deferred revenue	489.28	0.42
Total	**785.87**	**52.03**

Note 21 Revenue from operations

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Subscription income	465.26	-
Licensing of digital content rights	218.48	-
Total	**683.74**	**-**

Note 22 Other income

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Unwinding of discount on security deposit	4.22	3.20
Profit on sale of investments	719.90	272.08
Unrealised gains on investments at fair value through profit or loss	-	781.74
Total	**724.12**	**1,057.02**

Note 23 Direct Cost

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Amortisation of content	3,009.21	-
Dubbing & subtitiling cost	88.39	-
Discontinued shows written off	29.04	-
Total	**3,126.64**	**-**

Note 24 Employee Benefit Expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Salaries, wages and bonus	1,341.17	808.94
Contributions to provident and other funds (Refer Note 30)	64.73	40.13
Gratuity (Refer Note 30)	16.24	8.39
Staff welfare expenses	4.65	0.57
Total	**1,426.79**	**858.03**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 25 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Depreciation of property, plant and equipment (Refer Note 4.1)	54.07	23.03
Amortisation of Intangible assets (Refer Note 4.2)	322.03	1.59
Total	**376.10**	**24.62**

Note 26 Finance costs

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest on delayed payment of taxes	-	0.15
Interest on loan from holding company	-	0.15
Total	**-**	**0.30**

Note 27 Marketing Expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Marketing Expenses	4,196.89	254.24
Total	**4,196.89**	**254.24**

Note 28 Other expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Power and fuel	17.53	10.09
Rent including lease rentals	130.70	106.43
Repairs and maintenance - Others	8.78	0.70
Rates and taxes	115.27	21.98
Communication expenses	20.97	16.34
Legal and professional charges (Refer note 28.1)	847.90	426.36
Travelling and conveyance expenses	82.50	20.19
Digital space charges	180.63	2.84
Software expenses	179.47	19.95
Directors sitting fees	9.00	3.75
License and hosting fees	340.33	262.09
Foreign exchange loss (Net)	5.35	7.52
Sales commision	53.90	-
Miscellaneous expenses	36.65	17.88
Unrealised loss on investments at fair value through profit or loss	57.50	-
Total	**2,086.48**	**916.12**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 28.1 Details of auditors remuneration (included in Legal and Professional charges)

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
As Auditors:		
Audit fee	14.50	6.00
Total	**14.50**	**6.00**

Note 29 Related Party Transactions

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Marinating Films Private Limited	Fellow Subsidiary
Chhayabani Balaji Entertainment Private Limited	Fellow Subsidiary
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Nachiket Pantvaidya	Key management person
Mr. D G Rajan	Key management person
Mr. Devender Kumar Vasal	Key management person
Mr. V B Dalal	Key management person

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

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Fellow Subsidiary
Loan Received			
Balaji Telefilms Limited	-	-	-
	(17.24)	(-)	(-)
Loan Repaid			
Balaji Telefilms Limited	-	-	-
	(56.58)	(-)	(-)
Interest on loan			
Balaji Telefilms Limited	-	-	-
	(0.15)	(-)	(-)
Remuneration (Refer note (ii) below)			
Nachiket Pantvaidya	-	106.16	-
	(-)	(145.21)	(-)
Cross Chrage (Reimbursement of Expenses)			
Balaji Telefilms Limited	166.98	-	-
	(-)	(-)	(-)
Director Sitting Fees			
D G Rajan	-	3.00	-
	(-)	(1.25)	(-)

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Fellow Subsidiary
Devender Kumar Vasal	-	3.00	-
	(-)	(1.25)	(-)
V B Dalal	-	3.00	-
	(-)	(1.25)	(-)
Issue of Shares			
Balaji Telefilms Limited	15,000.00	-	-
	(-)	(-)	(-)
Purchase of Content			
Balaji Telefilms Limited:			
Web Series	2,774.12	-	-
	(183.38)	(-)	(-)
Films	76.00	-	-
	(-)	(-)	(-)
Chhayabani Balaji Entertainment Private Limited	-	-	95.32
	(-)	(-)	(-)
Marinating Films Private Limited	-	-	50.00
	(-)	(-)	(-)
Advance for Content			
Balaji Telefilms Limited	210.60	-	-
	(136.70)	(-)	(-)

(c) Closing balances for the year

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Fellow Subsidiary
Remuneration payable as at March 31, 2018			
Nachiket Pantvaidya	-	-	-
	(-)	(7.99)	(-)
Purchase of content payable as at March 31, 2018			
Balaji Telefilms Limited	55.23	-	-
	(7.39)	(-)	(-)
Chhayabani Balaji Entertainment Private Limited	-	-	4.27
	(-)	(-)	(-)
Advance Paid as at March 31, 2018			
Balaji Telefilms Limited	210.60	-	-
	(136.70)	(-)	(-)

Note:

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

(ii) The Company provides long term benefits in the form of gratuity to key management personnel along with all employees, cost of the same is not identifiable separately and hence not disclosed.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 30 Employee benefits

(a) Defined Contribution Plan

Both the employees and the Company make pre-determined contributions to provident fund. Amount recognized as expense amounts to ₹ 64.73 lakhs (Previous year ₹ 40.13 lakhs)

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable are calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	March 31, 2018	**March 31, 2017**
Discount rate(s)	7.80%	7.22%
Expected rate(s) of salary increase	10.00%	10.00%
Rate of Employee Turnover	10.00%	10.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality Rate after employment	NA	NA

Defined benefit plans – as per actuarial valuation on March 31, 2018

(₹ in Lacs)

Particulars	**Funded Plan**	
	Gratuity	
	Year Ended March 31, 2018	**Year Ended March 31, 2017**
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the year	5.19	4.58
Return on Plan Assets, Excluding Interest Income	0.24	(0.87)
Net (Income)/Expense for the year recognised in other comprehensive income (OCI)	**5.43**	**3.71**
Current Service Cost	16.27	8.10
Net interest cost	(0.04)	0.29
Expenses Recognized	**16.24**	**8.39**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(₹ in Lacs)

Particulars	Funded Plan	
	Gratuity	
	Year Ended March 31, 2018	Year Ended March 31, 2017
I. Net Asset/(Liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation at the end of the year	(39.34)	(16.67)
2. Fair value of plan assets at the end of the year	21.42	17.17
3. Surplus/(Deficit)	(17.92)	0.50
4. Net (liability)/ Asset recognized in the Balance sheet	(17.92)	-
II. Change in the obligation during the year		
1. Present value of defined benefit obligation at the beginning of the year	16.67	3.70
2. Expenses Recognised in Statement of Profit or Loss		
- Current Service Cost	16.27	8.10
- Interest Expense/(Income)	1.21	0.29
3. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	-	-
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	(2.31)	1.03
5. Actuarial (Gains)/ Losses on Obligations- Due to experience	7.50	3.55
6. Present value of defined benefit obligation at the end of the year	**39.34**	**16.67**
III. Change in fair value of assets during the year		
1. Fair value of plan assets at the beginning of the year	17.17	-
2. Contributions by employer	3.25	16.30
3. Interest Income	1.24	-
4. Return on Plan Assets, excluding Interest Income	(0.24)	0.87
5. Fair value of plan assets at the end of the year	**21.42**	**17.17**

The sensitivity of the defined benefit obligation to the weighted principle assumptions is :

Projected Benefit Obligation on Current Assumptions	**39.34**	**16.67**
Delta Effect of +1% Change in Rate of Discounting	(3.56)	(1.71)
Delta Effect of -1% Change in Rate of Discounting	4.11	2.01
Delta Effect of +1% Change in Rate of Salary Increase	3.98	1.93
Delta Effect of -1% Change in Rate of Salary Increase	(3.52)	(1.69)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.54)	(0.88)
Delta Effect of -1% Change in Rate of Employee Turnover	1.65	0.95

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

The Company expects to contribute ₹ 40 lakhs to the gratuity trusts during the next financial year.

Maturity profile of defined benefit obligation: **(₹ in Lacs)**

Projected Benefits Payable in future years from Date of Reporting	**March 31, 2018**	**March 31, 2017**
1st Following year	0.33	0.03
2nd Following year	0.34	0.04
3rd Following year	1.43	0.04
4th Following year	3.57	0.83
5th Following year	4.17	1.77
Sum of Years 6 to 10	20.19	8.55
Sum of Years 11 and above	68.83	32.43

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2018 and March 31, 2017 by category are as follows: **(₹ in Lacs)**

	As at March 31, 2018	**As at March 31, 2017**
Asset category:		
Deposits with Insurance companies	21.42	17.17
	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note: Where required by Ind AS 24 an entity discloses information about: (a) related party transactions with post-employment benefit plans; and (b) post-employment benefits for key management personnel.

Note: Where required by Ind AS 37 an entity discloses information about contingent liabilities arising from post employment benefit obligations.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 31 Additional information to the financial statements and disclosure under Accounting Standards

31.1 Earnings/(loss) per share

Basic and diluted earnings/(loss) 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 :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹ in Lacs	₹ in Lacs
(a) (Loss) for the year attributable to equity share holders (₹ in lacs)	(9,522.37)	(1,268.12)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	22,97,76,027	15,00,50,000
(c) Loss per share - Basic and diluted (₹) (a / b)	(4.14)	(0.85)
(d) Nominal value of shares (₹)	10	10

31.2 In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses and the requirement of the Ind AS 12 the deferred tax asset is recognised only to the extent of deferred tax liabiity, the deferred tax asset is not accounted for, to the extent of ₹ 2,929.14 lacs as at March 31, 2018. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of reasonable certainty in accordance with the aforesaid Ind AS 12.

31.3 Lease Transactions

Amount of lease rentals charged to the statement of profit and loss account in respect of operating leases is ₹ 130.70 lacs (previous year ₹ 106.43 lacs)

Commitments for minimum lease payments in relation to non-cancellable operating leases payable is as follows:

(₹ in lacs)

Particulars	March 31, 2018	March 31, 2017
Within 1 year	135.99	130.08
Later than 1 year but not later than 5 years	30.42	166.41

31.4 Segment Information

The Company is primarily engaged in the business of subscription based sale of digital content, which in the context of Ind AS 108 on "Operating Segments", constitutes a single reportable segment.

Revenue of approximately ₹ 150 lacs during the year ended March 31, 2018 are derived from a single external customer.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

31.5 Disclosures relating to Specified Bank Notes (SBNs):

Disclosure as per notification, dated March 30, 2017, issued by Ministry of Corporate Affairs are as follows:

(₹ in Lacs)

Particulars	Specified bank notes (SBNs)*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**-**	**-**	**-**
Add: Permitted receipts	7.50	-	7.50
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	**7.50**	**-**	**7.50**

* For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S. O. 3407(E), dated the November 8, 2016.

** The reporting or disclosure related to SBNs is not applicable to the Company for the year ended March 31, 2018

31.6 Fair Value Measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Financial instrument by category

(₹ in Lacs)

	March 31, 2018			March 31, 2017		
Financial Assets	**FVPL**	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Non-current financial assets						
Loans	-	-	18.80	-	-	44.67
Current financial assets						
Investment	10,015.79	-	-	10,579.64	-	-
Trade receivables	-	-	79.27	-	-	-
Cash and cash equivalents	-	-	794.06	-	-	346.32
Loans	-	-	24.72	-	-	0.37
Other financial assets	-	-	6.78	-	-	-
Total Financial Assets	**10,015.79**	**-**	**923.63**	**10,579.64**	**-**	**391.36**
Financial Liabilities						
Trade payables	-	-	1,960.55	-	-	222.54
Other financial liabilities	-	-	15.59	-	-	-
Total Financial Liabilities	**-**	**-**	**1,976.14**	**-**	**-**	**222.54**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(i) Fair Value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed in the accounting standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Mutual Funds		-	10,015.79	-	10,015.79
Total Financial Assets		**-**	**10,015.79**	**-**	**10,015.79**

(₹ in Lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Non-current financial assets					
Loans		-	-	18.80	18.80
Total Financial Assets		**-**	**-**	**18.80**	**18.80**

(₹ in Lacs)

Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Mutual Funds		-	10,579.64	-	10,579.64
Total Financial Assets		**-**	**10,579.64**	**-**	**10,579.64**

(₹ in Lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Non-current financial assets					
Loans		-	-	44.67	44.67
Total Financial Assets		**-**	**-**	**44.67**	**44.67**

The carrying value of trade receivables, cash and cash equivalents, loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Level-1 Hierarchy includes financial instruments measured using quoted price.
Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:
-The mutual funds are valued using closing NAV available in the market.

31.7 Financial Risk Management

Risk management framework
The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(A) Credit Risk
Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

(i) Credit Risk Management
Financial instruments and cash deposits
The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings and hence the risk is reduced. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the company only invests with high rated banks/institutions. The Company's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in note 31.6.

Security deposits given to lessors
The Company has given security deposit to lessors for premises leased by it as at March 31, 2018 and March 31, 2017. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal

Notes forming part of the Financial Statements

for the year ended March 31, 2018

course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity grouping based on their contractual maturities.

(₹ in Lacs)

Contractual maturities of financial liabilities	6 months or less	6 months- 1 year	More than 1 year	Total
March 31, 2018				
Trade payables	1,960.55	-	-	1,960.55
Other Financial Liabilities	15.59	-	-	15.59
Total financial liabilities	**1,976.14**	**-**	**-**	**1,976.14**

(₹ in Lacs)

Contractual maturities of financial liabilities	6 months or less	6 months - 1 year	More than 1 year	Total
March 31, 2017				
Trade payables	222.54	-	-	222.54
Other Financial Liabilities	-	-	-	-
Total financial liabilities	**222.54**	**-**	**-**	**222.54**

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Foreign currency risk exposure:

The Company does not have any exposure to foreign currency risk as at March 31, 2018 (Previous year ₹ Nil).

(b) Interest rate risk

The Company does not have any borrowings and is thus not exposed to interest rate risk as at March 31, 2018 (Previous year ₹ Nil).

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(c) Price risk

(i) Exposure

The company's exposure to investments arises from investment held by the company in mutual funds and classified in the balance sheet as fair value through profit or loss.

To manage its price risk arising from investments in mutual funds, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

(ii) Sensitivity **(₹ in Lacs)**

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Net asset value - Increase 5% (March 31, 2017 5%)*	500.79	528.98
Net asset value - Decrease 2% (March 31, 2017 2%)*	(200.32)	(211.59)

* Profit after tax for the year would increase/ (decrease) as a result of gains/ losses on investments classified at fair value through profit or loss.

31.8 Capital Management

The company considers total equity as shown in the balance sheet to be managed capital.

The company aim is to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

31.9 As at March 31, 2018 the Company has accumulated losses of ₹ 11,653.49 lacs and the net worth of the Company is partially eroded. However, based on the continuing and committed support from the holding company, the Company has followed the fundamental accounting assumption of 'Going Concern' and will be able to meet all its financial obligations as they fall due for payment for at least 12 months from the date of signature of these financial statements.

31.10 Recent accounting pronouncements - Standards issued but not yet effective:

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified reytrospective approach for the adoption. The Company is evaluating the requirements of the new revenue standard (Ind AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- the estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when A fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Signatures to note 1 to 31

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Director)
DIN: 00005124

Ekta Kapoor
(Managing Director)
DIN: 00005093

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Poornima Gupta
(Company Secretary)

BOARD'S REPORT

The Directors present the 3rd Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2018.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

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

(₹ in lacs)

PARTICULARS	2017-18	2016-17
Total Income	235.32	385.87
Total Expenditure	293.63	440.20
Operating (Loss)	**(58.31)**	**(54.33)**
Finance costs	3.59	2.86
Depreciation	4.48	1.64
Operating Profit after finance cost and depreciation	**(66.38)**	**(58.83)**
Add: Other income	-	0.46
(Loss) for the Period before tax	**(66.38)**	**(58.37)**
Provision for tax (including deferred tax)	(1.33)	-
(Loss) for the Period after tax	**(65.05)**	**(58.37)**
(Loss) carried to the Balance Sheet	**(65.05)**	**(58.37)**

Note: The financial statements for the year ended March 31, 2018 are prepared under IND AS (Indian Accounting Standards).

RESULTS OF OPERATIONS

During the year under review, the Company has reported a loss of ₹ 65.05 lacs as against loss of ₹ 58.37 lacs in the previous fiscal.

DIVIDEND

Considering the loss incurred in the current financial year, the Directors have not recommended any dividend for the financial year under review.

TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to the reserves in view of loss incurred by the Company.

BORROWINGS

The Company does not have any borrowings during the year under review.

SHARE CAPITAL

During the year under review, the Company has issued 5,00,000 Zero Dividend Redeemable Optionally Convertible Preference Shares of face value ₹ 10/- each at par on right basis. Therefore, the paid up share capital of the Company as on March 31, 2018 was ₹ 1,55,00,000/- (Rupees One Crore and Fifty Five Lacs Only) divided into 50,000 Equity shares of ₹ 10/- each, 10,00,000 Zero Dividend Redeemable Preference Shares of ₹ 10/- each and 5,00,000 Zero Dividend Redeemable Optionally Convertible Preference Shares of ₹ 10/- each.

The Company has neither issued shares with differential voting rights nor granted stock options or sweat equity. As on March 31, 2018 the Company is subsidiary of Balaji Telefilms Limited.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

CHANGE IN NATURE OF BUSINESS

There was no change in nature of the business of the Company, during the year under review.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiary, associate and joint venture Company. Thus the Audited Financial Statements, Auditors' Report thereon and Board's Report along with applicable annexures are not annexed herewith.

BOARD'S REPORT

MATERIAL EVENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material events have occurred between the end of financial year and the date of this Report, which have effect over the financial position of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, the tenure of Mr. Saugata Nandi as Managing Director of the Company ceased on February 19, 2018. The Board of Directors has re-appointed Mr. Saugata Nandi as Managing Director of the Company for a period of 3 (three) years w.e.f. February 20, 2018, subject to approval of Members of the Company.

Ms. Ekta Kapoor, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM), pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and being eligible has offered herself for re-appointment.

Appropriate resolution for re-appointment of Mr. Saugata Nandi and Ms. Ekta Kapoor is being placed for the approval of the Members of the Company at the ensuing AGM.

Further, the provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable to the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Director of the Company confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

AUDITORS

STATUTORY AUDIT

M/s. Price Waterhouse Chartered Accountants LLP were appointed as Statutory Auditors of the Company at the AGM held on August 31, 2017, for a term of 5 (five) consecutive years. They have confirmed that they are not disqualified from continuing as Auditors of the Company. As per the provisions of Section 139 of the Companies Act, 2013, earlier the appointment of Auditors was required to be ratified by Members at every AGM. However, in accordance with the Companies Amendment Act, 2017 enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

COST AUDIT

In accordance with Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

In accordance with the Section 204 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

AUDIT REPORTS

The Report given by the Auditors on the financial statement & of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

DISCLOSURES RELATED TO BOARD AND POLICIES

i) BOARD MEETINGS

During the year under review, four (4) meetings of the Board of Directors were held on May 22, 2017, August 10, 2017, November 09, 2017 & February 13, 2018. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

BOARD'S REPORT

ii) BUSINESS RISK MANAGEMENT

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Board co-ordinates with the various heads of departments with respect to risk identification, assessment, analysis and mitigation.

iii) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. However the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

OTHER DISCLOSURES

i) EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT-9 is appended as Annexure I to this Report.

ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported to the Board, under section 143(12) of the Companies Act, 2013, any instances of frauds committed against the Company by its officers or employees, the details of which would need to be mentioned in the this Report.

iii) SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

iv) INTERNAL FINANCIAL CONTROLS SYSTEM AND ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

v) RELATED PARTY TRANSCATIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an Arm's Length Price. Further, none of these transactions/contracts/arrangements with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

vi) FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits and as such, no amount of principal interest was outstanding as on the Balance Sheet date.

vii) PARTICULAR OF LOANS, GUARANTEE OR INVESTMENTS

During the year under review, the Company does not have any Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013. Hence no disclosure is required to be given in this regard.

BOARD'S REPORT

viii) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the financial year 2017-18, no sexual harassment complaint has been registered with the Company.

ix) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going status of the Company & its future operations.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Conservation of Energy do not apply to the Company. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy-efficient equipments. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipments with more energy-efficient equipments. Currently, we use Compact Fluorescent Lamp (CFL) fixtures to reduce the power consumption in the illumination system.

TECHNOLOGY ABSORPTION

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to Technology Absorption do not apply to the Company. 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

During the year under review, there were no foreign exchange earnings or outgo.

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board lays down the evaluation criteria for the performance evaluation of Executive/Non-Executive/Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

1) Knowledge to perform the role;
2) Time and Level of Participation;
3) Performance of Duties and Level of Oversight;
4) Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

BOARD EVALUATION

Schedule IV of Companies Act, 2013 mandates that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated.

The evaluation of the Board as a whole and Individual Directors was conducted based on the criteria and framework adopted by the Board. The Board thus approved the evaluation process results.

BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to any material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the Company for the year under review;

c) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts for the financial year ended March 31, 2018 had been prepared on a 'going concern' basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors of the Company wish to acknowledge with gratitude and place on record their appreciation to all stakeholders-shareholders, investors, customers, suppliers, business associates, banks, regulatory and governmental authorities for their cooperation, assistance and support. Further, they wish to thank their employees for their dedicated services.

For and on behalf of the Board of Directors

Sd/-
Shobha Kapoor
Chairperson
DIN: 00005124

Place: Mumbai
Date: May 19, 2018

Annexure I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I) REGISTRATION & OTHER DETAILS

1	**CIN**	U22190MH2015PTC261948
2	**Registration Date**	16/02/2015
3	**Name of the Company**	Chhayabani Balaji Entertainment Private Limited
4	**Category/Sub-category of the Company**	Company Limited by Shares/ Private Non-Government Company
5	**Address of the Registered office & Contact details**	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email: simmi.bisht@balajitelefilms.com
6	**Whether listed Company**	No
7	**Name, Address & Contact details of the Registrar & Transfer Agent, if any**	N.A.

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Media & Entertainment	591	100

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited **Registered Office**- C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400 053, Maharashtra.	L99999MH1994PLC082802	Holding Company	50	2(46)

Annexure I

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	50,000	50,000	100.00	0	50,000	50,000	100.00	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1)	**0**	**50,000**	**50,000**	**100.00**	**0**	**50,000**	**50,000**	**100.00**	**0**
(2) Foreign									
a)Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Institutions	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters A= A(1)+A(2)	**0**	**50,000**	**50,000**	**100.00**	**0**	**50,000**	**50,000**	**100.00**	**0**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
j) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corporate	0	0	0	0	0	0	0	0	0
b) Individuals				0				0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0

Annexure I

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 01, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**0**	**50,000**	**50,000**	**100.00**	**0**	**50,000**	**50,000**	**100.00**	**0**

ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2017			Shareholding at the end of the year i.e. March 31, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Balaji Telefilms Limited	25,000	50.00	0	25,000	50.00	0	0
2	Chhayabani Private Limited	25,000	50.00	0	25,000	50.00	0	0
	Total	**50,000**	**100.00**	**0**	**50,000**	**100.00**	**0**	**0**

iii) Change in Promoters' Shareholding:

There are no changes in the Promoter's shareholding during the financial year 2017-18.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

The entire share capital of the Company is held by the Holding Company and Promoters of the Company.

v) Shareholding of Directors and Key Managerial Personnel:

The Directors of the Company did not hold any shares during the financial 2017-18. Further, the provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable to the Company.

V) INDEBTEDNESS

The Company had no Indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2017-18.

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Mr. Saugata Nandi designated as Managing Director has not received any remuneration during the financial year 2017-18.

Annexure I

ii) Remuneration to other Directors: **(₹ In Lacs)**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	**Independent Directors**	**V. B. Dalal**	**-**	**-**	
	Fee for attending Board and Committee meetings	1,00,000	-	-	1,00,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	**1,00,000**	**-**	**-**	**1,00,000**
2	**Other Non- Executive Directors**	**Shobha Kapoor**	**Ekta Kapoor**	**Ramlal Nandi**	
	Fee for attending Board and Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B) = (1+2)	**1,00,000**	**-**	**-**	**1,00,000**
	Total Managerial Remuneration (A+B)				**1,00,000**
	Ceiling as per Act	**N.A.**			

Note:
The Independent Director has been paid only sitting fees for attending Board meetings of the Company which is excluded under Section 197(2) of the Companies Act, 2013.

iii) Remuneration to Key Managerial Personnel other than MD/Manager/ WTD:
Provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable to the Company.

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES
There were no penalties/punishment/compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Sd/-
Shobha Kapoor
Chairperson
DIN: 00005124

Place: Mumbai
Date: May 19, 2018

Independent Auditors' Report

TO THE MEMBERS OF CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Chhayabani Balaji Entertainment Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss

Independent Auditors' Report

and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 22, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

    i. The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.

    ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure A
to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Chhayabani Balaji Entertainment Private Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Chhayabani Balaji Entertainment Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

Annexure A
to Independent Auditors' Report

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

Annexure B
to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Chhayabani Balaji Entertainment Private Limited on the Ind AS financial statements for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 4 on property, plant and equipment to the Ind AS financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year (Television series produced verified with reference to the title documents/ agreements). No differences were noticed on physical verification of inventory as compared to book records.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including service tax and goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed

Annexure B
to Independent Auditors' Report

or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Mehul Desai
Partner
Membership Number: 103211

Mumbai
Date: May 19, 2018

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Balance Sheet

As at March 31, 2018

Particulars	Note	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	38.66	4.08
(b) Current tax asset (net)	5	13.79	9.89
Total Non-current assets		**52.45**	**13.97**
Current assets			
(a) Inventories	6	7.00	-
(b) Financial assets			
(i) Trade receivables	7	92.16	0.45
(ii) Cash and cash equivalents	8	2.31	31.80
(iii) Loans	9	0.50	-
(c) Other current assets	10	13.76	19.72
Total Current assets		**115.73**	**51.97**
Total Assets		**168.18**	**65.94**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	11	5.00	5.00
(b) Other equity			
- Equity component of compound financial instrument		132.91	83.38
- Reserves & Surplus	12	(129.00)	(63.95)
Total Equity		**8.91**	**24.43**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	16.66	12.77
(b) Deferred tax liablities (net)	14	-	1.33
Total Non-current liabilities		**16.66**	**14.10**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15	105.20	27.09
(b) Other current liabilities	16	37.41	0.32
Total Current liabilities		**142.61**	**27.41**
Total Equity and Liabilities		**168.18**	**65.94**

The above Balance Sheet should be read in conjunction with the accompanying notes
This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Chairperson)
DIN: 00005124

Saugata Nandi
(Managing Director)
DIN: 00620045

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

	Particulars	Note	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
1	Revenue from operations	17	235.32	385.87
2	Other income	18	-	0.46
3	**Total income**		**235.32**	**386.33**
4	**Expenses**			
	Cost of production	19	270.27	218.31
	Change in inventories of stock-in-trade	19	(7.00)	195.60
	Depreciation and amortisation expense	20	4.48	1.64
	Finance Costs	21	3.59	2.86
	Other expenses	22	30.36	26.29
5	**Total expenses**		**301.70**	**444.70**
6	**(Loss) before tax (3-5)**		**(66.38)**	**(58.37)**
7	**Tax expenses**			
	Current tax		-	-
	Deferred tax	14	(1.33)	-
	Total tax expense		**(1.33)**	**-**
8	**(Loss) for the year (6-7)**		**(65.05)**	**(58.37)**
9	**Other Comprehensive Income**		**-**	**-**
10	**Total Comprehensive Income for the year (8+9)**		**(65.05)**	**(58.37)**
11	**Basic & diluted earnings/(loss) per share (in ₹)** (Face value of ₹ 10 each)	**23.2**	**(130.10)**	**(116.73)**

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes
This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Chairperson)
DIN: 00005124

Saugata Nandi
(Managing Director)
DIN: 00620045

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of Cash Flow

for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. Cash Flow from Operating Activities				
(Loss) before tax		**(66.38)**		**(58.37)**
Adjustments for:				
Depreciation	4.48		1.64	
Interest on liability component of compound financial instrument	3.42		-	
Interest on income tax refund	-	7.90	0.46	2.10
Operating (loss) before working capital changes		**(58.48)**		**(56.27)**
(Increase) / Decrease in trade receivables	(91.71)		125.59	
(Increase) / Decrease in inventories	(7.00)		195.60	
Increase / (Decrease) in trade payables	78.11		(164.96)	
(Increase) / Decrease in other financial assets	(0.50)		0.50	
Decrease / (Increase) in other current assets	5.96		(18.92)	
Increase / (Decrease) in other current liabilities	37.09	21.95	(83.08)	54.73
		(36.53)		(1.54)
Income taxes (paid)		(3.90)		(0.08)
Net cash used in operating activities (A)		**(40.43)**		**(1.62)**
B. Cash Flow from Investing Activities				
Purchase of fixed assets		(39.06)		(1.34)
Net cash used in investing activities (B)		**(39.06)**		**(1.34)**
C. Cash Flow from Financing Activities				
Issue of Preference Share Capital		50.00		-
Net cash flow from financing activities (C)		**50.00**		**-**
Net (Decrease) in cash and cash equivalents (A+B+C)		**(29.49)**		**(2.96)**
Cash and cash equivalents at the beginning of the financial year (Refer note 8)		31.80		34.76
Cash and cash equivalents at the end of the financial year (Refer note 8)		**2.31**		**31.80**

The above Statement of cash flow should be read in conjunction with the accompanying notes
This is the Statement of cash flow referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Chairperson)
DIN: 00005124

Saugata Nandi
(Managing Director)
DIN: 00620045

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Statement of changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	(₹ in Lacs)
As at April 1, 2016	**5.00**
Changes in equity share capital during the year	-
As at March 31, 2017	**5.00**
As at April 1, 2017	**5.00**
Changes in equity share capital during the year	-
As at March 31, 2018	**5.00**

B. Other Equity

(₹ in Lacs)

Particulars	Equity component of compound financial instruments	Reserves and surplus	Total other equity
		Retained earnings	
As at April 1, 2016	**83.38**	**(5.58)**	**77.80**
(Loss) for the year	-	(58.37)	(58.37)
As at March 31, 2017	**83.38**	**(63.95)**	**19.43**
As at April 1, 2017	**83.38**	**(63.95)**	**19.43**
Issue of Zero dividend reedemable optionally convertible preference shares	49.53	-	49.53
(Loss) for the year	-	(65.05)	(65.05)
As at March 31, 2018	**132.91**	**(129.00)**	**3.91**

The above Statement of changes in Equity should be read in conjunction with the accompanying notes
This is the Statement of changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Chairperson)
DIN: 00005124

Saugata Nandi
(Managing Director)
DIN: 00620045

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 1 : Background

Chhayabani Balaji Entertainment Private Limited was incorporated on February 16, 2015 under the Companies Act, 2013 and is in the business of production of television content. The Company is a subsidiary of Balaji Telefilms Ltd. The registered office and principal place of business of the Company is at Andheri (West), Mumbai.

Note 2 : Significant accounting policies

The note provides a list of significant accounting policies adopted in the preparation of these Financial Statement. These policies have been consistently applied to all the year presented, unless otherwise stated.

(a) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and other criteria's set out in the Schedule III to the Companies Act, 2013.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained it's operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

<u>Historical cost convention</u>

The financial statements have been prepared on historical cost basis, except for the folowing:

I) certain financial liabilities that are measured at fair value.

<u>Amended standard adopted by the company</u>

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities, see note 13.

(b) Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Company consists of the managing director who assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 23.4 for segment information presented.

(c) Revenue Recognition

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and specific criteria has been met for each of the Company's activities. Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any discounts and any taxes collected on behalf of the government which are levied on sales such as Goods & Service tax, Service tax etc.

(i) Revenue from commissioned television programmes is recognised when relevant episodes of programmes (television serials) are telecast by the broadcaster (customer).

(ii) Revenue from web series is recognised on delivery of relevant content to the producers (customer).

(d) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions. For the purpose of Cash Flow Statement, Cash and cash equivalents are considered net of outstanding overdrafts, if any, as they are considered an integral part of Company's cash management.

(g) Inventories

Inventories comprise of Television serials and are stated at the lower of cost and net realisable value. Cost is determined as average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

(h) Trade receivable

Trade receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(i) Financial Asset

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

Initial Recognition and Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Subsequent Measurement:

Financial assets are classified as FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in those instruments.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt instruments are designated as at fair value through profit or loss on initial recognition.

Impairment of Financial Assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23.7 (A) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition:

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.
Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained

Notes forming part of the Financial Statements

for the year ended March 31, 2018

control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(j) Financial Liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(k) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of their residual values, if any, over their estimated useful lives which are in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

(l) Impairment of assets

Non-Financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

(m) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Where the likelihood of outflow of resources is remote, no provision or disclosure as specified in Ind AS -37 - Provision, contingent liabilities and contingent assets is made.

(n) Earning per Shares

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest two decimal digits after lakhs as per the requirement of Schedule III of the Act, unless otherwise stated.

Note 3: Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

<u>The areas involving critical estimates or judgements are:</u>

- **Estimated useful life of Tangible Assets:**

  The Company reviews the useful lives and carrying amount of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

- **Recognition of Deferred Tax assets:**
  The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences will be offset. To determine the future taxable profits, the management considers the nature of the deferred tax assets, recent operating results, future market growth, forecasted earnings and future taxable income in the jurisdictions in which the company operates.

- **Impairment of Trade Receivable:**
  Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

  Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 4 - Property, plant and equipment

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Plant and machinery - Others	Studios and sets	Total
I. Gross Carrying Amount				
Balance as at April 1, 2016	3.28	1.23	-	4.51
Additions	1.34	-	-	1.34
Balance as at March 31, 2017	**4.62**	**1.23**	**-**	**5.85**
II. Accumulated Depreciation				
Balance as at April 1, 2016	(0.12)	(0.01)	-	(0.13)
Depreciation expense	(1.52)	(0.12)	-	(1.64)
Balance as at March 31, 2017	**(1.64)**	**(0.13)**	**-**	**(1.77)**
III. Net Carrying Amount as at March 31, 2017	**2.98**	**1.10**	**-**	**4.08**

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Plant and machinery - Others	Studios and sets	Total
I. Gross Carrying Amount				
Balance as at April 1, 2017	4.62	1.23	-	5.85
Additions	1.09	-	37.97	39.06
Balance as at March 31, 2018	**5.71**	**1.23**	**37.97**	**44.91**
II. Accumulated Depreciation				
Balance as at April 1, 2017	(1.64)	(0.13)	-	(1.77)
Depreciation expense	(1.66)	(0.12)	(2.70)	(4.48)
Balance as at March 31, 2018	**(3.30)**	**(0.25)**	**(2.70)**	**(6.25)**
III. Net Carrying Amount as at March 31, 2018	**2.41**	**0.98**	**35.27**	**38.66**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 5 Current tax assets (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Tax deducted at source	13.79	9.89
Total	**13.79**	**9.89**

Note 6 Inventories

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Finished		
Television series	7.00	-
Total	**7.00**	**-**

The mode of valuation of inventories has been stated in Note 2(g).

Note 7 Trade receivables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured, considered good		
Related Party	4.27	-
Other	87.89	0.45
Total	**92.16**	**0.45**

The average credit period on sales is 45 days. No interest is charged on trade receivables overdue. The Company has generally recognised an allowance for doubtful debts at 100% against receivables from whom recoverability is uncertain.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Note 8 Cash and cash equivalents

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Cash on hand	0.78	-
Balances with banks in current accounts	1.53	31.80
Total	**2.31**	**31.80**

Note 9 Loans - Current

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured considered good		
Security Deposit	0.50	-
Total	**0.50**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 10 Other current assets

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Balances with government authorities	13.14	0.28
Advance to vendors	0.62	19.44
Total	**13.76**	**19.72**

Note 11 Share capital

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
(a) Authorised		
2,500,000 (Previous Year 2,500,000) Equity Shares of ₹ 10/- each	250.00	250.00
2,500,000 (Previous Year 2,500,000) Zero Dividend redeemable optionally convertible Preference Shares of ₹ 10/- each (Refer Note 13)	250.00	250.00
Total	**500.00**	**500.00**
(b) Issued, Subscribed and fully paid-up		
50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each	5.00	5.00
Total	**5.00**	**5.00**

Notes :

(i) Shares held by holding company / ultimate holding company :

Particulars	As at March 31, 2018	As at March 31, 2017
Balaji Telefilms Limited (immediate and ultimate holding company)	25,000	25,000

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	25,000	50.00%	25,000	50.00%
Chhayabani Private Limited	25,000	50.00%	25,000	50.00%

(iii) The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Lacs	No. of shares	₹ in Lacs
Equity shares outstanding at the beginning of the year	50,000	5	50,000	5
Add: Issue of Equity Shares during the year	-	-	-	-
Equity shares outstanding at the end of the year	50,000	5	50,000	5

(iv) The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the shareholders will be eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(v) No shares are issued for consideration other than cash during the 5 years immediately preceding March 31, 2018.

(vi) Balaji Telefilms Limited controls the composition of the Board of directors of the company and accordingly has been considered as the immediate / ultimate holding company.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 12 Reserves & Surplus

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Retained Earnings		
Balance at beginning of year	(63.95)	(5.58)
(Loss) for the year	(65.05)	(58.37)
Balance at end of the year	**(129.00)**	**(63.95)**

Note 13 Borrowings - Non current

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Unsecured : Liability component of compound financial instrument 1,500,000 Zero dividend reedemable optionally convertible Preference Shares of ₹ 10/- each (Previous year 1,000,000 Zero Dividend Reedemable Preference Shares of ₹ 10/- each)	16.66	12.77
Total	**16.66**	**12.77**

Terms of issue

Particulars	Maturity date	Terms of repayment
500,000 Zero dividend reedemable optionally convertible Preference Shares	September 22, 2025	Single repayment at the end of the term
500,000 Zero dividend reedemable optionally convertible Preference Shares	February 4, 2026	
500,000 Zero dividend reedemable optionally convertible Preference Shares	November 28, 2037	

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2018

Particulars	As at March 31, 2018 ₹ in Lacs
Cash and cash equivalents	2.31
Non-current borrowings	(16.66)
Total	**(14.35)**

Particulars	Other Assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Non-current borrowings	
Net debt as at March 31, 2017	**31.80**	**(12.77)**	**19.03**
Cash flows	(29.49)	(0.47)	(29.96)
Interest expense	-	(3.42)	(3.42)
Net debt as at March 31, 2018	**2.31**	**(16.66)**	**(14.35)**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 14 Deferred tax liabilities (net)

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Deferred tax liabilities		
Borrowings	1.00	1.33
Depreciation on fixed assets	0.37	-
Deferred tax assets		
On brought forward losses	1.37	-
Total	**-**	**1.33**

Movement in deferred tax balances

(₹ in lacs)

Particulars	For Year Ended March 31, 2017		
	Opening Balance	Charged/ (Credited) to Profit or loss	Closing Balance
Deferred tax liabilities			
Tax effect of items constituting deferred tax liability			
On borrowings	1.33	-	1.33
Net deferred tax liability	**1.33**	**-**	**1.33**

(₹ in lacs)

Particulars	For Year Ended March 31, 2018		
	Opening Balance	Charged/ (Credited) to Profit or loss	Closing Balance
Deferred tax liabilities			
Tax effect of items constituting deferred tax liability			
On borrowings	1.33	(0.33)	1.00
Depreciation of Fixed Assets	-	0.37	0.37
Net deferred tax liability	**1.33**	**0.04**	**1.37**
Deferred tax assets			
On brought forward losses	-	(1.37)	1.37
Net deferred tax assets	**-**	**(1.37)**	**1.37**

Note 15 Trade payables

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Trade payables		
Related Party	27.00	-
Others	78.20	27.09
Total	**105.20**	**27.09**

Notes:

(a) Micro, Small and Medium Enterprises :

The balances payable above includes ₹ Nil (March 31, 2017 : ₹ Nil) due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act).

No interest is paid / payable during the year to any Micro / Small Enterprise registered under the MSME. There were no delayed payments during the year to any Micro or Small Enterprise registered under the MSME Act.

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Management regarding the status of suppliers under the MSME Act.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 16 Other current liabilities

Particulars	As at March 31, 2018 ₹ in Lacs	As at March 31, 2017 ₹ in Lacs
Statutory liabilities	36.20	0.32
Others	1.21	-
Total	**37.41**	**0.32**

Note 17 Revenue from operations

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Sale of services :		
Commissioned television programs	140.00	385.87
Internet programs	95.32	-
Total	**235.32**	**385.87**

Note 18 Other income

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest income		
On Income-tax Refund	-	0.46
Total	**-**	**0.46**

Note 19 Cost of production

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Purchase of costumes and dresses	6.50	2.43
Artists, Directors and other technicians	150.12	115.52
Shooting and location expenses	51.89	57.85
Set properties and equipment hire charges	33.10	26.49
Food & Refreshments	19.00	10.79
Other production expenses	9.66	5.23
Total	**270.27**	**218.31**

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Changes in Inventories :

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Opening balance :		
Television series	-	195.60
Closing balance :		
Television series	7.00	-
Total changes in inventories	**(7.00)**	**195.60**

Note 20 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Depreciation of property, plant and equipment (Refer note 4)	4.48	1.64
Total	**4.48**	**1.64**

Note 21 Finance Cost

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Interest on delayed payment of taxes	0.17	2.86
Interest on Liability component of compound financial instrument	3.42	-
Total	**3.59**	**2.86**

Note 22 Other expenses

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
Communication expenses	0.43	0.49
Director sitting fees	1.00	1.00
Legal and professional charges (Refer Note 22.1)	20.81	18.75
Rates and taxes	0.39	0.32
Repair and maintenance	0.10	0.12
Travelling and conveyance expenses	4.63	3.41
Miscellaneous expenses*	3.00	2.20
Total	**30.36**	**26.29**

* Miscellaneous expenses include Printing and stationery, bank charges etc.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Note 22.1 Payments to auditors (included in Legal & professional charges)

Particulars	For the year ended March 31, 2018 ₹ in Lacs	For the year ended March 31, 2017 ₹ in Lacs
As auditors :		
Audit fees	3.00	4.50
Total	**3.00**	**4.50**

Note 23 Additional information to the financial statements and disclosure under Accounting Standards

23.1 Related Party Transactions

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
ALT Digital Media Entertainment Limited	Fellow Subsidiary
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Saugata Nandi	Key management person
Mr. Ramlal Nandi	Key management person
Mr. Virendra Babubhai Dalal	Key management person
India Film Laboratories Private Limited	Company in which key management person has significant influence
Chhayabani Private Limited	Other shareholder having significant influence

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

(₹ in lacs)

Particulars	Holding Company	Other shareholder having significant influence	Company in which Key Management Person has significant influence	Key management person	Fellow subsidiary
Issue of Preference Share Capital					
Balaji Telefilms Limited	25.00	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Chhayabani Private Limited	-	25.00	-	-	-
	(-)	(-)	(-)	(-)	(-)
Sale of Contents					
ALT Digital Media Entertainment Limited	-	-	-	-	95.32
	(-)	(-)	(-)	(-)	(-)
Shooting and location expenses					
India Film Laboratories Private Limited	-	-	31.90	-	-
	(-)	(-)	(10.00)	(-)	(-)
Repayment of advances					

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Particulars	Holding Company	Other shareholder having significant influence	Company in which Key Management Person has significant influence	Key management person	Fellow subsidiary
India Film Laboratories Private Limited	-	-	15.00	-	-
	(-)	(-)	(-)	(-)	(-)
Expenses incurred on behalf of CBEPL					
Mr. Saugata Nandi	-	-	-	3.56	-
	(-)	(-)	(-)	(-)	(-)
Reimbursement of expense incurred on behalf of CBEPL					
Mr. Saugata Nandi	-	-	-	2.36	-
	(-)	(-)	(-)	(-)	(-)
Director sitting fees					
Mr. Virendra Babubhai Dalal	-	-	-	1.00	-
	(-)	(-)	(-)	(1.00)	(-)

(c) Closing balances as at the year end March 31, 2018

(₹ in lacs)

Particulars	Holding Company	Other shareholder having significant influence	Company in which Key Management Person has significant influence	Key management person	Fellow subsidiary
Trade Payables					
India Film Laboratories Private Limited	-	-	27.00	-	-
	(-)	(-)	(-)	(-)	(-)
Advances					
India Film Laboratories Private Limited	-	-	-	-	-
	(-)	(-)	(15.00)	(-)	(-)
Expenses incurred on behalf of CBEPL					
Mr. Saugata Nandi	-	-	-	1.21	-
	(-)	(-)	(-)	(-)	(-)
Trade Receivables					
ALT Digital Media Entertainment Limited	-	-	-	-	4.27
	(-)	(-)	(-)	(-)	(-)
Director sitting fees					
Mr. Virendra Babubhai Dalal	-	-	-	0.50	-
	(-)	(-)	(-)	(-)	(-)

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

23.2 Earnings/(loss) per share

Basic and diluted earnings/(loss) 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 :

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
(a) (Loss) for the period attributable to equity share holders (₹ in Lacs)	(65.05)	(58.37)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	50,000	50,000
(c) (Loss) per share - Basic and diluted (₹) (a / b)	(130.10)	(116.73)
(d) Nominal value of shares (₹)	10	10

Note : Impact of optionally convertible preference shares on EPS is anti-dilutive, hence not considered.

23.3 In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses and the requirement of the Ind AS 12 the deferred tax asset is recognised only to the extent of deferred tax liability. The deferred tax asset is not accounted for, to the extent of ₹ 33.37 lacs. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of reasonable certainty in accordance with the aforesaid Ind AS 12.

23.4 Segment Information

The Company is primarily engaged in the business of production of television content, which, in the context of Ind AS 108 on "Operating Segments" constitutes a single reportable segment.

Revenue of ₹ 235.32 lacs (March 31, 2017 ₹ 385.87 lacs) are derived from the two major customers of the company.

23.5 Disclosures relating to Specified Bank Notes (SBNs):

(a) Notification No. 308(E) dated March 30, 2017 requires every company to disclose certain details relating to specified banking notes. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 and accordingly there is no information to disclose for the year ended March 31, 2017.

(b) The reporting or disclosure related to SBNs is not applicable to the Company for the year ended March 31, 2018.

23.6 Fair Value Measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

Financial instrument by category (₹ in lacs)

Financial Assets	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Current financial assets						
Trade receivables	-	-	92.16	-	-	0.45
Cash and cash equivalents	-	-	2.31	-	-	31.80
Loans	-	-	0.50	-	-	-
Total Financial Assets	**-**	**-**	**94.97**	**-**	**-**	**32.25**
Financial Liabilities						
Borrowings	-	-	16.66	-	-	12.77
Trade payables	-	-	105.20	-	-	27.09
Total Financial Liabilities	**-**	**-**	**121.86**	**-**	**-**	**39.86**

(i) **Fair Value hierarchy**

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed the accounting standard. An explanation of each level follows underneath the table.

(₹ in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Non-current financial liabilities					
Borrowings		-	-	16.66	16.66
Total Financial Liabilities		**-**	**-**	**16.66**	**16.66**

(₹ in lacs)

Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Non-current financial liabilities					
Borrowings		-	-	12.77	12.77
Total Financial Liabilities		**-**	**-**	**12.77**	**12.77**

The carrying value of trade receivables, cash and cash equivalents, loans and trade payables are considered to be the same as their fair values due to their short term nature.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level-1 Hierarchy includes financial instruments measured using quoted price.
Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use of observable market data and rely as little as possible on entity -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

23.7 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the management is responsible for overseeing the Company's risk assessment and management policies and processes.

(A) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

(i) Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents. The credit worthiness of the banks is evaluated by the management on an ongoing basis and is considered to be good. As a practice, the company only invests with high rated banks.

The Company's maximum exposure to credit risk as at March 31, 2018 and March 31, 2017 is the carrying value of each class of financial assets as disclosed in note 23.6.

Security deposits given to lessors

The Company gives security deposit to it lessors in relation to its business. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity grouping based on their contractual maturities.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months-1 years	More than 1 year	Total
March 31, 2018				
Borrowings	-	-	16.66	16.66
Trade payables	105.20	-	-	105.20
Total financial liabilities	**105.20**	**-**	**16.66**	**121.86**

(₹ in lacs)

Contractual maturities of financial liabilities	6 months or less	6 months-1 years	More than 1 year	Total
March 31, 2017				
Borrowings	-	-	12.77	12.77
Trade payables	27.09	-	-	27.09
Total financial liabilities	**27.09**	**-**	**12.77**	**39.86**

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk exposure:
The Company does not have any exposure to foreign currency risk as at March 31, 2018 (Previous year ₹ Nil).

(ii) Interest rate risk
The Company have borrowings bearing zero interest rate and is thus not exposed to interest rate risk as at March 31, 2018 (Previous year ₹ Nil).

(iii) Price risk
The Company does not have any investments and is thus not exposed to price risk as at March 31, 2018 (Previous year ₹ Nil).

23.8 Capital management
The company considers the following components of its Balance Sheet to be managed capital: Total equity as shown in the balance sheet.

The company aim is to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.
The company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

23.9 As at March 31, 2018 the Company has accumulated losses of ₹ 129.00 lacs and the net worth of the Company is substantially eroded. However, based on the continuing and committed support from the holding company, the Company has followed the fundamental accounting assumption of 'Going Concern' and will be able to meet all its financial obligations as they fall due for payment for at least 12 months from the date of signature of these financial statements.

Notes forming part of the Financial Statements

for the year ended March 31, 2018

23.10 Recent accounting pronouncements - Standards issued but not yet effective :

The Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from contracts with customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted.

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is evaluating the requirements of the new revenue standard (Ind AS 115) and the effect on the financial statements, if any.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment. An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on

Notes forming part of the Financial Statements

for the year ended March 31, 2018

initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. The Company is evaluating the requirements of the amendment and the effect on the financial statements, if any.

Signatures to notes 1 to 23

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Mehul Desai
Partner
Membership No: 103211
Place : Mumbai
Date : May 19, 2018

For and on behalf of the Board of Directors

Shobha Kapoor
(Chairperson)
DIN: 00005124

Saugata Nandi
(Managing Director)
DIN: 00620045

Sanjay Dwivedi
(Group CFO)
Place : Mumbai
Date : May 19, 2018

Notice of the Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of the Members of Balaji Telefilms Limited will be held on August 31, 2018 at 12:00 Noon at "The Club" 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt, (a) the audited financial statements of the Company for the financial year ended March 31, 2018 and the report of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon;

2. To appoint a Director in place of Mr. Jeetendra Kapoor (DIN: 00005345), who retires by rotation and being eligible, offers himself for re-appointment;

3. To declare Final Dividend on equity shares for the financial year ended March 31, 2018.

SPECIAL BUSINESS:

4. Appointment of Mr. Anshuman Thakur (DIN: 03279460) as Non-Executive Director of the Company.

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

   "RESOLVED that in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Anshuman Thakur (DIN: 03279460), who was appointed as a Non-Executive Additional Director of the Company with effect from September 01, 2017, who holds office up to the date of this Annual General Meeting in terms of Section 160(1) of the Act and Article 111 of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Director of the Company, and is not liable to retire by rotation.

   RESOLVED FURTHER that to give effect to this appointment, Mrs. Shobha Kapoor, Managing Director and Mrs. Simmi Singh Bisht, Group Head Secretarial of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to above resolution including filing of necessary forms with Registrar of Companies and to issue appointment letter for and on behalf of the Company.**"**

5. Appointment of Ms. Jyoti Deshpande (DIN: 02303283) as Non-Executive Director of the Company.

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

   "RESOLVED that in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Jyoti Deshpande (DIN: 02303283), who was appointed as a Non-Executive Additional Director of the Company with effect from March 23, 2018, who holds office upto the date of this Annual General Meeting in terms of Section 160 (1) of the Act and Article 111 of the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Director of the Company, and is not liable to retire by rotation.

   RESOLVED FURTHER that to give effect to this appointment, Mrs. Shobha Kapoor, Managing Director and Mrs. Simmi Singh Bisht, Group Head Secretarial of the Company be and are hereby severally authorized to do all such acts, deeds

Notice of the Annual General Meeting

and things as may be necessary to give effect to above resolution including filing of necessary forms with Registrar of Companies and to issue appointment letter for and on behalf of the Company."

6. Re-appointment of Mrs. Shobha Kapoor (DIN: 00005124) as Managing Director of the Company.

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

   "**RESOLVED** that pursuant to the recommendations of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for the re-appointment of Mrs. Shobha Kapoor (DIN: 00005124) as Managing Director of the Company for a period of 5 (five) years and for the remuneration payable to her for a period of 3 (three) years w.e.f. November 10, 2018 and shall exercise such powers as contained in the Articles of Association of the Company on the following terms and conditions:

1. **Basic Salary:** an amount not exceeding ₹ 20,00,000/- p.m. (i.e. ₹ 2,40,00,000/- p.a.) as Basic Salary and

   Commission: Not exceeding 2.5% of the net profit.

2. **Perquisites, Allowances & Benefits:**

   PART "A"

   a) **Housing:**
   Managing Director shall be entitled to house rent allowance subject to the ceiling of 50% of the basic salary.

   b) **Leave Travel Concession / Allowance:**
   Earned Leave and Leave Travel Concession / Allowance for self and family not exceeding 10% of the basic salary.

   c) **Personal Medical and Accident Insurance:**
   Personal Medical and Accident Insurance and any other coverage in accordance with the Rules & Regulations of the Company.

   d) **Club Fees:**
   Fees of maximum 2 (Two) Clubs (inclusive of Admission and Life Membership fees) to be paid to the Managing Director.

   e) **Medical & Other Allowances:**
   Medical and other allowances not exceeding 30% of the basic salary.

   PART "B"

   a) **Company's contribution to Provident and other Fund:**
   Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.

   b) **Leave Encashment:**
   Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. The above perquisites shall not be included in the computation of the ceiling on remuneration.

   PART "C"

   a) **Car:**
   The Company shall provide such chauffer driven Car to the Managing Director as may be desired by her for business of the Company.

   b) **Telephone:**
   Personal mobile phone and telephone facilities at the residence of the Managing Director for use of Company's business.

Notice of the Annual General Meeting

c) **Entertainment Expenses:**
The reimbursement of actual and properly incurred entertainment expenses by the Managing Director for legitimate business of the Company.

Any other perquisites, benefits, facilities, allowances and expense as may be decided by the Board from time to time as per the Rules/ Schemes of the Company as applicable to Board Members.

However, the aggregate of basic remuneration and value of perquisites shall not exceed the maximum remuneration allowable under Section 197 read with Schedule V of the Companies Act, 2013 without approval of the Central Government.

Perquisites shall be valued as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be valued at actual cost.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the term of the Managing Director, Mrs. Shobha Kapoor will be paid the remuneration by way of Salary & Perquisites, Allowances & Benefits as specified above as minimum remuneration.

RESOLVED FURTHER that any Director of the Company and Mrs. Simmi Singh Bisht, Group Head Secretarial be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies.**”**

7. Re-appointment of Ms. Ekta Kapoor (DIN: 00005093) as Joint Managing Director of the Company.

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

“RESOLVED that pursuant to the recommendations of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Ekta Kapoor (DIN: 00005093) as Joint Managing Director of the Company for a period of 5 (five) years and for the remuneration payable to her for a period of 3 (three) years w.e.f. November 10, 2018 and shall exercise such powers as contained in the Articles of Association of the Company on the following terms and conditions:

1. Basic Salary: an amount not exceeding ₹ 20,00,000/- p.m. (i.e. ₹ 2,40,00,000/- p.a.) as Basic Salary and

Commission: Not exceeding 2.5% of the net profit.

2. Perquisites, Allowances & Benefits:

PART “A”

a) Housing:
Joint Managing Director shall be entitled to house rent allowance subject to the ceiling of 50% of the basic salary.

b) Leave Travel Concession / Allowance:
Earned Leave and Leave Travel Concession / Allowance for self and family not exceeding 10% of the basic salary.

c) Personal Medical and Accident Insurance:
Personal Medical and Accident Insurance and any other coverage in accordance with the Rules & Regulations of the Company.

d) Club Fees:
Fees of maximum 2 (Two) Clubs (inclusive of Admission and Life Membership fees) to be paid to the Joint Managing Director.

e) Medical & Other Allowances:
Medical and other allowances not exceeding 30% of the basic salary.

Notice of the Annual General Meeting

PART "B"

a) **Company's contribution to Provident and other Fund:**
Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.

b) **Leave Encashment:**
Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company. The above perquisites shall not be included in the computation of the ceiling on remuneration

PART "C"

a) **Car:**
The Company shall provide such chauffer driven Car to the Joint Managing Director as may be desired by her for business of the Company.

b) **Telephone:**
Personal mobile phone and telephone facilities at the residence of the Joint Managing Director for use of Company's business.

c) **Entertainment Expenses:**
The reimbursement of actual and properly incurred entertainment expenses by the Joint Managing Director for legitimate business of the Company.

Any other perquisites, benefits, facilities, allowances and expense as may be decided by the Board from time to time as per the Rules/ Schemes of the Company as applicable to Board Members.

However, the aggregate of basic remuneration and value of perquisites shall not exceed the maximum remuneration allowable under Section 197 read with Schedule V of the Companies Act, 2013 without approval of the Central Government.

Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the term of the Joint Managing Director, Ms. Ekta Kapoor will be paid the remuneration by way of Salary & Perquisites, Allowances & Benefits as specified above as minimum remuneration.

RESOLVED FURTHER that any Director of the Company and Mrs. Simmi Singh Bisht, Group Head Secretarial be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies."

8. Re-appointment of Mr. Duraiswamy Gunaseela Rajan (DIN: 00303060) as Independent Director of the Company.

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

"**RESOLVED** that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. D. G. Rajan (DIN: 00303060), who was appointed as an Independent Director and who holds office of Independent Director up to March 31, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 01, 2019."

Notice of the Annual General Meeting

9. Re-appointment of Mr. Pradeep Kumar Sarda (DIN: 00021405) as Independent Director of the Company.

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

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Pradeep Kumar Sarda (DIN: 00021405), who was appointed as an Independent Director and who holds office of Independent Director up to March 31, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 01, 2019.**"**

10. Re-appointment of Mr. Ashutosh Khanna (DIN: 03153990) as Independent Director of the Company.

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

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashutosh Khanna (DIN: 03153990) who was appointed as an Independent Director and who holds office of Independent Director up to March 31, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. April 01, 2019.**"**

11. Re-appointment of Mr. Devender Kumar Vasal (DIN: 06858991) as Independent Director of the Company.

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

   "RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Devender Kumar Vasal (DIN: 06858991) who was appointed as an Independent Director and who holds office of Independent Director up to May 14, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. May 15, 2019.**"**

Notice of the Annual General Meeting

12. Continuation of Directorship of Mr. Jeetendra Kapoor (DIN: 00005345) as Chairman, Non-Executive Director of the Company.

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

    "RESOLVED that pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended on May 9, 2018 and the applicable provisions of the Companies Act, 2013, if any read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to his re-appointment in ensuing Annual General Meeting, the continuation of Mr. Jeetendra Kapoor (DIN: 00005345), aged 76 years as Chairman, Non-Executive Director of the Company from April 1, 2019, till the date he retires by rotation in terms of Section 152 of the Companies Act, 2013, is hereby approved.**"**

Regd. Office:
C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industrial Estate, New Link Road,
Andheri (West), Mumbai - 400053, Maharashtra.
CIN: L99999MH1994PLC082802
Email: **investor@balajitelefilms.com**
Website: **www.balajitelefilms.com**

Place: Mumbai
Date: May 19, 2018

By order of the Board of Directors
For Balaji Telefilms Limited

Sd/-
Simmi Singh Bisht
Group Head Secretarial
(Membership No. A23360)

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. Details as required in Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**) and Secrtetarial Standard-2 on General Meeting in respect of the Directors seeking re-appointment at the AGM are provided in the Annexure to the Notice.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable.

4. Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution

Notice of the Annual General Meeting

together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

5. Attendance slip, proxy form and the route map of the Venue of the Meeting are annexed hereto. Members/Proxies/Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copies of Annual Report. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

6. Members who hold shares in dematerialised form are requested to write their Client Id and DP ID numbers and members who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 25, 2018 to Friday, August 31, 2018 (both days inclusive).

8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fees by the members at the Registered Office of the Company on all working days (i.e. except Saturdays, Sundays and Public Holidays) during business hours up to and including the date of the Meeting.

9. The Final Dividend for the financial year ended March 31, 2018, as recommended by the Board, if approved at the AGM, will be paid on or after Wednesday, September 05, 2018 to those Members whose name appears in the Register of Members of the Company as on the record date i.e. Friday, August 24, 2018.

10. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants

11. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Karvy Computershare Private Limited (Karvy)/Investor Service Department of the Company immediately.

12. Members of the Company had approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) as the Statutory Auditors at the Twenty Third AGM of the Company held on August 31, 2017 which is valid till conclusion of the AGM to be held in the financial year 2021-22. In accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

13. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

14. The Board of Directors, at their meeting held on May 19, 2018 has appointed Mr. Bhavesh Desai, Practising Company Secretary (Membership No. 7899), as scrutinizer for conducting the E-voting and poll process in a fair and transparent manner.

15. Pursuant to Section 108 of the Companies

Notice of the Annual General Meeting

Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Friday, August 24, 2018, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes through electronic voting system from any place other than the venue of the meeting (remote E-voting). The remote E-voting period will commence on Monday, August 27, 2018 (11.30 a.m. IST) and will end on Thursday, August 30, 2018 (5.00 p.m. IST). The E-voting module shall be disabled for voting thereafter. Such remote E-voting facility is in addition to voting that may take place at the meeting venue on Friday, August 31, 2018. The E-voting instructions explaining the process of remote E-voting with necessary user id and password are annexed to this notice.

16. Please note that the Members can opt for only one mode of voting i.e., either by voting at the meeting or remote E-voting. If Members opt for remote E-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote E-voting prior to the date of the Meeting may also attend the meeting and participate in the meeting but shall not be entitled to cast their vote again. A Member cannot exercise his vote by proxy on E-voting.

17. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, Friday, August 24, 2018. Any person who is in receipt of this notice but is not a member as on the cut-off date, Friday, August 24, 2018 should treat this notice for information purpose only.

18. Any person who acquires shares of the Company and becomes a shareholder of the Company after dispatch of Notice of this Annual General Meeting and holds shares as on the cut-off date, Friday, August 24, 2018, may obtain the login ID and password by sending a request at **investor@balajitelefilms.com**. However, if such person is already registered with Karvy Computershare Private Limited, for remote E-voting, he may use his existing user ID and password for casting their vote.

19. The Company has transferred the unpaid or unclaimed dividend declared up to financial year 2009-10, from time to time, to the Investor Education and ProtectionFund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend lying with the Company as on August 31, 2017 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: **https://kosmic.karvy.com/IEPF/IEPFUnpaidQry.aspx?q=OQ8HMfJOuy4%3d**. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: **www.iepf.gov.in.**

20. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2017-18, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer i.e. October 31, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company at **www.balajitelefilms.com**. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: **www.iepf.gov.in**.

21. Members may note that shares as well as unclaimed dividend transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: **http://iepf.gov.in/IEPFA/refund.html** or contact Karvy for lodging claim for refund of shares and/or dividend from the IEPF Authority.

22. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various

Notice of the Annual General Meeting

benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

INSTRUCTIONS FOR E-voting:

1. Use the following URL for E-voting: **https://evoting.karvy.com**.

2. Enter the login credentials i.e., user id and password mentioned in your email/attendance slip/Proxy form/Your Folio No. /DP ID/Client Id will be your user ID. However, if you are already registered with Karvy for E-voting, you can use your existing user id and password for casting your vote.

3. After entering the details appropriately, click on "**LOGIN**".

4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and one special character (@,#,$,etc.). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential for casting your vote in a secure manner.

5. You need to login again with the new credentials.

6. On successful login, the system will prompt you to select the EVENT i.e., Balaji Telefilms Limited.

7. On the voting page, the number of equity shares (which represents the number of votes) as held by the member, on the cut-off date will appear.

8. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all Equity Shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the Equity Shares held will not be counted under either head.

9. Members holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.

10. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

OTHER INSTRUCTIONS:

1. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and E-voting User Manual available at the "download" section of **https://evoting.karvy.com** or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

2. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Karvy/Investor Services Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

3. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 and the Certificate from Auditors of the Company certifying that the ESOP Scheme of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be available for inspection.

Notice of the Annual General Meeting

4. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.balajitelefilms.com** and on RTA's website **www.karvycomputershare.com** within 48 hours of conclusion of the AGM of the Company and communicated to the BSE Limited and NSE Limited.

5. The resolution(s) shall be deemed to be passed on the date of the general meeting, subject to receipt of sufficient votes.

6. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail on **bndesai4u@gmail.com**. They may also upload the same in the E-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

7. In case of any query or grievance, please refer to the Help & FAQ section of the website of Karvy Computershare Private Limited at **www.karvycomputershare.com** or call on 040-67161510 or contact Mrs. Simmi Singh Bisht, Group Head Secretarial at **simmi.bisht@balajitelefilms.com**

Regd. Office:
C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industrial Estate, New Link Road,
Andheri (West), Mumbai - 400053, Maharashtra
CIN: L99999MH1994PLC082802
Email: **investor@balajitelefilms.com**
Website: **www.balajitelefilms.com**

Place: Mumbai
Date: May 19, 2018

By order of the Board of Directors
For Balaji Telefilms Limited

Sd/-
Simmi Singh Bisht
Group Head Secretarial
(Membership No. A23360)

Notice of the Annual General Meeting

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the Business mentioned under item No 4 to 7 of the accompanying notice:

Item No. 4

The Board of Directors had appointed Mr. Anshuman Thakur, as a Non-Executive Additional Director of the Company with effect from September 01, 2017, on the recommendation of the Nomination and Remuneration Committee and in terms of restated Articles of Association and Share Subscription Agreement dated July 21, 2017 entered into by the Company with Reliance Industries Limited. As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company.

Further details of Mr. Anshuman Thakur have been given in the Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Resolution as set out in the Item No. 4 of the accompanying Notice for the approval by the Members of the Company.

Item No. 5

The Board of Directors had appointed Ms. Jyoti Deshpande, as a Non-Executive Additional Director of the Company with effect from March 23, 2018, on the recommendation of the Nomination and Remuneration Committee and in terms of restated Articles of Association and Share Subscription Agreement dated July 21, 2017 entered into by the Company with Reliance Industries Limited. As per the provisions of Section 161(1) of the Act, she holds office of Additional Director only up to the date of this Annual General Meeting of the Company and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of Director of the Company.

Further details of Ms. Jyoti Deshpande have been given in the Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

The Board recommends the Resolution as set out in the Item No. 5 of the accompanying Notice for the approval by the Members of the Company.

Item No. 6

The present tenure of Mrs. Shobha Kapoor, aged 69 years, will expire on November 09, 2018. She was appointed on the Board of the Company w.e.f. November 10, 1994. Keeping in view that Mrs. Shobha Kapoor has more than two decades of rich and varied experience in Media and Entertainment Industry and considerable progress made by the Company under her able guidance and supervision with her sharp business acumen and effective cost management skills and on the basis of recommendation of Nomination & Remuneration Committee, it would be in the interest of the Company to continue the employment of Mrs. Shobha Kapoor as a Managing Director after attaining the age of 70 years on February 01, 2019, for a further period of 5 (five) years and the remuneration payable to her for a period of 3 (three) years w.e.f. November 10, 2018 as specified in Item No. 6 of the AGM Notice.

Further details of Mrs. Shobha Kapoor have been given in the Annexure to this Notice.

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Shobha Kapoor, Mr. Jeetendra Kapoor, Ms. Ekta Kapoor and Mr. Tusshar Kapoor being related to each other are concerned or interested in the resolution.

The Board recommends the Resolution as set out in the Item No. 6 of the accompanying Notice for the approval by the Members of the Company.

Notice of the Annual General Meeting

Item No. 7

The present tenure of Ms. Ekta Kapoor, aged 43 years, will expire on November 09, 2018. She was appointed on the Board of the Company w.e.f. November 10, 1994. Considering the progress made by the Company under the able guidance and supervision of Ms. Ekta Kapoor and her expertise in the industry and on the basis of recommendation of Nomination & Remuneration Committee, it is proposed to re-appoint Ms. Ekta Kapoor as Joint Managing Director of the Company for a further period of 5 (five) years and the remuneration payable to her for a period of 3 (three) years w.e.f. November 10, 2018 as specified in Item No. 7 of the AGM Notice.

Further details of Ms. Ekta Kapoor have been given in the Annexure to this Notice.

Ms. Ekta Kapoor is the creative brain behind the Company's most successful and famous shows. She ventured into Television Serial production at the age of 19. In no time, she altered the face of Indian Television Industry and continues to dominate till date. Her shows have broken all previous records of Television Serial Production and popularity in India.

None of the Directors, Key Managerial Personnel or their relatives except Ms. Ekta Kapoor, Mr. Jeetendra Kapoor, Mrs. Shobha Kapoor and Mr. Tusshar Kapoor being related to each other are concerned or interested in the resolution.

The Board recommends the Resolution as set out in the Item No. 7 of the accompanying Notice for the approval by the Members of the Company.

Item No. 8, 9, 10 and 11

Mr. Duraiswamy Gunaseela Rajan (DIN: 00303060), Mr. Pradeep Kumar Sarda (DIN: 00021405), Mr. Ashutosh Khanna (DIN: 03153990) and Mr. Devender Kumar Vasal (DIN: 06858991) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges. Mr. Rajan, Mr. Sarda and Mr. Khanna hold office as Independent Directors of the Company up to March 31, 2019 and Mr. Vasal up to May 14, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experience and contributions made by them during their tenure, the continued association of Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing under Section 160 of the Act proposing the candidature of Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal for the office of Independent Directors of the Company.

The Company has also received declarations from Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 8, 9, 10, and 11 have been given in the Annexure to this Notice.

Notice of the Annual General Meeting

Copy of draft letters of appointment of Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Rajan, Mr. Sarda, Mr. Khanna and Mr. Vasal are interested in the resolutions set out respectively at Item Nos. 8, 9, 10 and 11 of the Notice with regard to their respective re-appointments. The relatives of them may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Resolution as set out in the Item Nos. 8, 9, 10 and 11 of the accompanying Notice for the approval by the Members of the Company.

Item No. 12

Mr. Jeetendra Kapoor (DIN: 00005345), a celebrated movie star, starring in more than 200 movies in his 45 years career, aged about 76 years, joined the Board of Balaji Telefilms Limited on January 23, 2004.

Mr. Kapoor, Chairman and Non-Executive Director, is aged more than 75 years and hence his continuation of Directorship as a Non-Executive Director with effect from April 01, 2019, requires the approval of Members by way of a special resolution, pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. His period of office is subject to retirement by rotation.

The Board of Directors and the Nomination & Remuneration Committee are of the opinion that the Company has benefited immensely through his association, the suggestions he made has enhanced the value of the Company and his contribution has been enormous and beneficial to the Company.

Further details of Mr. Jeetendra Kapoor have been given in the Annexure to this Notice.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Jeetendra Kapoor, Ms. Ekta Kapoor, Mrs. Shobha Kapoor and Mr. Tusshar Kapoor being related to each other are concerned or interested in the resolution.

The Board recommends the Resolution as set out in the Item No. 9 of the accompanying Notice for the approval by the Members of the Company.

Information Required Under Clause (B) (iv) of Part II of Schedule V for Item No. 6 and 7

I. General Information:

1. **Nature of Industry:**
   The Indian Economy is growing and the Media and Entertainment (M&E) sector is a reflection of this. The year 2017 saw India recover from demonetization just to confront new difficulties and opportunities provided by implementation of GST. In any case, the Indian economy proceeded on its development direction thus did the M&E segment. Favourable demographics, a rise in consumer income and a huge demand for knowledge, escapism, sports and news aided the growth of M&E sector in the country. The M&E sector grows with the economy albeit at a higher pace, and its medium term outlook is bright. The Indian M&E sector reached INR 1.5 trillion (USD 22.7 billion) in 2017, a growth of almost 13% over 2016. With its current trajectory, it is expected to cross INR 2 trillion (USD 31 billion) by 2020, at a CAGR of 11.6%.

2. **Date of commencement of Commercial Production:**
   The Company was incorporated on November 10, 1994. Immediately after incorporation, the Company had commenced production of serials and gradually engaged in the activities of production and distribution of serials, films and other entertainment programmes.

3. **In case of new Companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.

Notice of the Annual General Meeting

4. **Financial Performance based on given indicators:** The financial data as per last audited Balance Sheet as on March 31, 2018 is as under:

(₹ In Lacs)

Particulars	**2017-18 (Audited)**
Revenues	41,658.69
Expenditure	37,741.00
Operating Profit	3,917.69
Other Income	1,659.28
Profit Before Taxes	5,576.97
Exceptional items	905.07
Income Tax	3,041.80
Profit After Taxes	1,630.10

5. **Foreign Investments or Collaborators:** At present the Company does not have any participation in any foreign investment, nor there is any holding of foreign body corporate in the Company.

II. Information about the Appointees:

1. **Background details:**

Mrs. Shobha Kapoor is the Managing Director of the Company. She is married to the popular bollywood actor Mr. Jeetendra Kapoor and is mother of Ms. Ekta Kapoor and Mr. Tusshar Kapoor. She has been involved with the Company since its inception. One of the pioneers of the Indian Television industry, Mrs. Shobha Kapoor has been associated with television content production since the early 90's when the Company was producing popular content for Doordarshan.

Ms. Ekta Kapoor is the Joint Managing Director of the Company. She is daughter of Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor and sister of Mr. Tusshar Kapoor. Ms. Ekta Kapoor is the creative brain behind the Company's most successful and famous shows. She ventured into Television Serial Production at the age of 19. In no time, she altered the face of Indian television industry and continues to dominate till date. Her shows have broken all previous records of Television Serial production and popularity in India.

2. **Past Remuneration:**

(Amount in ₹)

Name	**Designation**	**Basic Salary**	**Perquisites, allowances & benefits**	**Commission**	**Total**
Shobha Kapoor	Managing Director	2,22,45,000	-	-	2,22,45,000
Ekta Kapoor	Joint Managing Director	2,22,45,000	-	-	2,22,45,000

Employer Contribution Fund of ₹ 17,28,000/- to Provident Fund is not included in the computation of the ceiling on Managerial reimbursement.

All above figures are per annum and pertains to financial year 2017-18.

Notice of the Annual General Meeting

3. Recognition and Awards

Among others, following is the short list of few of the awards won by Mrs. Shobha Kapoor, Managing Director and Ms. Ekta Kapoor, Joint Managing Director:

Awarding Entity	Year	Award	Awardee
Ernst & Young	2001	Entrepreneur of the Year	Ms. Ekta Kapoor
The Economic Times Award	2002	Business Woman of the Year	Ms. Ekta & Mrs. Shobha Kapoor
Indian Telly Awards	2003	Best CEO of the year	Mrs. Shobha Kapoor
Foundation for promotion of Film Art & Craft	2003	Achiever of the Year	Mrs. Shobha Kapoor
American Biographical Institute	2003	Woman of the Year	Ms. Ekta Kapoor
Indian Telly Awards	2004	Creative Director of The Year	Ms. Ekta Kapoor
Indian Telly Awards	2006	Hall of Fame	Ms. Ekta Kapoor
Star Parivaar Awards	2010	Special Honour	Ms. Ekta Kapoor
3rd Boroplus Gold Awards	2010	Hall of Fame	Ms. Ekta Kapoor
Indo-American Society	2010	Most Outstanding Woman Entrepreneur award	Ms. Ekta Kapoor
National Media Network Film and TV Awards	2011	Most Successful Film & TV Producer	Ms. Ekta Kapoor
Dadasaheb Phalke Academy Awards	2012	'Phalke Icon Producer Award' for Film & Television	Ms. Ekta Kapoor
Asia Pacific Entrepreneurship Awards	2015	Woman Entrepreneur of the Year	Ms. Ekta Kapoor
Indian Business Awards	2017	Business Today's Most Powerful Women	Ms. Ekta Kapoor
KhaasRishta Award	2017	KhaasRishta Award	Ms. Ekta Kapoor
ITA Awards	2017	Sterling Icon of Entertainment	Ms. Ekta Kapoor
IWM (Indian Wiki Media) Digital Awards	2018	Web Person of the year	Ms. Ekta Kapoor
34th Annual session of FICCI Ladies Organisation	2018	FLO Icon Award	Ms. Ekta Kapoor

4. Job Profile and Suitability

As Managing Director and Joint Managing Director, Mrs. Shobha Kapoor and Ms. Ekta Kapoor respectively are responsible for the conception of different shows produced by the Company and the overall management of the Company. Having been instrumental in steering the Company towards being the leader in the television industry in India, both Mrs. Shobha Kapoor and Ms. Ekta Kapoor come with almost two decade's worth of experience in this domain. They have produced over 100 shows for various entertainment channels in India. With this extensive experience, they are ideally placed to ensure that the Company continues to make quality content within a budget specified by the channel, on very stringent timelines. Balaji Telefilms Limited has launched several critically acclaimed television serials and movies in its short tenure within the industry. Balaji's creativity is demonstrated by its series of well received serials that have garnered high TRP ratings. Mrs. Shobha Kapoor's and Ms. Ekta Kapoor's leadership and involvement has been significant in steering the Company towards being a front runner in the Indian Television industry. They have led teams to conceptualize TV shows and have produced over 100 shows for major broadcasters across the country.

Notice of the Annual General Meeting

Their creativity is highly regarded as a prime driving force for the Company to fulfill audience expectations. They have a great understanding of India's demographic profile and never cease to deliver appealing content to the masses. Consequently, their efforts have well positioned Balaji Telefilms to cater to the rapidly growing Indian Entertainment space as their commitment to the Company is sure to demonstrate excellent growth going forward.

5. Remuneration proposed

As specified in Item No. 5 & 6 of the Notice respectively.

6. Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of the Position and Person

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mrs. Shobha Kapoor and Ms. Ekta Kapoor, the remuneration proposed to be paid is commensurate with the remuneration package paid to the similar counter parts in other Companies.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel

Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor are relatives of both the appointees, who are also inter se related to each other.

Except for receipt of rent for immovable property by the appointees and their relatives viz. Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor and receipt of dividend by them, if declared by the Company on the share capital held by them, they do not have any material pecuniary relationship with the Company.

III. Other Information:

1. Reasons of inadequate profits

The content production space is highly competitive with a varied number of producers in the market competing for the content business. As a result, even though the cost of production has gone up in recent years, the average realisation per hour has almost remained the same, resulting in muted profit in recent years.

2. Steps taken or proposed to be taken for improvement

In recent years, the Company has put in an aggressive plan to have more number of shows on air and also to go in for high value niche, non-fiction, reality shows, resulting in growth in top line and operating profit. The same is visible in the performance of the Company over the past two years. The company has rationalized its subsidiaries. During the year the wholly own subsidiary BOLT Media Ltd and the film production undertaking of BMPL has been mergered with the Company. Further, the Company has exited from Event Media LLP. During the year the Company's subsidiary – ALT Digital Media Entertainment Ltd launched its mobile application in April 2017. ALT is in the business of B2C digital content & operates on subscription based video on demand (SVOD) over the top (OTT) platform. The aim is to provide niche content to targeted audience at reasonable subscription.

3. Expected increase in productivity and profits in measurable terms

We believe all the initiatives listed above will bring and create further value for our shareholders. It will also enhance the revenue potential of the Group, resulting in better and improved profit for these companies of the Balaji Group.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading Remuneration paid to Directors for the year ended March 31, 2018.

Annexure

Details of Directors Retiring by Rotation / Seeking Appointment and Re-Appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Mr. Jeetendra Kapoor	
Age	76 Years
Qualification	Graduate
Experience	45 + years of experience in Film Industry. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/ Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Jeetendra Kapoor who was re-appointed as Non-Executive Director in Annual General Meeting held on August 31, 2016 is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	₹ 6,25,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	January 23, 2004
Shareholding in the Company as on March 31, 2018	32,60,522 equity shares of ₹ 2/- each
Relationship with other Directors/Key Managerial Personnel	Spouse of Mrs. Shobha Kapoor, Father of Mr. Tusshar Kapoor and Ms. Ekta Kapoor and not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	6
Directorships of other Boards as on March 31, 2018	• Balaji Motion Pictures Limited • Balaji Teleproducts Limited • Shri Navnidhi Developers Private Limited • Ekta K. Securities & Investment Private Limited • Perisos Media Private Limited • Balaji Films & Telly Investment Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Audit Committee-Member • Nomination and Remuneration Committee - Member • Corporate Social Responsibility Committee - Chairman

Mr. Anshuman Thakur	
Age	40 Years
Qualification	• Bachelors' Degree-Economics
	• MBA-IIM Ahmedabad
Experience	18 years of experience in Corporate Strategy and Investment Banking. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/ Re-appointment	As per the resolution at Item No. 4 of the Notice convening this meeting read with explanatory statement thereto.

Annexure

Remuneration last drawn (including sitting fees, if any)	₹ 2,00,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	September 01, 2017
Shareholding in the Company as on March 31, 2018	NIL
Relationship with other Directors/Key Managerial Personnel	Not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	2
Directorships of other Boards as on March 31, 2018	NIL
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	NIL

Ms. Jyoti Deshpande	
Age	47 Years
Qualification	MBA-University of Mumbai
Experience	25 years of experience in media and entertainment across advertising, media consulting, television and film. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/ Re-appointment	As per the resolution at Item No. 5 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	NIL
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	March 23, 2018
Shareholding in the Company as on March 31, 2018	NIL
Relationship with other Directors/Key Managerial Personnel	Not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	NIL
Directorships of other Boards as on March 31, 2018	• Eros International Media Limited • Network 18 Media and Investment Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Eros International Media Limited** • Corporate Social Responsibility Committee - Member

Mrs. Shobha Kapoor	
Age	69 Years
Qualification	Under graduate
Experience	20 + years of experience in media and entertainment industry. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/ Re-appointment	As per the resolution at item No. 6 of the Notice convening this meeting read with explanatory statement thereto.

Annexure

Remuneration last drawn (including sitting fees, if any)	₹ 2,39,73,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	November 10, 1994
Shareholding in the Company as on March 31, 2018	1,00,35,633 equity shares of ₹ 2/- each
Relationship with other Directors/Key Managerial Personnel	Wife of Mr. Jeetendra Kapoor, Mother of Mr. Tusshar Kapoor and Ms. Ekta Kapoor and not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	6
Directorships of other Boards as on March 31, 2018	• Balaji Motion Pictures Limited • Alt Digital Media Entertainment Limited • Chhayabani Balaji Entertainment Private limited • Marinating Films Private Limited • Balaji Teleproducts Limited • Shri Navnidhi Developers Private Limited • Ekta K. Securities & Investment Private Limited • Balaji Films & Telly Investment Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Corporate Social Responsibility Committee - Member **Alt Digital Media Entertainment Limited** • Nomination and Remuneration Committee - Member

Ms. Ekta Kapoor	
Age	43 Years
Qualification	Under graduate
Experience	20 + years of experience in media and entertainment industry. Please refer Company's website: www.balajitelefilms.com for detailed profile.
Terms & Conditions of Appointment/Re-appointment	As per the resolution at Item No. 7 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	₹ 2,39,73,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	November 10, 1994
Shareholding in the Company as on March 31, 2018	1,75,47,258 equity shares of ₹ 2/- each
Relationship with other Directors/Key Managerial Personnel	Daughter of Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor, Sister of Mr. Tusshar Kapoor and not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	5
Directorships of other Boards as on March 31, 2018	• Balaji Motion Pictures Limited • Alt Digital Media Entertainment Limited • Chhayabani Balaji Entertainment Private limited • Marinating Films Private Limited • Balaji Teleproducts Limited

Annexure

	• Ekta K. Securities & Investment Private Limited • Balaji Films &Telly Investment Limited • Perisos Media Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Corporate Social Responsibility Committee - Member

Mr. Duraiswamy Gunaseela Rajan	
Age	77 Years
Qualification	Chartered Accountant
Experience	50+ experience in International & Domestic Finance and Direct & Indirect Taxation. Please refer Company's website: www.balajitelefilms.com for detailed profile.
Terms & Conditions of Appointment/ Re-appointment	As per the resolution at Item No. 8 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	₹ 5,50,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	July 19, 2010
Shareholding in the Company as on March 31, 2018	300 equity shares of ₹ 2/- each
Relationship with other Directors/Key Managerial Personnel	Not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	4
Directorships of other Boards as on March 31, 2018	• Alt Digital Media Entertainment Limited • Balaji Motion Pictures limited • IFGL Refractories Limited • Havmor Ice Cream Limited • Lotte India Corporation Limited • Betul Wind Farms Limited • Ahlers India Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Audit Committee - Chairman **Alt Digital Media Entertainment Limited** • Audit Committee - Chairman • Nomination and Remuneration Committee - Member **Havmor Ice Cream Limited** • Nomination and Remuneration Committee - Member • Corporate Social responsibility Committee - Member **Lotte India Corporation Limited** • Audit Committee - Chairman • Nomination and Remuneration Committee - Chairman • Corporate Social responsibility Committee - Chairman • Stakeholder Relationship Committee - Chairman **IFGL Refractories Limited** • Audit Committee - Member • Nomination and Remuneration Committee - Chairman

Annexure

Mr. Pradeep Kumar Sarda	
Age	63 Years
Qualification	Commerce Graduate
Experience	45 + years of experience in Paper Trading and Manufacturing, Real Estate and Developers, Manufacturing of Machine Tools and Education field. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/Re-appointment	As per the resolution at Item No. 9 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	₹ 3,25,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	May 17, 2004
Shareholding in the Company as on March 31, 2018	NIL
Relationship with other Directors/Key Managerial Personnel	Not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	3
Directorships of other Boards as on March 31, 2018	• Balaji Motion Pictures limited • Mercury Trade Links Limited • India Food Company Private Limited • Priyanka Sales Agency Private Limited • National Tiles and Industries Private Limited • Sinner Engineering File Works Private Limited • Madhu Construction Private Limited • Sumadhu Estates Developers Private limited • Sumadhu Traders Private Limited • Grenville Resorts Private Limited • Suvimal Properties Private Limited • International Knowledge Park Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Audit Committee - Member • Nomination and Remuneration Committee - Member **Mercury Trade Links Limited** • Audit Committee - Member

Mr. Ashutosh Khanna	
Age	52 Years
Qualification	Bachelor's Degree in Zoology and Master's in Management.
Experience	27 + years of experience in advertising and consulting. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/Re-appointment	As per the resolution at Item No. 10 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	₹ 7,00,000/-

Annexure

Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	August 27, 2010
Shareholding in the Company as on March 31, 2018	NIL
Relationship with other Directors/Key Managerial Personnel	Not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	6
Directorships of other Boards as on March 31, 2018	Balaji Motion Pictures Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Nomination and Remuneration Committee - Member
Mr. Devender Kumar Vasal	
Age	62 Years
Qualification	Bachelor's Degree in Commerce and Law
Experience	35 + years of rich experience in Finance, Capital Markets, Banking, General Corporate Advice and Regulatory Practices. Please refer Company's website: **www.balajitelefilms.com** for detailed profile.
Terms & Conditions of Appointment/Re-appointment	As per the resolution at Item No. 11 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	₹ 7,50,000/-
Remuneration proposed to be paid	As per existing approved terms and conditions
Date of first appointment on the Board	May 17, 2004
Shareholding in the Company as on March 31, 2018	NIL
Relationship with other Directors/Key Managerial Personnel	Not related to any other Director/Key Managerial Personnel
No. of Meetings of the Board attended during the financial year 2017-18	6
Directorships of other Boards as on March 31, 2018	• Balaji Motion Pictures Limited • Alt Digital Media Entertainment Limited • Marinating Films Private Limited • D B Reality Limited • Isagro (Asia) Agrochemicals Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	**Balaji Motion Pictures Limited** • Audit Committee - Member • Nomination and Remuneration Committee - Member **Alt Digital Media Entertainment Limited** • Audit Committee - Member • Nomination and Remuneration Committee - Member

ROUTE MAP TO THE VENUE OF THE 24TH ANNUAL GENERAL MEETING OF THE COMPANY

Landmark: Opp. D. N. Nagar Police Station

ATTENDANCE SLIP

BALAJI TELEFILMS LIMITED

CIN: L99999MH1994PLC082802

Registered Office: C-13, Balaji House, Dalia Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053

Tel No: 022-4069800 **Fax No:** 022 40698181

Website: www.balajitelefilms.com **E-mail id:** investor@balajitelefilms.com

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

Joint shareholders may obtain Additional Slip at the Venue of the Meeting.

Name & Address of the Shareholder:			
DP Id*		**Folio No.**	
Client Id*		**No. of shares**	

I hereby record my presence at the **24th Annual General Meeting** of the Members of the Company held on Friday, August 31, 2018, at 12:00 noon at "The Club", 197, Juhu Versova Link Road, Opp. D. N. Nagar Police Station, Andheri (W), Mumbai – 400 053, Maharashtra.

*Applicable for Members holding shares in Electronic form.

____

Signature of Member / Proxy

BALAJI TELEFILMS LIMITED

CIN: L99999MH1994PLC082802

Registered Office: C-13, Balaji House, Dalia Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053

Tel No: 022-4069800 **Fax No:** 022 40698181

Website: www.balajitelefilms.com **E-mail id:** investor@balajitelefilms.com

Form No. MGT-11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member:		**Folio No./Client id*:**	
Address of the Member:		**DP Id*:**	
E-mail id:			

* Applicable for Members holding shares in Electronic form.

I/We being the Member(s) of Balaji Telefilms Limited holding _______shares, hereby appoint

1) Name: ____ E-mail id: ________________________________

Address: ____

Signature____, or failing him/her

2) Name: ____ E-mail id: _______________________________________

Address: ____

Signature____, or failing him/her

3) Name: ____ E-mail id: _______________________________________

Address: ____

Signature____, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **24th Annual General Meeting** of the Members of the Company, to be held on Friday, August 31, 2018 at 12:00 noon at "The Club", 197, Juhu Versova Link Road, Opp. D. N. Nagar Police Station, Andheri (W), Mumbai – 400 053, and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Sr. No.	Resolution	For*	Against*
1	Consider and Adopt: a) Audited Financial Statements for the financial year ended March 31, 2018 and the report of Board of Directors and Auditors thereon;		
	b) Audited Consolidated Financial Statements for the financial year ended March 31, 2018 and the report of Auditors thereon.		
2	Appointment of a Director in place of Mr. Jeetendra Kapoor (DIN: 00005345), who retires by rotation and being eligible, offers himself for re-appointment.		
3	Declaration of Final Dividend on equity shares for the financial year ended March 31, 2018.		

4	Appointment of Mr. Anshuman Thakur (DIN: 03279460) as Non-Executive Director.		
5	Appointment of Ms. Jyoti Deshpande (DIN: 02303283) as Non-Executive Director.		
6	Re-appointment of Mrs. Shobha Kapoor (DIN: 00005124) as Managing Director of the Company.		
7	Re-appointment of Ms. Ekta Kapoor (DIN:00005093) as Joint Managing Director of the Company.		
8	Re-appointment of Mr. Duraiswamy Gunaseela Rajan (DIN: 00303060) as Independent Director of the Company.		
9	Re-appointment of Mr. Pradeep Kumar Sarda (DIN: 00021405) as Independent Director of the Company.		
10	Re-appointment of Mr. Ashutosh Khanna (DIN: 03153990) as Independent Director of the Company.		
11	Re-appointment of Mr. Devender Kumar Vasal (DIN: 06858991) as Independent Director of the Company.		
12	Continuation of Directorship of Mr. Jeetendra Kapoor (DIN: 00005345) as Chairman, Non-Executive Director of the Company.		

Signed this ________________________day of _______________________2018.

Affix Revenue Stamp

Signature of Member(s)_____________________________

Notes:

*1. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote (on poll) at the Meeting in the manner he/she thinks appropriate.

2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than forty-eight hours before the commencement of the Meeting.

3. A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting.

4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

5. Appointing a proxy does not prevent a member from attending the Meeting in person if he/she so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.

6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

7. This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

8. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.

9. Undated proxy form will not be considered valid.

10. If Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.


कसौटी
ज़िंदगी के


IMTIAZ ALI PRESENTS
Laila Majnu
DIRECTED BY SAJID ALI
PRODUCED BY SHOBHA KAPOOR, EKTA KAPOOR, PREETY ALI


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