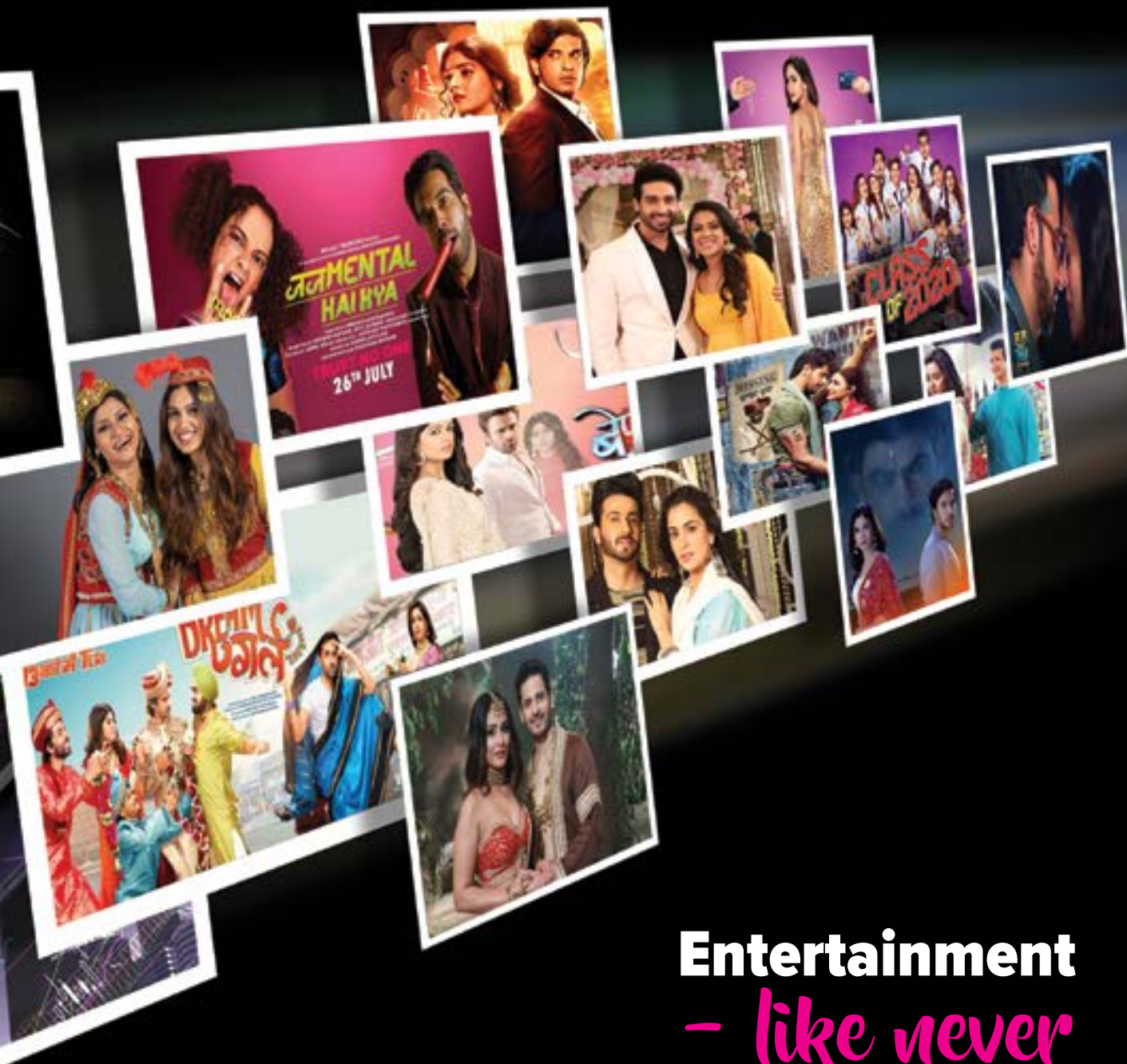


Balaji Telefilms Limited

Annual Report

2019-20



**Entertainment**  
- like never  
before!

# Years ago, we discovered our passion for storytelling.

As we learnt to walk the talk – ideas were translated to action and the Balaji Telefilms of today was born – reshaping and reinvigorating the world of entertainment.



Our desire to be a household name pushed us to curate stories that resonated with the masses and we challenged ourselves to dream bigger, setting the foundations for new milestones and greater goals. As we celebrated our achievements and accomplished extraordinary feats, we continued to spread our wings, to spin the wheel of entertainment – faster and better than before.

Diversifying our offerings from television content to movie production and on-demand video services, we promptly evolved and transformed to expand our reach. While the changes in newer mediums of entertainment are unmistakable, we remain focused on understanding our audience, genres and markets to propel relentless growth.

**Identifying a vast opportunity landscape, Balaji Telefilms is now perfectly poised to fulfil its role as a content innovator and collaborator – to formulate a rejuvenating blend of exciting entertainment for the Indian masses.**

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# Balaji Telefilms Limited

## 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. Duraiswamy Gunaseela Rajan**  
Independent Director  
(DIN: 00303060)

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

**Mr. Anshuman Thakur**  
Non-Executive Director  
(DIN: 03279460)

**Ms. Jyoti Deshpande**  
Non-Executive Director  
(DIN: 02303283)

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

**Mr. Virendra Babubhai Dalal**  
Independent Director  
(DIN: 00247971)

**Mr. Devender Kumar Vasal**  
Independent Director  
(DIN: 06858991)

**Mr. Ramesh Sippy**  
Non-Executive Director  
(DIN: 00652881)

**Mr. Ashutosh Khanna**  
Independent Director  
(Till July 22, 2020)  
(DIN: 03153990)

**Dr. Archana Hingorani**  
Additional Director  
(Non-Executive Independent)  
(W.e.f. August 28, 2020)  
(DIN: 00028037)

### Group Chief Operating Officer and 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)

**Mr. Stephen Daniel**  
Group Head – HR

**Mrs. Chloe Ferns Qureshi**  
Creative Director (Television)

**Ms. Tanusri Das Gupta**  
Creative Executive V.P. Digital

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

**Mr. Vimal Doshi**  
Head-Distribution  
(Motion Pictures)

**Mr. Baljit Chaddha**  
**Mr. Manjit Sachdev**  
Creative Directors (ALT Digital)

**Mrs. Divya Dixit**  
Vice President-Marketing  
(ALT Digital)

### Statutory Auditors

Price Waterhouse Chartered  
Accountants LLP

### Secretarial Auditors

MMJB & Associates LLP

### Registered Office

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

### Registrar & Share Transfer Agent

KFin Technologies Private Limited  
(formerly known as Karvy Fintech Private Limited)  
Selenium Tower B,  
Plot No 31 & 32, Gachibowli,  
Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad – 500 032, Telangana.  
Tel: +91-040-6716 2222, 79611000  
Fax: +91-040-23440674  
Toll Free No: 1800-3454-001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

### Bankers

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

# All About Balaji Telefilms

Balaji Telefilms Limited  
(Balaji Telefilms) is  
among the

leading  
entertainment  
providers in India.



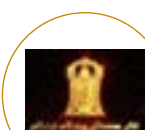
With over two decades of industry experience, the Company has been instrumental in formulating a popular narrative for the masses. From television shows that captured the imagination of millions to commercially successful films, the Company has constantly explored varied platforms of entertainment to excite and entertain its audience.

The Company has also pioneered the subscription-based video-on-demand service with the launch of ALTBalaji, an extremely popular format that stroked the binge-watching habit of viewers across cultural milieus.

## Vision

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

## Our brands



## 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

# Business Performance

## Profit & Loss Metrics

### Revenue from operations (Rs. in lacs)

|            |        |
|------------|--------|
| FY 2015-16 | 25,685 |
| FY 2016-17 | 40,850 |
| FY 2017-18 | 41,658 |
| FY 2018-19 | 44,030 |
| FY 2019-20 | 57,663 |

**17.56%** 5 year CAGR growth

### EBITDA Margin (in %)

|            |    |
|------------|----|
| FY 2015-16 | 23 |
| FY 2016-17 | 1  |
| FY 2017-18 | 13 |
| FY 2018-19 | 3  |
| FY 2019-20 | 22 |

**1900 bps** Y-o-Y growth

### PAT Margin (in %)

|            |    |
|------------|----|
| FY 2015-16 | 14 |
| FY 2016-17 | 7  |
| FY 2017-18 | 4  |
| FY 2018-19 | 5  |
| FY 2019-20 | 10 |

**500 bps** Y-o-Y growth

### EBITDA (Rs. in lacs)

|            |        |
|------------|--------|
| FY 2015-16 | 5,833  |
| FY 2016-17 | 280    |
| FY 2017-18 | 5,310  |
| FY 2018-19 | 1,472  |
| FY 2019-20 | 12,416 |

**16.31%** 5 year CAGR growth

### PAT (Rs. in lacs)

|            |       |
|------------|-------|
| FY 2015-16 | 3,704 |
| FY 2016-17 | 2,940 |
| FY 2017-18 | 1,630 |
| FY 2018-19 | 2,012 |
| FY 2019-20 | 5,787 |

**9.76%** 5 year CAGR growth

### Revenue per hour (Rs.)

|            |      |
|------------|------|
| FY 2015-16 | 24.7 |
| FY 2016-17 | 28.9 |
| FY 2017-18 | 33   |
| FY 2018-19 | 38   |
| FY 2019-20 | 37   |

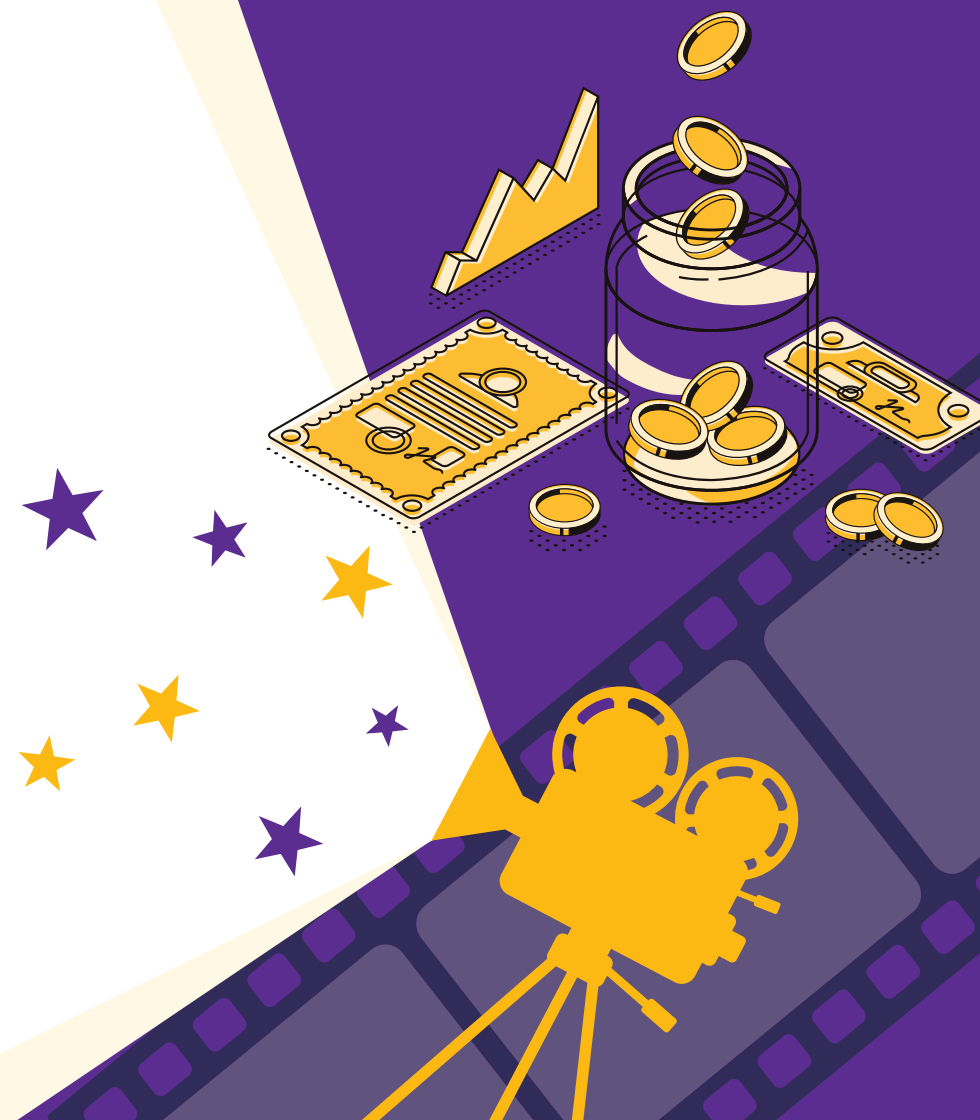
**8.42%** 5 year CAGR growth

### Earnings per share (Rs.)

|            |      |
|------------|------|
| FY 2015-16 | 4.88 |
| FY 2016-17 | 3.87 |
| FY 2017-18 | 1.79 |
| FY 2018-19 | 1.99 |
| FY 2019-20 | 5.72 |

### Total Assets (Rs. in lacs)

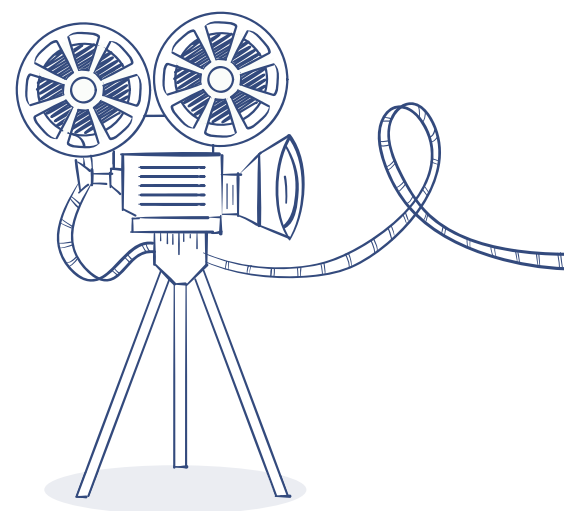
|            |            |
|------------|------------|
| FY 2015-16 | 68,115.97  |
| FY 2016-17 | 69,216.97  |
| FY 2017-18 | 104,266.65 |
| FY 2018-19 | 109,697.61 |
| FY 2019-20 | 121,368.71 |



# Our cherished legacy of 25 years and counting

## 25 years ago

we set foot in the world of entertainment – believing in our ability to deliver inspiring and entertaining content. From releasing our first thriller on Zee TV to creating a unique brand of daily soaps, we witnessed phenomenal success over the course of the next few years. As Balaji Telefilms continued to grow and set new benchmarks with every passing year, we challenged ourselves to create an impact and achieved milestones that appeared unreachable when we started off.



Throughout our journey, we proved to the world that change is afoot. Our relentless desire to materialise our dreams, urged us to accomplish the impossible. Today, as we look back, we can only cherish a proud legacy of television, films and new-age entertainment, encouraging us to dream bigger and foster an even greater ambition to shape the world of entertainment.





## Message from the Promoters

The strength of our traditional business coupled with our continuous focus on ALTBalaji allows us to sustain long-term growth.



### Dear shareholders,

It is indeed a pleasure to present the financial report of your Company for FY 2019-20. We would like to express our deep gratitude towards each and every one, for supporting us and putting your faith in the Company. As we witness a particularly difficult time, amidst a global pandemic, we hope you and your loved ones are safe and sound.

From our humble beginnings to establishing a successful business, we have consistently paved the way to our viewers' hearts with our sustained efforts. It enables us to register strong performances year after year and in FY20, we delivered good growth despite challenging circumstances. The strength of our traditional business coupled with our continuous focus on ALTBalaji allows us to sustain long-term growth.

The Indian Media and Entertainment (M&E) industry has made significant strides and contributed significantly to the country's economic growth. A surge in content consumption has been observed as digital infrastructure, quantum of content produced, and per-capita income improved substantially in 2019. The sector grew by almost 9% to reach INR1.82 trillion (US\$25.7 billion) during the year.<sup>1</sup> While television and print retained its position as the two largest segments in the M&E sector, digital media became the third largest segment after it overtook

the film entertainment segment in 2019. The sector continues to grow at a rate faster than the GDP of India, driven primarily by growth in subscription-based business models and India's attractiveness as a content production destination. Rising consumer demand and improved advertising revenue also contributed to the growth of this sector. The rapid proliferation of mobile internet is also enabling the on-demand entertainment ecosystem. Growing at a CAGR of 10%, the sector is expected to cross INR 2.4 trillion (US\$ 34 billion) by 2022.

Your company, after two decades of delivering quality entertainment, now reiterates its position as a leading content production house. With an unmatched expertise to entertain audiences and a proven ability to gauge the pulse of the masses for over 25 years, we have successfully diversified our offerings from television to movies to an extremely exciting digital format – that promises to take entertainment anywhere any time.

Our TV shows are deeply ingrained in India's socio-cultural fabric and for long, we have created characters and stories that have become household names. Our habit of telling stories that resonate with the common man, have secured our position as a dominant player in the Indian entertainment market. Over the years, we have created blockbuster shows that have

topped viewership charts across channels. Along with supplying a steady stream of mainstream content, we like to experiment and break the stereotype with new shows like Naagin on primetime and the relaunch of extremely popular shows like Kasautii Zindagii Kay 2, after a decade.

Moreover, our movies have been accepted and appreciated for offering a differentiated cinematic experience. During the year, our movie 'Dream Girl' received phenomenal success and critical acclaim. This shows our hunger to satiate viewers' needs by delivering unconventional formats/stories that touch a chord with our audience.

Simultaneously, our subscription-based OTT video streaming service continues to grow exponentially. ALTBalaji has become one of the frontrunners in this space and at the moment ranks in top 5, among the paid video on demand service in India. With the largest original Hindi content library, we have a highly engaged audience, recording an average watch time of over 60 minutes per day. To further scale our operations, we have collaborated with Zee5 to co-produce 60+ Originals over the next 2 years. The content will be available on both platforms and will ensure long-term sustainability in a challenging business environment where conserving cash is critical.

<sup>1</sup>[https://www.ey.com/en\\_in/news/2020/03/media-and-entertainment-industry-in-2019-grew-by-almost-9-percent-to-reach-inr-1-82-trillion#:~:text=The%20TV%20industry%20grew%20from,over%2020%25%20in%20certain%20cases.](https://www.ey.com/en_in/news/2020/03/media-and-entertainment-industry-in-2019-grew-by-almost-9-percent-to-reach-inr-1-82-trillion#:~:text=The%20TV%20industry%20grew%20from,over%2020%25%20in%20certain%20cases.)



Our television business delivered great performance during the year and Balaji Telefilms delivered 4 out of the Top 5 shows. We also recorded 18% Prime Time viewership share, making Balaji the number 1 content producer in India. However, the last quarter of FY20 posed some challenges due to the COVID-19 outbreak. Production was completely halted around March 18, 2020 and we lost about 13 days of production. Despite this, we had a strong content line up and a good rating during the year. We also successfully premiered some of our digital shows from ALTBalaji on TV, keeping the wheels of entertainment running as usual.

We also delivered exceptional performance in our movie business this year and going forward, we aspire to maintain this successful track record. In FY20, Dream Girl proved to be a commercial hit and

the other two movies - Judgementall Hai Kya and Jabariya Jodi, also did well at the box office. Our project pipeline at the moment consists of movies like Dolly Kitty Aur Woh Chamakte Sitare, Ek Villain 2, KTina and Pagglait. Keeping in mind the current situation and ongoing lockdowns in the country due to the COVID-19 pandemic, restrictions on theatrical releases have been imposed. Therefore, we plan to release Dolly Kitty Aur Woh Chamakte Sitare on Netflix and we continue to explore other options for taking movies closer to our viewers.

To mitigate the effect of the pandemic on our business, we have undertaken efforts to re-negotiate with our vendors, actively managed receivables and have resorted to pay cuts in some instances. But, despite the imminent troubles, we have constantly stood by our

people and have paid wages on time. Moreover, we also renounced a part of our salaries to fund our talent pipeline.

Our constant efforts to curate specialized content keeps us confident about veritable business growth. As we channel our resources to successfully navigate challenges, we remain motivated to overcome hurdles and seize opportunities in a dynamic industry. With the right people and the best strategic alliances, we are poised to take Balaji on the route to success.

We take this opportunity to acknowledge the hard work, dedication and sincerity of our people. We would also like to convey our heartfelt appreciation for our valued shareholders for always encouraging and supporting us.

# Message from the Group COO and Group CFO



**Nachiket Pantvaidya**

Group COO and CEO of Alt Digital Media Entertainment Limited

player in the digital consumer/technology space targeted at mass India. Our business portfolio across traditional TV, movies and a future focused ALTBalaji keeps us in a unique position in straddling three media businesses targeted at mass India.

For 25 years, we have successfully gauged the pulse of our audience and today, we are confident about our ability to deliver unmatched entertainment experiences and offer exceptional value to all our stakeholders.

## Dear shareholders,

## Business segment review

During the year under review, Balaji's TV production business sustained its growth, clocking more than 823 hours of showtime, an improvement of 8% year-on-year. Maintaining high margins and profitability, the realisations remained strong at Rs. 37 lakhs per hour as we recorded a significant market share for several prime time shows. We have consistently managed to keep our TV ratings high for the entire year, despite the launch of new shows and several popular shows coming to an end.

Our movie business too delivered an exceptionally good performance. As an experienced player in this segment, we continue to leverage our expertise to deliver hits year after year. The commercial performance

**ALTBalaji**  
continues to grow exponentially, revenues were at Rs. 77 Crore from Rs. 41 Crore in FY 2018-19

FY 2019-20 was both an exciting and challenging year for us. As the ecosystem for content creation and delivery morphed multi-fold to suit evolving audience preferences, at Balaji Telefilms, we focused on building capabilities to capitalize on the explosive growth of digital entertainment platforms, especially OTT services.

While we continued to create content across formats, we recognized the need to be future-ready. Looking at the constant growth of the digital medium, 3 years ago we had a vision to establish ourselves as a dominant player in this space and start a digital B2C business. With the launch of ALTBalaji, we are pursuing our ambitions to be a key



**Sanjay Dwivedi**

Group Chief Financial Officer

ALTBalaji, our digital B2C platform, continues to reaffirm its market dominance as a preferred mass Hindi content platform fulfilling the promise of delivering content anytime, anywhere. When it comes to entertainment, the Indian audience is no longer bound to schedules and locations, rather preferences in favour of a seamless, on-the-move experience continues to dominate the new-age viewer. It has led to a phenomenal rise in viewership and subscription, consistently adding users from the untapped markets of Tier-2 and Tier-3 cities of India.

With a focus on targeting the Hindi speaking audiences across India, ALTBalaji continues to appeal to audiences of all age groups. We are constantly diversifying our content across genres and consistently producing the most amount of content for our OTT platform, launching at least 2 shows per month.

ALTBalaji remains one of the top 4 paid Apps in India and offers one of the best and affordable option for our subscribers. Our unmatched leadership as the best and the largest player in the Hindi OTT market largely rests on our ability to track our audience preferences. We rely on customer analytics to understand audience behaviour and accordingly, curate appealing content.

**During the year under review, Balaji's TV production business sustained its growth, clocking more than 823 hours of showtime, an improvement of 8% year-on-year.**

of films such as Dream Girl reinstates our ability to consistently deliver box office hits. For us, talent and content go hand in hand. As a result, we promote new talent and focus on producing 4 to 5 films in a year. It not only allows us to remain profitable, but also enables us to explore new business opportunities. At Balaji Telefilms, we follow certain thresholds for producing or co-producing movies under our banner. To keep our margins intact, we believe in selectively picking promising projects, like our recent co-production, 'Ek Villain 2'. We also as a policy enter into pre-sales agreement to ensure profitability from the time a movie is approved for production.

We have seen a sharp rise in watch time- with an average of 60 minutes per day - a testimony to our expertise in delivering engaging and entertaining content. With programming the largest exclusive Hindi content libraries, our audience is now spoilt for choice. We have been doubling our revenues and slabs every year, year on year from launch.

While our TV shows have created a legacy of its own, the OTT platform has given rise to a completely new audience that remains glued to entertainment on the go, anytime and anywhere. Our digital content remain targeted at individual viewing and our TV content caters to families and as such do not compete.

Recently, we have formed strategic partnership with Zee5 to grow our subscription video on demand business. A first-of-its-kind OTT collaboration, we aim to co-create and co-produce more than 60 Originals which will be available on both platforms. It will not only scale up our existing business but, will remarkably enhance our profitability.

### Financial review

On a consolidated basis, the revenues rose by 34% to Rs 574 crores in FY 2019-20 as compared to Rs. 428 crores in the previous year. This was achieved with sustained growth across all three businesses, offering rich and differentiated content. The movies and TV production business largely contributed to turn the EBITDA around, from a loss of Rs. 105 crore in the previous year to a profit of Rs. 11 crore in FY 2019-20.

Cash generation from business continues to strengthen our balance sheet and fund our future investments. Our balance sheet

remains robust, with zero debt on the books. We saw our current ratio move from 5.6x in FY19 to 3.1x in FY20 as we continue to invest in ALTBalaji. This resulted in some of our current investments getting reclassified as long term investments. In addition to this our inventory turn over ratio has improved this year from 5.3x to 8.2x as we had lower movie inventory as compared to the previous year.

However, towards the end of FY19-20, the effects of a devastating pandemic were felt across the entertainment industry. While we are still adjusting to newer ways of carrying out our business we have managed to sustain the business and its operations in these challenging times.

### Bringing the best of content

At Balaji Telefilms, we believe in providing customers with the best of entertainment, across TV, movies and digital platforms. Since our inception, we have grown from strength to strength, to emerge as a leading player in the media and entertainment industry. In a competitive landscape, we have been successful in delivering on our strategy of offering the broadest range of content, while remaining focused on improving our operational efficiency and capabilities. We understand the need to tell stories that resonate with audiences regardless of their geographic affiliations. Our tales are therefore, intrinsically woven around local lore and cultural aspects, creating an unmatched connection with the audience.

At Balaji Telefilms, we keep a tab on our local audience, we pay heed to their desires and demands. It allows us to concentrate on the masses, a huge section of the Indian population who are looking for

content that is easy to grasp and in a language that they speak. This, to a large extent, explains the popularity of our Hindi shows, keeping viewers glued to our shows year after year. As we continue to scale the quantum of shows and movies, we are also cognizant about keeping the quality of our content intact. We are attracting the very best of writers, directors and actors across each of our businesses, allowing us to recoup our investments.

### Accelerating growth

Our focus on building businesses with higher margins and efficiency are continuing to deliver significant results. For the movie segment, we shall continue to prefer co-producing high budget movies with differentiated content to limit our capital commitment and maintain an adequate risk-reward balance. Further, our presale marketing strategy helps to lock-in profits at an early stage, thereby strengthening our margins considerably.

Despite production coming to a grinding halt during the last few days of March 2020 due to the COVID-19 pandemic, we had a strong content line up and it resulted in good ratings for the quarter.

In an endeavour to bolster our growth in the digital space, ALTBalaji entered into a strategic partnership with Zee5. The strategic partnership gives audiences an opportunity to access incredible shows from both platforms and has played a crucial role in enhancing our subscriber base. It has also significantly reduced our operating losses. Further, discontinuation of free services of ALTBalaji with telco operators has helped to increase the ARPU of ALTBalaji. It gives us immense pleasure to report



that revenues of ALTBalaji have progressively doubled since the first year, with an impressive growth of active and paid subscribers. The strength of our strategic partnership, a robust collection of Hindi content, especially designed for the masses and an ever-expanding library of original content positions ALTBalaji among the top 4 grossing apps across iOS and Android platforms.

### Future ready

In a highly competitive industry, our strategic designs, infrastructure, culture and people shall empower

us to deliver value for all our stakeholders. We remain optimistic about our forthcoming TV shows, movies and mass Hindi content on our digital platform and remain confident about adapting our offerings according to audience preferences. At Balaji, we are shifting through evolving trends to fortify our quest for delivering the best of entertainment with exciting and engaging content.

Finally, we would like to take this opportunity to thank all our shareholders and stakeholders for their continued trust and faith in Balaji Telefilms, empowering us to take the journey of

entertainment forward, unhindered and undeterred. We shall remain motivated to always look forward to brighter days, patiently waiting for the storm to pass.

Regards,

### Nachiket Pantvaidya

Group COO and CEO of Alt Digital Media Entertainment Limited

### Sanjay Dwivedi

Group Chief Financial Officer

# Blueprint of our success



## Engaging content

At Balaji, we constantly focus on developing innovative and new content for wide range of viewers and genres. Our in-house team of experts constantly work towards creating content that is engaging and in line with our viewers' needs. We have one of the largest original exclusive Hindi content libraries in India.

One of the Top 5

Paid Apps in the country - ALTBalaji

#1

Content producer for prime-time television with 4 of the Top 5 fiction shows

60+

Original Shows available on ALTBalaji



## Experience and expertise

The experience and expertise gained over more than two decades has given us deep and unique understanding of viewing habits of the Indian audience. This not only enables us to engage better with our customers but also enables us to build original and exclusive shows and movies.

25+

Years of experience

Curating content across all

3 formats



## Reach

We have established a strong connect with our audience through multiple formats including television, big screen and digital platform. We leverage these channels to reach maximum entertainment lovers in India.

4

Content across all the leading Hindi GEC broadcasters on primetime

60 minutes/day

Average watch time for ALTBalaji



## Our financial strength

Our relentless focus on cost optimization, cost effective pricing strategy and diversifying our revenue stream enables us to increase our top line and maintain healthy margins. Our strong balance sheet enables us to fund our growth plan, provide financial stability and ensure consistent growth in shareholders' return.

17.56%

5-year CAGR growth in revenue

8%

Y-o-Y growth in Programming Hours



## Strong market standing and brand recall

Over the past 25 years, we have been successful in establishing a strong brand position across all our businesses. Today, we enjoy dominant market share in creating fiction content while our digital business, ALTBalaji, is one of the front runners in the digital space. This has also resulted in constant increase in our audience and subscriber base.

#3

Paid video on demand service platform in India

67%

Consumers finish watching a series within 7 days of starting it



# Navigating Change – Thinking about Tomorrow

In our journey over the last two decades, we have witnessed the global entertainment industry morph at a frenetic pace. As conventional barriers to content consumption continue to blur, there is an incredible transformation from analogue to digital platforms. At Balaji, we are attuned to our audience preferences, fulfilling the demand for entertainment on-the-go and eagerly gearing up for tomorrow – focusing and aligning our thoughts and actions to create a new realm of entertainment.

Ever since our inception, we have pioneered many firsts, delivered entertainment like never before and have won hearts effortlessly. We also realize that the world around us is changing every second. While dwelling on our past glory creates a solid foundation for sustaining future growth, we also identify the need to take forward our legacy with contents, concepts and platforms that make entertainment accessible anywhere, anytime. We, therefore, pride ourselves as a facilitator of the content ecosystem, addressing shifts in the technology paradigm and consistently creating proprietary content that provides our audience unhindered access to unlimited choices.

Balaji is now looking beyond the obvious, aiming at higher goals and focusing on next level growth. We are strengthening our core capabilities, exploring newer avenues of growth, improving our digital initiatives and aiming to consolidate global growth.



## Outlook

We constantly endeavour to offer audiences entertaining and engaging content. We are also focusing on the binge-watching habit of our viewers and are accordingly, curating exciting content. Along with TV shows, we are concentrating on unconventional movies to improve revenues through co-production/pre sales. For ALTBalaji, we are aspiring for profitable growth through increased subscriptions to our OTT platform.



# More Choices



Naagin 5



Kasautii Zindagii Kay 2



Dream Girl



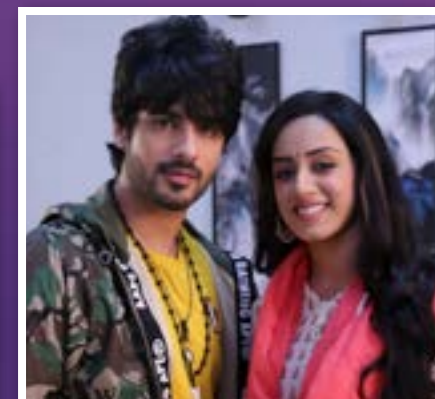
Dil Hi Toh Hai Season 3



It happened in Calcutta



Bepannah Pyar



Yeh Hai Chahatein



Naagin 4



Kehne Ko Humsafar Hain Season 3



Baarish 2

# Growing Strength to Strength: Business Segment overview

## Balaji Telefilms Limited

The ability to design and deliver enthralling content has enabled Balaji Telefilms to create a loyal following across the length and breadth of the country. We have the credit of creating the most memorable and loved shows and characters on Indian television, a testament to our impeccable track record. And, today we are proud of our legacy as we continue to feel the pulse of our audience and confidently curate content to their liking. Our innovative approach and the ability to remain in sync with audience preferences allows us to design content across genres and sustain our stronghold on Indian TV.

823

Hours of content produced

₹37 lakhs

Per hour of average realisation

#1

Production house

### Our TV Shows Aired during the year



Kkundali Bhagya

● Drama



Kumkum Bhagya

● Drama



Yeh hai Chahatein

● Drama

● Genre



Naagin S4

● Supernatural, Fantasy, Thriller



Pavitra Bhagya

● Romance, Drama



Kasautii Zindagii Kay 2

● Romance, Family Drama

### Our off-air shows during the year



Yeh Hai Mohabbatein

● Family Drama



Box Cricket League (S4)

● Reality



Kavach Mahashivratri

● Horror



Bepannah Pyar

● Romance, Drama, Mystery



Haivaan

● Supernatural, Fantasy, Sci-Fi



Daayan

● Horror



Nagin S3

● Supernatural, Fantasy, Thriller

● Genre

Growing Strength to Strength:  
Business Segment overview

Motion  
Pictures

Motion Pictures today is renowned for producing contemporary cinema. Coupled with innovative marketing strategies, we have leveraged our brand strength to reach out to a growing audience. Over the years, we have churned out multiple box-office hits and have established a firm footing in this segment.

We have constantly focused on diverse audience preferences, delivering films renowned for cinematic brilliance, astounding commercial success and critical fame. To sustain our credibility in the industry, we maintain a sharp focus on scripts, budgets, economies of scale and out-of-the-box marketing. We also lay emphasis on strategically optimising risk-return through pre-sale of rights and production of sequels and series that are readily acceptable to our audiences.



Movies released in the year



Dream Girl

- Ayushmann Khurana and Nushrat Bharucha
- Raaj Shaandilyaa
- 13th September, 2019
- Family Entertainer



Jabariya Jodi

- Sidharth Malhotra and Parineeti Chopra
- Prashant Singh
- 9th August, 2019
- Drama Comedy



Judgementall Hai Kya

- Kangana Ranaut and Rajkummar Rao
- Prakash Kovelamudi
- 26th July, 2019
- Quirky Thriller

Movies under production

Dolly Kitty Aur Woh Chamakte Sitare

- Konkona Sen Sharma and Bhumi Pednekar

Ek Villain 2

- John Abraham

K Tina

- Disha Patani

Pagglait

- Sanya Malhotra

● Lead actors ● Director ● Release date ● Genre

Growing Strength to Strength:  
Business Segment overview

ALT Digital Media  
Entertainment Limited

ALTBalaji

We launched ALTBalaji as an over-the-top (OTT) platform that offers subscription-based original exclusive content and on-demand services for digital audiences. The move reflects our strategic intent to expand our entertainment expertise by creating original digital content for the entire ecosystem spanning mobiles, computers, tablets, smart TVs and game stations, targeted towards urban Indians and the Indian Diaspora. The aim is to build a consumer facing brand that gives audiences all-new original, exclusive and fresh content across genres, they want to watch - whenever, wherever and however.



Our business is built on a unique strategy that focuses primarily on Content, Distribution and Pricing, thereby differentiating from other OTT players in the industry. Video streaming as a category continues to grow exponentially and ALTBalaji dominates the Mass OTT market by creating hit shows that continue to fuel the binge-watching habit. In a short span, ALTBalaji has received tremendous support and validation from consumers and partners across the digital ecosystem.

Among top

5

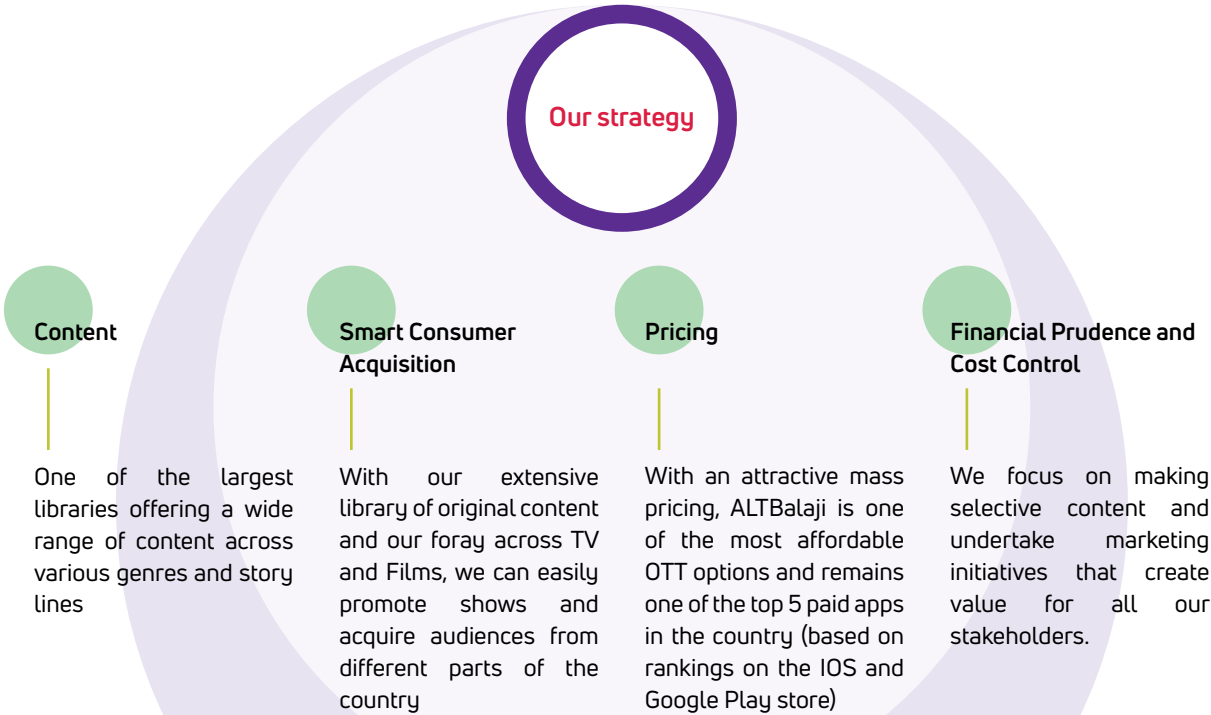
Paid Apps in the country

70:30

Male: Female

75%

Of user base below 35 years



Ever since our rollout of ALTBalaji, our core focus has been to entertain viewers with innovative content and constantly evolve and develop our content strategy to cater to customers need for 'personalized content'. We have released a number of path-breaking shows by tapping into different genres to bring alive innovative and highly relatable shows for our Hindi speaking audiences.

Our pricing strategy

We are primarily is a mass consumer brand, targeting the mass audience by providing the best quality content to the consumers at the most affordable price. We are one of the most affordable OTT options with plans at Rs 300 a year/Rs 100 a quarter

(less than Rs. 1 a day) and this has allowed us to quickly penetrate and grow our reach.

100%

YoY Growth in direct subscription revenue

We have recorded exponential growth in subscribers for FY20 and one of the main drivers of this growth is our integration with several distribution partners which has helped create acceptance across the global internet ecosystem.



## Growing Strength to Strength: Business Segment overview

### Customer acquisition strategy

The app cuts across multiple age-groups with content that is curated across genres and story lines. The platform continues to leverage the Balaji ecosystem of TV and Films to promote shows and acquire customers via lower marketing spends. The extensive library of shows and content allows us ALT Balaji to acquire customers at a lower cost of acquisition.

### ALTBalaji – Acquisition Funnel

ALT content is seen on internet

860 Mn

Unique users reached

107 Mn

Views from engaged audience

40 Mn

Monthly active users engaged

8.4 Mn

Profitable consumers

### Our shows during the year



Karrle Tu Bhi Mohabbat Season 3

Romantic Drama



Baarish Season 1

Romantic Drama



Bekaaboo

Erotic Thriller



Medically Yours

Teen Drama



Booo... Sabki Phategi

Horror Comedy



Gandii Baat Season 3 -  
Urban Stories From Rural India

Erotic Drama



Boss

Thriller



FUOK

Comedy



Coldd Lassi Aur Chicken Masala

Romantic Drama



Mission Over Mars

Drama



The Verdict - State vs Nanavati

Courtroom Drama



Fixerr

Thriller



Fitrat

Romantic Drama



Gandii Baat Season 4 -  
Urban Stories From Rural India

Erotic Drama, Erotic Thriller



Virgin Bhaskar

Erotic Comedy



Broken But Beautiful Season 2

Romantic Drama



Hum Tum And Them

Romantic Drama



Ragini MMS Returns Season 2

Horror



Code M

Thriller



Dil Hi Toh Hai Season 3

Family Drama

# Growing Strength to Strength: Business Segment overview

## Our shows



Class Of 2020

Teen Drama



X.X.X. Season 2

Erotic Drama



It Happened In Calcutta

Romantic Drama



Mentalhood

Drama



Who's Your Daddy?

Comedy



Baarish Season 2

Romantic Drama



Kehne Ko Humsafar Hain Season 3

Romantic Drama



Virgin Bhaskar Season 2

Erotic Comedy



Bebaakee

Romantic Drama

# Marinating Films Private Limited Brand

We acquired a majority stake in Marinating Films Private Limited with an aim to generate additional revenue by creating TV-centric intellectual property rights. The subsidiary owns the concept, format and all proprietary rights and intellectual property rights in Box Cricket League (BCL), The Indian Telly Calendar (ITC) and Indian Television Style Awards (TSA).



# Brand EK



Launched by Ekta Kapoor, Brand EK, is the signature label comprising Indian ethnic wear and exquisite Jewellery that is aimed at promoting women's wear with quality ethnic wear at competitive prices. We cater to the upper and higher middleclass audience who want to buy what they see on television, inspired by what the TV characters wear.

# Chhayabani Balaji Entertainment Private Limited (CBEPL)



In partnership with Kolkata-based Chhayabani Private Limited, CBEPL leverages our competitive strengths to produce entertainment across the media along with Chhayabani's glorious heritage of producing extremely notable films in Bengali. The collaboration has brought together two different media houses, with distinctive strengths to create a mix of diverge genres, new concepts and innovative formats, including daily soaps, short format series, reality shows or weekend shows, while also attracting high-quality talent.

# Awards & Recognition

Ekta

Zendesk the customer  
fest awards 2020



PR champions of the year award - ALTBalaji



Balaji Telefilms Limited

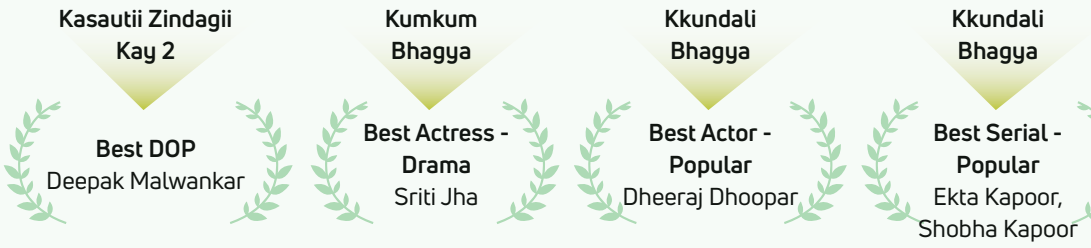
Indian Telly Awards 2019



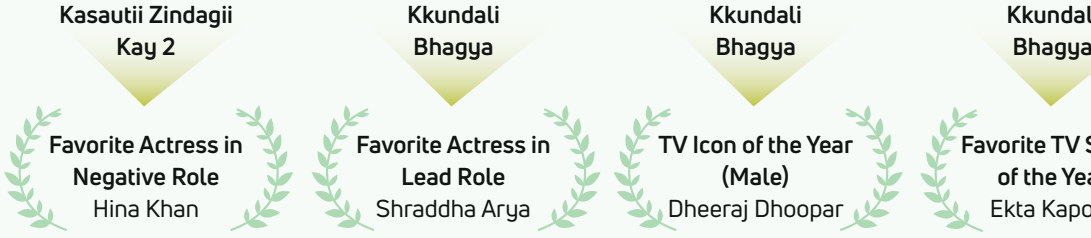
Asian Viewers Television Awards 2019



Indian Television Academy Awards 2019



Lions Gold Awards 2020



## Awards & Recognition

### Gold Awards

|   |   |   |  |
|---|---|---|--|
| Kasautii Zindagii Kay 2                                       | Kasautii Zindagii Kay 2   | Yeh Hai Mohabbatein                                     | Kasautii Zindagii Kay 2                              |
| Most Fit Actor (Female)<br>Hina Khan                          | Most Stylish Diva<br>Erica Fernandes                            | TV Personality of the Year<br>Divyanka Tripathi         | TV Personality of the Year<br>Hina Khan              |
| Kumkum Bhagya   | Naagin (season 3)   | Kkundali Bhagya   | Kasautii Zindagii Kay 2                              |
| Best Actress in Supporting Role (Critics)<br>Mugdha Chaphekar | Best Actress in Supporting Role (Popular)<br>Anita Hassanandani | Best Actor in Negative Role (Critics)<br>Sanjay Gagnani | Best Actress in Negative Role (Popular)<br>Hina Khan |
| Kasautii Zindagii Kay 2                                       | Kasautii Zindagii Kay 2   | Naagin (season 3)                                       | Kkundali Bhagya                                      |
| Best Actor in Negative Role (Popular)<br>Karan Singh Grover   | Best Actress in Lead Role (Critics)<br>Erica Fernandes          | Best Actor in Lead Role (Critics)<br>Pearl V Puri       | Best Actor in Lead Role (Popular)<br>Dheeraj Dhoopar |
| Kkundali Bhagya   | Kkundali Bhagya   |   |  |
| Best Actress in Lead Role (Popular)<br>Shraddha Arya          | Best Television Show (Fiction)<br>Ekta Kapoor, Shobha Kapoor    |   |  |

### Kalakar Awards 2019

|   |   |  |  |
|---|---|--|--|
| Kasautii Zindagii Kay 2                             | Kasautii Zindagii Kay 2                   | Kasautii Zindagii Kay 2                      | Kasautii Zindagii Kay 2                    |
| Best Serial (Popular)<br>Ekta Kapoor, Shobha Kapoor | Best Actress (Popular)<br>Erica Fernandes | Best Actor in Negative Role<br>Sanjay Swaraj | Best Actress in Negative Role<br>Hina Khan |

### Kalakar Awards 2020

|                                    |   |   |
|------------------------------------|---|---|
| Kasautii Zindagii Kay 2            | Kkundali Bhagya                         | Kavach Mahashivratri                    |
| Best Actor (Jury)<br>Parth Samthaa | Best Actor (Popular)<br>Dheeraj Dhoopar | Best Actress (Popular)<br>Deepika Singh |

### Zee Rishtey Awards 2019

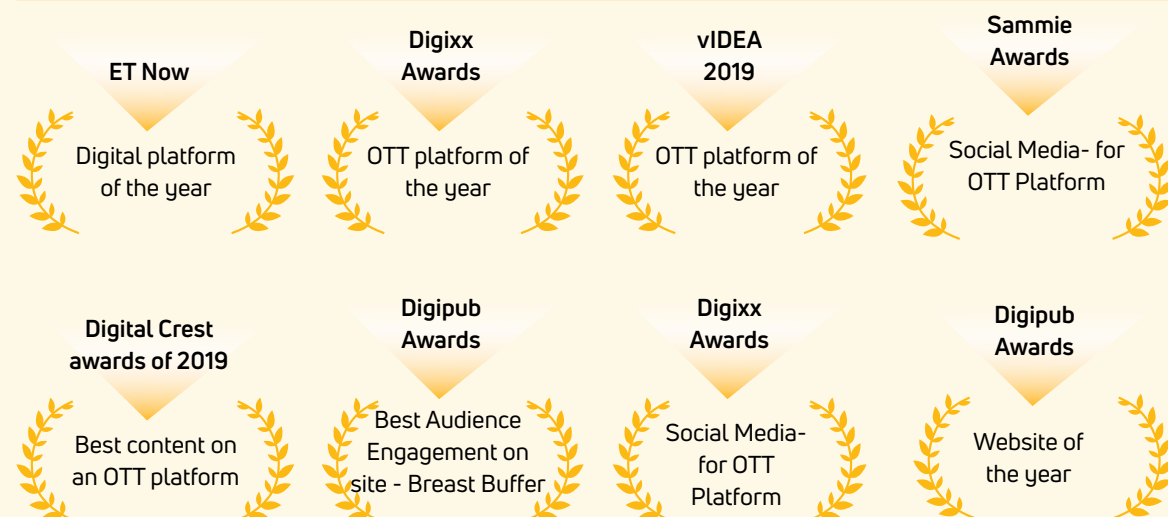
|  |  |  |  |
|--|--|--|--|
| Kkundali Bhagya                              | Kkundali Bhagya  | Kkundali Bhagya  | Kkundali Bhagya                                  |
| Favorite Bhai<br>Manit Joura                 | Favorite Behen<br>Anjum Fakih                                    | Social Swagger of the Year<br>Dheeraj Dhoopar                  | Favorite Jodi<br>Shraddha Arya & Dheeraj Dhoopar |
| Kumkum Bhagya                                | Kumkum Bhagya  | Kumkum Bhagya  | Kumkum Bhagya                                    |
| Favorite Naya Sadasya (Male)<br>Krishna Kaul | Favorite Naya Sadasya (Female)<br>Mugdha Chaphekar & Naina Singh | Favorite Popular Face (Male)<br>Shabbir Ahluwalia              | Zee Ki Shaan<br>Sriti Jha & Shabbir Ahluwalia    |
| Kumkum Bhagya                                | Kkundali Bhagya  | Kkundali Bhagya  | Kkundali Bhagya                                  |
| Favorite Kutumb<br>Ekta Kapoor               | Favorite Popular Character (Male) (on Zee5)<br>Dheeraj Dhoopar   | Favorite Popular Character (Female) (on Zee5)<br>Shraddha Arya | Favorite Dharavahik (on Zee5)<br>Ekta Kapoor     |
|  | Haiwaan : The Monster  |  |  |
|  | Favorite Khalnayak Jodi<br>Ankit Mohan & Gayathri Iyer           |  |  |

## Awards & Recognition

### Motion Pictures



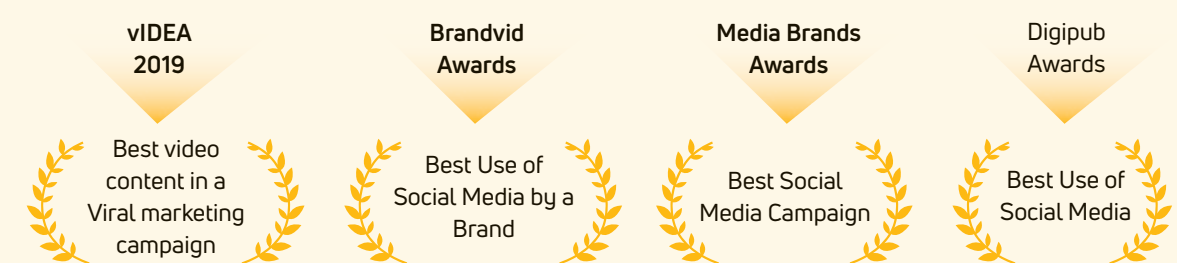
### ALTBalaji



### Apharan



### Home It's Feeling



### Breast Buffer



### Gandii Baat



### Puncchbeat



### Broken But Beautiful Season 1



### CCSSA



### Dil Hi Toh Hai



Awards & Recognition

|   |  |   |                               |                  |  |
|---|--|---|-------------------------------|------------------|--|
| Digi X  |  |   | Talent Track Awards           |                  |  |
| Fittrat   | CLACM                                      | Code M  | Broken But Beautiful Season 2 | Fittrat          |  |
| Fittrat   | CLACM                                      | Best Actress Jennifer Winget                          | Best Director Harsh Dedhia    | Best Sound Track |  |
| ET Now  |  |   | Videa 2020                    |                  |  |
| ALT Digital   | Fittrat                                    | HOME  |                               |                  |  |
| Digital Company of Year                               | Best Video in Social Media Campaign        | Neeraj Udhwani – Best Story in Web Series             |                               |                  |  |
| e4m Play  |  |   | IWM Buzz                      |                  |  |
| Mission Over Mars                                     | Code M                                     | Fittrat   |                               |                  |  |
| Best Science Fiction Show on Web                      | Best Marketing Campaign by an OTT Platform | Best Marketing Campaign for a Web Original Integrated |                               |                  |  |
| Cold Lassi Aur Chicken Masala                         | Ragini MMS Returns Season 2- Hello Ji      |   |                               |                  |  |
| Best Marketing Campaign for a Web Original Integrated | Best Use of Video Marketing on TikTok      |   |                               |                  |  |

| IWM Buzz                                      |  | Economic Times (Labels Awards)                |  |
|---|--|---|--|
| Apharan                                       | Haq Se   | Broken But Beautiful Season 1                 |  |
| Best Direction                                | Most Popular Actress Web Series – Parul Gulati | Rising Celebrity of the year (Vikrant Massey) |  |
| Talenttrack Awards 2020                       |  |   |  |
| Fittrat                                       | Broken But Beautiful Season 2                  | Drama/Thriller - Jennifer Winget              |  |
| Best Soundtrack                               | Best Director Harsh Dedhia                     | Best Actor Female- Drama/Thriller             |  |
| The Decade Awards- INKSpell                   |  |   |  |
| The Verdict – State Vs Nanavati by Alt Balaji | Mentalhood                                     | Ragini MMS Returns Season 2                   |  |
| Drama Content of the Decade                   | Entertaining Content of the Decade             | Horror Content of the Decade                  |  |
| Booo... Sabki Phategi                         | Home   | Apharan                                       |  |
| Humorous/Satirical Content of the Decade      | Motivational Content of the Decade             | PR campaign of the Decade                     |  |
| IReel Awards                                  |  |   |  |
| Breast Buffer                                 | Home   | B000..Sabki Phategi                           |  |
| Best Ad Campaign of the Decade                | Supriya Pilgaonkar – Best Actor Female (Drama) | Best Writing (Comedy)                         |  |

# 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 50 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 Ravi 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), in 2018 she was awarded with IWM (IndianWikiMedia) 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. Recently she was also awarded as the Content Creator at Economic Times Business icon awards of the year, Content Powerhouse at ET Edge Maharashtra Awards, 'Icon of Excellence' at Forbes Tycoons of Tomorrow Awards, Outlook Speakout Awards for her outstanding achievements in the television and film industries and Most Powerful Business Women by Fortune 50-Most Powerful Business Women in Business Awards. In the year 2020, she has also won Padma Shri Award.



**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 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. Arun Kumar Purwar**  
Independent Director

Mr Arun Kumar Purwar works as Chairman of Eroute technologies Pvt Ltd, a fintech Co, as well as Tadas Wind Power Ltd. 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**  
Non-Executive Director

Anshuman Thakur is Senior Vice President at Jio Platforms Limited. He joined the Reliance Group in 2014 and has ever since been closely involved with the Jio business. He has over 21 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.

## Board of Directors



**Ms. Jyoti Deshpande**  
Non-Executive Director

Ms. Jyoti Deshpande, 49 years has over 27 years of experience in media and entertainment across advertising, media consulting, television and film. Ms. Deshpande is the President – Content and Media for Reliance Industries Limited and leads the company's initiatives to create original content such as films and web series across Hindi and multiple languages under the Jio Studios banner. She also has a critical oversight role across all of RIL's media investments such as Network 18 group, Balaji Telefilms and Saavn with a view to integrate the synergies across these diverse media

companies and build maximum value. She also has overall responsibility for content acquisitions for Jio mobility and fiber-to-the-home platforms.

Ms. Deshpande regularly features among Fortune India magazine's 50 Most Powerful Women in Business as well as Business Today's MPW list, both of which celebrate the journeys and triumphs of women who not only impact their organization but are also thought leaders in their industry. Ms. Deshpande was featured in Forbes Emergent 25 business women in Asia list in May 2018.



**Mr. Pradeep Kumar Sarda**  
Independent Director

Mr. Pradeep Kumar Sarda is a commerce graduate. He is chairman of the Sarda Group of Companies and of the Governing Board of the Ecole

Mondiale World School. He possesses rich experience across multiple industry verticals including paper, engineering, construction, academics and real estate.



**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 a part time lecturer in Accountancy, having worked with 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. Ramesh Gopal Sippy**  
Non-Executive Director

Mr. Ramesh Gopal Sippy is a science graduate and has over 50 years of experience in Film Industry. He has been elected as President of Indian Motion Picture Distributors' Association for nearly two decades. He is one of the leading Distributor of films in India

and has distributed large number of superhits as well as diverse set of Indian films throughout India. Mr. Sippy has demonstrated ability of successfully identifying and distributing some of the leading blockbusters as well as winners at the Indian Box Office.



**Dr. Archana Hingorani**  
Additional Director (Non-Executive Independent)

Dr. Archana Hingorani is serving as a Director on Board of Alembic Pharmaceuticals Limited, Den Networks Limited, 5Paisa Capital Limited, SIDBI Venture Capital Limited, Grindwell Norton Limited and SBI Mutual Fund Trustee Company Private Limited. She holds a bachelor's degree in arts from the University of Mumbai, a master's degree in business administration from the Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She has 24 years of experience in financial services and private equity fund investment. She is currently a Managing Partner at Siana Capital, an investment firm focused on technology and

innovation. Prior to that she was the CEO of IL&FS Investment Managers Limited as was with the group for 23 years. She has been the recipient of various awards such as 'Ten most influential women in private real estate investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today, '25 Most Influential Women in Asia Asset Management' by Asian Investor in May, 2014, and 'Distinguished International Alumnus' in the year 2016 by the Katz Graduate School of Business, University of Pittsburgh, USA. In sum, she has over 33 years' experience in the financial services business, teaching and research.

# Management discussion and analysis



## Indian economy overview

A key player in the global economy, the Indian economy emerged as one of the fastest-growing economies in early 2018, driven by strong consumption demand and steady growth across major sectors. The economy witnessed a decline in growth with an estimated GDP of 4.2% in FY 2019-20. Economic pressures that affected the global economy trickled down to impact the Indian economy as well. Domestic factors too affected investor sentiment and consumer spending, resulting in muted growth across sectors. Real estate and construction were the most severely affected and significantly contributed to a slow growth. Despite these headwinds, the Indian economy saw signs of a promising future. In 2019, India became the 5th largest economy in the world, in terms of GDP. It also obtained the 63rd rank in World Bank's 'Ease of Doing Business' report, 2019, in comparison to 77th position in 2018.

However the threat of COVID-19 is expected to drive the economy downward in 2020. Industries and business activities around the country came to a screeching halt after the nationwide lockdowns, causing severe disruptions to supply and distribution channels. In order to revive the economy, certain industries were gradually allowed to start operations, in a phased manner. A stimulus package of ₹ 20 lakh crore was also announced to bounce back growth.

The Indian economy is projected to contract by 4.5% in FY 2020-21 due to the recent COVID-19 pandemic. The pandemic is expected to have far-reaching economic and social consequences for the country, with strong cross-border spillover

effects anticipated through trade, tourism and financial linkages. In FY 2021-22, the economy is expected to record 6% growth, owing to varied government initiatives and policies aimed at instilling confidence and improving sentiments.

Global media and entertainment industry overview

With customers demanding innovative and new media experiences, the global media and entertainment (M&E) industry is transforming into an experience-led industry, thanks to the rapid evolution of technology. The global entertainment industry, consisting of theatrical and home entertainment, for the first time in its history surpassed \$100 billion in terms of revenue and touched \$101 billion at the end of 2019. The global M&E segment is likely to grow at a CAGR of 4.3% to reach US\$ 2.6 trillion by the year 2023 from its current market size of US\$

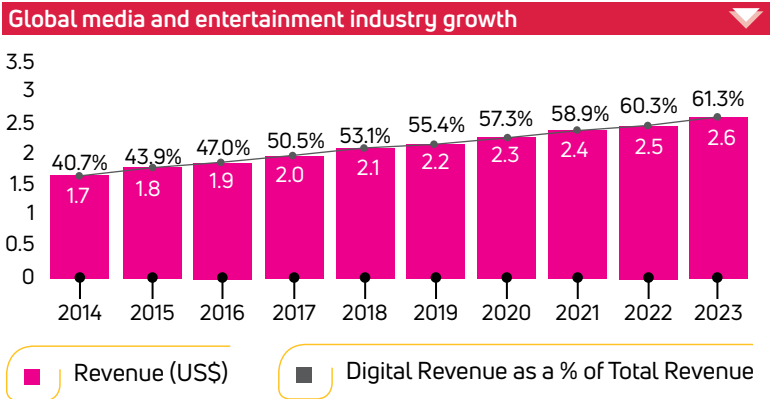


2.3 trillion.

The global M&E industry is undergoing rapid change as new technology continues to fuel fundamental shifts in the industry. Technology is massively transforming the media and entertainment industry by

creating new opportunities and better revenue models. The media consumption pattern is also changing rapidly and consumers now have the power to choose and build a personalized library, something that seemed impossible earlier.

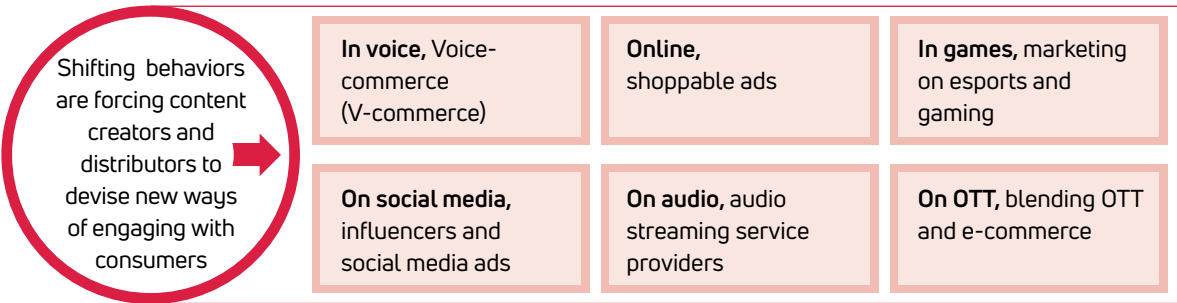
With a greater demand for personalized entertainment choices, an enhanced demand for audio or video streaming services (like Netflix, Youtube, and Amazon), delivered over the internet have been noticed. The popularity of mobile computing devices also continue to increase – leading to a disruption in the broadcast television era. It is also creating more opportunities for independent artists to leverage technology and reach a broader audience.



(Source: [http://bestmediainfo.in/mailer/nl/nl/2019\\_Global\\_E\\_M\\_Outlook.pdf](http://bestmediainfo.in/mailer/nl/nl/2019_Global_E_M_Outlook.pdf))

The global M&E segment is likely to grow at a CAGR of 4.3% to reach US\$ 2.6 trillion by the year 2023.

Key customer engagement segments



As the streaming wars continue to intensify, industry players have deployed new technologies and ways to widen their reach. Virtual reality (VR), over-the-top (OTT) video and internet advertising are some of the segments which are gaining popularity. The global M&E industry saw the launch of many new OTT services in late 2019 and early 2020. Disney (Disney+), AT&T (HBO Max), Comcast (Peacock), and Discovery (Food Network Kitchen) are some of the biggest OTT launches of 2019. With the launch of new OTT services, there is a greater focus to invest heavily in original content to provide differentiated service to a growing paid subscriber base.

Global OTT revenue is likely to increase at a CAGR of 13.8% to reach US\$ 72.8 billion by 2023. Rising consumer appetite for video-streaming services and rapid expansion of services in less developed regions are expected to stimulate growth in this segment. In 2019, we experienced the explosive popularity of some of the major OTT players, with a growing traction for E-sports.

Indian Media and Entertainment industry

There are telling signs that the Indian economy is slowing down and is likely to face some more headwinds with the recent Covid-19 outbreak. But despite the downturn, the Indian media

and entertainment (M&E) industry posted a strong growth in 2019 to reach ₹ 1.82 trillion (US\$25.7 billion), a growth of ~9% over 2018.

Further, the industry is anticipated to hold on to its growth trajectory to cross ₹ 2.4 trillion (US\$34 billion) by 2022, at a CAGR of 10%.

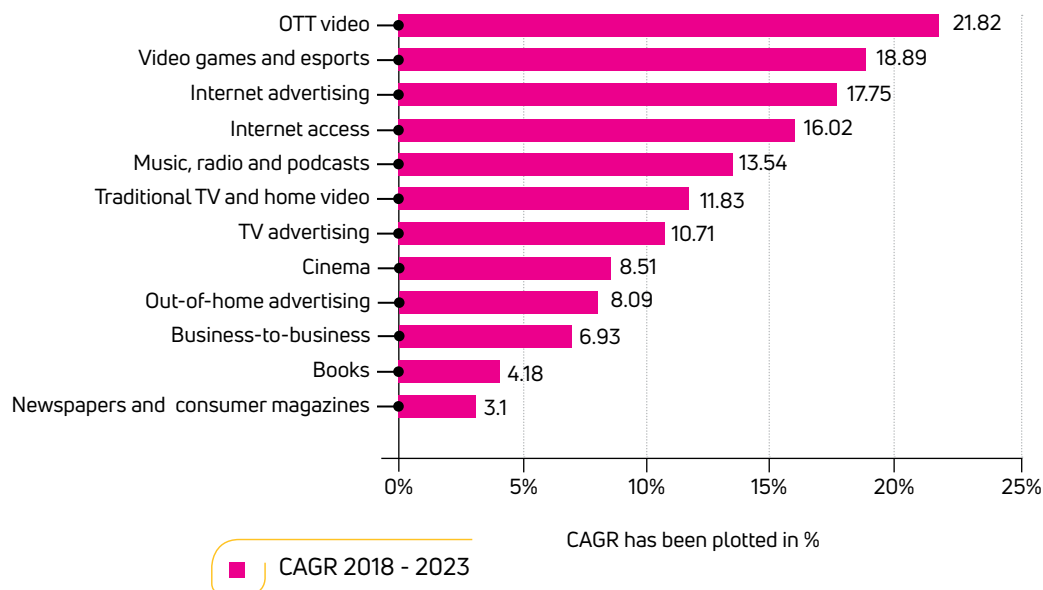
Y-o-Y Growth of the Indian M&E industry

|                      | 2018        | 2019        | 2020E       | 2022E       | CAGR 2019-22 |
|----------------------|-------------|-------------|-------------|-------------|--------------|
| Television           | 740         | 787         | 790         | 882         | 4 %          |
| Print                | 305         | 296         | 301         | 309         | 1 %          |
| Digital Media        | 169         | 221         | 279         | 414         | 23 %         |
| Filmed Entertainment | 175         | 191         | 207         | 244         | 8 %          |
| Animation and VFX    | 79          | 95          | 112         | 156         | 18 %         |
| Live Events          | 75          | 83          | 94          | 122         | 14 %         |
| Online Gaming        | 46          | 65          | 91          | 187         | 43 %         |
| Out-of-Home Media    | 37          | 39          | 41          | 46          | 5 %          |
| Radio                | 34          | 31          | 33          | 36          | 5 %          |
| Music                | 14          | 15          | 17          | 20          | 10 %         |
| <b>Total</b>         | <b>1674</b> | <b>1822</b> | <b>1965</b> | <b>2416</b> | <b>10 %</b>  |

[Note: All figures are gross of taxes (INR in billion) for calendar years]



## Segment-wise CAGR growth rate in India for the next five years



(Source: <https://www.pwc.in/industries/entertainment-and-media/global-entertainment-and-media-outlook-2019-2023.html>)

One of the sunrise sectors of the Indian economy, the Indian M&E industry stands at the cusp of rapid development, backed by rising consumer demand, rising penetration of the internet, growing digitization, and improving advertising revenues. India is expected to emerge as the fastest-growing entertainment and media market globally and is likely to sustain the growth momentum in the years ahead. Over the next five years, India is likely to witness significant growth in OTT, online gaming, and internet advertising.

As consumers continue to control their media consumption habits through an expanding array of smart devices and curate a personal selection of channels using OTT services, the industry is likely to witness change in the way media content is pitched. The soon to arrive 5G networks in India is expected to create further use cases, enhance user experiences, and create disruptions leading to newer business opportunities.

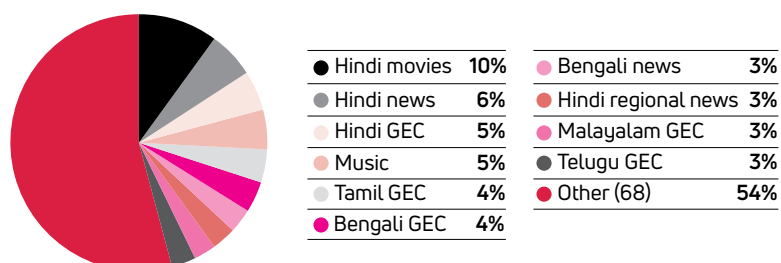
### Indian television industry and its growth prospect

Catering to more than 190 million customers across the country, the Indian television industry continues to be a critical mass entertainment medium for both rural and urban populations. Over the last six decades, since the introduction of television in India in 1959, the Indian television industry has transformed itself to match evolving audience demands.

With the second-largest TV market and one of the largest broadcasting markets in the world, the Indian

television industry grew at 6.5% in 2019 to reach ₹ 788 billion, compared to ₹ 740 billion in 2018. Supported by some mega-events like IPL and ICC Cricket, marquee events like Bigg Boss, KBC, Saregamapa and the country's general elections, revenue from TV advertising grew by 5% to touch ₹ 320 billion. Subscription services also recorded a 7% growth and reached ₹ 468 billion. In terms of advertisement expenditure volumes, a 4% decline was witnessed in 2019 but, regional channels recorded 4% growth in volumes.

### Channel genres which contributed most to ad volumes in 2019



(Source: ficci-ey-media-and-entertainment-report-2019)

With qualitative improvement of content, viewership of regional channels increased to 55% of the total viewership share of India. General entertainment and movie channels commanded a viewership of ~74% and the rest was contributed by other channels. In addition, the number of Television channels grew by 33 to reach 918 channels in 2019.

The implementation of the New Tariff Order (NTO) in February 2019 was a major event for the Indian M&E industry. The subscription growth (in terms of value) was mainly driven by growth in end-customer pricing, which was mostly driven by the implementation of NTO. However, the number of paid television subscriptions fell during the same period.

The number of paid subscribers in 2019 stood at 133 million compared to 161 million at the end of 2018. Strict implementation of the NTO 2.0 from March 2020 could, however, result in a 4% drop in subscription income. In the instance



of changes to bouquet size, pricing and channel mix, a marginal growth of up to 2% can be expected.

In terms of new channel growth, 33 new channels were added in 2019, and 27 of them were non-news channels. By 2025, television is likely to garner maximum advertising revenues, recording revenues of around ₹ 570 billion. Pay-TV is expected to grow further as more new users are anticipated to enter the Free TV market, providing low-cost advertising opportunities to marketers. The overall TV industry is likely to grow at a healthy pace of over 4% per year to cover 70% of Indian households by 2025.

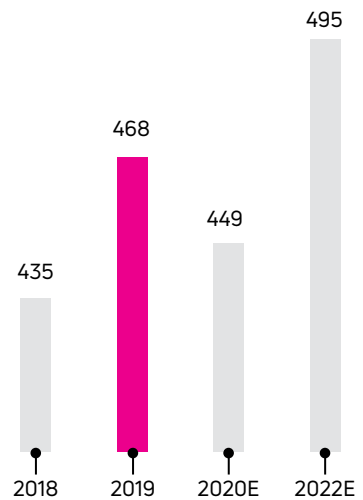
Indian Film Industry

‘India’s biggest cultural export’, the Indian film industry is one of the most prominent forms of entertainment in India and it’s the passion for films that helped

India emerge as the largest film producer in the world. The Indian film industry today is a multi-million-dollar industry employing over 6 million workers, with over a billion viewers spread across the globe.

Producing more than 75,000 films in more than 30 different languages and dialects since 1931, the Indian film industry today is the largest producer of films globally in terms of the number of films produced and also the biggest in the world in terms of ticket sales. Contributing nearly 40% to the overall revenue mix, Bollywood dominates the Indian film industry, while regional and international films contribute the remaining 50% and 7% respectively. India is currently the biggest cinema market in the world and in 2019 it recorded a 9.5% growth to reach ₹ 191 billion despite the downturn in the global and the Indian economy.

Television subscription at end-customer prices



(Source: ficci-ey-media-and-entertainment-report-2019) [Note: E - Expected]



### Year-on-year growth of the Indian film industry (₹ in billion)

|                       | 2018         | 2019       | 2020E        | 2022E        |
|-----------------------|--------------|------------|--------------|--------------|
| Domestic Theatricals  | 102.1        | 115.2      | 126.7        | 146.4        |
| Overseas Theatricals  | 30           | 27         | 25           | 30           |
| Broadcast Rights      | 21.2         | 22.1       | 23.2         | 25.5         |
| Digital/OTT Rights    | 13.5         | 19         | 23.8         | 32.8         |
| In-cinema Advertising | 7.5          | 7.7        | 8            | 8.9          |
| Home Video            | 0.2          | 0.1        | 0.1          | 0.0          |
| <b>Total</b>          | <b>174.5</b> | <b>191</b> | <b>206.7</b> | <b>243.6</b> |

(Source: ficci-ey-media-and-entertainment-report-2019) [Note: E - Expected]

In terms of new film releases, a total of 1,833 films were released in 2019 with an average of 35 films per week, as compared to 1,776 films in 2018. The industry recorded its highest-ever ₹ 100 crore club entry in 2019 with 17 Hindi films entering the club compared to 13 in 2018. Interestingly, six Bollywood movies made it to the ₹ 200 crore club during the year, compared to just three in 2018.

In terms of new film releases, the Hindi film industry topped the list with 265 releases in 2019, closely followed by the Telugu film industry releasing 263 films. A total of 1,460 regional language films were released in 2019, contributing to 80% of films released in India and generated ₹ 50.4 billion in domestic theatricals revenue vis-à-vis ₹ 47.9 billion in 2018.

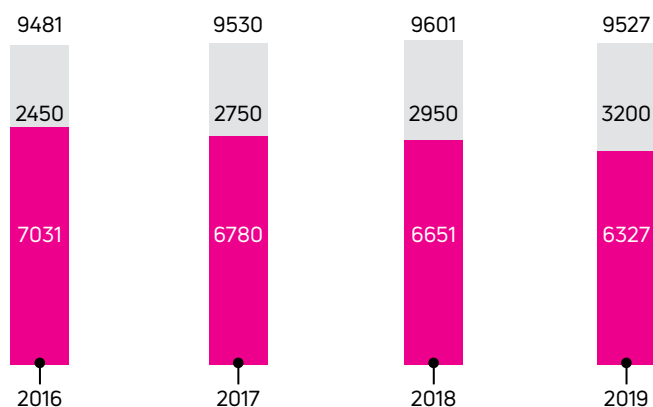
In terms of Hollywood film releases, 2019 saw a total of 108 Hollywood film releases in India, compared to 98 films in 2018 and their Gross Box Office Collection (GBOC) grew 33% over 2018. The blockbuster Hollywood release, Avengers: Endgame (2019) emerged as India's highest Hollywood grosser of all time and also the first Hollywood

movie to gross ₹ 4 billion; its GBOC of ₹ 4.3 billion contributed 28% of the GBOC of Hollywood in India.

While the overall number of movie-goers remained constant at around 100 million during the year,

a solid content pipeline coupled with multiple initiatives by film exhibitors drove higher repeat footfalls (recording an increase of 11.6% in 2019).

### Channel genres which contributed most to ad volumes in 2019



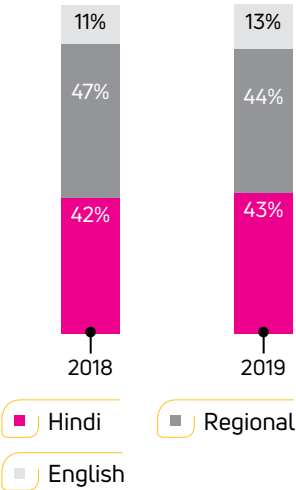
Single screens

Multiplexes

(Source: ficci-ey-media-and-entertainment-report-2019)

The domestic theatrical market grossed ₹ 115 billion in 2019, compared to ₹ 102 billion in 2018. The total GBOC collection of ₹ 49.5 billion in 2019 was the highest ever collection for Hindi theatricals at the box office. The Hindi film industry contributed approximately 43% of the GBOC, despite comprising only 14% of films released.

Changing revenue mix of the Indian film industry



(Source: ficci-ey-media-and-entertainment-report-2019)

Outlook

The year 2020 is likely to be very challenging for the Indian film industry, owing to the unprecedented Covid-19 outbreak. Amidst long periods of lockdowns, all major film releases have been stalled for an indefinite period and ongoing projects have been shelved. For the first time in the history of Indian cinema, this is likely to result in heavy financial losses for the industry and it is likely to record zero box-office collection for the 1st quarter of FY21. Further, with social distancing being the 'new' normal, multiplexes are likely to witness reduced footfalls even after the lockdown is revoked.

Due to the lockdown led by the outbreak of Covid-19, several film makers and content creators are expected to release films directly on OTT platforms and sell digital rights, thereby indicating growth in Direct to Digital market. The move is projected to bolster growth in demand for digital platforms as, platforms can use exclusive movies to increase their subscriber base.

OTT vs Cinema Theater

Aided by 20% growth in broadband subscriptions and over 4 million connected smart television sets, the OTT segment saw its subscription revenue soar by more than 100% in 2019. Yet in 2019, Indian cinema witnessed its best-ever revenues and footfalls in theatres.

While some see OTT as a threat to theatre, it is equally true that OTT also drives people to theatres, particularly fans of older sequels of franchise movies who wait for new releases.

Overview of the Digital Media industry

With more than 661 million mobile broadband subscribers, 395 million smartphone users, and 4 million connected smart TVs, the Indian digital media industry continues to grow at a rapid pace. Spurred

by growing content consumption, increasing use of smartphones clubbed with cheap data, and over-the-top (OTT) video and audio demand, India's digital media industry clocked a growth of 31% to stand at ₹ 220.7 billion at the end of 2019.

Expected growth of the digital media industry (₹ in billion)

|              | 2018  | 2019  | 2020E | 2022E |
|--------------|-------|-------|-------|-------|
| Advertising  | 154.4 | 191.5 | 235.9 | 349.6 |
| Subscription | 14.2  | 29.2  | 42.8  | 64.4  |
| Total        | 168.6 | 220.7 | 278.7 | 414.1 |

(Source: ficci-ey-media-and-entertainment-report-2019) [Note: E - Expected]

India's digital media industry clocked a growth of 31% to stand at ₹ 220.7 billion at the end of 2019 .

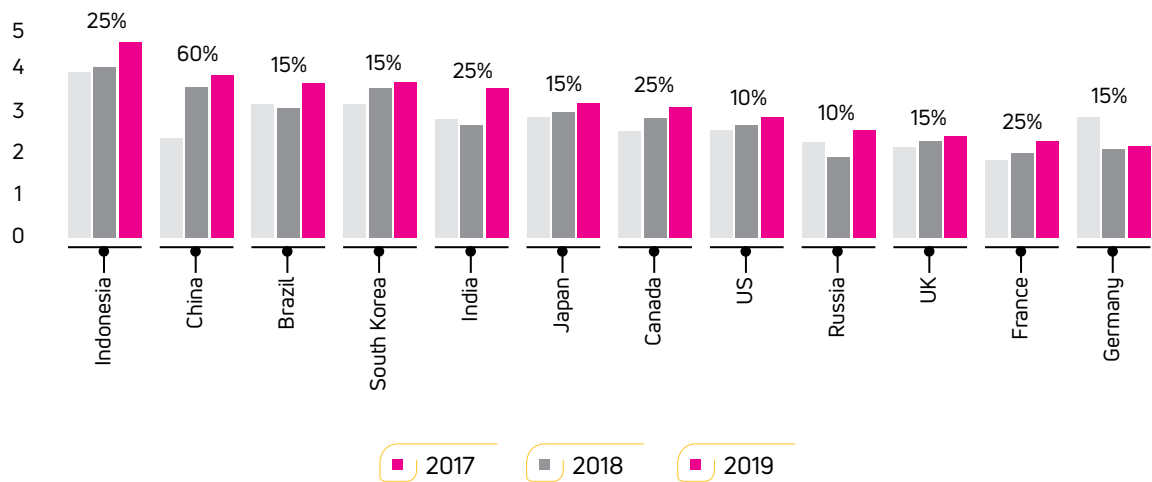


With greater government focus on improving infrastructure for digital mediums and the rising penetration of smartphones, the paid digital subscriber base crossed 10 million during the year and subscription revenue grew by more than 100% as more and more Indians showcased

their willingness to pay for quality content. Digital advertising also grew by 24% during the year, driven by increased consumption of content on digital platforms and marketers’ tilt towards measurability and performance.

Further impetus to the industry is likely to be provided by the recent outbreak of Covid19. With the prevailing country-wide lockdowns, the digital and OTT platforms emerged as one of the preferred mediums of entertainment.

Segment-wise CAGR growth rate in India for the next five years



(Source: ficci-ey-media-and-entertainment-report-2019)

Outlook

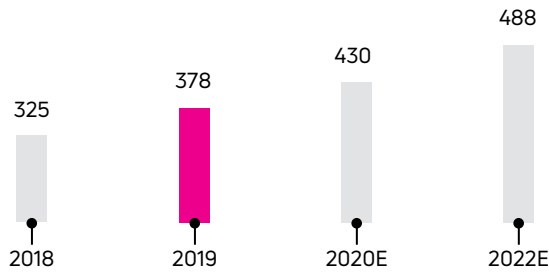
The digital media industry is constantly innovating and introducing new applications to the market. However, it is causing major disruptions for traditional players who are slowly losing ground. The changes are also evident in the growing internet advertisement expenditure. Streaming services are establishing a strong footing and providing critical platforms for marketing. With the incorporation of AI and virtual reality, publishers can now personalize content to the liking of audiences, thereby maximizing its impact on consumers. The shift to digital entertainment platforms point towards a constant growth of the digital media industry in the years to come.

Company overview

Balaji Telefilms Limited is one of the largest Hindi content production houses in India with a strong foothold across TV, Movies and Digital. Balaji is credited with introducing some of the biggest and most loved shows on Indian television to a loyal audience.

With more than two decades of presence in the industry, the Company focuses on growing its viewership base across mediums. Further, Balaji Telefilms aims to improve customer experiences constantly by offering an array of fresh content and focusing on an ideal programming mix, curated to delight diverse audiences. In addition, the Company looks forward to further improve its video streaming platform ALTBalaji, to introduce more exclusive and original content. The Company also creates some of ‘Bollywood’s’ most memorable movies, characters, music and dialogues across mass commercial and niche cult cinema.

India’s growing online video viewers (million)



(Source: ficci-ey-media-and-entertainment-report-2019)

Major highlights for the year

- Targeting the mass Indian audience, ALTBalaji emerged as a leader in the original Hindi SVOD space and one of the few homegrown success stories in the OTT space.
- Total content library of ALTBalaji during the year reached 60 original shows, one of the largest in the country
- Original shows include blockbuster hits that are running into multiple seasons
- FY20 was another year of strong performance by ALTBalaji, growing its direct subscription revenue by over 100%, and total revenue to ₹ 77 crore as on 31st March, 2020, compared to ₹ 41 crore in the previous year
- ALTBalaji was awarded the ‘OTT platform of the year’ at Digixx Awards & vIDEA 2019
- The Company entered into an exclusive content partnership with ZEE5 during the year
- The Company’s has some of the most successful shows across broadcasters like Kasautii Zindagii Kay, Kumkum Bhagya, Kundali Bhagya & Naagin 4
- During the year Balaji strengthened its resilient business model across TV, movies and digital platforms. It added 26+ new shows during the year. It also Added 823 hours of television content during the year and released 3 new movies during the year
- The Company delivered strong business performance and recorded an EBITDA of ₹ 11 crore as compared to (₹ 105 crore) in the previous year





## Risk factors

If our efforts to attract and retain our viewers and subscribers are not successful, our business will be adversely impacted.

We have experienced significant viewer and subscriber growth over the last couple of years. Our ability to continue to attract new subscribers will depend, in part, on our ability to consistently provide our subscribers with compelling content choices, effectively market our service, as well as provide a quality experience for selecting and viewing different TV series and movies. At Balaji Telefilms, our key focus remains on entertaining our viewers and subscribers with original and fresh content. This effort is reflected by our industry ratings and the popularity of shows. With a rich legacy of making viewer-friendly content, many of our regular soaps come within the top 10 shows in terms of TRP.

Changes in competitive offerings for entertainment video could adversely impact our business.

The entertainment industry is intensely competitive and subject to rapid change. Through new and existing distribution channels, consumers have increasing options to access to different modes of entertainment. At Balaji Telefilms, we are passionate about captivating our customers through original and diverse

content with the help of cutting-edge technology.

The rapid adoption of pirated content can severely impact our business.

Piracy is one of the biggest threats to the film and entertainment industry across the globe. As a proactive company, we have taken a number of measures to reduce the impact of piracy. First, we have employed a number of monitoring and tracking tools to locate and take down any pirated content. Second, we have enforced strong IP and ownership rights via contracts and agreements with different parties to reduce the instances of piracy. To mitigate the risk further, we pre-sell a large portion of the movie's economic rights to recover the production cost of these movies.

Changes in technology and consumer consumption patterns may affect demand for our entertainment products.

The media and entertainment businesses in which we operate is increasingly dependent on our ability to successfully adapt to shifting patterns of content consumption through the adoption and exploitation of new technologies. New technologies affect the demand for our products, the manner in which our products are distributed to consumers, ways we charge for and receive revenue for our

entertainment products and the stability of those revenue streams, the sources, and nature of competing content offerings, the time and manner in which consumers acquire and view our entertainment offerings and the options available to advertisers for reaching their desired audiences. The Company has adopted some of the latest technologies to provide its customer with remarkable user experience. Further, we have implemented a cloud-based video management system with a focus on advanced big data and analytical solutions to help gauge the needs of our subscribers and develop content accordingly.

Any disruption or delay in the production of new content may affect our content pipeline thereby impacting the business.

The outbreak of covid-19 has affected all businesses across economies. Our ability to successfully create content depends upon the availability, diversity and appeal of filmed content as well as the environment in which the content is being produced. The outbreak poses a risk to our ability to produce content. However, to minimize the impact, we have resumed our operations in adherence to all the standard operating procedures and social distancing norms prescribed by the local authorities. Although, the operations still remain unhedged.

**Financial and Operational Performance**

The detailed financial and operational performance is provided on page no. 8 and page no. 9.

**Human resource**

At Balaji Telefilms, the creative minds are considered true assets for the business and losing them could have a material adverse effect on the Company’s performance. The Company encourages skill development and fosters its human capital as its greatest resource and the primary force for shaping the future of the Company. Therefore, it strives to discover and retain talented people to enhance operational abilities.

The company enjoys the support of a committed and a satisfied human capital. It offers competitive compensation packages and employs the best recruitment, training and performance appraisal methods to attract and retain top talent. These practices allow the Company to keep the attrition rate well below the industry average. As of 31st March 2020, the total workforce of Balaji Telefilms is well over 244 employees.



**Internal control system and adequacy**

The Company has in place well-established policies and procedures for internal control of operations and activities. It continuously strives to integrate the entire organization – from strategic support functions to core operational functions.

The Company has put in place a set of standards that enables it to implement internal financial control across the organization and ensures that the same are adequate and operating effectively. The findings and recommendations of the statutory and internal auditors

are periodically reviewed by the Board, which suggests corrective actions based on them when required. The Audit Committee of the Board of Directors is also active in the system of checks and balances that ensure the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

**Cautionary statement**

The statements 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.





BALAJI TELEFILMS LIMITED

# Board's Report

The Directors take pleasure in presenting the 26<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2020.

## COMPANY PERFORMANCE

### FINANCIAL HIGHLIGHTS

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

(₹ in Lacs)

| Particulars   | STANDALONE       |                  | CONSOLIDATED      |                    |
|---|------------------|------------------|-------------------|--------------------|
|   | 2019-20          | 2018-19          | 2019-20           | 2018-19            |
| Income from operations                                  | 57,662.80        | 44,030.15        | 57,355.48         | 42,770.87          |
| Less: Total expenditure                                 | 45,246.42        | 42,558.48        | 56,282.10         | 53,281.78          |
| <b>Operating profit</b>                                 | <b>12,416.38</b> | <b>1,471.67</b>  | <b>1,073.38</b>   | <b>(10,510.91)</b> |
| Less: Interest  | 242.44           | -                | 266.21            | 2.22               |
| Less: Depreciation                                      | 3,313.46         | 1,308.79         | 3,884.70          | 1,806.39           |
| <b>Operating Profit after interest and depreciation</b> | <b>8,860.48</b>  | <b>162.88</b>    | <b>(3,077.53)</b> | <b>(12,319.52)</b> |
| Add: Other income                                       | 605.67           | 2,482.16         | 860.70            | 3,176.67           |
| <b>Profit before tax</b>                                | <b>9,466.15</b>  | <b>2,645.04</b>  | <b>(2,216.83)</b> | <b>(9,142.85)</b>  |
| Less: Provision for taxation                            | 3,679.21         | 632.58           | 3,679.21          | 632.58             |
| <b>Net profit after tax</b>                             | <b>5,786.94</b>  | <b>2,012.46</b>  | <b>(5,896.04)</b> | <b>(9,775.43)</b>  |
| other comprehensive income                              | (9.50)           | (3.81)           | 5.19              | 29.60              |
| Less: Net loss attributable to Non-controlling interest | -                | -                | (18.03)           | (40.10)            |
| <b>Net profit attributable to owners of the Company</b> | <b>5,777.44</b>  | <b>2,008.65</b>  | <b>(5,872.82)</b> | <b>(9,705.73)</b>  |
| Balance of retained earnings                            | 24,077.49        | 22,472.53        | (783.85)          | 9,381.15           |
| Adj on adoption of Ind AS 116/ 115                      | (132.03)         | 83.98            | (186.38)          | 374.33             |
| Impact of change in Ownership                           | -                | -                | -                 | (330.93)           |
| <b>sub total</b>  | <b>29,722.90</b> | <b>24,565.16</b> | <b>(6,843.05)</b> | <b>(281.18)</b>    |
| Appropriation:  |                  |                  |                   |                    |
| Share issue expenses                                    | -                | -                | (7.50)            | (15.00)            |
| Conversion of preference shares into equity             | -                | -                | 2.00              | -                  |
| Payment of Dividend                                     | (809.04)         | (404.52)         | (809.04)          | (404.52)           |
| Dividend distribution tax                               | (166.30)         | (83.15)          | (166.30)          | (83.15)            |
| <b>Balance carried to Balance Sheet</b>                 | <b>28,747.56</b> | <b>24,077.49</b> | <b>(7,823.89)</b> | <b>(783.85)</b>    |

### RESULTS OF OPERATIONS

During the year under review, the Standalone Revenue from operations of the Company is ₹ 57,662.80/- lacs an increase of 31% over the previous year's ₹ 44,030.15/- Lacs. As per the Consolidated Accounts, the total revenue from operations has increased by 34% from ₹ 42,770.87/- Lacs to ₹ 57,355.48/- Lacs during the year. Your Company had a Standalone growth with a Net profit after tax of ₹ 5,786.94/- Lacs during the year as compared to Net profit of ₹ 2,012.46/- Lacs of previous year.

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

### DIVIDEND

During the year under review, your Directors at their meeting held on February 12, 2020 had declared an interim dividend of ₹ 0.40/- per Equity Share of the face value of ₹ 2/- each for the financial year ended March 31, 2020.

The Interim Dividend was paid to the Members whose name appeared in the Register of Members, as on Tuesday, February 25, 2020. The total dividend for the financial year absorbed was ₹ 9,75,34,426/- including Dividend Distribution Tax of ₹ 1,66,30,072/-.

## INVESTOR EDUCATION AND PROTECTION FUND

In terms of the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹ 61,435/- of unpaid/unclaimed dividend was 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 ₹ 28,747.56/- 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

The paid-up Equity Share Capital of the Company as on March 31, 2020 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, 34.33% held by Promoters and Promoter Group, all in dematerialized form and balance of 65.67% is held by persons other 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 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

There was no change in nature of business during the year under review.

## 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, 2020 your Company has following Subsidiaries:

### 1. BALAJI MOTION PICTURES LIMITED (BMPL)

BMPL is into the business of distribution of motion pictures and films. It is a wholly-owned subsidiary of Balaji Telefilms Limited (BTL).

### 2. ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALT Digital)

The Company's Direct to consumer digital content business is housed under ALT Digital. The Company focuses on creating original and exclusive content for India's Digital Audience.

It is a wholly-owned subsidiary of Balaji Telefilms Limited (BTL). Like previous year ALT Digital continues to be a material subsidiary of BTL w.e.f. April 01, 2019 as its net worth exceeded 10% of the consolidated net-worth of BTL in the immediately preceding accounting year.

### 3. CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED (CBEPL)

CBEPL is a Kolkata-based subsidiary of Balaji Telefilms Limited, producing television and digital content in Bengali. During the year the Company has impaired the value of investment in CBEPL and the company will be liquidated in the foreseeable future.

### 4. MARINATING FILMS PRIVATE LIMITED (MFPL)

MFPL is a subsidiary of Balaji Telefilms Limited and is the creator producer of reality shows and events.

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.



## EMPLOYEE STOCK OPTION PLAN (ESOP)

The applicable disclosures under SEBI (Share Based Employee Benefits) Regulations, 2014 (the “ESOP Regulations”) as at March 31, 2020 with respect to ESOP 2017 is available on the website of the Company at [http://www.balajitelefilms.com/pdf/ESOP\\_2019\\_Disclosure\\_under\\_SEBI\(SBEB\)%20\\_Regulations\\_2014.pdf](http://www.balajitelefilms.com/pdf/ESOP_2019_Disclosure_under_SEBI(SBEB)%20_Regulations_2014.pdf). During the year, there has not been any material change in the Company’s Employee Stock Option Scheme.

Members seeking to inspect certificate from M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, with respect to the implementation of ESOP Scheme are required to send an email to [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com).

## 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, 2020 for the Subsidiaries are annexed along with the Annual Report.

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

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company is prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) and forms part of the Annual Report.

The Annual Financial Statements of the subsidiaries and related detailed information forms part of the Annual Report.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

### IMPACT OF COVID-19 ON BUSINESS

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic, while being a necessary measure to contain its spread, have also

posed an unprecedented challenges to all businesses and the business operations. The Company have also been impacted.

Availability of fresh content is constrained because of stoppage of all the shooting and other allied production activities resulting in revenue loss for the Company. Availability of new digital content is constrained because of stoppage of fresh productions and the Company has managed to release shows that were in inventory. There was no major impact on control environment and operating effectiveness of internal controls as the month end / year end / other controls were operated by way of digital or e-mail sign-offs and online reviews through teleconferencing and Video Conference during the lock down period.

### Ability to maintain operations during lockdown

The Company managed to ensure smooth functioning of critical operations by providing necessary digital infrastructure including laptops / desktops, VPN access, video conferencing tools, etc. to allow employees to operate from home. All on site production remained closed as the Company followed local regulations during the lockdown.

The Company resumed its content production operations as per the directives and permissions of the State Government and other statutory and trade bodies on June 26, 2020, complying with the advisories issued by concerned authorities and following all health and safety measures. Corporate offices were opened as per the directions received from the concerned authorities and were operating at 10% capacity.

### Steps taken to ensure smooth functioning of operations post resumption

We have taken the following steps to ensure smooth functioning of operations post conclusion of the lockdown period:

- i. The Company has identified people in each function whose physical presence in office is essential to maintain smooth operations of the Company.
- ii. The Company has taken safety measures such as suspending biometric attendance, making hand sanitizer available at key areas around the office including entry and exit points, ensuring that thermal screening takes place during entry and exit, maintaining social distancing in seating and common areas.
- iii. The Company has prepared a detailed manual capturing the guidelines to be followed on

resumption of offices to be shared with all the employees at the time of resumption.

- iv. On the Content Production operations, the Company is adhering to all SOP's as laid out by the State Government and Trade bodies and operating with a reduced staff for the shooting.

#### **Estimation of the future impact of Covid19 on the operation**

Company understands that this is a temporary setback and is confident that the economy and the media and entertainment sector will bounce back soon with rejuvenated demand and advertising spends. Subject to the Covid 19 situation improving in the country and no relapse of a lockdown, the Company anticipates normalcy to start setting in towards the end of Q2 FY2020-21.

The Company sees a positive trend of content aggregators needing more content, allowing the Company to profitably sell its produced content. The Company continues to evaluate alternate options to monetise its content.

Even though the current situation is very volatile, we are confident about our ability to manage the crisis and come out of it in a strengthened position. The Company has taken various steps to mitigate the adverse impact of Covid-19 on the business which includes reduction in employee costs across all levels for a limited period, waiver of rentals and maintenance charges for the leased properties and other cost optimization across various overheads.

#### **Below are the details of impact of Covid-19 on the Company:-**

- Financial resources, profitability and liquidity position:  
  
The Company has sufficient liquidity to fund its businesses and its future commitments.
- The revenue and profitability for the Company for Q1 FY21 is expected to be severally impacted for its TV business which mainly comprises of commissioned sales for the leading broadcast companies. As the production process has been stopped during the lockdown phase, the Company has not been able to deliver TV series to any of its broadcast companies and correspondingly no revenue has been recognized. Production has resumed effective June 26, 2020 with authorities allowing the production of TV series to resume

with strict guidelines. The Company during the lockdown phase also concluded a sale of its 3 library series of its digital content for an OTT platform and its broadcast arm.

- The Company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic.
- The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.
- There is no adverse impact on Capital and Financial Resources of the Company.
- **Internal financial reporting and control:**  
  
The Company has adopted strong and adequate measures along with daily review mechanisms with senior management to effectively manage internal MIS and other processes.
- **Demand for its products / services:**  
  
Content demand has become more strong with the lockdown and gradual unlocking. Company expects demand pre lockdown to continue, if not higher.

#### **DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP'S)**

##### **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 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 26<sup>th</sup> AGM of the Company. The Board recommends his re-appointment as Non-Executive Director of the Company.

#### Continuation of Directorship

Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the continuation of Mr. Arun Kumar Purwar (DIN: 00026383) as Non-Executive Independent Director of the Company on attaining the age of 75 years w.e.f. May 14, 2021 requires Members' approval by way of Special Resolution.

Appropriate resolution for the continuation of Mr. Arun Kumar Purwar as Non-Executive Independent Director of the Company is being placed for the approval of Members of the Company at the ensuing AGM. The Board recommends his continuation as Non- Executive Independent Director of the Company.

#### Appointment of Non-Executive Director

During the year under review, the Mr. Ramesh Sippy was appointed as a Non-Executive Director by the Members of the Company at the Annual General Meeting held for financial year 2018-19.

#### Appointment of Independent Director

The Board of Directors, had appointed Dr. Archana Hingorani as an Additional Director (Non-Executive Independent) Director of the Company vide resolution passed by circulation on August 26, 2020 who will hold office upto the date of ensuing AGM and shall not be liable to retire by rotation.

Appropriate resolution for her appointment as Non-Executive Independent Director is being placed for the approval of the Members of the Company at the ensuing AGM. The Board recommends her appointment as Non-Executive Independent Director of the Company.

#### Resignation of Independent Director

Mr. Ashutosh Khanna, Independent Director of the Company stepped down from the Board w.e.f. July 22, 2020 due to personal reasons. The Board places on record, its appreciation for his inspiring guidance and his contribution to improve the overall functioning of the Company. Mr. Khanna has confirmed that there were no other material reasons other than those provided in his resignation letter.

#### Change in Key Managerial Personnel (KMPs)

During the year under review, Mr. Sunil Lulla has resigned as a Group Chief Executive Officer of the Company w.e.f. August 14, 2019 due to personal reasons. The Board places on record, its appreciation for his inspiring guidance and his contribution to improve the overall functioning of the Company.

#### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

#### AUDITORS

##### STATUTORY AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 23<sup>rd</sup> Annual General Meeting (AGM) held on August 31, 2017 had approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP for a term of 5 (five) consecutive years, to hold office till the conclusion of the AGM to be held for the financial year 2021-22. M/s. Price Waterhouse Chartered Accountants LLP have confirmed that they are not disqualified from continuing as Auditors of the Company.

While the Statutory Audit Report of M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants do not contain any qualification, reservation or adverse remarks, the Statutory Auditor in their report on standalone and consolidated financial statement have included Emphasis of Matter drawing Members attention to Note No 40 and Note No 44 of standalone and consolidated Financial Statement respectively, in connection with receivables from one of its co-producer and a film Director.

Statutory Auditor have also included Emphasis of Matter drawing Members attention to Note No 45 and Note No 50 of Standalone and consolidated Financial Statement respectively, in connection with uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation.

## 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 the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. MMJB & Associates LLP, Company Secretaries as Secretarial Auditors of the Company for the financial year 2020-21.

## 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. MMJB & Associates LLP, Company Secretaries in Form No. MR-3 for the financial year 2019-20 is appended as Annexure II to the Board's 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.

## COMMITTEES OF THE BOARD

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, the Board had constituted various Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Internal Complaints 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 IMPLEMENTED 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 Corporate Social Responsibility Policy of the Company is also posted on the website of the Company which may be accessed at <http://www.balajitelefilms.com/corporate-social-responsibility.php>. The Annual Report on CSR activities is annexed herewith as Annexure III to the Board's Report.

## OTHER DISCLOSURES

### i) EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as Annexure IV, which forms part of the Board's Report and is also available on the website of the Company at [http://www.balajitelefilms.com/annual\\_return.php](http://www.balajitelefilms.com/annual_return.php)

### ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Board or Audit Committee, as required under Section 134(3)(ca) and 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 the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### 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 work groups. 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 at <http://www.balajitelefilms.com/whistle-blower-policy.php>

**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 to the Board's 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 Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure V to the Board's 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://www.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 basis. All Related Party Transactions

entered during the year were in ordinary course of the business and on arm's length basis except letting out of premises to Subsidiary Companies for using it as its Registered office on on-going basis without charging any rent. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure VI in Form AOC-2 and the same forms part of the Board's report.

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/- crores (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, and Regulation 23 of Listing Regulations, Members approval for such transaction need not be sought if the transaction is between the Holding Company and its wholly-owned Subsidiaries whose accounts are consolidated with the holding Company and placed before the shareholders at the General Meeting for approval.

**ix) BUSINESS RISK MANAGEMENT**

The Company has in place Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013. 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. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

**x) FIXED DEPOSITS**

During the year under review the 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 a Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee and Apex Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year 2019-20, 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 and material orders passed by the Regulators/Courts which would impact the going status of the Company & its future operations.

**xiv) REMUNERATION OR COMMISSION TO MANAGING DIRECTOR**

The Managing Director of the Company has not received any remuneration or commission from any of the subsidiary companies.

**xv) SCHEME OR PROVISION OF MONEY FOR THE PURCHASE OF ITS OWN SHARES**

The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors of the Company.

**xvi) REVISION IN FINANCIAL STATEMENTS AND BOARD'S REPORT**

During the year under review, there was no revision of financial statement and Boards report of the Company.

**CONSERVATION OF ENERGY AND 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 equipment. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipment with more energy-efficient equipment. Currently, we use Light Emitting Diode (LED) 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 ₹ 1,753.34/- Lacs (Previous Year ₹ 1,354.36/- Lacs) and the foreign exchange outgo in terms of actual outflows is ₹ 47.85/- Lacs (Previous Year ₹ 73.91/- 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.

**BUSINESS RESPONSIBILITY REPORT**

Business Responsibility Report as per SEBI Listing Regulations are presented in separate sections forming part of this Annual Report.

**MEETINGS OF THE BOARD**

During the year under review, 4 (four) 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, 2020, the Board comprised of twelve Directors, of whom two are Executive Directors, four Non-Executive Non- Independent Directors and six Independent 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://www.balajitelefilms.com/nomination-remuneration-policy.php>

*During the year under review clause II of Part B of the policy was modified which reads as under:*

### Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### • Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## DEVIATION OF FUNDS-PREFERENTIAL ALLOTMENT

During the year under review, there has been no deviation in the use of proceeds from the objects stated in the explanatory statement to the Notice for the General Meeting, which was held for allotment of shares to Reliance Industries Limited on preferential basis.

## 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 and 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 etc.

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

## EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 and Listing Regulations provides 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 Nomination and Remuneration Committee carries out review of the performance of the Board of Directors, based on feedback received from the Directors. The evaluation of the Board as a whole, its Committees and Individual Directors including Executive Director, Non-Executive Director and Independent Director was conducted based on the criteria and framework adopted by the Board. The Board takes note of 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, 2020, 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, 2020 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

**Place:** Mumbai  
**Date:** July 22, 2020

Sd/-  
**Jeetendra Kapoor**  
Chairman  
**DIN:** 00005345

# ANNEXURE I

FORM AOC-1

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]

| Sr. No. | 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 |
|---------|---|----------------|---------------------|---------------|---------------|--------------------|--------------|-------------------|-------------|----------|--------------------------|--|-------------------------|-------------------|
|         |   |                |                     |               |               |                    |              |                   |             |          |                          |  |                         | (₹ in lacs)       |
| 1.      | Balaji Motion Pictures Limited                  | March 31, 2020 | N.A.                | N.A.          | 200.00        | (296.38)           | 3,017.78     | 3,114.16          | -           | 615.41   | 109.71                   | -  | 109.71                  | 100               |
| 2.      | ALT Digital Media Entertainment Limited         | March 31, 2020 | N.A.                | N.A.          | 60,005.00     | (33,684.83)        | 38,550.75    | 12,230.58         | 2,143.62    | 7,774.91 | (11,138.96)              | -  | (11,138.96)             | 100               |
| 3.      | Marinating Films Private Limited                | March 31, 2020 | December 24, 2014   | N.A.          | 771.00        | (648.03)           | 318.49       | 195.52            | 74.13       | 1,106.83 | (95.13)                  | -  | (95.13)                 | 99.95             |
| 4.      | Chhayabani Balaji Entertainment Private Limited | March 31, 2020 | N.A.                | N.A.          | 255.00        | (241.11)           | 26.28        | 12.39             | -           | -        | (35.96)                  | -  | (35.96)                 | 50                |

For and on behalf of the Board of Directors

Sd/-  
**Jeetendra Kapoor**  
 Chairman  
 DIN: 00005345

Place: Mumbai  
 Date: July 22, 2020

# ANNEXURE II

FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31<sup>st</sup> March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 400053.

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 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 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 31<sup>st</sup> March, 2020 (hereinafter called the '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 31<sup>st</sup> March, 2020 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 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;
- (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, 2018 (**Not Applicable to the Company during the Audit Period**);
- (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**) and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**).

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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, having regard to the compliance system prevailing in the Company and on the 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 composition of the Board of Directors during the period under review was 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 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.

**For MMJB & Associates LLP**  
Practicing Company Secretaries

Sd/-  
**Bhavisha Jewani**  
Designated Partner  
FCS No. 8503  
CP. No. 9346  
UDIN: F008503B000486607

**Place:** Mumbai  
**Date:** 22<sup>nd</sup> July, 2020

*\*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 400053.

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 MMJB & Associates LLP**  
Practicing Company Secretaries

Sd/-  
**Bhavisha Jewani**  
**Designated Partner**  
FCS No. 8503  
CP. No. 9346  
UDIN: F008503B000486607

**Place:** Mumbai  
**Date:** 22<sup>nd</sup> July, 2020



## 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 <a href="http://balajitelefilms.com/corporate-social-responsibility.php">http://balajitelefilms.com/corporate-social-responsibility.php</a> |
| 2. | The Composition of the CSR Committee   | Mr. Jeetendra Kapoor – Chairman<br>Mrs. Shobha Kapoor – Member<br>Mr. Duraiswamy Gunaseela Rajan – Member<br>Mr. Ashutosh Khanna – Member  |
| 3. | Average Net Profit of the Company for last three financial years   | ₹ 2,686.15/- Lacs  |
| 4. | Prescribed CSR Expenditure (2% of the average net profit of the Company for last three financial years)  | ₹ 53.72/- Lacs   |
| 5. | Details of CSR Spent during the financial year<br>a) Total amount to be spent for the financial year.<br>b) Amount unspent, if any.<br>c) Manner in which the amount spent during the financial year | Details of CSR Spent during the financial year<br>₹ 54.62/- Lacs<br>NIL<br><br>Refer Annexure A  |
| 6. | Reasons for not spending 2% of the average net profit of the last three financial years:   | N.A.   |
| 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

(Amount in ₹)

| Sr. No. | CSR project or activity Identified | Sector in which the Project is covered (Clause no. of Schedule VII to the Companies Act, 2013) | 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 Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: | Cumulative expenditure upto to the March 31, 2020 | Amount spent Directly or through implementing agency |
|---------|------------------------------------|--|---|---|---|---|--|
| 1.      | Old Age Home                       | CL (ii) Providing help to old age people   | Local Area  | 19,36,258                                       | 19,36,258   | 19,36,258   | Direct   |
| 2.      | Alert India                        | CL (i) Providing aid for Health Care   | Local Area  | 2,50,000  | 2,50,000  | 2,50,000  | Direct   |
| 3.      | Ketto Foundation                   | CL (i) Providing aid for Health Care   | Local Area  | 4,00,000  | 4,00,000  | 4,00,000  | Direct   |
| 4.      | Surya Children's Medicare Pvt Ltd  | CL (ii) Providing Financial assistance for Education   | Local Area  | 1,00,000  | 1,00,000  | 1,00,000  | Direct   |
| 5.      | St Cathering Society               | CL (ii) Providing Financial assistance for Education   | Local Area  | 3,600   | 3,600   | 3,600   | Direct   |
| 6.      | Chief Minister Relief Fund         | CL (ii) Livelihood enhancements  | Maharashtra   | 3,00,000  | 3,00,000  | 3,00,000  | Direct   |
| 7.      | Sind Educationists Association     | CL (ii) Providing Financial assistance for Education   | Local Area  | 10,000  | 10,000  | 10,000  | Direct   |
| 8.      | Mit Vishwashanti Gurukul           | CL (ii) Providing Financial assistance for Education   | Local Area  | 12,90,000                                       | 12,90,000   | 12,90,000   | Direct   |
| 9.      | Education Welfare                  | CL (ii) Providing Financial assistance for Education   | Local Area  | 5,26,062  | 5,26,062  | 5,26,062  | Direct   |
| 10.     | Animal Welfare                     | CL (iv) Providing aid for Animals  | Local Area  | 6,40,035  | 6,40,035  | 6,40,035  | Direct   |
| 11.     | Social Welfare                     | CL (ii) Livelihood enhancements  | Local Area  | 6,000   | 6,000   | 6,000   | Direct   |
|         | <b>Total</b>                       |  |   | <b>54,61,955</b>                                | <b>54,61,955</b>  | <b>54,61,955</b>                                  |  |

For and on behalf of the CSR Committee

Sd/-  
**Shobha Kapoor**  
 Managing Director  
 (DIN:00005124)

Sd/-  
**Jeetendra Kapoor**  
 Chairman-CSR Committee  
 (DIN: 00005345)

Place: Mumbai  
 Date: July 22, 2020



## ANNEXURE IV

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

[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.<br>Tel:- +91-022-40698000<br>Fax: +91-022-40698181/82<br>Email: <a href="mailto:investor@balajitelefilms.com">investor@balajitelefilms.com</a><br>Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>                          |
| 6. | Whether listed Company   | Yes  |
| 7. | Name, Address & Contact details of the Registrar & Transfer Agent, if any. | M/s. KFin Technologies Private Limited<br>Selenium Tower-B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032, Telangana<br>Tel: +91-40 6716-2222/ 7961-1000<br>Fax: +91-40-23440674<br>Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a><br>Website: <a href="http://www.kfintech.com">www.kfintech.com</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 Motion Pictures Limited*                  | U22300MH2007PLC168515 | Wholly – Owned Subsidiary Company | 100              | 2 (87)             |
| ALT Digital Media Entertainment Limited *        | U74999MH2015PLC266206 | Wholly – Owned Subsidiary Company | 100              | 2 (87)             |
| Marinating Films Private Limited*                | U74120MH2011PTC220971 | Subsidiary Company                | 99.95            | 2 (87)             |
| 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-400053, Maharashtra.

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### i) Category-wise Shareholding:

| Category of Shareholders  | No. of Shares held at the beginning of the year<br>i.e. April 01, 2019 |          |             |                   | No. of Shares held at the end of the year<br>i.e. March 31, 2020 |          |             |                   | % Change during the year |
|---|--|----------|-------------|-------------------|--|----------|-------------|-------------------|--------------------------|
|   | Demat  | Physical | Total       | % of Total Shares | Demat  | Physical | Total       | % of Total Shares |                          |
| A. Promoters & Promoters Group  |  |          |             |                   |  |          |             |                   |                          |
| (1) Indian  |  |          |             |                   |  |          |             |                   |                          |
| a) Individual/ HUF  | 3,46,07,830  | 0        | 3,46,07,830 | 34.22             | 3,47,22,002  | 0        | 3,47,22,002 | 34.33             | 0.11                     |
| b) Central Govt   | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| c) State Govt(s)  | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| d) Bodies Corporate   | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| e) Banks / FI   | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| f) Any other  | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| Sub-total (A)(1)  | 3,46,07,830  | 0        | 3,46,07,830 | 34.22             | 3,47,22,002  | 0        | 3,47,22,002 | 34.33             | 0.11                     |
| (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)                                  | 3,46,07,830  | 0        | 3,46,07,830 | 34.22             | 3,47,22,002  | 0        | 3,47,22,002 | 34.33             | 0.11                     |
| B. Public Shareholding  |  |          |             |                   |  |          |             |                   |                          |
| (1) Institutions  |  |          |             |                   |  |          |             |                   |                          |
| a) Mutual Funds/UTI   | 5,16,339   | 0        | 5,16,339    | 0.51              | 5,16,339   | 0        | 5,16,339    | 0.51              | 0.00                     |
| b) Banks / FI   | 5,01,370   | 0        | 5,01,370    | 0.50              | 8,12,227   | 0        | 8,12,227    | 0.80              | 0.31                     |
| c) Central Govt   | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| d) State Govt(s)  | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| e) Venture Capital Funds  | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| f) Insurance Companies  | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| g) Foreign Investors  | 1,93,98,743  | 0        | 1,93,98,743 | 19.18             | 1,86,06,990  | 0        | 1,86,06,990 | 18.40             | -0.78                    |
| h) Foreign Venture Capital Investors  | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| i) Qualified Foreign Investor   | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| j) Others   | 0  | 0        | 0.00        | 0                 | 0  | 0        | 0           | 0.00              | 0.00                     |
| Sub-total (B)(1):   | 2,04,16,452  | 0        | 2,04,16,452 | 20.19             | 1,99,35,556  | 0        | 1,99,35,556 | 19.71             | -0.48                    |
| 2. Non-Institutions   |  |          |             |                   |  |          |             |                   |                          |
| a) Bodies Corporate   | 3,20,71,554  | 0        | 3,20,71,554 | 31.71             | 3,15,91,448  | 0        | 3,15,91,448 | 31.24             | -0.47                    |
| b) Individuals  |  |          |             |                   |  |          |             |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 77,41,559  | 5,555    | 77,47,114   | 7.66              | 73,97,567  | 4,548    | 74,02,115   | 7.32              | -0.34                    |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 46,29,121  | 0        | 46,29,121   | 4.58              | 58,85,051  | 0        | 58,85,051   | 5.82              | 1.24                     |



| Category of Shareholders                            | No. of Shares held at the beginning of the year<br>i.e. April 01, 2019 |              |                     |                   | No. of Shares held at the end of the year<br>i.e. March 31, 2020 |              |                     |                   | % Change during the year |
|---|--|--------------|---------------------|-------------------|--|--------------|---------------------|-------------------|--------------------------|
|   | Demat  | Physical     | Total               | % of Total Shares | Demat  | Physical     | Total               | % of Total Shares |                          |
| c) Others   |  |              |                     |                   |  |              |                     |                   |                          |
| HUF   | 4,41,934   | 0            | 4,41,934            | 0.44              | 4,69,016   | 0            | 4,69,016            | 0.46              | 0.03                     |
| Foreign Corporate Bodies                            | 0  | 0            | 0                   | 0                 | 0  | 0            | 0                   | 0                 | 0                        |
| Directors   | 300  | 0            | 300                 | 0.00              | 22,200   | 0            | 22,200              | 0.02              | 0.02                     |
| Directors and their Relatives                       | 0  | 0            | 0                   | 0.00              | 15,170   | 0            | 15,170              | 0.02              | 0.02                     |
| Clearing Members                                    | 86,394   | 0            | 86,394              | 0.09              | 76,093   | 0            | 76,093              | 0.08              | -0.01                    |
| IEPF  | 741  | 0            | 741                 | 0.00              | 44,729   | 0            | 44,729              | 0.04              | 0.04                     |
| Non- Resident Indians                               | 4,77,329   | 0            | 4,77,329            | 0.47              | 3,76,480   | 0            | 3,76,480            | 0.37              | -0.10                    |
| NRI Non- Repatriation                               | 6,43,024   | 0            | 6,43,024            | 0.64              | 5,88,983   | 0            | 5,88,983            | 0.58              | -0.05                    |
| Trusts  | 50   | 0            | 50                  | 0.00              | 800  | 0            | 800                 | 0.00              | 0.00                     |
| NBFC  | 8,600  | 0            | 8,600               | 0.01              | 800  | 0            | 800                 | 0.00              | 0.00                     |
| Qualified Foreign Investor                          | 0  | 0            | 0                   | 0.00              | 0  | 0            | 0                   | 0.00              | 0.00                     |
| <b>Sub-total (B)(2):-</b>                           | <b>4,61,00,606</b>   | <b>5,555</b> | <b>4,61,06,161</b>  | <b>45.59</b>      | <b>4,64,68,337</b>   | <b>4,548</b> | <b>4,64,72,885</b>  | <b>45.95</b>      | <b>0.37</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b> | <b>6,65,17,058</b>   | <b>5,555</b> | <b>6,65,22,613</b>  | <b>65.78</b>      | <b>6,64,03,893</b>   | <b>4,548</b> | <b>6,64,08,441</b>  | <b>65.67</b>      | <b>-0.11</b>             |
| C. Shares held by Custodian for GDRs & ADRs         | 0  | 0            | 0                   | 0                 | 0  | 0            | 0                   | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>                          | <b>10,11,24,888</b>  | <b>5,555</b> | <b>10,11,30,443</b> | <b>100.00</b>     | <b>10,11,25,895</b>  | <b>4,548</b> | <b>10,11,30,443</b> | <b>100.00</b>     | <b>0.00</b>              |

**Note:**

- Due to the time required for transaction to complete and reflect in buyer's account, 10,874 equity shares purchased by Ms. Ekta Kapoor, Promoter Director and 21,185 equity shares purchased by Mr. Ashutosh Khanna, Independent Director during March 2020 quarter have not been captured in Shareholding Pattern as on March 31, 2020.

**ii) Shareholding of Promoters:**

| Sr. No. | Shareholder's Name   | Shareholding at the beginning of the year i.e. April 01, 2019 |                                  |  | Shareholding at the end of the year i.e. March 31, 2020 |                                  |  | % 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.      | Mr. Jeetendra Kapoor | 32,60,522   | 3.22                             | 0  | 32,60,522   | 3.22                             | 0  | 0  |
| 2.      | Mrs. Shobha Kapoor   | 1,10,08,850   | 10.89                            | 0  | 1,10,08,850   | 10.89                            | 0  | 0  |
| 3.      | Ms. Ekta Kapoor      | 1,83,08,208   | 18.10                            | 0  | 1,84,22,380   | 18.22                            | 0  | 0.12                                     |
| 4.      | Mr. Tusshar Kapoor   | 20,30,250   | 2.01                             | 0  | 20,30,250   | 2.01                             | 0  | 0  |
|         | <b>Total</b>         | <b>3,46,07,830</b>  | <b>34.22</b>                     | <b>0</b>   | <b>3,47,22,002</b>                                      | <b>34.33</b>                     | <b>0</b>   | <b>0.12</b>                              |

**Note:**

- Due to time required for transaction to complete and reflect in buyer's account, 10,874 equity shares purchased by Ms. Ekta Kapoor, Promoter Director, during March 2020 quarter have not been captured in Shareholding Pattern as on March 31, 2020.

## iii) Change in Promoters' Shareholding:

| 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       | <b>Mr. Jeetendra Kapoor</b>  |               |                                  |   |                                  |
|         | At the beginning of the year | 32,60,522     | 3.22                             | 32,60,522                               | 3.22                             |
|         | Bought during the year       | -             | -                                | 32,60,522                               | 3.22                             |
|         | Sold during the year         | -             | -                                | 32,60,522                               | 3.22                             |
|         | At the End of the year       | 32,60,522     | 3.22                             | 32,60,522                               | 3.22                             |
| 2       | <b>Mrs. Shobha Kapoor</b>    |               |                                  |   |                                  |
|         | At the beginning of the year | 1,10,08,850   | 10.89                            | 1,10,08,850                             | 10.89                            |
|         | Bought during the year       | -             | -                                | 1,10,08,850                             | 10.89                            |
|         | Sold during the year         | -             | -                                | 1,10,08,850                             | 10.89                            |
|         | At the end of the year       | 1,10,08,850   | 10.89                            | 1,10,08,850                             | 10.89                            |
| 3       | <b>Ms. Ekta Kapoor</b>       |               |                                  |   |                                  |
|         | At the beginning of the year | 1,83,08,208   | 18.10                            | 1,83,08,208                             | 18.10                            |
|         | Bought during the year       | 1,14,172      | 0.11                             | 1,84,22,380                             | 18.22                            |
|         | Sold during the year         | -             | -                                | 1,84,22,380                             | 18.22                            |
|         | At the end of the year       | 1,84,22,380   | 18.22                            | 1,84,22,380                             | 18.22                            |
| 4       | <b>Mr. Tusshar Kapoor</b>    |               |                                  |   |                                  |
|         | At the beginning of the year | 20,30,250     | 2.01                             | 20,30,250                               | 2.01                             |
|         | Bought during the year       | -             | -                                | 20,30,250                               | 2.01                             |
|         | Sold during the year         | -             | -                                | 20,30,250                               | 2.01                             |
|         | At the end of the year       | 20,30,250     | 2.01                             | 20,30,250                               | 2.01                             |

## Note:

- Due to time required for transaction to complete and reflect in buyer's account, 10,874 equity shares purchased by Ms. Ekta Kapoor, Promoter Director, during March 2020 quarter have not been captured in Shareholding Pattern as on March 31, 2020.

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2020:

| 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.      | <b>Reliance Industries Limited</b>                       |               |                                  |   |                                  |
|         | At the beginning of the year                             | 2,52,00,000   | 24.92                            | 2,52,00,000                             | 24.92                            |
|         | Bought during the year                                   | -             | -                                | 2,52,00,000                             | 24.92                            |
|         | Sold during the year                                     | -             | -                                | 2,52,00,000                             | 24.92                            |
|         | At the end of the year                                   | 2,52,00,000   | 24.92                            | 2,52,00,000                             | 24.92                            |
| 2.      | <b>Vanderbilt University - Atyant Capital Management</b> |               |                                  |   |                                  |
|         | At the beginning of the year                             | 42,77,227     | 4.23                             | 42,77,227                               | 4.23                             |
|         | Bought during the year                                   | 3,02,837      | 0.30                             | 45,80,064                               | 4.53                             |
|         | Sold during the year                                     | -             | -                                | 45,80,064                               | 4.53                             |
|         | <b>At the end of the year</b>                            | 45,80,064     | 4.53                             | 45,80,064                               | 4.53                             |
| 3.      | <b>Atyant Capital India Fund I</b>                       |               |                                  |   |                                  |
|         | At the beginning of the year                             | 40,78,223     | 4.03                             | 40,78,223                               | 4.03                             |
|         | Bought during the year                                   | -             | -                                | 40,78,223                               | 4.03                             |
|         | Sold during the year                                     | -             | -                                | 40,78,223                               | 4.03                             |
|         | At the end of the year                                   | 40,78,223     | 4.03                             | 40,78,223                               | 4.03                             |



| 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 |
| 4.      | <b>Aadi Financial Advisors LLP</b>                   |               |                                  |   |                                  |
|         | At the beginning of the year                         | 36,35,000     | 3.59                             | 36,35,000                               | 3.59                             |
|         | Bought during the year                               | -             | -                                | 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                             |
| 5.      | <b>Gothic Corporation</b>                            |               |                                  |   |                                  |
|         | At the beginning of the year                         | 36,00,000     | 3.56                             | 36,00,000                               | 3.56                             |
|         | Bought during the year                               | 12,28,550     | 1.21                             | 48,28,550                               | 4.77                             |
|         | Sold during the year                                 | -             | -                                | 48,28,550                               | 4.77                             |
|         | At the end of the year                               | 48,28,550     | 4.77                             | 48,28,550                               | 4.77                             |
| 6.      | <b>^India Capital Fund Limited</b>                   |               |                                  |   |                                  |
|         | At the beginning of the year                         | 25,64,777     | 2.54                             | 25,64,777                               | 2.54                             |
|         | Bought during the year                               | -             | -                                | 25,64,777                               | 2.54                             |
|         | Sold during the year                                 | 25,64,777     | 2.54                             | 0                                       | 0                                |
|         | At the end of the year                               | 0             | 0                                | 0                                       | 0                                |
| 7.      | <b>The Duke Endowment</b>                            |               |                                  |   |                                  |
|         | At the beginning of the year                         | 12,95,000     | 1.28                             | 12,95,000                               | 1.28                             |
|         | Bought during the year                               | 4,91,420      | 0.49                             | 17,86,420                               | 1.77                             |
|         | Sold during the year                                 | -             | -                                | 17,86,420                               | 1.77                             |
|         | At the end of the year                               | 17,86,420     | 1.77                             | 17,86,420                               | 1.77                             |
| 8.      | <b>Gothic HSP Corporation</b>                        |               |                                  |   |                                  |
|         | At the beginning of the year                         | 11,87,663     | 1.17                             | 11,87,663                               | 1.17                             |
|         | Bought during the year                               | 10,20,628     | 1.01                             | 22,08,291                               | 2.18                             |
|         | Sold during the year                                 | -             | -                                | 22,08,291                               | 2.18                             |
|         | At the end of the year                               | 22,08,291     | 2.18                             | 22,08,291                               | 2.18                             |
| 9.      | <b>^HSBC Global Investment Funds - India Equity</b>  |               |                                  |   |                                  |
|         | At the beginning of the year                         | 8,82,897      | 0.87                             | 8,82,897                                | 0.87                             |
|         | Bought during the year                               | -             | -                                | 8,82,897                                | 0.87                             |
|         | Sold during the year                                 | 8,82,897      | 0.87                             | 0                                       | 0                                |
|         | At the end of the year                               | 0             | 0                                | 0                                       | 0                                |
| 10.     | <b>Employees' Retirement Plan of Duke University</b> |               |                                  |   |                                  |
|         | At the beginning of the year                         | 6,41,587      | 0.63                             | 6,41,587                                | 0.63                             |
|         | Bought during the year                               | 3,63,855      | 0.36                             | 10,05,442                               | 0.99                             |
|         | Sold during the year                                 | -             | -                                | 10,05,442                               | 0.99                             |
|         | At the end of the year                               | 10,05,442     | 0.99                             | 10,05,442                               | 0.99                             |
| 11.     | <b>*Dharmesh Mehta</b>                               |               |                                  |   |                                  |
|         | At the beginning of the year                         | 1,72,000      | 0.17                             | 1,72,000                                | 0.17                             |
|         | Bought during the year                               | 4,60,000      | 0.45                             | 6,32,000                                | 0.62                             |
|         | Sold during the year                                 | -             | -                                | 6,32,000                                | 0.62                             |
|         | At the end of the year                               | 6,32,000      | 0.62                             | 6,32,000                                | 0.62                             |
| 12.     | <b>*Bhimavarapu Sridhar Reddy</b>                    |               |                                  |   |                                  |
|         | At the beginning of the year                         | 10            | 0.00                             | 10                                      | 0.00                             |
|         | Bought during the year                               | 1,401         | 0.00                             | 1,411                                   | 0.00                             |
|         | Sold during the year                                 | 1,320         | 0.00                             | 91                                      | 0.00                             |
|         | Bought during the year                               | 6,25,379      | 0.62                             | 6,25,470                                | 0.62                             |
|         | At the end of the year                               | 6,25,470      | 0.62                             | 6,25,470                                | 0.62                             |

\*Not in the list of top 10 shareholders as on April 01, 2019. The same has been reflected above since the shareholder was one of the top 10 shareholders as on March 31, 2020.

^ Ceased to be in the list of top 10 shareholders as on March 31, 2020. The same is reflected above since the shareholder was one of the top 10 shareholder as on April 01, 2019.

## 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.      | <b>Mr. Jeetendra Kapoor</b>           |               |                                  |   |                                  |
|         | At the beginning of the year          | 32,60,522     | 3.22                             | 32,60,522                               | 3.22                             |
|         | Bought during the year                | -             | -                                | 32,60,522                               | 3.22                             |
|         | Sold during the year                  | -             | -                                | 32,60,522                               | 3.22                             |
|         | At the End of the year                | 32,60,522     | 3.22                             | 32,60,522                               | 3.22                             |
| 2.      | <b>Mrs. Shobha Kapoor</b>             |               |                                  |   |                                  |
|         | At the beginning of the year          | 1,10,08,850   | 10.89                            | 1,10,08,850                             | 10.89                            |
|         | Bought during the year                | -             | -                                | 1,10,08,850                             | 10.89                            |
|         | Sold during the year                  | -             | -                                | 1,10,08,850                             | 10.89                            |
|         | At the end of the year                | 1,10,08,850   | 10.89                            | 1,10,08,850                             | 10.89                            |
| 3.      | <b>Ms. Ekta Kapoor</b>                |               |                                  |   |                                  |
|         | At the beginning of the year          | 1,83,08,208   | 18.10                            | 1,83,08,208                             | 18.10                            |
|         | Bought during the year                | 1,14,172      | 0.11                             | 1,84,22,380                             | 18.22                            |
|         | Sold during the year                  | -             | -                                | 1,84,22,380                             | 18.22                            |
|         | At the end of the year                | 1,84,22,380   | 18.22                            | 1,84,22,380                             | 18.22                            |
| 4.      | <b>Mr. Duraiswamy Gunaseela Rajan</b> |               |                                  |   |                                  |
|         | 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                             |
| 5.      | <b>Mr. Arun Kumar Purwar</b>          |               |                                  |   |                                  |
|         | At the beginning of the year          | -             | -                                | -                                       | -                                |
|         | Bought during the year                | 36,070        | 0.04                             | 36,070                                  | 0.04                             |
|         | Sold during the year                  | -             | -                                | 36,070                                  | 0.04                             |
|         | At the end of the year                | 36,070        | 0.04                             | 36,070                                  | 0.04                             |
| 6.      | <b>Mr. Ashutosh Khanna</b>            |               |                                  |   |                                  |
|         | At the beginning of the year          | -             | -                                | -                                       | -                                |
|         | Bought during the year                | 1,000         | 0.00                             | 1,000                                   | 0.00                             |
|         | Sold during the year                  | -             | -                                | 1,000                                   | 0.00                             |
|         | At the end of the year                | 1,000         | 0.00                             | 1,000                                   | 0.00                             |

## Notes:

- Due to the time required for transaction to complete and reflect in buyer's account, 10,874 equity shares purchased by Ms. Ekta Kapoor, Promoter Director and 21,185 equity shares purchased by Mr. Ashutosh Khanna, Independent Director during March 2020 quarter have not been captured in Shareholding Pattern as on March 31, 2020.
- Mr. Arun Kumar Purwar is holding shares along with his relatives. Mr. Purwar is holding 20,900 shares, and his relatives are holding 15,170 shares
- Directors: Mr. Pradeep Kumar Sarda, Mr. Devender Kumar Vasal, Mr. Virendra Babubhai Dalal, Mr. Ramesh Sippy, Mr. Anshuman Thakur and Ms. Jyoti Deshpande and KMPs: Mr. Sanjay Dwivedi and Mrs. Simmi Singh Bisht did not hold any shares during the financial year 2019-20.
- Mr. Sunil Lulla has resigned from the position of Group Chief Executive Officer of the Company w.e.f. August 14, 2019 and he did not hold any shares during his tenure.

**V. INDEBTEDNESS:**

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2019-20.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration   | Name of MD / WTD / Manager   |  | Total Amount       |
|---------|---|--|--|--------------------|
| 1.      | Gross salary  | Mrs. Shobha Kapoor<br>(Managing Director)  | Ms. Ekta Kapoor<br>(Joint Managing Director) |                    |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 2,22,60,000  | 2,22,60,000                                  | 4,45,20,000        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -  | -  | -                  |
|         | (c) Profits in lieu of salary u/s 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          |
|         | <b>Total (A)</b>  | <b>2,39,88,000</b>   | <b>2,39,88,000</b>                           | <b>4,79,76,000</b> |
|         | Ceiling as per the Act (per annum)  | ₹ 2,40,00,000/- per Managerial Personnel<br>(Calculated as per Schedule V of Companies, Act, 2013) |  |                    |

**B. Remuneration to Other Directors:**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration                    | Name of Directors  |                    |                            |                               |                         |                           | Total Amount       |
|---------|--|--|--------------------|----------------------------|-------------------------------|-------------------------|---------------------------|--------------------|
| 1.      | Independent Directors                          | Duraiswamy<br>Gunaseela<br>Rajan   | Ashutosh<br>Khanna | Devender<br>Kumar<br>Vasal | Virendra<br>Babubhai<br>Dalal | Arun<br>Kumar<br>Purwar | Pradeep<br>Kumar<br>Sarda |                    |
|         | Fee for attending Board and Committee meetings | 6,00,000   | 5,00,000           | 6,00,000                   | 4,75,000                      | 5,00,000                | 1,00,000                  | 27,75,000          |
|         | Commission                                     | 2,11,560   | 2,11,560           | 2,11,560                   | 2,11,560                      | 2,11,560                | 2,11,560                  | 12,69,360          |
|         | Others   | -  | -                  | -                          | -                             | -                       | -                         | -                  |
|         | <b>Total (1)</b>                               | <b>8,11,560</b>  | <b>7,11,560</b>    | <b>8,11,560</b>            | <b>6,86,560</b>               | <b>7,11,560</b>         | <b>3,11,560</b>           | <b>40,44,360</b>   |
| 2.      | Other Non- Executive Directors                 | Jeetendra<br>Kapoor  | Anshuman<br>Thakur | Jyoti<br>Deshpande         | Ramesh<br>Sippy               |                         |                           |                    |
|         | Fee for attending Board and Committee meetings | 4,00,000   | 2,00,000           | 3,00,000                   | 1,00,000                      |                         |                           | 10,00,000          |
|         | Commission                                     | 76,16,149  | 2,11,560           | 2,11,560                   | 2,11,560                      |                         |                           | 82,50,829          |
|         | Others   | -  | -                  | -                          | -                             |                         |                           | -                  |
|         | <b>Total (2)</b>                               | <b>80,16,149</b>   | <b>4,11,560</b>    | <b>5,11,560</b>            | <b>3,11,560</b>               |                         |                           | <b>92,50,829</b>   |
|         | <b>Total B (1+2)</b>                           | <b>88,27,709</b>   | <b>11,23,120</b>   | <b>13,23,120</b>           | <b>9,98,120</b>               | <b>7,11,560</b>         | <b>3,11,560</b>           | <b>1,32,95,189</b> |
|         | <b>Total Managerial Remuneration (A+B)</b>     |  |                    |                            |                               |                         |                           | <b>6,12,71,189</b> |
|         | Ceiling as per the Act (per annum)             | ₹ 2,40,00,000/- per Managerial Personnel<br>(Calculated as per Schedule V of Companies, Act, 2013) |                    |                            |                               |                         |                           |                    |

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

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹)

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel   |                               |   | Total Amount       |
|---------|--|----------------------------|-------------------------------|---|--------------------|
| 1.      | Gross salary   | Sunil Lulla<br>(Group CEO) | Sanjay Dwivedi<br>(Group CFO) | Simmi Singh Bisht<br>(Group Head Secretarial) |                    |
|         | a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 | 84,77,866                  | 1,66,20,264                   | 26,25,950                                     | 2,77,24,080        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                            | -                          | -                             | -   | -                  |
|         | (c) Profits in lieu of salary u/s 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.                                 | 4,45,161                   | 8,83,200                      | 1,52,352                                      | 14,80,713          |
|         | <b>Total (A)</b>   | <b>89,23,027</b>           | <b>1,75,03,464</b>            | <b>27,78,302</b>                              | <b>2,92,04,793</b> |

**Note:**

Mr. Sunil Lulla has resigned from the position of Group Chief Executive Officer of the Company w.e.f. August 14, 2019. Therefore, remuneration paid to Mr. Sunil Lulla is for the period from April 01, 2019 to August 14, 2019.

## 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

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Jeetendra Kapoor**  
Chairman  
DIN: 00005345



## ANNEXURE V

### PARTICULARS OF EMPLOYEES

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

##### i) Remuneration to Managing Director and Joint Managing Director:

(Amount in ₹)

| Name of the Director | Title                   | *Remuneration in Fiscal Year 2020 (in ₹) | Remuneration in Fiscal Year 2019 (in ₹) | No. of Stock options / RSUs granted in fiscal 2020 | % increase of remuneration in 2020 as compared to 2019 | 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 2020)   | Net Profit (fiscal 2019) |
| Mrs. Shobha Kapoor   | Managing Director       | 2,39,88,000                              | 2,39,88,000                             | -  | 0  | 1:56  | 1:55   | 1:240                    | 1:24                     |
| Ms. Ekta Kapoor      | Joint Managing Director | 2,39,88,000                              | 2,39,88,000                             | -  | 0  | 1:56  | 1:55   | 1:240                    | 1:24                     |

Note: \*Includes Employer's Contribution to Provident Fund

##### ii) Remuneration paid to Independent Directors:

(Amount in ₹)

| Name of the Directors          | Remuneration in Fiscal 2020 | Remuneration in Fiscal 2019 | Number of Stock Option / PSUs granted in Fiscal 2020 | % increase of remuneration (2020 over 2019) |
|--------------------------------|-----------------------------|-----------------------------|--|---|
| Mr. Duraiswamy Gunaseela Rajan | 8,11,560                    | 6,00,000                    | -  | 35%   |
| Mr. Ashutosh Khanna            | 7,11,560                    | 4,00,000                    | -  | 78%   |
| Mr. Devender Kumar Vasal       | 8,11,560                    | 6,00,000                    | -  | 35%   |
| Mr. Virendra Babubhai Dalal    | 6,86,560                    | 6,00,000                    | -  | 14%   |
| Mr. Pradeep Kumar Sarda        | 3,11,560                    | 2,50,000                    | -  | 25%   |
| Mr. Arun Kumar Purwar          | 7,11,560                    | 5,00,000                    | -  | 42%   |

##### iii) Remuneration of other KMP:

| Name of the KMP        | Title                  | Remuneration in Fiscal Year 2020 (in ₹) | Remuneration in Fiscal Year 2019 (in ₹) | No. of Stock options / RSUs granted in fiscal 2020 | % increase of remuneration in 2020 as compared to 2019 | 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 2020)   | Net Profit (fiscal 2020) |
| Mr. Sunil Lulla        | Group CEO              | 89,23,027                               | 2,22,92,233                             | -  | -  | 1:21  | 1:21   | 1:646                    | 1:65                     |
| Mr. Sanjay Dwivedi     | Group CFO              | 1,75,03,464                             | 1,52,31,356                             | -  | 15%  | 1:41  | 1:40   | 1:329                    | 1:33                     |
| Mrs. Simmi Singh Bisht | Group Head Secretarial | 27,78,302                               | 23,38,749                               | -  | 19%  | 1:6   | 1:6  | 1:2075                   | 1:208                    |

The average percentage increase made in the salaries of employees in the last financial year i.e. 2019-20 was 10%.

The number of permanent employees on the roll of the Company is 103.

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

**b) Information as per Rule 5(2) of Chapter XIII, the 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) | Date of Joining | Gross Remuneration paid | Previous Employment and Designation                 | Whether such employee holds by himself or along with 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             | 71  | 25                    | Nov 10, 1994    | 2,39,88,000             | N.A.  | Yes  | Yes. She is wife of Mr. Jeetendra Kapoor and Mother of Ms. Ekta Kapoor                                     |
| Ms. Ekta Kapoor          | Joint Managing Director       | Undergraduate             | 45  | 25                    | Nov 10, 1994    | 2,39,88,000             | N.A.  | Yes  | Yes. She is daughter of Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor  |
| Mr. Sanjay Dwivedi       | Group CFO                     | C.A.                      | 50  | 23                    | Jan 25, 2013    | 1,75,03,464             | Nimbus Communication Ltd (SVP Finance)              | No   | No   |
| Mr. Nachiket Pantvaiddya | Group COO & CEO (Alt Digital) | P.G.D.M                   | 49  | 24                    | Dec 01, 2015    | 3,06,90,315             | Sony Entertainment Network (SR EVP & Business Head) | No   | No   |
| Mr. Ketan Gupta          | C.O.O                         | Graduate                  | 42  | 21                    | May 02, 2018    | 1,53,46,664             | Fox TVSI  | No   | No   |

- (ii) Employees employed for a part of year and were in receipt of remuneration aggregating ₹ 8.5/- Lacs or more per month.

Mr. Sunil Lulla has resigned from the position of Group Chief Executive Officer of the Company w.e.f. August 14, 2019.

**For and on behalf of the Board of Directors**

**Place:** Mumbai  
**Date:** July 22, 2020

Sd/-  
**Jeetendra Kapoor**  
 Chairman  
 (DIN: 00005345)



## ANNEXURE VI

### FORM AOC-2

#### PARTICULARS OF CONTRACTS / ARRANGEMENTS / TRANSACTIONS MADE WITH RELATED PARTIES

For the financial year ended March 31, 2020

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts), Rules, 2014]

#### 1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

There following contract or arrangement or transaction entered into during the year ended March 31, 2020 was not at arm's length basis.

| Name(s) of the Related Party and nature of relationship  | Nature of Contracts/ Arrangements/ Transactions  | Duration of the Contracts/ Arrangements/ Transactions | Salient terms of the Contracts/ Arrangements/ Transactions including the value, if any | Justification for entering into such Contracts/ Arrangements/ Transactions   | Date of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 |
|--|--|---|--|--|-------------------------------|---------------------------------|---|
| Alt Digital Media Entertainment Limited<br>Chhayabani Balaji Entertainment Private Limited<br>Marinating Films Private Limited | Arrangement to let out Company's premises Viz. C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053 to its Subsidiary Companies for usage as its Registered Office without charging of any rent. | On-going  | -  | In order to curtail the expenses and maximize profits, the Company has entered into this arrangement with its Holding Company. | February 12, 2019             | N.A.                            | N.A.  |

#### 2) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS LENGTH BASIS

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were at arm's length basis.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Jeetendra Kapoor**  
Chairman  
DIN: 00005345

# 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 (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 internal and external stakeholders, 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 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 of Conduct suitably incorporates the duties of Independent Directors of the Company. The Code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Managing

Director of the Company, forms part of this Report, which 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 for Independent Directors has also been received.

## 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. The Board also discharges its responsibilities / duties as mentioned under Regulation 17 of the Listing Regulations and other applicable laws.

## COMPOSITION

The Board of your Company has an appropriate mix of Executive and Non- Executive Directors with half of the Board of the 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, 2020, the Board comprised of twelve Members, of whom two are Executive Directors, four Non-Executive Non-Independent Directors, six Independent 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 directorship of more than eight Listed entities and no Independent Director served their directorship in more than seven listed entities.

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 Committee Membership and Chairmanship includes only Audit & Stakeholder Relationship Committee.



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 2019-20 and also the number of Directorships and Committee Memberships/Chairmanships held by them in various Companies as on March 31, 2020 are given below:

| Name of the Director                  | Attendance Particulars |                         |          | Name of listed entity along with category of Directorship, other Directorships and Committee Memberships / Chairmanships |                                       |                          |                        |                          | No of shares held as on March 31, 2020 |
|---------------------------------------|------------------------|-------------------------|----------|--|---------------------------------------|--------------------------|------------------------|--------------------------|--|
|                                       | Board Meetings Held    | Board Meetings Attended | Last AGM | *Other Directorships   | Name of listed entity                 | Category of Directorship | #Committee Memberships | #Committee Chairmanships |  |
| Mr. Jeetendra Kapoor (P, N, NI)       | 4                      | 4                       | Present  | 3  | N.A.                                  | N.A.                     | 2                      | 1                        | 32,60,522                              |
| Mrs. Shobha Kapoor (P, E, NI)         | 4                      | 4                       | Present  | 4  | N.A.                                  | N.A.                     | 1                      | 0                        | 1,10,08,850                            |
| Ms. Ekta Kapoor (P, E, NI)            | 4                      | 3                       | Absent   | 4  | N.A.                                  | N.A.                     | 1                      | 0                        | 1,84,33,254                            |
| Mr. Pradeep Kumar Sarda (N, I)        | 4                      | 1                       | Absent   | 1  | Mercury Trade Links Limited           | Director                 | 3                      | 1                        | NIL                                    |
| Mr. Duraiswamy Gunaseela Rajan (N, I) | 4                      | 4                       | Present  | 4  | IFGL Refractories Limited             | Independent Director     | 5                      | 4                        | 300                                    |
| Mr. Ashutosh Khanna (N, I)            | 4                      | 4                       | Present  | 1  | N.A.                                  | N.A.                     | 0                      | 0                        | 22,185                                 |
| Mr. Devender Kumar Vasal (N, I)       | 4                      | 4                       | Present  | 2  | Finolex Cables Limited                | Independent Director     | 5                      | 0                        | NIL                                    |
| Mr. Virendra Babubhai Dalal (N, I)    | 4                      | 3                       | Present  | 1  | N.A.                                  | N.A.                     | 2                      | 0                        | NIL                                    |
| Mr. Arun Kumar Purwar (N, I)          | 4                      | 4                       | Absent   | 5  | Alkem Laboratories Limited            | Independent Director     | 3                      | 2                        | ^36,070                                |
|                                       |                        |                         |          |  | Jindal Steel and Power Limited        | Independent Director     |                        |                          |  |
|                                       |                        |                         |          |  | IIFL Finance Limited                  | Independent Director     |                        |                          |  |
| Mr. Anshuman Thakur (N, NI)           | 4                      | 2                       | Absent   | 0  | N.A.                                  | N.A.                     | 1                      | 1                        | NIL                                    |
| Ms. Jyoti Deshpande (N, NI)           | 4                      | 3                       | Absent   | 2  | Network18 Media & Investments Limited | Director                 | 0                      | 0                        | NIL                                    |
|                                       |                        |                         |          |  | TV18 Broadcast Limited                | Director                 |                        |                          |  |
| **Mr. Ramesh Sippy (N, NI)            | 4                      | 1                       | -        | 0  | N.A.                                  | N.A.                     | 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.

#Includes only Audit Committee and Stakeholders' Relationship Committee.

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.

\*\* Mr. Ramesh Sippy has been appointed as a Non-Executive Non-Independent Director of the Company w.e.f. September 01, 2019.

^Mr. Arun Kumar Purwar is holding shares along with his relatives. Mr. Purwar is holding 20,900 shares, and his relatives are holding 15,170 shares. During the year under review, none of the Independent Director has resigned from the Board of the Company before the expiry of the tenure.

CHART MATRIX

In terms of the requirement of Listing Regulations, the Board has identified the following core skills / expertise /competencies of the Directors in the context of the Company's business for effective functioning as given below:

| Skills / Expertise / Competencies   | Jeetendra Kapoor | Shobha Kapoor | Ekta Kapoor | Anshuman Thakur | Ashutosh Khanna | Arun Kumar Purwar | D. K. Vasal | D.G. Rajan | Jyoti Deshpande | Pradeep Kumar Sarda | Ramesh Gopal Sippy | V. B. Dalal |
|---|------------------|---------------|-------------|-----------------|-----------------|-------------------|-------------|------------|-----------------|---------------------|--------------------|-------------|
| <b>Leadership</b><br>Leadership experience in leading well-governed and large organizations.  | ✓                | ✓             | ✓           | ✓               | ✓               | ✓                 | ✓           | ✓          | ✓               | ✓                   | ✓                  | ✓           |
| <b>Finance and Accounting Dexterity</b><br>Understanding of accounting and financial statements, financial Management & financial reporting.  | ✓                | ✓             | ✓           | ✓               | ✓               | ✓                 | ✓           | ✓          | ✓               | ✓                   | ✓                  | ✓           |
| <b>Understanding the use of Information Technology in Digital Media and Entertainment Industry</b><br>Understanding the digital and OTT platform in the industry for its efficient functioning and profitability in the business. | -                | ✓             | ✓           | ✓               | ✓               | ✓                 | ✓           | ✓          | ✓               | -                   | ✓                  | ✓           |
| <b>Experience of large Companies</b><br>Experience of having served in large Companies in diverse industries.   | ✓                | ✓             | ✓           | ✓               | ✓               | ✓                 | ✓           | ✓          | ✓               | ✓                   | ✓                  | ✓           |
| <b>Governance</b><br>Experience in developing governance practices, maintaining high governance standards with an understanding of changing regulatory framework and protecting the interest of all stakeholders.                 | ✓                | ✓             | ✓           | ✓               | ✓               | ✓                 | ✓           | ✓          | ✓               | ✓                   | ✓                  | ✓           |



## 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, Ms. Jyoti Deshpande, Mr. Anshuman Thakur and Mr. Ramesh Sippy are Independent. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors have assessed the same and taken on record their Independence criteria.

In case of appointment /re-appointment of Independent Directors of the Company, formal appointment letters containing the terms and conditions of Independence are issued in the manner provided under the Companies Act, 2013 and the Listing Regulations. The terms and conditions can be accessed on the Company's website at [www.balajitelefilms.com](http://www.balajitelefilms.com)

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 22, 2019 without the presence of Non-Independent Directors and Members of the Management.

## BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board's 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 resolutions

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 the Managing Director of the Company. The Agenda is circulated at least 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, 4 (four) meetings of the Board of Directors were held, the dates being May 22, 2019, August 09, 2019, November 13, 2019 and February 12, 2020. The maximum time gap between any two meetings was not more than one hundred twenty days.

## FAMILIARIZATION PROGRAMME OF DIRECTORS

The Company has a familiarization program for its Independent Directors. The Independent Directors are familiarized of their roles, rights, and responsibilities in the Company, nature of industry in which the Company operates and business model of the Company through such programmes. The details of such familiarization program have been disclosed on the Company's website at <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 Director. During the year under review, a structured questionnaire was circulated to the Members of the Board for seeking feedback from the Directors on various aspects such as Board's & Committees' functioning, knowledge & skills of the Board of Directors, managing relationships, fulfillment of independent

criteria by Independent Directors, leadership & strategy formulation by Executive Directors etc. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board & Committee and for identifying possible paths for improvement. The Chairman of the Board shared the feedback with the Members about the results of the performance evaluations at the Board Meeting.

## 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

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.

### Terms of Reference

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, 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's discussions and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by the 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; ,if any
  - 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. ,if any

## Composition

| Name of the Members            | Designation            | Nature of Membership |
|--------------------------------|------------------------|----------------------|
| Mr. Duraiswamy Gunaseela Rajan | Independent Director   | Chairman             |
| Mr. Jeetendra Kapoor           | Non-Executive Director | Member               |
| Mr. Pradeep Kumar Sarda        | Independent Director   | Member               |
| Mr. Devender Kumar Vasal       | Independent Director   | Member               |
| Mr. Virendra Babubhai Dalal    | Independent Director   | Member               |
| Mrs. Simmi Singh Bisht         | Group Head Secretarial | Secretary            |



## Meetings and Attendance

During the year under review, Audit Committee held 4 (four) meetings, the dates being May 22, 2019, August 09, 2019, November 13, 2019 and February 12, 2020. The details of the attendance thereat are as follows:

| Name of the Members            | No. of Meetings        |          |
|--------------------------------|------------------------|----------|
|                                | Held during the tenure | Attended |
| Mr. Duraiswamy Gunaseela Rajan | 4                      | 4        |
| Mr. Jeetendra Kapoor           | 4                      | 4        |
| Mr. Pradeep Kumar Sarda        | 4                      | 0        |
| Mr. Devender Kumar Vasal       | 4                      | 4        |
| Mr. Virendra Babubhai Dalal    | 4                      | 3        |

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, Auditor's Report and other related matters. The report of the Internal Auditor is also reviewed by the Audit Committee.

## 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 Board, Committee and Individual Directors including Independent Directors.
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.
6. Recommend to the Board, all remuneration payable to Senior Management.

### Performance evaluation criteria for Independent Directors

In accordance with the 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. Devender Kumar 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 four (4) meetings, the dates being May 22, 2019, August 09, 2019, November 13, 2019 and February 12, 2020. The details of the attendance thereat are as follows:

| Name of the Members      | No. of Meetings        |          |
|--------------------------|------------------------|----------|
|                          | Held during the tenure | Attended |
| Mr. Ashutosh Khanna      | 4                      | 4        |
| Mr. Jeetendra Kapoor     | 4                      | 4        |
| Mr. Pradeep Kumar Sarda  | 4                      | 0        |
| Mr. Devender Kumar Vasal | 4                      | 4        |

## Nomination & Remuneration Policy

The Nomination & Remuneration Policy of the Company along with criteria for making payments to Non-Executive Directors and the Board may be accessed at <http://www.balajitelefilms.com/nomination-remuneration-policy.php>

### Details of the remuneration paid to the Directors of the Company for the year ended March 31, 2020:

| Name                           | Designation             | Salary      | Perquisites | Sitting Fees | Commission | Employer Contribution to Provident Fund | Total       |
|--------------------------------|-------------------------|-------------|-------------|--------------|------------|---|-------------|
| Mr. Jeetendra Kapoor           | Chairman                | -           | -           | 4,00,000     | 76,16,149  | -                                       | 80,16,149   |
| Mrs. Shobha Kapoor             | Managing Director       | 2,22,60,000 | -           | -            | -          | 17,28,000                               | 2,39,88,000 |
| Ms. Ekta Kapoor                | Joint Managing Director | 2,22,60,000 | -           | -            | -          | 17,28,000                               | 2,39,88,000 |
| Mr. Pradeep Kumar Sarda        | Independent Director    | -           | -           | 1,00,000     | 2,11,560   | -                                       | 3,11,560    |
| Mr. Duraiswamy Gunaseela Rajan | Independent Director    | -           | -           | 6,00,000     | 2,11,560   | -                                       | 8,11,560    |
| Mr. Ashutosh Khanna            | Independent Director    | -           | -           | 5,00,000     | 2,11,560   | -                                       | 7,11,560    |
| Mr. Devender Kumar Vasal       | Independent Director    | -           | -           | 6,00,000     | 2,11,560   | -                                       | 8,11,560    |
| Mr. Virendra Babubhai Dalal    | Independent Director    | -           | -           | 4,75,000     | 2,11,560   | -                                       | 6,86,560    |
| Mr. Arun Kumar Purwar          | Independent Director    | -           | -           | 5,00,000     | 2,11,560   | -                                       | 7,11,560    |
| Mr. Anshuman Thakur            | Non-Executive Director  | -           | -           | 2,00,000     | 2,11,560   | -                                       | 4,11,560    |
| Ms. Jyoti Deshpande            | Non-Executive Director  | -           | -           | 3,00,000     | 2,11,560   | -                                       | 5,11,560    |
| **Mr. Ramesh Sippy             | Non-Executive Director  | -           | -           | 1,00,000     | 2,11,560   | -                                       | 3,11,560    |

**Note:** During the year under review, no stock option was granted to any Directors of the Company.

None of the Directors are related to any other Directors on the Board, except for Mr. Jeetendra Kapoor, his spouse Mrs. Shobha Kapoor, their daughter Ms. Ekta Kapoor and Mr. Ramesh Sippy (brother of Mrs. Shobha Kapoor) who are related to each other.

\*\*Mr. Ramesh Sippy was appointed as Director of the Company w.e.f. September 01, 2019.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### Terms of Reference

The Committee is entrusted with the following roles and responsibilities:

- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.



## Composition

| Name of the Members      | Designation            | Nature of Membership |
|--------------------------|------------------------|----------------------|
| Mr. Jeetendra Kapoor     | Non-Executive Director | Chairman             |
| Mrs. Shobha Kapoor       | Executive Director     | Member               |
| Ms. Ekta Kapoor          | Executive Director     | Member               |
| Mr. Devender Kumar Vasal | Independent Director   | Member               |
| Mrs. Simmi Singh Bisht   | Group Head Secretarial | Secretary            |

## Meetings and Attendance

During the year under review, Stakeholder Relationship Committee held 4 (four) meetings, the dates being May 22, 2019, August 09, 2019, November 13, 2019 and February 12, 2020. 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                      | 1        |
| Mr. Devender Kumar Vasal | 4                      | 4        |

## Compliance Officer

Mrs. Simmi Singh Bisht, Group Head Secretarial is the Compliance Officer under Listing Regulations.

## Shareholder's Complaints during the financial year 2019-20.

| Sr. No. | Nature of Complaints                              | Opening Bal. | Received | Disposed | Pending |
|---------|---|--------------|----------|----------|---------|
| 1.      | Non-receipt of Dividend                           | 0            | 14       | 14       | 0       |
| 2.      | Non-receipt of Annual Report                      | 0            | 1        | 1        | 0       |
| 3.      | Letters from Regulatory Authorities (NSE/BSE/ROC) | 0            | 0        | 0        | 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, 2013 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             |
| Mr. Shobha Kapoor              | Executive Director     | Member               |
| Mr. Duraiswamy Gunaseela 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, 2019, August 09, 2019, November 13, 2019 and February 12, 2020. 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        |
| Mr. Duraiswamy Gunaseela Rajan | 4                      | 4        |
| Mr. Ashutosh Khanna            | 4                      | 4        |

**INTERNAL COMPLAINTS COMMITTEE****Terms of Reference**

The Board of Directors in its Board meeting held on November 13, 2019 reconstituted the Internal Complaints Committee and Apex Committee (Management) of the Company to deal with all complaints and allegations of sexual harassment at workplace.

**Composition**

The current composition of Internal Complaints Committee is as follows:

| Name of the Members | Designation                 | Nature of Membership        |
|---------------------|-----------------------------|-----------------------------|
| Mrs. Chloe Ferns    | Creative Director           | Presiding Officer           |
| Mrs. Divya Dixit    | Vice President- Marketing   | Member                      |
| Mr. Bhargav Vyas    | AVP – Finance and Accounts  | Member                      |
| Ms. Neha Kedia      | Vice President – ComplyKaro | External Independent Member |

The current composition of Apex Committee (Management) is as follows:

| Name of the Members     | Designation                    | Nature of Membership |
|-------------------------|--------------------------------|----------------------|
| Mrs. Shobha Kapoor      | Managing Director              | Chairperson          |
| Mr. Nachiket Pantvaidya | Group COO and CEO (ALT Balaji) | Member               |
| Mrs. Simmi Singh Bisht  | Group Head Secretarial         | Member               |
| Mr. Stephen Daniel      | Group Head - HR                | Member               |



## 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 there at, are as follows:

| Financial Year | Date and Time             | Time       | Special Resolutions passed   |
|----------------|---------------------------|------------|--|
| 2018-19        | Friday, August 30, 2019   | 12:00 Noon | <ul style="list-style-type: none"> <li>• Appointment of Mr. Ramesh Gopal Sippy (DIN: 00652881) as Non-Executive Director of the Company;</li> <li>• Re-appointment of Mr. Arun Kumar Purwar (DIN: 00026383) as an Independent Director of the Company;</li> <li>• Continuation of directorship of Mr. Virendra Babubhai Dalal (DIN: 00247971) as Non-Executive Independent Director of the Company;</li> <li>• Re-appointment of Mr. Virendra Babubhai Dalal (DIN: 00247971) as an Independent Director of the Company;</li> </ul>   |
| 2017-18        | Friday, August 31, 2018   | 12:00 Noon | <ul style="list-style-type: none"> <li>• Re-appointment of Mrs. Shobha Kapoor (DIN: 00005124) as Managing Director of the Company;</li> <li>• Re-appointment of Ms. Ekta Kapoor (DIN:00005093) as Joint Managing Director of the Company;</li> <li>• Re-appointment of Mr. Duraiswamy Gunaseela Rajan (DIN: 00303060) as Independent Director of the Company;</li> <li>• Re-appointment of Mr. Pradeep Kumar Sarda (DIN: 00021405) as Independent Director of the Company;</li> <li>• Re-appointment of Mr. Ashutosh Khanna (DIN: 03153990) as Independent Director of the Company;</li> <li>• Re-appointment of Mr. Devender Kumar Vasal (DIN: 06858991) as Independent Director of the Company;</li> <li>• Continuation of Directorship of Mr. Jeetendra Kapoor (DIN: 00005345) as Chairman, Non-Executive Director of the Company.</li> </ul> |
| 2016-17        | Thursday, August 31, 2017 | 12:00 Noon | <ul style="list-style-type: none"> <li>• Payment of Commission to Non-Executive Director for a period of 5 years w.e.f April 01, 2017.</li> </ul>  |

No special resolution was passed by the Company during the financial year 2019-20 through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot on the date of this report.

**MEANS OF COMMUNICATION:****i) Publication of quarterly results**

The Unaudited Quarterly/Half Yearly Financial Results are announced within forty-five days of the close of the quarter. Pursuant to SEBI Circular dated SEBI/HO/CFD/CMD1/OR/P/2020/106 dated June 24, 2020, the Annual Audited Financial Results were announced after 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 Limited (BSE) & National Stock Exchange of India Ltd. (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://www.balajitelefilms.com/outcome-board-meetings-agm-egm.php>

**ii) Website and New 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, information required to be disclosed under Regulation 30(8) and 46 of the Listing Regulations are also placed on the Company's website [www.balajitelefilms.com](http://www.balajitelefilms.com).

The Company informs 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 have been no materially significant related party transactions between the Company and its Promoters, Directors or their relatives, the Management, subsidiaries, 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 a <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 an annual basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis except those transactions forming part of Form AOC-2.

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 Regulation 27 read with Part E of Schedule II**

The Board of Directors periodically reviews the compliance of all practicable 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 of Listing Regulations as on March 31, 2020 to the extent mentioned below:

- Modified Opinion(s) in Audit Report: The Auditors have issued an unmodified opinion on the financial statements of the Company.
- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- The quarterly, half-yearly and annual financial results of the Company are posted on the Company's corporate website and extract of



these results are published in newspapers. Significant events are also posted on the Company's website under the 'Investor Relations' section.

#### iv) Vigil Mechanism / Whistle Blower Policy

The Company has established Whistle Blower Policy for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and is displayed on Company's website at <http://www.balajitelefilms.com/whistle-blower-policy.php>. 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 Financial Officer
2. Group Head - Human Resource

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](http://www.speak-up.info/balaji)
- E-mail id - [balaji@intouch-india.com](mailto:balaji@intouch-india.com)

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](mailto:dgrajan@balajitelefilms.com)).

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

There were no complaints received during the financial year 2019-20.

#### v) Prevention of Insider Trading

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") the Company has in place Code of Internal Procedures and Conduct for Regulating, Monitoring, and Reporting of Trading by Designated Persons ("Code"), Code of Conduct for Fair Disclosures of Un-published Price Sensitive Information and Policy and Procedure for dealing with Leak or Suspected Leak of Unpublished Price Sensitive Information (UPSI), which may be accessed at <http://www.balajitelefilms.com/code-conduct-insider-trading.php> to deter the instances of insider trading in the securities of the Company based on the Un-published Price Sensitive Information.

The Company has implemented a software to track the trading of securities carried out by the employees of the Company. A system generated report is prepared by the Service Provider after comparing with Benpos Report to determine cases of any violation of the PIT Regulations and Code.

#### vi) Prevention of Sexual Harassment at Workplace Policy

The Company has in place Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013 and the Rules made thereunder. 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

Out of the four subsidiaries of the Company, ALT Digital Media Entertainment Limited (ALT Digital) is a material subsidiary. In line with the requirements of Regulation 24(1) of the Listing Regulations, Mr. Duraiswamy Gunaseela Rajan, Mr. Devender Kumar Vasal and Mr. Virendra Babubhai Dalal, who are Independent Directors on the Board of the Company are also Independent Directors on the Board of ALT Digital.

The Company has formulated a policy for determining 'Material Subsidiaries' and the same has been uploaded on the website of the Company and may be accessed at <http://www.balajitelefilms.com/policy-determining-material-subsidiary.php>.

The Company monitors the performance of the Subsidiary Companies by reviewing:

1. Financial Statements and Investments made by the Subsidiary Companies on quarterly basis;
2. Statement of all Significant transactions entered by the Unlisted Subsidiary Companies;
3. The copies of the minutes of the meetings of the Board of Directors of the Subsidiary Companies are tabled at the subsequent Board Meetings.

#### **viii) Disclosure on Risk Management**

The Company has in place a Risk Management Policy. The Risk Management System is periodically reviewed and evaluated by the Audit Committee and Board of Directors.

#### **ix) CEO/CFO Certification**

As required under Regulation 17(8) of the Listing Regulations, a Certificate from Mrs. Shobha Kapoor, Managing Director and Mr. Sanjay Dwivedi, Group Chief Financial Officer of the Company, on the Financial Statements of the Company is annexed to this report.

#### **x) Disclosure on commodity price risk and commodity hedging activities**

The Company has not undertaken any commodity price risk during financial year 2019-20. The Company does not indulge in commodity hedging activities.

#### **xi) Certificate from Practicing Company Secretary**

The Company has obtained a Certificate from M/S. RM SHAH & CO confirming that no Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and

Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

#### **xii) Compliance with Mandatory Requirements**

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub – regulation (2) of Regulation 46 of Listing Regulations.

#### **xiii) Utilization of Funds- Preferential Allotment/ Qualified Institutions Placement**

There has been no fund raising through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) during the financial year 2019-20.

#### **xiv) Total Fees (Paid to Statutory Auditors)**

The total fees paid to Statutory auditors on consolidated basis for all the services rendered by it to the Company and its subsidiaries is ₹ 71.77/- Lacs. During the year under review, there was no resignation of Statutory Auditors.

#### **xv) Recommendations of Committee**

There was no such instance during the financial year 2019-20 where the Board had not accepted any recommendation of any Committee of the Board.

#### **xvi) Unclaimed Dividend/ Shares**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'). The details of unclaimed/unpaid dividend are available on the website of the Company on [www.balajitelefilms.com](http://www.balajitelefilms.com).

#### **xvii) Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account**

During the year under review, there were no shares in Demat Suspense Account or Unclaimed Suspense Account of the Company.



## GENERAL SHAREHOLDER INFORMATION:

|  |  |
|--|--|
| <b>1. Annual General Meeting</b>   |  |
| Date   | 30-September 2020  |
| Time   | 12.00 Noon   |
| Venue  | Pursuant to MCA Circular dated May 05, 2020, and SEBI Circular May 12, 2020 the Annual General Meeting of the Company will be held through VC/OAVM and the Registered Office of the Company shall be the deemed venue for this Meeting.  |
| <b>2. Date of Book Closure</b>   | Wednesday, September 23, 2020 to Wednesday, September 30, 2020   |
| <b>3. Financial Calendar</b>   |  |
| Financial Year   | April 01, 2020 to March 31, 2021   |
| *Financial reporting for 1 <sup>st</sup> quarter ending 30 <sup>th</sup> June, 2020      | Second week of August 2020   |
| *Financial reporting for 2 <sup>nd</sup> quarter ending 30 <sup>th</sup> September, 2020 | Third week of November 2020  |
| *Financial reporting for 3 <sup>rd</sup> quarter ending 31 <sup>st</sup> December, 2020  | Second week of February 2021   |
| *Financial reporting for the year ending 31 <sup>st</sup> March, 2021                    | Fourth week of May 2021  |
| *Annual General Meeting for year ending 31 <sup>st</sup> March, 2021                     | August 2021  |
| *Tentative and subject to change.  |  |
| <b>4. Payment of Dividend</b>  | N.A.   |
| <b>5. Listing details</b>  |  |
| Name of Stock Exchange(s)  | <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001.<br><b>Tel:</b> +91-22-22721233/34<br><b>Fax:</b> +91-22-22721919   |
|  | <b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza, 5 <sup>th</sup> floor, Plot No. C/1,<br>G Block, Bandra Kurla Complex, Bandra (East),<br>Mumbai – 400 051.<br><b>Tel:</b> +91-22-26598100/14<br><b>Fax:</b> +91-22-26598120  |
| ISIN   | INE794B01026   |
| Stock Code   | <b>BSE:</b> 532382<br><b>NSE:</b> BALAJITELE   |
| Listing Fees   | Paid for both the Stock Exchanges  |
| Listing on Stock Exchanges outside India   | Not Listed   |
| <b>6. Registered Office of Company</b>   | C-13, Balaji House, Dalia Industrial Estate,<br>Opp. Laxmi Industrial Estate, New Link Road,<br>Andheri (West), Mumbai – 400 053.<br><b>Tel:</b> +91-22-40698000,<br><b>Fax:</b> +91-22-40698181/82<br><b>E-mail:</b> <a href="mailto:investor@balajitelefims.com">investor@balajitelefims.com</a><br><b>Website:</b> <a href="http://www.balajitelefims.com">www.balajitelefims.com</a> |

|  |   |
|--|---|
| 7. <b>Share Transfer Agent</b>   | KFIN Technologies Private Limited (Company's Registrar and Transfer Agents)<br>Selenium Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakramguda,<br>Serilingampally Mandal, Hyderabad – 500 032.<br>Tel: +91-40-33211500/70/71<br>Fax No. +91-40-23440674<br>Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a><br>Website: <a href="http://www.kfintech.com">www.kfintech.com</a>  |
| 8. <b>Share Transfer System</b>  | 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 Stakeholders Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2019-20 and no share transfer pending as on March 31, 2020.  |
| 9. <b>Dematerialisation of Equity Shares</b>   | The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Limited. (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, 2020 about 99.99% comprising 10,11,25,895 Equity Shares were in the dematerialized form. |
| 10. <b>Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity</b> | The Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments as on March 31, 2020.  |

# 11. Stock Market Data relating to Shares listed in India

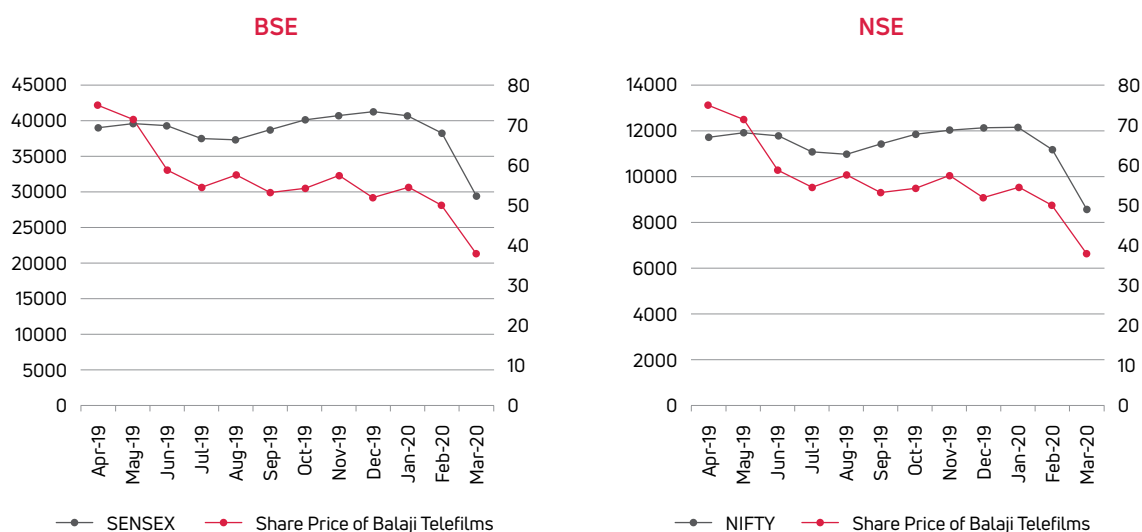
The monthly high and low prices on BSE Limited and National Stock Exchange of India Limited as well as the volume of shares traded during the financial year 2019-20 are as below:

| MONTH     | BSE   |       |                      | NSE   |       |                      |
|-----------|-------|-------|----------------------|-------|-------|----------------------|
|           | HIGH  | LOW   | NO. OF SHARES TRADED | HIGH  | LOW   | NO. OF SHARES TRADED |
| April     | 86.95 | 74.70 | 6,75,728             | 87.30 | 74.35 | 10,97,348            |
| May       | 78.75 | 68.00 | 85,525               | 77.80 | 67.40 | 7,36,070             |
| June      | 74.00 | 56.40 | 1,17,347             | 72.90 | 56.85 | 9,02,994             |
| July      | 60.00 | 51.00 | 1,60,423             | 59.50 | 52.00 | 14,25,900            |
| August    | 66.80 | 44.85 | 29,74,318            | 65.05 | 45.00 | 26,04,137            |
| September | 61.00 | 48.00 | 1,11,321             | 59.90 | 52.40 | 9,07,001             |
| October   | 56.50 | 48.00 | 1,59,554             | 57.10 | 47.95 | 17,91,609            |
| November  | 61.95 | 52.50 | 1,58,078             | 62.00 | 52.30 | 19,93,564            |
| December  | 56.90 | 48.00 | 96,669               | 59.70 | 48.20 | 11,81,232            |
| January   | 55.85 | 48.45 | 1,25,907             | 56.30 | 48.55 | 24,35,052            |
| February  | 61.45 | 49.60 | 1,77,733             | 62.00 | 49.50 | 30,05,090            |
| March     | 52.00 | 28.00 | 3,11,409             | 52.00 | 27.90 | 17,62,641            |

During the year under review, the securities are not suspended from the trading from the Stock Exchange(s).

## 12. Stock Performance in comparison to Broad – Based Indices

The chart below shows the comparison of the Company's share price movement on BSE Limited and National Stock Exchange of India Limited vis-à-vis the movement of the BSE Sensex and NSE Nifty respectively for the Financial Year March 31, 2020 (based on month end closing);



## 13. Credit Rating

Since the Company does not have any debt securities or borrowings, Credit rating is not required for the Company.

## 14. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2020

| Description                         | No. of Shareholders | Shares              | % Equity      |
|-------------------------------------|---------------------|---------------------|---------------|
| BANKS                               | 2                   | 1,400               | 0.00          |
| CLEARING MEMBERS                    | 53                  | 76,093              | 0.08          |
| DIRECTORS                           | 3                   | 22,200              | 0.02          |
| DIRECTORS AND THEIR RELATIVES       | 3                   | 15,170              | 0.02          |
| FOREIGN NATIONALS                   | 1                   | 181                 | 0.00          |
| FOREIGN PORTFOLIO - CORP            | 5                   | 99,48,703           | 9.84          |
| FOREIGN PORTFOLIO INVESTORS         | 2                   | 86,58,287           | 8.56          |
| H U F                               | 513                 | 4,69,016            | 0.46          |
| I E P F                             | 1                   | 44,729              | 0.04          |
| INDIAN FINANCIAL INSTITUTIONS       | 2                   | 8,10,827            | 0.80          |
| BODIES CORPORATES                   | 319                 | 3,15,91,448         | 31.24         |
| MUTUAL FUNDS                        | 4                   | 5,16,339            | 0.51          |
| NBFC                                | 1                   | 800                 | 0.00          |
| NON RESIDENT INDIANS                | 260                 | 3,76,480            | 0.37          |
| NON RESIDENT INDIAN NON REPATRIABLE | 156                 | 5,88,983            | 0.58          |
| PROMOTERS                           | 4                   | 3,47,22,002         | 34.33         |
| RESIDENT INDIVIDUALS                | 20,373              | 1,32,86,985         | 13.14         |
| TRUSTS                              | 2                   | 800                 | 0.00          |
| <b>Grand Total</b>                  | <b>21,704</b>       | <b>10,11,30,443</b> | <b>100.00</b> |

## 15. Distribution of shareholding as on March 31, 2020

| Number of Share  | No. of Share Holders | % of Total Shareholders | Total Shares        | Amount              | % to equity   |
|------------------|----------------------|-------------------------|---------------------|---------------------|---------------|
| 1 - 5000         | 21,358               | 98.40                   | 54,54,690           | 1,09,09,380         | 5.39          |
| 5001 - 10000     | 159                  | 0.73                    | 1,176,531           | 23,53,062           | 1.16          |
| 10001 - 20000    | 75                   | 0.35                    | 11,30,346           | 22,60,692           | 1.12          |
| 20001 - 30000    | 27                   | 0.12                    | 6,87,787            | 13,75,574           | 0.68          |
| 30001 - 40000    | 12                   | 0.06                    | 4,44,172            | 8,88,344            | 0.44          |
| 40001 - 50000    | 9                    | 0.04                    | 4,12,204            | 8,24,408            | 0.41          |
| 50001 - 100000   | 19                   | 0.09                    | 13,48,822           | 26,97,644           | 1.33          |
| 100001 and above | 46                   | 0.21                    | 9,04,75,891         | 18,09,51,782        | 89.46         |
| <b>TOTAL</b>     | <b>21,705</b>        | <b>100.00</b>           | <b>10,11,30,443</b> | <b>20,22,60,886</b> | <b>100.00</b> |

## 16. Plant Locations:

As the Company is engaged in the business of Media & Entertainment, there is no plant location.

## 17. Address for Correspondence:

| Investors' correspondence  | Financial Statements Queries   |
|--|--|
| <b>Mrs. Simmi Singh Bisht</b><br><b>Group Head Secretarial</b><br>Balaji Telefilms Limited<br>C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road,<br>Andheri (West), Mumbai – 400 053.<br>Tel: +91-22-40698000<br>Fax: +91-22-40698181/82<br>Email: <a href="mailto:investor@balajitelefilms.com">investor@balajitelefilms.com</a><br><a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> | <b>Mr. Sanjay Dwivedi</b><br><b>Group Chief Financial Officer</b><br>Balaji Telefilms Limited<br>C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400 053.<br>Tel: +91-22-40698000<br>Fax: +91-22-40698181/82<br>Email: <a href="mailto:sanjay.dwivedi@balajitelefilms.com">sanjay.dwivedi@balajitelefilms.com</a> |



**MANAGING DIRECTOR AND CFO CERTIFICATE PURSUANT TO REGULATION 17(8), PART B OF  
SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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, 2020 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/-  
**Shobha Kapoor**  
Managing Director

Mumbai, July 22, 2020

Sd/-  
**Sanjay Dwivedi**  
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, 2020.

Mumbai, July 22, 2020

Sd/-  
**Shobha Kapoor**  
Managing Director

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,

The Members of

**BALAJI TELEFILMS LIMITED**

C-13, Balaji House, Dalia Industrial Estate,

Opp. Laxmi Indl. Estate, New Link Road,

Andheri-West, Mumbai - 400053, Maharashtra.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BALAJI TELEFILMS LIMITED, (hereinafter referred to as 'the Company'), having CIN L99999MH1994PLC082802 and having registered office at C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Indl. Estate, New Link Road, Andheri-West Mumbai -400053, Maharashtra, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director            | DIN      | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1.      | JEETENDRA AMARNATH KAPOOR   | 00005345 | 01-02-2000                     |
| 2.      | PRADEEP KUMAR SARDA         | 00021405 | 17-05-2004                     |
| 3.      | DURAI SWAMY GUNASEELA RAJAN | 00303060 | 19-07-2010                     |
| 4.      | ASHUTOSH KHANNA             | 03153990 | 27-08-2010                     |
| 5.      | VIRENDRA BABUBHAI DALAL     | 00247971 | 12-08-2014                     |
| 6.      | DEVENDER KUMAR VASAL        | 06858991 | 15-05-2014                     |
| 7.      | ARUN KUMAR PURWAR           | 00026383 | 20-05-2015                     |
| 8.      | SHOBHA RAVI KAPOOR          | 00005124 | 10-11-1994                     |
| 9.      | EKTA KAPOOR RAVI            | 00005093 | 10-11-1994                     |
| 10.     | ANSHUMAN THAKUR             | 03279460 | 01-09-2017                     |
| 11.     | JYOTI DESHPANDE             | 02303283 | 23-03-2018                     |
| 12.     | RAMESH GOPAL SIPPY          | 00652881 | 01-09-2019                     |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RM Shah & Co.**

Company Secretaries

Sd/-

**Rashmi Shah**

Proprietor

ACS No.: 24722

C P No.: 22489

Place: Mumbai

Date: 08/06/2020

UDIN: A024722B000326595

## 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, 2020 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (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

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Sachin Parekh**  
Partner  
Membership No.: 107038  
UDIN: 20107038AAAABS8286



# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

|    |   |  |
|----|---|--|
| 1. | Corporate Identity Number (CIN) of the Company  | L99999MH1994PLC082802  |
| 2. | Name of the Company   | Balaji Telefilms Limited   |
| 3. | Registered address  | C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri-West Mumbai- 400053, Maharashtra, India  |
| 4. | Website   | <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>   |
| 5. | E-mail id   | <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a>   |
| 6. | Financial Year reported   | 2019-20  |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise)                      | <ul style="list-style-type: none"> <li>• Motion picture, video and television programme activities - NIC Code 591</li> </ul>   |
| 8. | List three key products/services that the Company manufactures/provides (as in balance sheet) | Sale of service: <ul style="list-style-type: none"> <li>• commissioned television programs</li> <li>• internet programs</li> <li>• sale &amp; licensing of movies</li> <li>• sale of television programs/movie concept rights</li> <li>• Event Management</li> </ul> |
| 9. | Total number of locations where business activity is undertaken by the Company                | Operations of the Company are carried out in various studios located in Mumbai as the Company is engaged in the business of Media & Entertainment.   |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

|    |   |  |
|----|---|--|
| 1. | Paid up Capital   | ₹ 20,22,60,886/-   |
| 2. | Total Turnover  | ₹ 57,662.80/- lacs   |
| 3. | Total profit after taxes (INR)  | ₹ 5,786.94/- lacs  |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The total spend on CSR for 2019-20 is Rs. 54.62 lacs which is more than 2% of average net profits of the last three financial years. |
| 5. | List of activities in which expenditure in 4 above has been incurred                          | The details forms part of CSR Report appended as Annexure III to Board's Report  |

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?  
  
As on March 31, 2020 the Company has 4 subsidiary companies.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
  
The Subsidiary Companies participate in the Business Responsibility initiatives to the extent applicable to them.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
  
The Company's BR Policies/initiatives does not apply to vendors/ suppliers and they are not directly involved with the Business Responsibility initiatives of the Company.

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR-**

**(a) Details of the Directors responsible for implementation of the BR policy**

- **DIN:** 00005124  
**Name:** Mrs. Shobha Kapoor  
**Designation:** Managing Director
- **DIN:** N.A.  
**Name:** Mrs. Simmi Singh Bisht  
**Designation:** Group Head Secretarial

- **DIN:** N.A.  
**Name:** Mr. Sanjay Dwivedi  
**Designation:** Group Chief Financial Officer

**(b) Details of the BR head**

| Sr. No. | Particulars         | Details  |
|---------|---------------------|--|
| 1.      | DIN (if applicable) | 00005124   |
| 2.      | Name                | Mrs. Shobha Kapoor   |
| 3.      | Designation         | Managing Director  |
| 4.      | Telephone Number    | 022- 40698000  |
| 5.      | E-mail id           | <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> |

**2. Principle-wise [(as per National Voluntary Guidelines (NVGs)] BR Policies**

**(a) Details of compliance (Reply in Y/N)**

| No. | Questions   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|---|----|----|----|----|----|----|----|----|
| 1.  | Do you have a policy/ policies for  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.  | Has the policy being formulated in consultation with the relevant stakeholders?   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3.  | Does the policy conform to any national / international standards? If yes, specify? (50 words)                            | The policy has been prepared in compliance with the applicable laws and Industry standards.   |    |    |    |    |    |    |    |    |
| 4.  | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?     | The policy has been approved by the Board of Directors and signed by Mrs. Shobha Kapoor, Managing Director of the Company.  |    |    |    |    |    |    |    |    |
| 5.  | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 6.  | Indicate the link for the policy to be viewed online?   | Yes<br>The policy is available at Company's website at <a href="http://www.balajitelefilms.com/pdf/BTL_Policy_Business%20Responsibility%20Report.pdf">http://www.balajitelefilms.com/pdf/BTL_Policy_Business%20Responsibility%20Report.pdf</a>  |    |    |    |    |    |    |    |    |
| 7.  | Has the policy been formally communicated to all relevant internal and external stakeholders?                             | Yes   |    |    |    |    |    |    |    |    |
| 8.  | Does the company have in-house structure to implement the policy/ policies.   | Managing Director shall have the authority to oversee the implementation of this Policy.<br><br>The Group Chief Financial Officer and Group Head Secretarial shall be responsible for implementing the policy and may take support of such functional heads and internal and external experts, which they may deem fit, for the effective implementation of the Policy. |    |    |    |    |    |    |    |    |



| No. | Questions  | P1   | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|----|----|----|----|----|----|----|----|
| 9.  | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?** | Yes  |    |    |    |    |    |    |    |    |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                   | The Policies are evaluated by Board of Directors in accordance with applicable laws whenever required. |    |    |    |    |    |    |    |    |

\*\* The Whistle Blower Policy overseen by the Audit Committee of the Board of Directors of the Company and Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committee (ICC) and Apex Committee constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy and Prevention of Sexual Harassment Policy is being redressed by the respective committees which oversee them.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| No. | Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----|
| 1   | The company has not understood the Principles   | NA |    |    |    |    |    |    |    |    |
| 2   | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles |    |    |    |    |    |    |    |    |    |
| 3   | The company does not have financial or manpower resources available for the task  |    |    |    |    |    |    |    |    |    |
| 4   | It is planned to be done within next 6 months   |    |    |    |    |    |    |    |    |    |
| 5   | It is planned to be done within the next 1 year   |    |    |    |    |    |    |    |    |    |
| 6   | Any other reason (please specify)   |    |    |    |    |    |    |    |    |    |

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report is available at the website of the Company and may be accessed at the link [http://www.balajitelefilms.com/pdf/BTL\\_Policy\\_Business%20Responsibility%20Report\\_2019-2020.pdf](http://www.balajitelefilms.com/pdf/BTL_Policy_Business%20Responsibility%20Report_2019-2020.pdf).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company?

The Company has in place Whistle Blower Policy which has adequate control measures in place to address issues relating to ethics, bribery, corruption etc.

Though the Company's policies currently do not apply to external stakeholders, the Company follows zero tolerance on any acts of bribery, corruption etc.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

As mentioned in the Corporate Governance Report, 15 complaints were received from investors during FY 2019-20, of which all 15 have been resolved.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Nil, as the Company is engaged in the business of Media and Entertainment

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Significant measures are taken by the Company to reduce energy consumption by using energy-efficient computers and by purchasing energy efficient equipment. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipment with more energy-efficient equipment. Currently, we use Light Emitting Diode (LED) fixtures to reduce the power consumption in the illumination system.

Since, the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable.

- Does the company have procedures in place for sustainable sourcing (including transportation)? If Yes, what percentage of your inputs was sourced sustainably?

The Company maintains healthy relationship with its vendors, suppliers etc.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If

yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company endeavours to procure goods and services from local & small producers, including communities surrounding their place of work as far as possible.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company is not involved in any manufacturing activity and hence there is no consequent discharge of waste and effluents.

**Principle 3: Businesses should promote the wellbeing of all employees**

- Please indicate the Total number of employees: 103
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: 31
- Please indicate the Number of permanent women employees: 18
- Please indicate the Number of permanent employees with disabilities: 1
- Do you have an employee association that is recognized by management?  
Yes, Maharashtra Rajgarashtriya Kamgar Sangh (INTUC), Mumbai
- What percentage of your permanent employees is members of this recognized employee association? 41%
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. NIL
- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

The Company had Health Camp & Health Talk program which was held for all Employees on February 20, 2020 and Self Defence program was held on March 06, 2020 for Women's Day with 26 participants.



**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

**1. Has the company mapped its internal and external stakeholders?**

The Company has mapped its internal and external stakeholders, the major/key categories include (i) Central and State Government (ii) Regulatory Authorities (iii) Financial Institutions (iv) Banks (v) Employees (vi) Professional Service Providers (vii) Board of Directors and Senior Management (viii) Viewers (ix) Vendors/ Suppliers & Service Providers (x) Industry Associations.

The process of mapping of stakeholders is an ongoing exercise and are updated on regular basis.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company takes conscious efforts to engage with its stakeholders. The details of the engagement with such stakeholders has been laid out in the CSR report of the Company in the Board's Report forming part of Annual Report.

**Principle 5: Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

As a responsible organization, the Company has policy in place to protect and safeguard human rights which is applicable to its subsidiary companies.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints were received on violation of any human rights during the financial year 2019-20.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company is conscious for the environmental issues. It encourages its employees, subsidiaries and other associates to safeguard and protect the environment.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Since the Company is not engaged in manufacturing activity, it is a non-pollutant Company. However it has a deep concern for the protection and sustainability of environment.

**3. Does the company identify and assess potential environmental risks?**

No, the Company being in the business of media and entertainment does not involve any manufacturing activity.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No, the Company being in the business of media and entertainment does not involve any manufacturing activity.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

No, the Company being in the business of media and entertainment does not involve any manufacturing activity. However, it ensures that due importance is given to energy efficiency.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

N.A.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

1. Indian Motion Pictures Producers Association 2. Indian Film & TV Producers Council 3. The Film & Television Producer Guild of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

The Company has been active in various business associations and advocates on various issues for better viewer experience.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The details of CSR initiatives taken by the Company during the financial year are appended as Annexure III of Board's report, which form part of this Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The details of CSR initiatives taken by the Company during the financial year are appended as Annexure III of Board's report, which form part of this Annual Report.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken.

The details of CSR initiatives taken by the Company during the financial year are appended as Annexure III of Board's report, which form part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Adequate steps are taken to ensure that community development initiatives of the Company are successfully adopted by the community

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

One complaint has been filed against the Company.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

N.A.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No



# Independent Auditor's Report

## To the Members of Balaji Telefilms Limited

### Report on the audit of the standalone financial statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Balaji Telefilms Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit

of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to the following:
  - (a) Note 45 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact of the event in the subsequent period is dependent upon circumstances as they evolve.
  - (b) Note 40 to the standalone financial statements regarding receivable amounting to Rs. 1,619 lacs, disclosed under "other non-current assets" of the balance sheet as at March 31, 2020, from one of its co-producer and a film director against whom arbitration proceedings are in progress for recovery.

Our opinion is not modified in respect of above matters.

#### Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><b>Assessment of carrying value of investments in and loans to Subsidiaries</b></p> <p>(Refer notes 5, 15 and 33 to the Standalone Financial Statements)</p> <p>The carrying value of Company's investments in and loans to subsidiaries (Alt Digital Media Entertainment Limited, Balaji Motion Pictures Limited and Marinating Films Private Limited) is Rs. 65,112.20 lacs as at March 31, 2020.</p> <p>The value of such investments and loans form a significant part of the total assets of the Company. Accumulated losses have eroded/partly eroded the net worth of the respective subsidiaries. This is an indication of potential impairment of carrying value these investments and loans.</p> <p>The Company assesses the carrying value of these investments and recoverability of loans by taking into account forecast business plans which are based on various assumptions including growth rate and discount factor. Management uses an independent external professional valuer to determine the fair value of these investments.</p> <p>Based on this, the Company assessed that there is no requirement of considering impairment provision in the carrying value of its investments in and loans to such subsidiaries at March 31, 2020.</p> <p>We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of future cash flows based on the business plans and the underlying assumptions such as discount rate, growth rate and valuation model.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Understanding and evaluating the design and testing the operating effectiveness of the controls over valuation of investments and recoverability of loans;</li><li>• Assessing the historical accuracy of the Management's forecasted business plans by comparing the forecasts used in the prior year with the actual performance in the current year;</li><li>• Comparing the forecasts with the latest approved budgets;</li><li>• Evaluating the competence, capabilities and objectivity of the independent professional valuer engaged by the Company;</li><li>• Together with auditor's valuation experts –<ul style="list-style-type: none"><li>• assessing Management's forecasts to evaluate whether the forecasts are reasonable in comparison with the past performance and industry trends;</li><li>• testing appropriateness of the method and model used for determining the fair value of investments, mathematical accuracy of the models' calculations, evaluating reasonableness and challenging key assumptions used such as growth rate, discount rate;</li><li>• evaluating the sensitivity analysis in consideration of potential impact of reasonably possible upside or downside changes in the key assumptions.</li></ul></li><li>• Considered the results of the aforesaid procedures in evaluating the recoverability of loan given to a subsidiary.</li></ul> <p>Based on the above procedures performed, the management's assessment of carrying value of investments in and loans to such subsidiaries, was considered to be appropriate.</p> |



## Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises of Board's Report, Management Discussion & Analysis, Report on Corporate Governance (but does not include the standalone financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the Corporate Overview section of the annual report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Corporate Overview section of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. 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 Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of



Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements.

ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

16. 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.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Sachin Parekh**

Partner

Membership Number: 107038

UDIN: 20107038AAAABT3162

Place: Mumbai

Date: July 22, 2020

# Annexure A

## to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Balaji Telefilms Limited on the standalone financial statements for the year ended March 31, 2020

### 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, 2020 in conjunction with our audit of the standalone 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.

### **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, 2020, 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. Also, refer paragraph 4(a) of our main report.

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

**Sachin Parekh**  
Partner

Membership Number: 107038  
UDIN: 20107038AAAABT3162

Place: Mumbai  
Date: July 22, 2020

# Annexure B

## to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Balaji Telefilms Limited on the standalone financial statements for the year ended March 31, 2020

- 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(a) on property plant and equipment to the financial statements, are held in the name of the Company.
- ii. The Company is into the business of making television/internet programs and sale/ licensing of films and accordingly, does not hold inventory (i.e. goods). Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Act. The Company has not granted any loans to firms, Limited Liability Partnerships or 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.
- vii. (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 and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:
- (b) In respect of the aforesaid loans, the principal and interest is payable on demand by the party and as per the information and explanations provided to us, the party has paid the principal and interest during the year to the extent demanded by the Company.
- (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 Act in respect of the loans or investments made, or guarantees or 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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

| Name of the statute   | Nature of dues | Amount (Rs. in Lacs) | Period to which the amount relates | Forum where the dispute is pending |
|-----------------------|----------------|----------------------|------------------------------------|------------------------------------|
| The Finance Act, 1994 | Service Tax    | 6,348.00             | 2006-07 and 2007-08                | High Court of Judicature at Bombay |
| The Finance Act, 1994 | Service Tax    | 2,943.00             | April 2008 to April 2011           | Commissioner of Service Tax        |



| Name of the statute                       | Nature of dues         | Amount (Rs. in Lacs) | Period to which the amount relates | Forum where the dispute is pending |
|---|------------------------|----------------------|------------------------------------|------------------------------------|
| Value Added Tax and Central Sales Tax Act | Sales Tax and VAT      | 145.50               | 2012-13 and 2013-14                | Joint Commissioner of Sales Tax    |
| The Income Tax Act, 1961                  | Tax Deducted at Source | 218.08               | 2009-10 and 2010-11                | High Court of Judicature at Bombay |

- 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. Also, refer paragraph 16 of our main audit 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 Sections 177 and 188 of the Act. The details of 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. 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

**Sachin Parekh**

Partner

Membership Number: 107038

UDIN: 20107038AAAABT3162

Place: Mumbai

Date: July 22, 2020

# Balance Sheet

as at March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|----------------------|----------------------|
| <b>ASSETS</b>   |          |                      |                      |
| <b>Non-current assets</b>                                 |          |                      |                      |
| (a) Property, plant and equipment                         | 4(a)     | 2,691.95             | 3,002.75             |
| (b) Right-of-use Asset                                    | 4(b)     | 2,670.68             | -                    |
| (c) Capital work-in-progress                              | 4(a)     | 179.17               | 52.46                |
| (d) Financial Assets                                      |          |                      |                      |
| (i) Investments   | 5        | 62,392.21            | 48,694.65            |
| (ii) Trade receivables                                    | 13(ii)   | 164.11               | 431.01               |
| (iii) Loans   | 6        | 796.56               | 940.19               |
| (iv) Other financial assets                               | 7(i)     | -                    | 326.12               |
| (e) Deferred tax assets (net)                             | 8        | 723.99               | 1,981.86             |
| (f) Non-current income tax assets (net)                   | 9        | 1,164.29             | 2,628.08             |
| (g) Other non-current assets                              | 10       | 3,701.51             | 3,238.08             |
| <b>Total non-current assets</b>                           |          | <b>74,484.47</b>     | <b>61,295.20</b>     |
| <b>Current assets</b>                                     |          |                      |                      |
| (a) Inventories   | 11       | 2,377.94             | 6,328.14             |
| (b) Financial assets                                      |          |                      |                      |
| (i) Investments   | 12       | 10,046.23            | 22,106.08            |
| (ii) Trade receivables                                    | 13(i)    | 12,455.40            | 10,283.76            |
| (iii) Cash and cash equivalents                           | 14(a)    | 1,382.01             | 1,577.71             |
| (iv) Bank balances other than (iii) above                 | 14(b)    | 10.54                | 9.33                 |
| (v) Loans   | 15       | 3,081.95             | 316.13               |
| (vi) Other financial assets                               | 7(ii)    | 5,010.00             | 1,543.02             |
| (c) Contract assets                                       | 7(a)     | 4,899.90             | 1,755.38             |
| (d) Other current assets                                  | 16       | 7,620.27             | 4,482.86             |
| <b>Total current assets</b>                               |          | <b>46,884.24</b>     | <b>48,402.41</b>     |
| <b>Total Assets</b>                                       |          | <b>121,368.71</b>    | <b>109,697.61</b>    |
| <b>EQUITY AND LIABILITIES</b>                             |          |                      |                      |
| <b>Equity</b>   |          |                      |                      |
| (a) Equity share capital                                  | 17       | 2,022.61             | 2,022.61             |
| (b) Other equity  | 18       | 103,716.53           | 98,970.11            |
| <b>Total equity</b>                                       |          | <b>105,739.14</b>    | <b>100,992.72</b>    |
| <b>Liabilities</b>  |          |                      |                      |
| <b>Non-current liabilities</b>                            |          |                      |                      |
| (a) Financial liabilities                                 |          |                      |                      |
| (i) Lease liabilities                                     | 4(b)     | 685.84               | -                    |
| <b>Total non-current liabilities</b>                      |          | <b>685.84</b>        | <b>-</b>             |
| <b>Current liabilities</b>                                |          |                      |                      |
| (a) Financial liabilities                                 |          |                      |                      |
| (i) Trade payables  | 19       |                      |                      |
| (i) total outstanding dues of micro and small enterprises |          | 46.19                | -                    |
| (ii) total outstanding dues other than (i) (i) above      |          | 9,841.52             | 7,210.55             |
| (ii) Lease liabilities                                    | 4(b)     | 2,067.51             | -                    |
| (iii) Other financial liabilities                         | 20       | 51.10                | 127.20               |
| (b) Provisions  | 21(i)    | 18.25                | 15.99                |
| (c) Other current liabilities                             | 21(ii)   | 2,112.44             | 1,281.60             |
| (d) Current Tax Liabilities (net)                         | 22       | 806.72               | 69.55                |
| <b>Total current liabilities</b>                          |          | <b>14,943.73</b>     | <b>8,704.89</b>      |
| <b>Total Equity and Liabilities</b>                       |          | <b>121,368.71</b>    | <b>109,697.61</b>    |

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

Sachin Parekh  
Partner  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Shobha Kapoor  
(Managing Director)  
DIN: 00005124

D.G. Rajan  
(Audit Committee Chairman)  
DIN: 00303060

Sanjay Dwivedi  
(Group CFO)

Simmi Singh Bisht  
(Group Head Secretarial)  
Place : Mumbai  
Date : July 22, 2020



# Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars  | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------|-----------------------------------|-----------------------------------|
| (I) Revenue from operations  | 23       | 57,662.80                         | 44,030.15                         |
| (II) Other Income  | 24       | 605.67                            | 2,482.16                          |
| <b>(III) Total income (I+II)</b>   |          | <b>58,268.47</b>                  | <b>46,512.31</b>                  |
| <b>(IV) Expenses</b>   |          |                                   |                                   |
| (a) Cost of Production / Acquisition and Telecast Fees                       | 25       | 31,940.05                         | 36,705.29                         |
| (b) Changes in inventories   | 25       | 3,950.20                          | (1,963.00)                        |
| (c) Marketing and distribution expenses                                      | 26       | 3,618.48                          | 2,035.94                          |
| (d) Employee benefits expense  | 27       | 1,389.04                          | 2,271.11                          |
| (e) Depreciation and amortization expense                                    | 28       | 3,313.46                          | 1,308.79                          |
| (f) Finance cost   | 29       | 242.44                            | -                                 |
| (g) Other expenses   | 30       | 4,348.65                          | 3,509.14                          |
| <b>(V) Total expenses</b>  |          | <b>48,802.32</b>                  | <b>43,867.27</b>                  |
| <b>(VI) Profit Before Tax (III-V)</b>  |          | <b>9,466.15</b>                   | <b>2,645.04</b>                   |
| <b>(VII) Tax expense:</b>  | 31       |                                   |                                   |
| (a) Current tax:   |          |                                   |                                   |
| Current tax  |          | 2,347.23                          | 695.81                            |
| (b) Deferred tax:  |          |                                   |                                   |
| Deferred tax   |          | 49.21                             | 30.87                             |
| MAT Credit Entitlement   |          | -                                 | (94.10)                           |
| MAT Credit Utilisation   |          | 1,282.77                          | -                                 |
| <b>Total tax expense</b>   |          | <b>3,679.21</b>                   | <b>632.58</b>                     |
| <b>(VIII) Profit for the year (VI-VII)</b>                                   |          | <b>5,786.94</b>                   | <b>2,012.46</b>                   |
| <b>(IX) Other comprehensive income</b>                                       |          |                                   |                                   |
| Items that will not be reclassified to profit or loss                        |          |                                   |                                   |
| Remeasurements of the post employment benefit obligations gain/(loss)        |          | (12.70)                           | (5.82)                            |
| Income tax relating to items that will not be reclassified to profit or loss |          | 3.20                              | 2.01                              |
| <b>Other comprehensive income for the year, net of tax</b>                   |          | <b>(9.50)</b>                     | <b>(3.81)</b>                     |
| <b>(X) Total comprehensive income for the year (VIII+IX)</b>                 |          | <b>5,777.44</b>                   | <b>2,008.65</b>                   |
| (XI) Basic and diluted earnings per share (In ₹)                             | 37       | 5.72                              | 1.99                              |
| (Face value of ₹ 2 each)   |          |                                   |                                   |

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

Sachin Parekh  
Partner  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Shobha Kapoor  
(Managing Director)  
DIN: 00005124

D.G. Rajan  
(Audit Committee Chairman)  
DIN: 00303060

Sanjay Dwivedi  
(Group CFO)

Simmi Singh Bisht  
(Group Head Secretarial)  
Place : Mumbai  
Date : July 22, 2020

# Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                      |                                      |
| Profit before tax   | 9,466.15                             | 2,645.04                             |
| <b>Adjustments for:</b>   |                                      |                                      |
| Depreciation and amortisation expenses  | 3,313.46                             | 1,308.79                             |
| Advances written off  | 996.63                               | 598.37                               |
| Interest cost - Leases  | 240.24                               | -                                    |
| Provision for doubtful debts and advances (net)   | 255.13                               | 255.57                               |
| Loss on fixed assets written off /disposals (net)   | 3.11                                 | 10.47                                |
| Security deposit written off  | 29.15                                | -                                    |
| Net gains on financial assets measured at fair value through profit and loss              | (47.83)                              | (2,068.36)                           |
| Diminution in value of investments  | 241.08                               | -                                    |
| Provision for gratuity expenses   | 16.70                                | 11.89                                |
| Advances / creditors written back   | (186.69)                             | (192.07)                             |
| Unwinding of discount on security deposit   | (68.47)                              | (82.34)                              |
| Bad debts written off   | 503.79                               | 0.02                                 |
| Dividend Income on investments mandatorily measured at fair value through profit and loss | -                                    | (10.15)                              |
| Amortisation of prepaid rent element of rental security deposit                           | -                                    | 75.28                                |
| Unrealised exchange (gain)/loss   | (15.70)                              | -                                    |
| Employee share based payment expenses   | 45.35                                | 612.01                               |
| Interest income on fixed deposits   | (10.41)                              | (20.02)                              |
| Interest income on deferred consideration   | (42.14)                              | (25.03)                              |
| Interest income on income-tax refund  | (108.84)                             | (7.57)                               |
| Interest income on loan to subsidiary   | (68.41)                              | (35.76)                              |
| Operating profit before working capital changes   | 14,562.30                            | 3,076.14                             |
| <b>Adjustments for:</b>   |                                      |                                      |
| (Increase)/decrease in trade receivable   | (1,965.16)                           | (2,416.33)                           |
| (Increase)/decrease in other current financial assets                                     | (3,468.26)                           | 309.30                               |
| (Increase)/decrease in other current assets   | (4,799.16)                           | (1,890.62)                           |
| (Increase)/decrease in contract assets  | (3,144.52)                           | (1,626.34)                           |
| (Increase)/decrease in other non current financial assets                                 | 326.00                               | 45.53                                |
| (Increase)/decrease in loans  | 13.40                                | 36.45                                |
| (Increase)/decrease in other non current assets   | (463.43)                             | 1,781.24                             |
| (Increase)/decrease in inventories  | 3,950.20                             | 527.82                               |
| Increase/(decrease) in trade payables   | 2,863.85                             | 3,134.19                             |
| Increase/(decrease) in other financial liabilities  | 1.28                                 | -                                    |
| Increase/(decrease) in other current liabilities  | 803.70                               | 633.93                               |
|   | (5,882.10)                           | 535.17                               |
| <b>Cash generated from operations</b>   | 8,680.20                             | 3,611.31                             |
| Income-tax refund/(paid)  | (146.27)                             | (1,759.07)                           |
| <b>Net cash flow generated from operating activities (A)</b>                              | 8,533.93                             | 1,852.24                             |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                      |                                      |
| Payments for purchase of property, plant and equipment                                    | (1,013.70)                           | (1,125.05)                           |
| Payments for purchase of current investments  | (17,842.00)                          | (15,018.85)                          |
| Proceeds from sale of current investments   | 29,961.22                            | 28,701.22                            |
| Payments for purchase of non current investments  | (15,050.00)                          | (15,325.00)                          |



# Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Proceeds from sale of non current investments                       | 1,131.20                             | 1,506.61                             |
| Loans to related parties (net)                                      | (2,784.16)                           | 594.25                               |
| Interest income received  | 175.16                               | 88.38                                |
| <b>Net cash (used in) investing activities (B)</b>                  | <b>(5,422.28)</b>                    | <b>(578.44)</b>                      |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                                      |                                      |
| Payment of principal portion of lease liability                     | (2,014.39)                           | -                                    |
| Interest expenses on lease liability                                | (240.24)                             | -                                    |
| Dividend paid to company's shareholders (including DDT)             | (975.34)                             | (487.67)                             |
| <b>Net cash (used in) financing activities (C)</b>                  | <b>(3,229.97)</b>                    | <b>(487.67)</b>                      |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>(118.32)</b>                      | <b>786.13</b>                        |
| Cash and cash equivalents at the beginning of the year              | 1,459.77                             | 673.64                               |
| <b>Cash and cash equivalents at the end of the year</b>             | <b>1,341.45</b>                      | <b>1,459.77</b>                      |
| <b>D. Non-cash financing and investing activities</b>               |                                      |                                      |
| Acquisition of Right of use asset                                   | 1,511.78                             | -                                    |

## Components of cash and cash equivalents

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash and cash equivalents above comprises of</b>     |                                      |                                      |
| - Cash and cash equivalent                              | 1,382.01                             | 1,577.71                             |
| - Temporarily overdrawn book balances                   | (40.56)                              | (117.94)                             |
| <b>Cash and cash equivalents at the end of the year</b> | <b>1,341.45</b>                      | <b>1,459.77</b>                      |

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

Sachin Parekh  
**Partner**  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Jeetendra Kapoor  
**(Chairman)**  
DIN: 00005345

Shobha Kapoor  
**(Managing Director)**  
DIN: 00005124

D.G. Rajan  
**(Audit Committee Chairman)**  
DIN: 00303060

Sanjay Dwivedi  
**(Group CFO)**

Simmi Singh Bisht  
**(Group Head Secretarial)**  
Place : Mumbai  
Date : July 22, 2020

# Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity share capital (Refer Note 17)

| Particulars                                     | (₹ in Lacs) |
|---|-------------|
| As at April 1, 2018                             | 2,022.61    |
| Changes in equity share capital during the year | -           |
| As at March 31, 2019                            | 2,022.61    |
| As at April 1, 2019                             | 2,022.61    |
| Changes in equity share capital during the year | -           |
| As at March 31, 2020                            | 2,022.61    |

## B. Other Equity (Refer Note 18)

(₹ in Lacs)

| Particulars   | Reserves and surplus |                            |                   |                 |                                   | Total             |
|---|----------------------|----------------------------|-------------------|-----------------|-----------------------------------|-------------------|
|   | General reserve      | Securities premium account | Retained earnings | Capital reserve | Share options outstanding account |                   |
| As at April 1, 2018                                   | 5,133.10             | 68,749.34                  | 22,472.53         | (47.08)         | -                                 | 96,307.89         |
| Adjustment consequent to adoption of Ind AS 115       | -                    | -                          | 83.98             | -               | -                                 | 83.98             |
| Profit for the year                                   | -                    | -                          | 2,012.46          | -               | -                                 | 2,012.46          |
| Other comprehensive income for the year               | -                    | -                          | (3.81)            | -               | -                                 | (3.81)            |
| <b>Total comprehensive income for the year</b>        | -                    | -                          | <b>2,008.65</b>   | -               | -                                 | <b>2,008.65</b>   |
| Employee share options expense (Refer note 41)        | -                    | -                          | -                 | -               | 1,057.26                          | 1,057.26          |
| Transactions with owners in their capacity as owners: |                      |                            |                   |                 |                                   |                   |
| Payment of dividends (Refer note 46)                  | -                    | -                          | (404.52)          | -               | -                                 | (404.52)          |
| Dividend distribution tax (Refer note 46)             | -                    | -                          | (83.15)           | -               | -                                 | (83.15)           |
| <b>Balance as at March 31, 2019</b>                   | <b>5,133.10</b>      | <b>68,749.34</b>           | <b>24,077.49</b>  | <b>(47.08)</b>  | <b>1,057.26</b>                   | <b>98,970.11</b>  |
| As at April 1, 2019                                   | 5,133.10             | 68,749.34                  | 24,077.49         | (47.08)         | 1,057.26                          | 98,970.11         |
| Adjustment consequent to adoption of Ind AS 116       | -                    | -                          | (132.03)          | -               | -                                 | (132.03)          |
| Profit for the year                                   | -                    | -                          | 5,786.94          | -               | -                                 | 5,786.94          |
| Other comprehensive income for the year               | -                    | -                          | (9.50)            | -               | -                                 | (9.50)            |
| <b>Total comprehensive income for the year</b>        | -                    | -                          | <b>5,777.44</b>   | -               | -                                 | <b>5,777.44</b>   |
| Employee share options expense (Refer note 41)        | -                    | -                          | -                 | -               | 76.35                             | 76.35             |
| Transactions with owners in their capacity as owners: |                      |                            |                   |                 |                                   |                   |
| Payment of dividends (Refer note 46)                  | -                    | -                          | (809.04)          | -               | -                                 | (809.04)          |
| Dividend distribution tax (Refer note 46)             | -                    | -                          | (166.30)          | -               | -                                 | (166.30)          |
| <b>Balance as at March 31, 2020</b>                   | <b>5,133.10</b>      | <b>68,749.34</b>           | <b>28,747.56</b>  | <b>(47.08)</b>  | <b>1,133.61</b>                   | <b>103,716.53</b> |

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

Sachin Parekh  
Partner  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Shobha Kapoor  
(Managing Director)  
DIN: 00005124

D.G. Rajan  
(Audit Committee Chairman)  
DIN: 00303060

Sanjay Dwivedi  
(Group CFO)

Simmi Singh Bisht  
(Group Head Secretarial)  
Place : Mumbai  
Date : July 22, 2020



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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

- (i) 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 products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

### (ii) Historical cost convention

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.
- (III) Share based payments

### (iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

The Company applied Ind AS 116 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under the method, Leases are recognized as a right of use assets and a corresponding liability with cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings at the date of initial application. The Company had to change its accounting policies and make certain adjustments following the adoption of Ind AS 116. This is disclosed in note 4b.

### (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 and chief financial officer which assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 38.

### (c) Foreign Currency Translation

#### (i) Functional and presentation currency

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) 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 recognised in Statement of Profit and Loss. Non-monetary items

# Notes forming part of Financial Statements

for the year ended March 31, 2020

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

The Company derives revenue from producing television programs, Internet series, sale or licensing movie rights and delivering events to its customers. The Company identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Revenue generated from the commissioned television programs and Internet series produced for broadcasters is recognized over the period of time (i.e. over the contract period).

Revenue from sale and licensing of movies - The Company evaluates if a license represents a right to access the content (revenue recognized over time) or represents a right to use the content (revenue recognized at a point in time). The Company has determined that most license revenues are satisfied at a point in time due to their being limited ongoing involvement in the use of the license following its transfer to the customer.

Revenue from events is recognised over the period of time.

Service Income for Curation of Digital Content is recognised at a point in time.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

## (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 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 Company, and the amount of the dividend can be measured reliably.

## (f) Income Taxes

The income tax expense 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 tax is provided in full, using the liability method, on temporary differences arising between



# Notes forming part of Financial Statements

for the year ended March 31, 2020

the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred 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 tax liability is settled.

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

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.

Minimum Alternate Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax asset. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## (g) Leases

**Till March 31, 2019:**

### 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.

**With effective from April 1, 2019:**

### As a lessee

The Company mainly has lease arrangements for building (offices and studio). The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company except for short term leases and leases of low value assets. Contracts may contain both lease and non-lease components. However, the Company has elected not to separate lease and non-lease components and instead account for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the Company under residual value guarantee

# Notes forming part of Financial Statements

for the year ended March 31, 2020

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. Finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

- (i) Impact on the statement of profit and loss account

The adoption of this accounting standard did not have significant impact on the profit for the period and the earnings per share. Operating lease rentals which were recognised in the statement of profit and loss will be now be recognised as depreciation expense for the right to use asset and finance cost for interest accrued on lease liability.

- (ii) Adjustments recognized in the balance sheet on 1 April, 2019 – Refer Note 4(b)

## 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 increase. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

## (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

Company do not have physical inventory (i.e. goods)

Inventories as disclosed in financial statements comprise of Films and are stated at the lower of cost and net realisable value. Cost is determined on the basis of actual / amortised 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 Financial Statements

for the year ended March 31, 2020

## (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 and associates

The Company accounts for its equity investments in subsidiaries and associates 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 and associates,

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 and associates 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.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Assets 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

# Notes forming part of Financial Statements

for the year ended March 31, 2020

impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43 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 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



# Notes forming part of Financial Statements

for the year ended March 31, 2020

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 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) 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

# Notes forming part of Financial Statements

for the year ended March 31, 2020

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.

### 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.

## (q) **Share Based Payment**

Shared-based compensation benefits are provided to employees via "Balaji Telefilms ESOP, 2017" ("BTL ESOP 2017").

The fair value of options granted under the BTL ESOP 2017 scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding any impact of service conditions
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## (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



# Notes forming part of Financial Statements

for the year ended March 31, 2020

- 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 Lacs as per the requirement of Schedule III of the Act, unless otherwise stated.

## Note 3: Critical Estimates and Judgments

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.

### 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 judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgment 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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. In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

## 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.

## Fair valuation:

Some of the Company's assets and liability are measured at fair value for financial reporting purpose. In estimating the fair value of an asset and liability Company uses market observable data to the extent available. When Level 1 inputs are not available, the company engages third party qualified valuer to establish the appropriate techniques and input to valuation model.

Information about the valuation techniques used in determining the fair value of various assets are disclosed in note 42.

## Impairment assessment of Investments carried at cost:

The Company conducts impairment review of the investments in subsidiaries whenever events or changes

in circumstances indicate their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which is based on future cash flows and suitable discount rate in order to calculate the present value.

## Determination of Lease Term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

## Impact Assessment due to Covid-19 Pandemic – Refer Note 45

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 Financial Statements

for the year ended March 31, 2020

## Note 4(a) - Property, plant and equipment and Capital Work in Progress

| 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 |
|---|----------------------|------------|------------------------------|------------------|----------|------------------------|-------------------|---------------------|-------------------------|-------------|--------------------------|
| <b>I. Gross Carrying Amount</b>               |                      |            |                              |                  |          |                        |                   |                     |                         |             |                          |
| Balance as at April 1, 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                   |
| Additions                                     | -                    | 100.54     | 67.19                        | -                | 12.09    | -                      | 15.60             | 0.13                | -                       | 195.55      | 929.50                   |
| Write-off                                     | -                    | -          | -                            | -                | -        | -                      | -                 | -                   | -                       | -           | (10.47)                  |
| Transfer from CWIP                            | -                    | -          | -                            | 1,093.36         | -        | -                      | -                 | -                   | -                       | 1,093.36    | (1,093.36)               |
| Balance as at March 31, 2019                  | 472.57               | 1,262.00   | 2,628.41                     | 7,802.36         | 1,301.53 | 336.57                 | 471.37            | 96.31               | 454.70                  | 14,825.82   | 52.46                    |
| <b>II. Accumulated Depreciation</b>           |                      |            |                              |                  |          |                        |                   |                     |                         |             |                          |
| Balance as at April 1, 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) | -                        |
| Depreciation expense                          | (7.90)               | (36.09)    | (78.49)                      | (1,037.04)       | (110.78) | (9.46)                 | (21.73)           | (7.30)              | -                       | (1,308.79)  | -                        |
| Balance as at March 31, 2019                  | (112.60)             | (1,147.42) | (2,133.94)                   | (6,431.05)       | (712.58) | (311.80)               | (435.06)          | (83.92)             | (454.70)                | (11,823.07) | -                        |
| III. Net Carrying Amount as at March 31, 2019 | 359.97               | 114.58     | 494.47                       | 1,371.31         | 588.95   | 24.77                  | 36.31             | 12.39               | -                       | 3,002.75    | 52.46                    |
| <b>I. Gross Carrying Amount</b>               |                      |            |                              |                  |          |                        |                   |                     |                         |             |                          |
| Balance as at April 1, 2019                   | 472.57               | 1,262.00   | 2,628.41                     | 7,802.36         | 1,301.53 | 336.57                 | 471.37            | 96.31               | 454.70                  | 14,825.82   | 52.46                    |
| Additions                                     | -                    | 1.11       | 8.35                         | -                | -        | 3.99                   | 3.52              | -                   | -                       | 16.97       | 996.72                   |
| Write-off                                     | -                    | -          | -                            | -                | -        | -                      | -                 | -                   | -                       | -           | (3.11)                   |
| Transfer from CWIP                            | -                    | -          | -                            | 866.90           | -        | -                      | -                 | -                   | -                       | 866.90      | (866.90)                 |
| Balance as at March 31, 2020                  | 472.57               | 1,263.11   | 2,636.76                     | 8,669.26         | 1,301.53 | 340.56                 | 474.89            | 96.31               | 454.70                  | 15,709.69   | 179.17                   |
| <b>II. Accumulated Depreciation</b>           |                      |            |                              |                  |          |                        |                   |                     |                         |             |                          |
| Balance as at April 1, 2019                   | (112.60)             | (1,147.42) | (2,133.94)                   | (6,431.05)       | (712.58) | (311.80)               | (435.06)          | (83.92)             | (454.70)                | (11,823.07) | -                        |
| Depreciation expense                          | (7.92)               | (45.37)    | (72.11)                      | (931.23)         | (111.65) | (7.46)                 | (12.67)           | (6.26)              | -                       | (1,194.67)  | -                        |
| Balance as at March 31, 2020                  | (120.52)             | (1,192.79) | (2,206.05)                   | (7,362.28)       | (824.23) | (319.26)               | (447.73)          | (90.18)             | (454.70)                | (13,017.74) | -                        |
| III. Net Carrying Amount as at March 31, 2020 | 352.05               | 70.32      | 430.71                       | 1,306.98         | 477.30   | 21.30                  | 27.16             | 6.13                | -                       | 2,691.95    | 179.17                   |

### Notes

- Building includes ₹ 220.86 lacs (Previous year ₹ 220.86 lacs), being cost of ownership premises in Co-operative Society including cost of shares of face value of ₹ 0.01 lac received under Bye-laws of the Society.
- Capital work-in-progress mainly includes sets for TV serials under construction.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 4b: Right-of-use Asset

(₹ in Lacs)

| Particulars                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------|-------------------------|-------------------------|
| Right-of-use Asset (Premises)  |                         |                         |
| Cost                           | 4,789.47                | -                       |
| Less: Accumulated amortisation | 2,118.79                | -                       |
|                                | <b>2,670.68</b>         | <b>-</b>                |

### (i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to right of use assets:

(₹ in Lacs)

| Particulars  | Total           |
|--|-----------------|
| <b>Amount recognised as at April 1, 2019 on adoption of Ind AS 116.*</b>       | <b>3,277.69</b> |
| Add: Prepaid rent re-classified as at April 1, 2019 on adoption of Ind AS 116* | 224.66          |
| Add: Additions during the year   | 1,287.12        |
| Less: Disposals  | -               |
| <b>Balance as of March 31, 2020</b>  | <b>4,789.47</b> |
| <b>Accumulated Amortisation</b>  |                 |
| <b>Amount recognised on adoption of April 1, 2019</b>                          | <b>-</b>        |
| Add: Amortisation for the year   | 2,118.79        |
| Less: Disposals  | -               |
| <b>Balance as at March 31, 2020</b>  | <b>2,118.79</b> |
| <b>Net Carrying Value as at March 31, 2020</b>                                 | <b>2,670.68</b> |

The following is the movement in lease liabilities for the year ended March 31, 2020\*

(₹ in Lacs)

| Particulars  | Total             |
|--|-------------------|
| <b>Amount recognised as at April 1, 2019 on adoption of Ind AS 116</b> | <b>(3,480.63)</b> |
| Add: Additions during the year   | (1,287.12)        |
| Add: Interest for the year   | (240.24)          |
| Less: Lease payments made during the year                              | 2,254.63          |
| <b>Balance as of March 31, 2020</b>                                    | <b>(2,753.35)</b> |

\*Also, represent net debt reconciliation as per requirements of AS 7 - Statement of Cash Flows.

The following is the break-up of current and non-current lease liabilities as of March 31, 2020:

(₹ in Lacs)

| Particulars                   | As at<br>March 31, 2020 |
|-------------------------------|-------------------------|
| Current Lease liabilities     | 2,067.51                |
| Non-current lease liabilities | 685.84                  |
| <b>Total</b>                  | <b>2,753.35</b>         |

\*The Company has adopted Ind AS 116 w.e.f April 1, 2019 with a modified retrospective approach where the cumulative effect is adjusted to retained earnings as at April 1, 2019. Accordingly, previous year information has not been restated.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 4b: Right-of-use Asset (Contd..)

payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 7.3% p.a. The difference between the right-of-use assets and lease liability of ₹ 132.03 lacs (net of deferred tax asset of ₹ 70.91 lacs) has been adjusted to retained earnings as at April 01, 2019.

In the statement of profit and loss for the current period, operating lease expenses which were recognised under cost of production and other expenses in corresponding periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any material impact on the profit for the period and earnings per share.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. The company only has operating leases.

### (ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Amortisation charge on right of use assets (Refer note 28)</b> |                         |                         |
| Premises  |                         |                         |
| - Studio  | 1,977.25                | -                       |
| - Office Space  | 141.54                  | -                       |
| <b>Total</b>  | <b>2,118.79</b>         | <b>-</b>                |

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Interest expense (included in finance cost) (Refer note 29)</b> |                         |                         |
| Interest on lease liability  | 240.24                  | -                       |
| <b>Total</b>   | <b>240.24</b>           | <b>-</b>                |

The total cash outflow for leases for the year ended 31 March 2020 was ₹ 2,254.63 lacs

### iii) Practical expedients applied - Transition

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 5 Non-current investments

(₹ in Lacs)

| Particulars  | As at March 31, 2020 |           | As at March 31, 2019 |           |
|--|----------------------|-----------|----------------------|-----------|
| (1) Investment in fully paid-up Equity shares (unquoted) (at cost)   |                      |           |                      |           |
| (i) Wholly owned subsidiaries :  |                      |           |                      |           |
| 20,00,000 (Previous year 20,00,000) Equity shares of ₹ 10/- each in Balaji Motion Pictures Limited                           | 200.00               |           | 200.00               |           |
| Add : Capital contribution on account of employee stock option plan (Refer note 41)  | 137.10               | 337.10    | 75.91                | 275.91    |
| 60,00,50,000 (Previous year 45,00,50,000) Equity shares of ₹ 10/- each in Alt Digital Media Entertainment Limited            | 60,005.00            |           | 45,005.00            |           |
| Add : Capital contribution on account of employee stock option plan (Refer note 41)  | 339.16               | 60,344.16 | 369.34               | 45,374.34 |
| (ii) Subsidiaries :  |                      |           |                      |           |
| (a) 44,57,550 (Previous year 44,55,100) Equity Shares of ₹ 10/- each in Marinating Films Private Limited                     |                      | 1,023.99  |                      | 1,023.99  |
| (b) 5,25,000 (Previous year 25,000) Equity Shares of ₹ 10/- each in Chhayabani Balaji Entertainment Private Limited          | 52.50                |           | 2.50                 |           |
| Add: Conversion of Preference shares to 75,000 Equity Shares of ₹ 10/- each (Previous year NIL)                              | 188.20               |           | -                    |           |
| Less : Impairment of investments   | (240.70)             | -         | -                    | 2.50      |
| (2) Investment in fully paid-up preference shares of subsidiaries (unquoted) (at fair value through profit or loss)          |                      |           |                      |           |
| (i) Subsidiary :   |                      |           |                      |           |
| (a) NIL (Previous year 7,50,000) Preference shares of ₹ 10/- each in Chhayabani Balaji Entertainment Private limited         | 188.20               |           | 188.20               |           |
| Less : Conversion into Equity Shares   | (188.20)             | -         | -                    | 188.20    |
| (3) Investment in compulsory convertible debentures of subsidiary (unquoted) (at cost)                                       |                      |           |                      |           |
| (a) 32,50,000 (Previous year 32,50,000) compulsory convertible debentures of ₹ 10/- each in Marinating Films Private Limited |                      | 325.00    |                      | 325.00    |
| (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      |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 5 Non-current investments (Contd..)

(₹ in Lacs)

| Particulars   | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (5) Investment in Indus Balaji Investor Trust (unquoted) (at fair value through profit or loss) |                      |                      |
| (i) 19,53,763.97 (Previous year 22,42,859) Class A units of ₹ 100 each                          | 360.89               | 1,502.86             |
| (ii) 3,428.35 (Previous year 3,880) Class B units of ₹ 100 each                                 | 0.57                 | 0.97                 |
|   | <b>361.46</b>        | <b>1,503.83</b>      |
| <b>Aggregate carrying value of unquoted investments</b>   | <b>62,392.21</b>     | <b>48,694.65</b>     |
| <b>Aggregate amount of impairment in the value of investments</b>                               | <b>240.70</b>        | <b>-</b>             |

## Note 6 Loans (Non-Current)

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Security deposit                                     | 796.56               | 991.11               |
| Less: Loss allowance                                 | -                    | (50.92)              |
| <b>Total</b>   | <b>796.56</b>        | <b>940.19</b>        |
| <b>Break-up of security details</b>                  |                      |                      |
| Loans considered good - Secured                      | -                    | -                    |
| Loans considered good - Unsecured                    | 796.56               | 940.19               |
| Loans which have significant increase in credit risk | -                    | -                    |
| Loans - credit impaired                              | -                    | 50.92                |
| <b>Total</b>   | <b>796.56</b>        | <b>991.11</b>        |
| Less: Loss allowance                                 | -                    | (50.92)              |
| <b>Total loans</b>                                   | <b>796.56</b>        | <b>940.19</b>        |

**Note:** Security Deposits include deposits (undiscounted) given to three directors (Previous year : three directors) of the company of ₹ 740.00 lacs (Previous year : ₹ 708.32 lacs) for the properties taken on lease from them.

## Note 7 Other financial assets

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| <b>(i) Non-current financial assets</b>  |                      |                      |
| Unsecured, Considered good   |                      |                      |
| Fixed deposits with banks having more than 12 months maturity (Refer Note below) | -                    | 326.12               |
| <b>Total</b>   | <b>-</b>             | <b>326.12</b>        |
| <b>(ii) Current financial assets</b>   |                      |                      |
| Unsecured, Considered good   |                      |                      |
| (a) Other Receivables  | 1,985.36             | 1,543.02             |
| (b) Unbilled revenue   | 3,024.64             | -                    |
| <b>Total</b>   | <b>5,010.00</b>      | <b>1,543.02</b>      |

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

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 7(a) Contract assets

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Contract assets relating to commissioned television programs and internet programs | 4,899.90                | 1,755.38                |
| <b>Total Contract Assets</b>   | <b>4,899.90</b>         | <b>1,755.38</b>         |

## Note 8 Deferred tax asset (net)

(₹ in Lacs)

| Particulars                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Deferred tax assets</b>               |                         |                         |
| Lease Liabilities                        | 20.80                   | -                       |
| Depreciation on fixed assets             | 715.01                  | 903.43                  |
| Loss allowance on financial assets       | 74.35                   | 226.23                  |
| Deferred sales consideration             | 6.74                    | 24.08                   |
| Minimum Alternate Tax credit entitlement | -                       | 1,282.77                |
| Carried forward tax losses               | -                       | 109.27                  |
|  | <b>816.90</b>           | <b>2,545.78</b>         |
| <b>Deferred tax liabilities</b>          |                         |                         |
| Fair valuation of investments            | (92.91)                 | (552.86)                |
| Security deposits                        | -                       | (11.06)                 |
|  | <b>(92.91)</b>          | <b>(563.92)</b>         |
| <b>Deferred tax assets (net)</b>         | <b>723.99</b>           | <b>1,981.86</b>         |

### (i) Movement in deferred tax balances

(₹ in Lacs)

| Particulars  | For year ended March 31, 2020 |                                       |                                       |                            |                 |
|--|-------------------------------|---------------------------------------|---------------------------------------|----------------------------|-----------------|
|  | Opening Balance               | On Account of adoption of Ind AS 116* | Charged/ (Credited) to profit or loss | Charged/ (Credited) to OCI | Closing Balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                               |                                       |                                       |                            |                 |
| Fair value of investments  | 552.86                        | -                                     | (459.95)                              | -                          | 92.91           |
| Security deposits  | 11.06                         | -                                     | (11.06)                               | -                          | -               |
|  | 563.92                        | -                                     | (471.01)                              | -                          | 92.91           |
| <b>Tax effect of items constituting deferred tax assets</b>      |                               |                                       |                                       |                            |                 |
| Lease Liabilities*   |                               | 70.91                                 | 50.11                                 | -                          | 20.80           |
| Depreciation on Fixed Assets                                     | 903.43                        | -                                     | 188.42                                | -                          | 715.01          |
| Deferred Sales Consideration                                     | 24.08                         | -                                     | 17.34                                 | -                          | 6.74            |
| Loss allowance on financial assets                               | 226.23                        | -                                     | 155.08                                | (3.20)                     | 74.35           |
| Carried forward Tax Losses                                       | 109.27                        | -                                     | 109.27                                | -                          | -               |
| MAT Credit entitlement / (utilisation)                           | 1,282.77                      | -                                     | 1,282.77                              | -                          | -               |
|  | 2,545.78                      | 70.91                                 | 1,802.99                              | (3.20)                     | 816.90          |
| <b>Net deferred tax asset/ (liabilities)</b>                     | <b>1,981.86</b>               | <b>70.91</b>                          | <b>1,331.98</b>                       | <b>(3.20)</b>              | <b>723.99</b>   |

\*Adjusted to retained earnings as at April 01, 2019



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Movement in deferred tax balances

(₹ in Lacs)

| Particulars  | For year ended March 31, 2019 |                                      |                                       |                 |
|--|-------------------------------|--------------------------------------|---------------------------------------|-----------------|
|  | Opening Balance               | On Account of adoption of Ind AS 115 | (Charged)/ Credited to profit or loss | Closing Balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                               |                                      |                                       |                 |
| Fair value of investments  | 768.63                        | -                                    | (215.77)                              | 552.86          |
| Adjusted to retained earnings as at April 01, 2018               | -                             | 45.06                                | (45.06)                               | -               |
| Security deposits  | (27.64)                       | -                                    | 38.70                                 | 11.06           |
|  | <u>740.99</u>                 | <u>45.06</u>                         | <u>(222.13)</u>                       | <u>563.92</u>   |
| <b>Tax effect of items constituting deferred tax assets</b>      |                               |                                      |                                       |                 |
| Depreciation on fixed assets                                     | 783.00                        | -                                    | (120.43)                              | 903.43          |
| Carried forward tax losses                                       | 619.05                        | -                                    | 509.78                                | 109.27          |
| Deferred sales consideration                                     | -                             | -                                    | (24.08)                               | 24.08           |
| Loss allowance on financial assets                               | 113.96                        | -                                    | (112.27)                              | 226.23          |
| MAT Credit entitlement / (utilisation)                           | 1,188.67                      | -                                    | (94.10)                               | 1,282.77        |
|  | <u>2,704.68</u>               | <u>-</u>                             | <u>158.90</u>                         | <u>2,545.78</u> |
| <b>Net deferred tax asset/ (liabilities)</b>                     | <b>1,963.69</b>               | <b>45.06</b>                         | <b>(63.23)</b>                        | <b>1,981.86</b> |

Section 115BAA of The Income-tax Act, 1962 provides an option to pay income tax at lower rates subject to certain conditions. The Management has evaluated the option and decided to exercise the option under Section 115BAA w.e.f FY 2020-2021 (AY 2021-22). Accordingly, the Deferred tax is calculated at the tax rate of 25.17% as on March 31, 2020.

## Note 9 Non-current income tax assets (Net)

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Advance payment of income-tax (Provision netted off of ₹ 695.90 lacs (previous year: ₹ 802.57 lacs)) | 1,164.29             | 2,628.08             |
| <b>Total</b>   | <b>1,164.29</b>      | <b>2,628.08</b>      |

## Note 10 Other non-current assets

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Advance to vendors (considered good – unsecured) (Refer Note 40) | 3,701.51             | 3,238.08             |
| <b>Total</b>   | <b>3,701.51</b>      | <b>3,238.08</b>      |

## Note 11 Inventories (cost or net realisable value, whichever is lower)

(₹ in Lacs)

| Particulars            | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|----------------------|----------------------|
| <b>Finished</b>        |                      |                      |
| Television serials     | -                    | 79.53                |
| <b>Work in process</b> |                      |                      |
| Films                  | 2,377.94             | 6,248.61             |
| <b>Total</b>           | <b>2,377.94</b>      | <b>6,328.14</b>      |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 12 Current investments

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Investment in mutual funds (Non trade) (Unquoted)<br>(measured at fair value through profit or loss) | 10,046.23               | 22,106.08               |
| <b>Aggregate amount of unquoted Investments</b>  | <b>10,046.23</b>        | <b>22,106.08</b>        |

## Note 13 Trade receivables

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Trade Receivables from contract with customers - Others</b>   | 12,261.81               | 9,742.32                |
| Trade Receivables from contract with customers - Related Party   | 357.70                  | 1,318.15                |
| Less: Loss allowance   | -                       | (345.70)                |
| <b>Total Receivables</b>   | <b>12,619.51</b>        | <b>10,714.77</b>        |
| 13(i) Current portion  | 12,455.40               | 10,283.76               |
| 13(ii) Non-current portion                                       | 164.11                  | 431.01                  |
| <b>Break-up of trade receivables</b>                             |                         |                         |
| Trade receivables considered good – Secured                      | -                       | -                       |
| Trade receivables considered good – Unsecured                    | 12,619.51               | 11,060.47               |
| Trade receivables which have significant increase in credit risk | -                       | -                       |
| Trade receivables – credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>12,619.51</b>        | <b>11,060.47</b>        |
| Less: Loss allowance   | -                       | (345.70)                |
| <b>Total Trade Receivables</b>                                   | <b>12,619.51</b>        | <b>10,714.77</b>        |

## Note 14 (a) Cash and cash equivalents

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| (a) Cash on hand  | 29.13                   | 25.62                   |
| (b) Balances with banks-  |                         |                         |
| (i) In current accounts   | 1,303.13                | 1,533.65                |
| (ii) In deposit accounts with original maturity of less than three months | 49.75                   | 18.44                   |
| <b>Total</b>  | <b>1,382.01</b>         | <b>1,577.71</b>         |

## Note 14(b) Other balances with banks

| Particulars              | (₹ in Lacs)             |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Unpaid dividend accounts | 10.54                   | 9.33                    |
| <b>Total</b>             | <b>10.54</b>            | <b>9.33</b>             |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 15 Loans (Current)

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Loans to related parties (Refer Note 35)             | 3,081.95                | 292.13                  |
| Loans to professional staff                          | -                       | 24.00                   |
| Less: Loss allowance                                 | -                       | -                       |
| <b>Total</b>   | <b>3,081.95</b>         | <b>316.13</b>           |
| <b>Break-up of security details</b>                  |                         |                         |
| Loans considered good - Secured                      | -                       | -                       |
| Loans considered good - Unsecured                    | 3,081.95                | 316.13                  |
| Loans which have significant increase in credit risk | -                       | -                       |
| Loans – credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>3,081.95</b>         | <b>316.13</b>           |
| Less: Loss allowance                                 | -                       | -                       |
| <b>Total loans</b>                                   | <b>3,081.95</b>         | <b>316.13</b>           |

## Note 16 Other Current assets

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <u>(Unsecured considered good, unless otherwise stated)</u> |                         |                         |
| (a) Prepaid expenses  | 30.76                   | 68.81                   |
| (b) Balances with government authorities                    | 808.83                  | 1,404.46                |
| (c) Advances to vendors                                     | 6,676.59                | 2,049.93                |
| (d) Other Receivables                                       |                         |                         |
| - considered good   | 104.09                  | 959.66                  |
| - considered doubtful                                       | 255.13                  | -                       |
| Less: Provision for doubtful receivable                     | (255.13)                | -                       |
| <b>Total</b>  | <b>7,620.27</b>         | <b>4,482.86</b>         |

## Note 17 Equity share capital

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| (a) Authorised  |                         |                         |
| 15,00,00,000 (Previous Year 15,00,00,000) Equity shares of ₹ 2/- each   | 3,000.00                | 3,000.00                |
| 3,00,00,000 (Previous year 3,00,00,000) Preference shares of ₹ 2/- each | 600.00                  | 600.00                  |
|   | <b>3,600.00</b>         | <b>3,600.00</b>         |
| (b) Issued, Subscribed and fully paid-up                                |                         |                         |
| 10,11,30,443 (Previous Year 10,11,30,443) Equity shares of ₹ 2/- each   | 2,022.61                | 2,022.61                |
| <b>Total</b>  | <b>2,022.61</b>         | <b>2,022.61</b>         |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 17 Equity share capital (Contd..)

### Notes :

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

| Name of shareholder      | As at March 31, 2020 |              | As at March 31, 2019 |              |
|--------------------------|----------------------|--------------|----------------------|--------------|
|                          | Number of shares     | % of Holding | Number of shares     | % of Holding |
| Reliance Industries Ltd. | 2,52,00,000          | 24.92        | 2,52,00,000          | 24.92        |
| Ekta Kapoor <sup>#</sup> | 1,84,22,380          | 18.22        | 1,83,08,208          | 18.10        |
| Shobha Kapoor            | 1,10,08,850          | 10.89        | 1,10,08,850          | 10.89        |

<sup>#</sup>Ekta Kapoor, Promoter Director of the Company had purchased 1,25,046 equity shares during March 2020 quarter. However, due to time required for transaction to complete and reflect in buyer's account, 10,874 shares have not been captured in shareholding pattern as on March 31, 2020.

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

| Particulars  | As at March 31, 2020 |           | As at March 31, 2019 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No. of shares        | ₹ in Lacs | No. of shares        | ₹ in Lacs |
| Equity shares outstanding at the beginning of the year | 10,11,30,443         | 2,022.61  | 10,11,30,443         | 2,022.61  |
| Add: Issue of Equity Shares during the year            | -                    | -         | -                    | -         |
| Equity shares outstanding at the end of the year       | 10,11,30,443         | 2,022.61  | 10,11,30,443         | 2,022.61  |

- (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) During the five years immediately preceding March 31, 2020, no shares were bought back and no shares were issued for consideration other than cash nor as bonus shares.

- (v) Shares reserved for Issue under options

Information relating to Balaji Telefilms Employee Stock Option Scheme, including details of option issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in Note no. 41.

## Note 18 Other equity - Reserves & Surplus

(₹ in Lacs)

| Particulars                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| (a) General reserve                   | 5,133.10                | 5,133.10                |
| (b) Securities premium account        | 68,749.34               | 68,749.34               |
| (c) Retained earnings                 | 28,747.56               | 24,077.49               |
| (d) Capital Reserve                   | (47.08)                 | (47.08)                 |
| (e) Share options outstanding account | 1,133.61                | 1,057.26                |
| <b>Total</b>                          | <b>103,716.53</b>       | <b>98,970.11</b>        |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 18(a) Retained earnings

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Balance at beginning of year   | 24,077.49               | 22,472.53               |
| Adjustment on adoption of Ind AS 115   | -                       | 83.98                   |
| Adjustment on adoption of Ind AS 116   | (132.03)                | -                       |
| Profit for the year  | 5,786.94                | 2,012.46                |
| Items of other comprehensive income recognised directly in retained earnings | (9.50)                  | (3.81)                  |
| Payment of dividends   | (809.04)                | (404.52)                |
| Dividend distribution tax  | (166.30)                | (83.15)                 |
| <b>Balance at the end of the year</b>  | <b>28,747.56</b>        | <b>24,077.49</b>        |

## Note 18(b) Share options outstanding account

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Balance at beginning of year                       | 1,057.26                | -                       |
| Add: Additions during the year (Refer Note no. 41) | 76.35                   | 1,057.26                |
| <b>Balance at the end of the year</b>              | <b>1,133.61</b>         | <b>1,057.26</b>         |

### Nature and purpose of reserves :

- General Reserve : General reserve is created out of transfer from retained earnings and is a free reserve.
- Securities Premium Account : Securities Premium is created to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.
- Capital Reserve : Capital Reserve, being consideration over net assets taken over, recognised as per the scheme of arrangement sanctioned by National Company Law Tribunal in earlier years.
- Share options outstanding account : The share options outstanding account is used to recognise the grant date fair value of option issued to employees under Balaji Telefilms ESOP, 2017.

## Note 19 Trade payables

(₹ in Lacs)

| Particulars                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Trade payables- micro and small enterprises | 46.19                   | -                       |
| Trade payables- Others                      | 9,841.52                | 7,210.55                |
| <b>Total</b>                                | <b>9,887.71</b>         | <b>7,210.55</b>         |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 19 Trade payables (Contd..)

Disclosure required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:-

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
|   | Current                 | Current                 |
| Principal amount remaining unpaid to any supplier as at the end of each accounting year   | 44.46                   | -                       |
| Interest due thereon remaining unpaid to any supplier as at the end of each accounting year   | 1.73                    | -                       |
| Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year  | -                       | -                       |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)                            | -                       | -                       |
| The amount of interest accrued and remaining unpaid at the end of accounting year   | 1.73                    | -                       |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | -                       | -                       |

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)

(₹ in Lacs)

| Particulars                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
|                                     |                         |                         |
| Unpaid dividends (Refer Note below) | 10.54                   | 9.26                    |
| Temporarily overdrawn book balances | 40.56                   | 117.94                  |
| <b>Total</b>                        | <b>51.10</b>            | <b>127.20</b>           |

### Note

As at March 31, 2020, there are no amounts due to be transferred to Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013.

## Note 21(i) Provisions - Current

(₹ in Lacs)

| Particulars                               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
|   |                         |                         |
| Provision for Gratuity (Refer Note 36(b)) | 18.25                   | 15.99                   |
| <b>Total</b>                              | <b>18.25</b>            | <b>15.99</b>            |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 21(ii) Other current liabilities

(₹ in Lacs)

| Particulars                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Contract liabilities/ advances from customers | 1,652.45                | 811.45                  |
| Statutory liabilities                         | 434.34                  | 330.94                  |
| Employee Benefit Payables                     | 25.65                   | 139.21                  |
| <b>Total</b>                                  | <b>2,112.44</b>         | <b>1,281.60</b>         |

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020<br>Current | As at<br>March 31, 2019<br>Current |
|---|------------------------------------|------------------------------------|
| Advance received for commissioned television programs and internet programs | 173.97                             | 158.68                             |
| Advance received from Movies related contracts                              | 1,478.48                           | 652.77                             |
| <b>Total Contract Liabilities</b>   | <b>1,652.45</b>                    | <b>811.45</b>                      |

### 1) Revenue recognised in relation to contract liabilities

The following table shows how much of revenue recognised in current reporting period related to carried forward of contract liabilities

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | April 1, 2018 to<br>March 31, 2019 |
|--|--------------------------------------|------------------------------------|
| <b>Revenue recognised that was included in contract liability balance at the beginning of the year</b> |                                      |                                    |
| Commissioned television programs and internet programs   | 158.68                               | 210.60                             |
| Movie related contracts  | 594.80                               | 25.83                              |
|  | <b>753.48</b>                        | <b>236.43</b>                      |

## Note 22 Current tax liabilities (net)

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Provision for tax (net of advance tax of ₹ 2,956.56 lacs (previous year: ₹ 1,239.83 lacs)) | 806.72                  | 69.55                   |
| <b>Total</b>   | <b>806.72</b>           | <b>69.55</b>            |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 23 Revenue from operations

| Particulars  | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| (a) Revenue from contracts with customers          |                                      |                                      |
| - Sale of service                                  |                                      |                                      |
| Commissioned television programs                   | 30,158.54                            | 27,934.08                            |
| Internet programs                                  | 8,238.88                             | 5,059.57                             |
| Sale and licensing of movies                       | 16,624.77                            | 9,906.60                             |
| Sale of television programs/ movies concept rights | 57.47                                | 58.20                                |
| Event Management                                   | 1,265.00                             | 939.00                               |
| (b) Other Operating Income                         |                                      |                                      |
| Facilities / equipment hire Income                 | 70.69                                | 132.70                               |
| Service Income for Curation of Digital Content     | 1,247.45                             | -                                    |
| <b>Total</b>                                       | <b>57,662.80</b>                     | <b>44,030.15</b>                     |

### Unsatisfied long-term licensing contracts:

The following table shows unsatisfied performance obligations resulting from long-term licensing contracts.

| Particulars  | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Aggregate amount of the transaction price allocated to long-term licensing contracts that are fully unsatisfied as at reporting date | 1,400.00                             | 9,900.00                             |

Management expects that 100% of transaction price allocated to the unsatisfied contracts as on March 31, 2020 will be recognised as revenue during the next reporting period. The amount disclosed above does not include variable consideration which is constrained. All other contracts are for periods of one year or less.

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives, etc. which are adjusted to revenue.

## Note 24 Other Income

| Particulars   | (₹ in Lacs)                          |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| (a) Interest income   |                                      |                                      |
| On fixed deposits with banks  | 10.41                                | 20.02                                |
| On Income-tax refund  | 108.84                               | 7.57                                 |
| On loan given to subsidiary company   | 68.41                                | 35.76                                |
| (b) Unwinding of discount on security deposit                                     | 68.47                                | 82.34                                |
| (c) Interest income on deferred considerations                                    | 42.14                                | 25.03                                |
| (d) Net gains on financial assets measured at fair value through profit and loss  | 99.74                                | 2,068.36                             |
| (e) Dividend Income on investments measured at fair value through profit and loss | -                                    | 10.15                                |
| (f) Insurance claim received  | -                                    | 1.97                                 |
| (g) Advances / Creditors written back   | 186.69                               | 192.07                               |
| (h) Net foreign exchange differences  | 20.97                                | 38.89                                |
| <b>Total</b>  | <b>605.67</b>                        | <b>2,482.16</b>                      |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 25 Cost of Production / Acquisition and Telecast Fees

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Production expenses including purchase of costumes and dresses | 2,167.55                             | 2,271.20                             |
| Artists, Directors, technicians and Professional Fees          | 16,603.18                            | 16,393.94                            |
| Location hire charges  | 1,604.51                             | 2,958.32                             |
| Shooting and location expenses                                 | 4,462.62                             | 4,594.18                             |
| Telecasting fees / purchase of rights                          | -                                    | 168.02                               |
| Food and refreshment charges                                   | 544.62                               | 480.30                               |
| Sets & studio maintenance charges                              | 1,023.55                             | 882.04                               |
| Uplinking charges  | 115.14                               | 39.36                                |
| Insurance expense  | 37.07                                | 36.29                                |
| Line production cost   | 1,912.41                             | 5,844.71                             |
| Set properties and equipment hire charges                      | 2,437.50                             | 2,286.87                             |
| Sound expense  | 92.73                                | 82.54                                |
| Other production expenses                                      | 939.17                               | 667.52                               |
| <b>Total</b>   | <b>31,940.05</b>                     | <b>36,705.29</b>                     |

## Changes in Inventories :

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Opening balance :   |                                      |                                      |
| Television serials and Films  | 6,328.14                             | 6,855.95                             |
| Less: Derecognition of inventory on account of adoption of Ind AS 115 | -                                    | (2,490.81)                           |
|   | <b>6,328.14</b>                      | <b>4,365.14</b>                      |
| Closing balance :   |                                      |                                      |
| Films   | 2,377.94                             | 6,328.14                             |
| <b>Total changes in inventories</b>                                   | <b>3,950.20</b>                      | <b>(1,963.00)</b>                    |

## Note 26 Marketing and distribution expenses

(₹ in Lacs)

| Particulars           | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------|--------------------------------------|--------------------------------------|
| Marketing expenses    | 1,676.38                             | 1,127.66                             |
| Distribution expenses | 1,942.10                             | 908.28                               |
| <b>Total</b>          | <b>3,618.48</b>                      | <b>2,035.94</b>                      |

## Note 27 Employee Benefits Expense

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Salaries and wages*   | 1,199.94                             | 1,501.73                             |
| Contributions to provident and other funds (Refer Note 36(a)) | 119.11                               | 126.91                               |
| Gratuity (Refer Note 36(b))                                   | 16.70                                | 11.89                                |
| Staff welfare expenses  | 7.94                                 | 18.57                                |
| Employee share based payment expenses (Refer Note no. 41)     | 45.35                                | 612.01                               |
| <b>Total</b>  | <b>1,389.04</b>                      | <b>2,271.11</b>                      |

\*net of amount cross charged to subsidiary (Refer note 35)

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 28 Depreciation and amortisation expense

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 4a) | 1,194.67                             | 1,308.79                             |
| Amortisation on Right of use Asset (Refer Note 4b)            | 2,118.79                             | -                                    |
| <b>Total</b>  | <b>3,313.46</b>                      | <b>1,308.79</b>                      |

## Note 29 Finance cost

(₹ in Lacs)

| Particulars                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Interest on lease liability | 240.24                               | -                                    |
| Interest on others          | 2.20                                 | -                                    |
| <b>Total</b>                | <b>242.44</b>                        | <b>-</b>                             |

## Note 30 Other Expenses

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Power and fuel  | 72.10                                | 78.38                                |
| Rent including lease rentals  | -                                    | 191.51                               |
| Repairs and maintenance - Others  | 143.76                               | 158.43                               |
| Insurance   | 58.86                                | 61.39                                |
| Rates and taxes   | 342.70                               | 158.03                               |
| Communication expenses  | 40.24                                | 40.67                                |
| Legal and professional charges (Refer Note 30.1)  | 942.33                               | 978.10                               |
| Directors Commission  | 95.20                                | -                                    |
| Security and housekeeping expenses  | 82.61                                | 61.53                                |
| Business promotion expenses   | 172.75                               | 145.06                               |
| Travelling and conveyance expenses  | 112.37                               | 85.28                                |
| Donations and contributions   | 21.84                                | 22.44                                |
| Expenditure on corporate social responsibility (Refer Note 30.2)                                | 54.62                                | 85.26                                |
| Advances written off (Net of provision - ₹ 50.92) (previous year: Nil)                          | 996.63                               | 598.37                               |
| Provision for doubtful debts and advances   | 255.13                               | 255.57                               |
| Bad debts written off net (Net of provision for doubtful debts - ₹ 345.70) (previous year: Nil) | 503.79                               | 0.02                                 |
| Diminution in value of investments  | 240.70                               | -                                    |
| Investment written off  | 0.38                                 | -                                    |
| Financial assets measured at fair value through profit and loss                                 | 51.91                                | -                                    |
| Software expenses   | 1.91                                 | 13.58                                |
| Directors sitting fees  | 37.75                                | 42.50                                |
| Loss of fixed assets written off/ disposals   | 3.11                                 | 10.47                                |
| Miscellaneous expenses  | 117.96                               | 522.55                               |
| <b>Total</b>  | <b>4,348.65</b>                      | <b>3,509.14</b>                      |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 30.1 Details of auditors remuneration (Included in legal and professional charges)

(₹ in Lacs)

| Particulars                                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>As Auditors :</b>                        |                                      |                                      |
| Audit fee                                   | 41.10                                | 35.00                                |
| <b>In respect of other audit services :</b> |                                      |                                      |
| Other services (including certification)    | 4.00                                 | 2.50                                 |
| Reimbursement of expenses                   | 0.72                                 | 1.63                                 |
| <b>Total</b>                                | <b>45.82</b>                         | <b>39.13</b>                         |

## Note 30.2 Corporate social responsibility expenditure

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>Amounts required to be spent as per section 135 of the Act</b> | 53.72                                | 78.96                                |
| <b>Amounts spent during the year on</b>                           |                                      |                                      |
| (i) Construction/acquisition of an asset                          | -                                    | -                                    |
| (ii) On purpose other than (i) above                              | 54.62                                | 85.26                                |
| <b>Total</b>  | <b>54.62</b>                         | <b>85.26</b>                         |

## Note 31 Tax expense

(₹ in Lacs)

| Particulars                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>Income tax expense</b>                        |                                      |                                      |
| <u>Current tax</u>                               |                                      |                                      |
| Current tax on profits for the year              | 2,347.23                             | 695.81                               |
|  | <b>2,347.23</b>                      | <b>695.81</b>                        |
| <u>Deferred tax</u>                              |                                      |                                      |
| Decrease/ (increase) in deferred tax assets      | 520.22                               | 253.00                               |
| (Decrease)/ increase in deferred tax liabilities | (471.01)                             | (222.13)                             |
| <u>MAT Credit</u>                                |                                      |                                      |
| MAT Credit entitlement                           | -                                    | (94.10)                              |
| MAT Credit utilisation                           | 1,282.77                             | -                                    |
| Total deferred tax expense/(benefit)             | 1,331.98                             | (63.23)                              |
| <b>Income tax expense</b>                        | <b>3,679.21</b>                      | <b>632.58</b>                        |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

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

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>Profit before tax</b>  | 9,466.15                             | 2,645.04                             |
| <b>Income Tax calculated at 34.944% (PY:34.944%)</b>                        | <b>3,307.85</b>                      | <b>924.28</b>                        |
| Tax effect of amounts that are not deductible in determining taxable profit | 20.17                                | 54.38                                |
| Effect of set off of carried forward long term capital losses               | -                                    | (330.34)                             |
| Tax on deductions under chapter VI-A  | (3.82)                               | (3.92)                               |
| Income taxed at lower rates (Long Term Capital Gains)                       | (31.07)                              | (20.00)                              |
| Deferred Tax at the year end recognised at lower tax rates                  | 280.89                               | -                                    |
| Others  | 105.19                               | 8.18                                 |
| <b>Total</b>  | <b>3,679.21</b>                      | <b>632.58</b>                        |
| <b>Income Tax expense recognised in profit &amp; loss</b>                   | <b>3,679.21</b>                      | <b>632.58</b>                        |

## 32 Contingent liabilities (to the extent not provided for)

(₹ in Lacs)

| Claims against the company not acknowledged as debts | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| In respect of Service Tax Matters                    | 2,943.00                | 2,943.00                |
| In respect of VAT Matters                            | 145.50                  | 179.86                  |
| In respect of Income Tax Matters                     | 218.08                  | 218.08                  |
| In respect of Labour Matters                         | -                       | 54.00                   |

Apart from the above, the Company had received a Show Cause Notice (SCN) for demand of ₹ 6,348 lacs from Service Tax Department, Mumbai for the period April 2006 to March 2008 on exports made to one of the customers of the Company. On an appeal to Commissioner of Service Tax, the matter was adjudicated in the Company's favour. The department had further filed an appeal against the said order with the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) which was dismissed by the Hon'ble CESTAT vide their order dated March 9, 2016. Department has further filed an appeal against the said order with the High Court on October 19, 2016 and same is pending for adjudication.

**33** The Company has investments in subsidiaries namely Balaji Motion Pictures Limited (BMPL), ALT Digital Media Entertainment Limited (ALT) and Marinating Films Private Limited (MFPL) aggregating to ₹ 62,030.25 lacs (Previous year ₹ 46,999.24 lacs). Further, the Company has also given loans and advances aggregating to ₹ 3,081.95 lacs to BMPL (Previous year ₹ 292.13 lacs given to BMPL). As per the latest audited balance sheet of BMPL for the year ended March 31, 2020, the accumulated losses have fully eroded the net-worth of the company. As per the latest audited balance sheet of ALT and MFPL the investment is partially eroded as at March 31, 2020. However, basis the management evaluation it is not necessary to recognise an impairment loss for these investments as the carrying amount of the investments does not exceed its recoverable amount.

Recoverable amounts for BMPL, ALT and MFPL has been determined with the assistance of external valuation expert. The company is committed to provide financial support to BMPL, ALT and MFPL for a period of at least 12 months from the date of signature of these financial statements, in such case if assistance is needed.

For Chhayabani Balaji Entertainment Private Limited, Company has taken an impairment charge of ₹ 240.7 lacs based on the approvals of Company's Board of Directors that Chhayabani Balaji Entertainment Private Limited will be liquidated in the foreseeable future.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 34 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges and under Section 186 (4) of the Companies Act, 2013

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

(₹ in Lacs)

| Name of the party              | Relationship            | Amount outstanding as at March 31, 2020 | Maximum balance outstanding during the year |
|--------------------------------|-------------------------|---|---|
| Balaji Motion Pictures Limited | wholly owned subsidiary | 3,081.95                                | 3,081.95                                    |
|                                |                         | (292.13)                                | (885.37)                                    |

### Note:

1. Loan given to BMPL towards Working Capital requirement and is repayable on demand. Interest is charged at 1 years MCLR rate of Company's bankers at the start of the year.
2. Figures in Brackets denote last year's figures.

## 35 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  |
| IPB Capital Advisors LLP                        | Associate   |
| Indus Balaji Education Capital Advisors LLP     | Associate (struck off from ROC register during the year ended March 31, 2020)                 |
| Mr. Jeetendra Kapoor                            | Key management person   |
| Mrs. Shobha Kapoor                              | Key management person   |
| Ms. Ekta Kapoor                                 | Key management person   |
| Mr. Tusshar Kapoor                              | Key management person (upto March 27, 2019) and relative of key management person thereafter. |
| Mr. Sunil Lulla                                 | Key management person (from May 25, 2018 to August 14, 2019)                                  |
| 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   |
| Ms. Jyoti Deshpande                             | Key management person   |
| Mr. Ramesh Sippy                                | Key management person (from September 1, 2019)  |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (b) Details of Transactions during the period and balances at the period end

| Nature of Transactions                                   | Subsidiary Company | Key Management Person and relative of key management personnel |
|--|--------------------|--|
| <b>Loans given</b>                                       |                    |  |
| Balaji Motion Pictures Limited                           | 3,291.69           | -  |
|  | (96.00)            | (-)  |
| <b>Loans Recovered (including interest)</b>              |                    |  |
| Balaji Motion Pictures Limited                           | 570.28             | -  |
|  | (725.50)           | (-)  |
| <b>Sale of internet programs and licensing of movies</b> |                    |  |
| Alt Digital Media Entertainment Limited                  | 8,324.60           | -  |
|  | (5,654.13)         | (-)  |
| <b>Reimbursement of Expenses received</b>                |                    |  |
| Alt Digital Media Entertainment Limited                  | 964.36             | -  |
|  | (-)                | (-)  |
| <b>Interest income on deferred consideration</b>         |                    |  |
| Alt Digital Media Entertainment Limited                  | 34.81              | -  |
|  | (25.03)            | (-)  |
| <b>Interest Income on Loan Given</b>                     |                    |  |
| Balaji Motion Pictures Limited                           | 68.41              | -  |
|  | (35.76)            | (-)  |
| <b>Commission (Distribution expenses) Paid to</b>        |                    |  |
| Balaji Motion Pictures Limited                           | 615.24             | -  |
|  | (320.10)           | (-)  |
| <b>Reimbursement of Employee Benefit Expense</b>         |                    |  |
| Alt Digital Media Entertainment Limited                  | 715.65             | -  |
|  | (578.92)           | (-)  |
| <b>Reimbursement of Expense</b>                          |                    |  |
| Alt Digital Media Entertainment Limited                  | 182.90             | -  |
|  | (-)                | (-)  |
| Marinating Films Private Limited                         | -                  | -  |
|  | (9.98)             | (-)  |
| <b>Rent Income</b>                                       |                    |  |
| Balaji Motion Pictures Limited                           | 6.00               | -  |
|  | (6.00)             | (-)  |
| <b>Directors sitting fees</b>                            |                    |  |
| Mr. Jeetendra Kapoor                                     | -                  | 4.00   |
|  | (-)                | (4.00)   |
| Mr. Tusshar Kapoor                                       | -                  | -  |
|  | (-)                | (3.00)   |
| Mr. Anshuman Thakur                                      | -                  | 2.00   |
|  | (-)                | (2.00)   |
| Mr. Arun K. Purwar                                       | -                  | 5.00   |
|  | (-)                | (5.00)   |
| Mr. Ashutosh Khanna                                      | -                  | 5.00   |
|  | (-)                | (4.00)   |
| Mr. D.G. Rajan   | -                  | 6.00   |
|  | (-)                | (6.00)   |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (b) Details of Transactions during the period and balances at the period end (Contd..)

| Nature of Transactions                       | Subsidiary Company | Key Management Person and relative of key management personnel |
|--|--------------------|--|
| Mr. Devender Kumar Vasal                     | -                  | 6.00   |
|  | (-)                | (6.00)   |
| Ms. Jyoti Deshpande                          | -                  | 3.00   |
|  | (-)                | (4.00)   |
| Mr. Pradeep Sarda                            | -                  | 1.00   |
|  | (-)                | (2.50)   |
| Mr. V.B. Dalal                               | -                  | 4.75   |
|  | (-)                | (6.00)   |
| Mr. Ramesh Sippy                             | -                  | 1.00   |
|  | (-)                | (-)  |
| <b>Directors Commission</b>                  |                    |  |
| Mr. Jeetendra Kapoor                         | -                  | 76.16  |
|  | (-)                | (-)  |
| Mr. D.G. Rajan                               | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. P.K. Sarda                               | -                  | 2.11   |
|  | (-)                | (-)  |
| Mr. Ashutosh Khanna                          | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. Devender Kumar Vasal                     | -                  | 2.11   |
|  | (-)                | (-)  |
| Mr. V.B. Dalal                               | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. A. K. Purwar                             | -                  | 2.11   |
|  | (-)                | (-)  |
| Ms. Jyoti Deshpande                          | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. Anshuman Thakur                          | -                  | 2.11   |
|  | (-)                | (-)  |
| Mr. Ramesh Sippy                             | -                  | 2.12   |
|  | (-)                | (-)  |
| <b>Rent paid</b>                             |                    |  |
| Mr. Jeetendra Kapoor                         | -                  | 58.89  |
|  | (-)                | (55.55)  |
| Mrs. Shobha Kapoor                           | -                  | 1,599.53   |
|  | (-)                | (1,505.33)   |
| Mr. Tusshar Kapoor                           | -                  | 14.76  |
|  | (-)                | (13.92)  |
| Ms. Ekta Kapoor                              | -                  | 253.47   |
|  | (-)                | (234.99)   |
| <b>Remuneration (Refer note (iii) below)</b> |                    |  |
| Mrs. Shobha Kapoor                           | -                  | 239.88   |
|  | (-)                | (239.88)   |
| Ms. Ekta Kapoor                              | -                  | 239.88   |
|  | (-)                | (239.88)   |
| Mr. Sunil Lulla                              | -                  | 89.23  |
|  | (-)                | (222.92)   |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (b) Details of Transactions during the period and balances at the period end (Contd..)

| Nature of Transactions  | Subsidiary Company | Key Management Person and relative of key management personnel |
|---|--------------------|--|
| <b>Service Income for Curation of Digital Content</b>                               |                    |  |
| Alt Digital Media Entertainment Limited   | 1,247.45           | -  |
|   | (-)                | (-)  |
| <b>Capital contribution on account of Employee stock option addition/(reversal)</b> |                    |  |
| Alt Digital Media Entertainment Limited   | (30.18)            | -  |
|   | (369.34)           | (-)  |
| Balaji Motion Pictures Limited  | 61.19              | -  |
|   | (75.91)            | (-)  |
| <b>Investment made</b>  |                    |  |
| Marinating Films Private Limited  | -                  | -  |
|   | (325.00)           | (-)  |
| Chhayabani Balaji Entertainment Limited   | 50.00              | -  |
|   | (-)                | (-)  |
| Alt Digital Media Entertainment Limited   | 15,000.00          | -  |
|   | (15,000.00)        | (-)  |
| <b>Impairment made</b>  |                    |  |
| Chhayabani Balaji Entertainment Limited   | 240.70             | -  |
|   | (-)                | (-)  |
| <b>Amount receivable as at March 31, 2020</b>                                       |                    |  |
| <b>Security Deposit amount receivable</b>   |                    |  |
| Mrs. Shobha Kapoor *  | -                  | 340.00   |
|   | (-)                | (308.32)   |
| Mr. Jeetendra Kapoor *  | -                  | 300.00   |
|   | (-)                | (300.00)   |
| Mr. Tusshar Kapoor *  | -                  | 100.00   |
|   | (-)                | (100.00)   |
| Ms. Ekta Kapoor *   | -                  | 100.00   |
|   | (-)                | (100.00)   |
| <b>Loans</b>  |                    |  |
| Balaji Motion Pictures Limited  | 3,081.95           | -  |
|   | (292.13)           | (-)  |
| <b>Trade Receivable</b>   |                    |  |
| Alt Digital Media Entertainment Limited   | 357.70             | -  |
|   | (1,318.15)         | (-)  |
| <b>Other Receivable</b>   |                    |  |
| Alt Digital Media Entertainment Limited   | 800.18             | -  |
|   | (190.26)           | (-)  |
| Marinating Films Private Limited  | 9.98               | -  |
|   | (9.98)             | (-)  |
| <b>Unbilled Receivable</b>  |                    |  |
| Alt Digital Media Entertainment Limited   | 2,492.89           | -  |
|   | (-)                | (-)  |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (b) Details of Transactions during the period and balances at the period end (Contd..)

| Nature of Transactions                               | Subsidiary Company | Key Management Person and relative of key management personnel |
|--|--------------------|--|
| <b>Contract Asset</b>                                |                    |  |
| Alt Digital Media Entertainment Limited              | 4,836.65           | -  |
|  | (1,073.23)         | (-)  |
| <b>Amount Payable as at March 31, 2020</b>           |                    |  |
| Commission payable to Balaji Motion Pictures Limited | 43.02              | -  |
|  | (-)                | (-)  |
| <b>Amount payable</b>                                |                    |  |
| Mr. Jeetendra Kapoor                                 | -                  | 78.00  |
|  | (-)                | (-)  |
| Mrs. Shobha Kapoor                                   | -                  | 12.48  |
|  | (-)                | (-)  |
| Mr. Tusshar Kapoor                                   | -                  | 1.70   |
|  | (-)                | (-)  |
| Ms. Ekta Kapoor                                      | -                  | 22.97  |
|  | (-)                | (-)  |
| Mr. D.G. Rajan                                       | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. P.K. Sarda                                       | -                  | 2.11   |
|  | (-)                | (-)  |
| Mr. Ashutosh Khanna                                  | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. Devender Kumar Vasal                             | -                  | 2.11   |
|  | (-)                | (-)  |
| Mr. V.B. Dalal                                       | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. A. K. Purwar                                     | -                  | 2.11   |
|  | (-)                | (-)  |
| Ms. Jyoti Deshpande                                  | -                  | 2.12   |
|  | (-)                | (-)  |
| Mr. Anshuman Thakur                                  | -                  | 2.11   |
|  | (-)                | (-)  |
| Mr. Ramesh Sippy                                     | -                  | 2.12   |
|  | (-)                | (-)  |
| <b>Contract liabilities</b>                          |                    |  |
| Alt Digital Media Entertainment Limited              | 158.00             | -  |
|  | (156.46)           | (-)  |

\* - Deposit for leased property

### Note

- 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.
- Figures in bracket relate to the previous financial year
- 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 separately and hence not disclosed.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 36 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 ₹ 119.11 lacs (Previous Year ₹ 126.91 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<br>March 31, 2020              | Valuation as at<br>March 31, 2019              |
|-------------------------------------|--|--|
| Discount rate(s)                    | 6.24%  | 7.64%  |
| Expected rate(s) of salary increase | 5.00%  | 5.00%  |
| Rate of employee turnover           | 16.00%   | 10.00%   |
| Mortality Rate during employment    | Indian Assured<br>Lives Mortality<br>(2006-08) | Indian Assured<br>Lives Mortality<br>(2006-08) |

#### Defined benefit plans – as per actuarial valuation

| Particulars   | (₹ in Lacs)    |                |
|---|----------------|----------------|
|   | Funded Plan    | Funded Plan    |
|   | Gratuity       | Gratuity       |
|   | March 31, 2020 | March 31, 2019 |
| <b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b> |                |                |
| Actuarial (Gains)/Losses on Obligation for the year   | 12.36          | 5.18           |
| Return on Plan Assets, Excluding Interest Income  | 0.34           | 0.64           |
| Change in asset ceiling   | -              | -              |
| <b>Net amount recognised in Other Comprehensive Income (OCI)</b>  | <b>12.70</b>   | <b>5.82</b>    |
| <b>Expenses recognised in the Statement of Profit or Loss for the current year</b>                          |                |                |
| Current Service Cost  | 15.48          | 12.03          |
| Net interest cost   | 1.22           | (0.14)         |
| <b>Expenses Recognized</b>  | <b>16.70</b>   | <b>11.89</b>   |
| <b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>   |                |                |
| Present value of defined benefit obligation at the end of the year  | (150.52)       | (113.98)       |
| Fair value of plan assets at the end of the year  | 132.28         | 97.99          |
| Surplus/(Deficit)   | (18.25)        | (15.99)        |
| <b>Net (liability)/ Asset recognized in the Balance sheet</b>   | <b>(18.25)</b> | <b>(15.99)</b> |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Defined benefit plans – as per actuarial valuation (Contd..)

| Particulars   | (₹ in Lacs)    |                |
|---|----------------|----------------|
|   | Funded Plan    | Funded Plan    |
|   | Gratuity       | Gratuity       |
|   | March 31, 2020 | March 31, 2019 |
| <b>II. Change in the obligation during the year ended</b>                           |                |                |
| Present value of defined benefit obligation at the beginning of the year            | 113.98         | 90.10          |
| Current Service Cost  | 15.48          | 12.03          |
| Interest Cost   | 8.71           | 7.03           |
| (Benefit paid from the Fund)  | (0.01)         | (0.36)         |
| Actuarial (Gains)/ Losses on Obligations - Due to change in demographic assumptions | 8.21           | -              |
| Actuarial (Gains)/ Losses on Obligations - Due to change in financial assumptions   | 4.01           | 1.03           |
| Actuarial (Gains)/ Losses on Obligations- Due to experience                         | 0.14           | 4.15           |
| <b>Present value of defined benefit obligation at the end of the year</b>           | <b>150.52</b>  | <b>113.98</b>  |
| <b>III. Change in fair value of assets during the year ended 31st March</b>         |                |                |
| Fair value of plan assets at the beginning of the year                              | 97.99          | 91.82          |
| Interest Income   | 7.49           | 7.17           |
| Contributions by the employer   | 27.14          | -              |
| (Benefit paid from the Fund)  | -              | (0.36)         |
| Return on Plan Assets, excluding Interest Income                                    | (0.34)         | (0.64)         |
| <b>Fair value of plan assets at the end of the year</b>                             | <b>132.28</b>  | <b>97.99</b>   |

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

| Particulars   | (₹ in Lacs)                       |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Projected Benefit Obligation on Current Assumptions     | 150.52                            | 113.98                            |
| Delta Effect of +1% Change in Rate of Discounting       | (5.78)                            | (6.16)                            |
| Delta Effect of -1% Change in Rate of Discounting       | 6.30                              | 6.88                              |
| Delta Effect of +1% Change in Rate of Salary Increase   | 4.44                              | 5.96                              |
| Delta Effect of -1% Change in Rate of Salary Increase   | (3.52)                            | (5.47)                            |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.61                              | 0.83                              |
| Delta Effect of -1% Change in Rate of Employee Turnover | (0.67)                            | (0.96)                            |

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 Financial Statements

for the year ended March 31, 2020

## 36 Employee Benefits (Contd..)

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The company expects to contribute ₹ 27.25 lacs to the gratuity fund during the next financial year. (Previous Year ₹ 31.47 lacs)

### Maturity profile of defined benefit obligation (undiscounted):

(₹ in Lacs)

| Projected Benefits Payable in future years from Date of Reporting | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| 1st Following year  | 24.38                             | 14.41                             |
| 2nd Following year  | 24.01                             | 11.06                             |
| 3rd Following year  | 20.89                             | 12.05                             |
| 4th Following year  | 18.44                             | 11.65                             |
| 5th Following year  | 16.07                             | 11.57                             |
| Sum of Years 6 to 10  | 58.08                             | 55.89                             |
| Sum of Years 11 and above   | 39.93                             | 79.60                             |

### Plan Assets

The fair value of Company's gratuity plan asset as of March 31, 2020 by category are as follows:

(₹ in Lacs)

| Particulars            | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|----------------------|----------------------|
| <b>Asset category:</b> |                      |                      |
| Insurer managed funds  | 132.28               | 97.99                |
|                        | 100%                 | 100%                 |

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.

### Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Securities will increase the present value of the liability requiring higher provision.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 36 Employee Benefits (Contd..)

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

## 37 Earnings per share

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

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Profit for the year attributable to equity share holders (₹ in Lacs) (a)        | 5,786.94                             | 2,012.46                             |
| Weighted average number of equity shares outstanding during the year (Nos.) (b) | 101,130,443                          | 101,130,443                          |
| Earnings per share - Basic (₹) (a/b)  | 5.72                                 | 1.99                                 |
| Nominal value of shares (₹)   | 2                                    | 2                                    |

As at the year-end, the stock options granted as referred in Note 41 are not dilutive in nature and accordingly, basic and diluted earnings per share is same.

## 38 Segment Information

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

## 39 Details relating to investment in Limited Liability Partnership (LLP)

| Particulars              | Names of partners in the LLP | As at March 31, 2020         |   | As at March 31, 2019         |   |
|--------------------------|------------------------------|------------------------------|---|------------------------------|---|
|                          |                              | Total capital<br>(₹ In Lacs) | Share of each partner in the profits of the LLP | Total capital<br>(₹ 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%  |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 39 Details relating to investment in Limited Liability Partnership (LLP) (Contd..)

| Particulars                                 | Names of partners in the LLP | As at March 31, 2020         |   | As at March 31, 2019         |   |
|---|------------------------------|------------------------------|---|------------------------------|---|
|   |                              | Total capital<br>(₹ In Lacs) | Share of each partner in the profits of the LLP | Total capital<br>(₹ In Lacs) | Share of each partner in the profits of the LLP |
| Indus Balaji Education Capital Advisors LLP | Balaji Telefilms Limited     | -                            | -   | 0.375                        | 18.75%  |
|   | IP Capital Advisors LLP      | -                            | -   | 0.375                        | 18.75%  |
|   | IPX Capital Advisors LLP     | -                            | -   | 0.250                        | 12.50%  |
|   | Mohit Ralhan                 | -                            | -   | 0.500                        | 25.00%  |
|   | IPM Capital Advisors LLP     | -                            | -   | 0.500                        | 25.00%  |
|   |                              | -                            | -   | 2.000                        | 100.00%   |

**40** The Company has advances / receivable from one of its co-producer and a film director. The advances / receivable amounting to ₹ 1,619 lacs are subject to litigation as at March 31, 2020. On the basis of the evaluation carried out by the management, in consultation with the lawyer, the amounts are considered good and fully recoverable.

## 41 Share based payments

The Nomination and Remuneration Committee ("NRC") of the Board of Directors of the Company has formulated the Balaji Telefilms ESOP, 2017 ("the ESOP Scheme") to grant Stock Options in the form of Options to the eligible employees of the Company and its subsidiaries. The ESOP Scheme has been adopted by the NRC by a Resolution passed at its meeting held on February 13, 2018 pursuant to the enabling authority granted under resolution passed by the members of the Company by way of Postal Ballot or electronic voting held on December 30, 2017. ESOP Scheme has been formulated in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI Regulations"), as amended.

The NRC, vide a resolution passed at its meeting held on May 19, 2018, and June 20, 2018 has granted Options ("Options"), 16,63,734 Options on May 19, 2018 and 21,25,239 Options on June 20, 2018 to the eligible employees of the Company and its subsidiaries (as per terms decided by the NRC).

The Options granted would vest over a period of 3 years – the first 25% to vest at the end of one year from the grant date, 35% to vest at the end of second year from the grant date and balance 40% to vest at the end of third year from the grant date. Once vested, the option remain exercisable for the period of 3 years from the last vesting date

When exercisable, each option is convertible into one equity share. The exercise price of the options is based on the stock exchange last closing market price after deducting 25% discount as determined by the Members of Nomination and Remuneration Committee.

The vesting schedule and exercise period of the Options granted on May 19, 2018 is as follows:

| Year | Vesting of options | Vesting dates | Exercise Period up to |
|------|--------------------|---------------|-----------------------|
| 1    | 25%                | May 18, 2019  | May 18, 2024          |
| 2    | 35%                | May 18, 2020  | May 18, 2024          |
| 3    | 40%                | May 18, 2021  | May 18, 2024          |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

The vesting schedule and exercise period of the Options granted on June 20, 2018 is as follows:

| Year | Vesting of options | Vesting dates | Exercise Period up to |
|------|--------------------|---------------|-----------------------|
| 1    | 25%                | June 19, 2019 | June 19, 2024         |
| 2    | 35%                | June 19, 2020 | June 19, 2024         |
| 3    | 40%                | June 19, 2021 | June 19, 2024         |

During the year ended March 31, 2020 the Company recorded an employee compensation expenses of ₹ 45.35 lacs (previous year ₹ 612.01 lacs) in the statement of profit and loss.

Certain employees of the Subsidiaries are allotted employee stock options of the Company. The Company does not charge any cost for this benefit, Accordingly, fair value of the award granted to subsidiary's employees is recognised over the vesting period; and the same is treated as a capital contribution to the subsidiary. Accordingly, ₹ 476.26 lacs (previous year : ₹ 445.25 lacs) was added to the cost of the investments as a capital contribution at the year end.

Set out below is a summary of options granted under the plan:

|                                    | As at March 31, 2020                        |                   | As at March 31, 2019                        |                   |
|------------------------------------|---|-------------------|---|-------------------|
|                                    | Average Exercise price per share option (₹) | Number of options | Average Exercise price per share option (₹) | Number of options |
| Opening balance                    | 91.67                                       | 31,53,856         | -   | -                 |
| Granted during the year            | -   | -                 | 91.68                                       | 37,88,973         |
| Exercised during the year          | -   | -                 | -   | -                 |
| Forfeited/(lapsed) during the year | -   | 12,48,924         | -   | 635,117           |
| <b>Closing balance</b>             | <b>91.34</b>                                | <b>19,04,932</b>  | <b>91.67</b>                                | <b>31,53,856</b>  |

Number of option exercisable as at March 31, 2020: 4,76,233 (previous year: NIL)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant date    | Expiry date   | Exercise price (₹) | Share options March 31, 2020 | Exercise price (₹) | Share options March 31, 2019 |
|---------------|---------------|--------------------|------------------------------|--------------------|------------------------------|
| May 19, 2018  | May 18, 2024  | 90.00              | 10,54,570                    | 90.00              | 14,02,455                    |
| June 20, 2018 | June 19, 2024 | 93.00              | 850,362                      | 93.00              | 17,51,401                    |
| <b>Total</b>  |               |                    | <b>19,04,932</b>             |                    | <b>31,53,856</b>             |

## Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 72.01 per option for options granted on May 19, 2018 (Tranche 1) and ₹ 74.33 per option for options granted on June 20, 2018 (Tranche 2). The fair value at grant date is determined using the Binomial Tree Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted included:

- Options are granted for no consideration and vest upon completion of service for a period of one to three years from the date of grant. Vested options are exercisable for a period of three years after last vesting date.
- Exercise price: ₹ 90 (Tranche 1) and ₹ 93 (Tranche 2)

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Fair value of options granted (Contd..)

- c) Grant date: May 19, 2018 (Tranche 1) and June 20, 2018 (Tranche 2)
- d) Expiry date: May 18, 2024 (Tranche 1) and June 19, 2024 (Tranche 2)
- e) Share price at grant date: ₹ 119.80 (Tranche 1) and ₹ 123.45 (Tranche 2)
- f) Expected price volatility of the company's shares: 46.05% (Tranche 1) and 45.87% (Tranche 2)
- g) Expected dividend yield: 0.91% (Tranche 1 and 2)
- h) Risk-free interest rate: 7.92% (Tranche 1) and 8.05% (Tranche 2)

The expected price volatility is based on the historic volatility (based on the remaining life of the options).

## 42 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)

| Particulars                          | March 31, 2020   |          |                  | March 31, 2019   |          |                  |
|--------------------------------------|------------------|----------|------------------|------------------|----------|------------------|
|                                      | FVPL             | FVOCI    | Amortised cost   | FVPL             | FVOCI    | Amortised cost   |
| <b>Financial Assets</b>              |                  |          |                  |                  |          |                  |
| <b>Non-current financial assets</b>  |                  |          |                  |                  |          |                  |
| Investments                          | 361.46           | -        | -                | 1,692.03         | -        | -                |
| Loans                                | -                | -        | 796.56           | -                | -        | 940.19           |
| Other financial assets               | -                | -        | -                | -                | -        | 326.12           |
| Trade receivable                     | -                | -        | 164.11           | -                | -        | 431.01           |
| <b>Current financial assets</b>      |                  |          |                  |                  |          |                  |
| Investments                          | 10,046.23        | -        | -                | 22,106.08        | -        | -                |
| Trade receivables                    | -                | -        | 12,455.40        | -                | -        | 10,283.76        |
| Cash and cash equivalents            | -                | -        | 1,382.01         | -                | -        | 1,577.71         |
| Other balances with bank             | -                | -        | 10.54            | -                | -        | 9.33             |
| Loans                                | -                | -        | 3,081.95         | -                | -        | 316.13           |
| Other financial assets               | -                | -        | 5,010.00         | -                | -        | 1,543.02         |
| <b>Total Financial Assets</b>        | <b>10,407.69</b> | <b>-</b> | <b>22,900.57</b> | <b>23,798.11</b> | <b>-</b> | <b>15,427.27</b> |
| <b>Current Financial Liabilities</b> |                  |          |                  |                  |          |                  |
| Trade payables                       | -                | -        | 9,887.71         | -                | -        | 7,210.55         |
| Other financial liabilities          | -                | -        | 51.10            | -                | -        | 127.20           |
| <b>Total Financial Liabilities</b>   | <b>-</b>         | <b>-</b> | <b>9,938.81</b>  | <b>-</b>         | <b>-</b> | <b>7,337.75</b>  |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (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 under 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, 2020 | Level 1          | Level 2  | Level 3       | Total            |
|--|------------------|----------|---------------|------------------|
| <b>Financial Assets</b>  |                  |          |               |                  |
| Financial instrument at FVPL   |                  |          |               |                  |
| Investment in trusts   | -                | -        | 361.46        | 361.46           |
| Mutual Fund  | 10,046.23        | -        | -             | 10,046.23        |
| <b>Total Financial Assets</b>  | <b>10,046.23</b> | <b>-</b> | <b>361.46</b> | <b>10,407.69</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020 | Level 1  | Level 2  | Level 3       | Total         |
|---|----------|----------|---------------|---------------|
| <b>Non-current financial assets</b>   |          |          |               |               |
| Loans   | -        | -        | 796.56        | 796.56        |
| Trade receivable  | -        | -        | 164.11        | 164.11        |
| <b>Total Financial Assets</b>   | <b>-</b> | <b>-</b> | <b>960.67</b> | <b>960.67</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2019 | Level 1          | Level 2  | Level 3         | Total            |
|--|------------------|----------|-----------------|------------------|
| <b>Financial Assets</b>  |                  |          |                 |                  |
| Financial instrument at FVPL   |                  |          |                 |                  |
| Investment in unquoted preference shares   | -                | -        | 188.20          | 188.20           |
| Investment in trusts   | -                | -        | 1,503.83        | 1,503.83         |
| Mutual Fund  | 22,106.08        | -        | -               | 22,106.08        |
| <b>Total Financial Assets</b>  | <b>22,106.08</b> | <b>-</b> | <b>1,692.03</b> | <b>23,798.11</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019 | Level 1  | Level 2  | Level 3         | Total           |
|---|----------|----------|-----------------|-----------------|
| <b>Non-current financial assets</b>   |          |          |                 |                 |
| Loans   | -        | -        | 941.35          | 941.35          |
| Other financial assets  | -        | -        | 326.12          | 326.12          |
| Trade receivable  | -        | -        | 434.81          | 434.81          |
| <b>Total Financial Assets</b>   | <b>-</b> | <b>-</b> | <b>1,702.28</b> | <b>1,702.28</b> |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 42 Fair Value Measurements (Contd..)

The carrying value of current trade receivables, cash and cash equivalents, current 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 non-current financial asset is not materially different than its carrying value.

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. Mutual funds are valued at the closing NAV.

**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 included 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 investee Company (i.e. Trust) is on the basis of the net asset value ('NAV') provided by investee Company.
- 3) 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, 2020

(₹ in Lacs)

| Particulars                                 | Investment in unquoted preference shares | Investment in units of trusts |
|---|--|-------------------------------|
| <b>As at March 31, 2018</b>                 | <b>1,112.19</b>                          | <b>3,166.06</b>               |
| Converted into Equity shares                | (923.99)                                 | -                             |
| Sales                                       | -  | (2,142.88)                    |
| Gains/(Losses) recognised in profit or loss | -  | 480.65                        |
| <b>As at March 31, 2019</b>                 | <b>188.20</b>                            | <b>1,503.83</b>               |
| Sales                                       | -  | (1,090.46)                    |
| Gains/(Losses) recognised in profit or loss | -  | -                             |
| Converted into Equity shares                | (188.20)                                 | -                             |
| Gains/(Losses) recognised in profit or loss | -  | (51.91)                       |
| <b>As at March 31, 2020</b>                 | <b>-</b>                                 | <b>361.46</b>                 |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (iv) Valuation process

For the valuation of financial assets required for financial reporting purposes, which are falling under the Level 3, the fair value of investee Company (trust) is on the basis of the net asset value ('NAV') provided by investee Company. 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.

## (v) Fair value of financial assets measured at amortised cost

(₹ in Lacs)

| Particulars             | March 31, 2020  |            | March 31, 2019  |            |
|-------------------------|-----------------|------------|-----------------|------------|
|                         | Carrying amount | Fair value | Carrying amount | Fair value |
| <b>Financial assets</b> |                 |            |                 |            |
| Trade receivable        | 164.11          | 164.11     | 431.01          | 434.81     |
| Loans                   | 796.56          | 796.56     | 940.19          | 941.35     |
| Other financial assets  | -               | -          | 326.12          | 326.12     |

## 43 Financial Risk Management (Also refer Note 45)

### 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 counterparties 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, 2020 and March 31, 2019 is the carrying value of each class of financial assets as disclosed in note 42.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by it as at March 31, 2020 and March 31, 2019. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

## Trade receivables and contract assets

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past dues. The Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rate for the contract assets.

Trade receivables and contract assets 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.

The Company measures the expected credit loss of trade receivables, contract assets and other financial assets which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted to reflect current and forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the financial assets and provision made:

(₹ in Lacs)

| Particulars       | March 31, 2020        |                | March 31, 2019        |                |
|-------------------|-----------------------|----------------|-----------------------|----------------|
|                   | Gross Carrying Amount | Loss Allowance | Gross Carrying Amount | Loss Allowance |
| Trade Receivables | 12,619.51             | -              | 11,060.47             | (345.70)       |
| Loans             | 3,878.51              | -              | 1,307.24              | (50.92)        |
| Unbilled Revenue  | 3,024.64              | -              | -                     | -              |
| Contract assets   | 4,899.90              | -              | 1,755.38              | -              |

The following table summarizes the changes in the Provisions made for the receivables & loans:

(₹ in Lacs)

| Particulars                 | Trade receivables |                | Loans          |                |
|-----------------------------|-------------------|----------------|----------------|----------------|
|                             | March 31, 2020    | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Opening balance             | 345.70            | 345.72         | 50.92          | 50.92          |
| Provided during the year    | 503.79            | -              | -              | -              |
| Written off during the year | (849.49)          | (0.02)         | (50.92)        | -              |
| Reversals of provisions     | -                 | -              | -              | -              |
| <b>Closing balance</b>      | <b>-</b>          | <b>345.70</b>  | <b>-</b>       | <b>50.92</b>   |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 43 Financial Risk Management (Also refer Note 45) (Contd..)

Of the Trade Receivables balance as at March 31, 2020 of ₹ 12,619.51 lacs (as at March 31, 2019 of ₹ 11,060.47 lacs), the top 3 customers of the company represent the balance of ₹ 9,151.87 lacs as at March 31, 2020 (as at March 31, 2019 of ₹ 7,964.90 lacs).

No significant changes in estimation techniques or assumptions were made during the reporting period.

### (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 (undiscounted)

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            |
| <b>March 31, 2020</b>                           |                  |                   |                  |                  |
| Trade payables                                  | 9,887.71         | -                 | -                | 9,887.71         |
| Lease liabilities                               | 1,091.40         | 1,098.98          | 713.93           | 2,904.31         |
| Other Financial Liabilities                     | 51.10            | -                 | -                | 51.10            |
| <b>Total financial liabilities</b>              | <b>11,030.21</b> | <b>1,098.98</b>   | <b>713.93</b>    | <b>12,843.12</b> |

| (₹ in Lacs)                                     |                  |                   |                  |                 |
|---|------------------|-------------------|------------------|-----------------|
| Contractual maturities of financial liabilities | 6 months or less | 6 months -1 years | More than 1 year | Total           |
| <b>March 31, 2019</b>                           |                  |                   |                  |                 |
| Trade payables                                  | 7,210.55         | -                 | -                | 7,210.55        |
| Other Financial Liabilities                     | 127.20           | -                 | -                | 127.20          |
| <b>Total financial liabilities</b>              | <b>7,337.75</b>  | <b>-</b>          | <b>-</b>         | <b>7,337.75</b> |

### (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, 2020 (Previous year Nil).

# Notes forming part of Financial Statements

for the year ended March 31, 2020

**(b) Interest rate risk**

The Company does not have any borrowings and is thus not exposed to interest rate risk as at March 31, 2020 (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.

Investments are made by the finance team under the policies approved by the Board of Directors. 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 before tax |                |
|--|-----------------------------|----------------|
|  | March 31, 2020              | March 31, 2019 |
| Net asset value - Increase 5% (March 31, 2019 5%)* | 326.78                      | 719.07         |
| Net asset value - Decrease 5% (March 31, 2019 2%)* | (326.78)                    | (287.63)       |

\*Profit before tax for the year would increase/ decrease as a result of gains/ losses on investments classified at fair value through profit or loss.

## 44 Capital Management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

## 45 Impact assessment due to Covid-19 pandemic

The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently, the business activities of the Company are also affected. The Company has resumed its operations as per the directives and permissions of the State Government and other statutory and trade bodies on June 26, 2020. The resumption of business has been undertaken with the required precautions stipulated by the authorities.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 45 Impact assessment due to Covid-19 pandemic (Contd..)

The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its investments, other assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

## 46 Dividends

| Particulars   | (₹ in Lacs)    |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| <b>Equity Shares</b>  |                |                |
| (i) Final Dividend paid<br>Dividend of ₹ 0.40 per fully paid share pertaining to the immediately preceding financial year   | 404.52         | 404.52         |
| (ii) Dividend not recognised at the end of the reporting period<br>In addition to the above dividends, since the year end, the Company has proposed dividend of Nil for the financial year 2019-20 (₹ 0.40 per fully paid share for the financial year 2018-19) | -              | 404.52         |
| (iii) Interim Dividend of Rs.0.40 per fully paid-up share for the financial year 2019-20  | 404.52         | -              |

Signatures to note 1 to 46

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

Sachin Parekh  
**Partner**  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Jeetendra Kapoor  
**(Chairman)**  
DIN: 00005345

Shobha Kapoor  
**(Managing Director)**  
DIN: 00005124

D.G. Rajan  
**(Audit Committee Chairman)**  
DIN: 00303060

Sanjay Dwivedi  
**(Group CFO)**

Simmi Singh Bisht  
**(Group Head Secretarial)**

Place : Mumbai  
Date : July 22, 2020

# Consolidated Financial Statements

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# Independent Auditor's Report

To the Members of Balaji Telefilms Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of Balaji Telefilms Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate entity (refer Note 37 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 associate entity as at March 31, 2020, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group and its associate entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in

terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, other than the unaudited financial statements as certified by the management and referred to in paragraph 15 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to the following:
  - (a) Note 50 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact of the event in the subsequent period is dependent upon circumstances as they evolve.
  - (b) Note 44 to the consolidated financial statements regarding receivable amounting to ₹ 1,619 lacs, disclosed under "other non-current assets" of the balance sheet as at March 31, 2020, from one of its co-producer and a film director against whom arbitration proceedings are in progress for recovery.

Our opinion is not modified in respect of above matters.

### Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Below Key Audit Matters have been reproduced from the report on the audit of the standalone financial statements of the Holding Company.

| Key audit matter   | How our audit addressed the key audit matter   |
|--|--|
| <p><b>Assessment of carrying value of investments in and loans to Subsidiaries</b></p> <p>(Refer notes 5, 15 and 33 to the standalone financial statements of the Holding Company)</p> <p>The carrying value of Company's investments in and loans to subsidiaries (Alt Digital Media Entertainment Limited, Balaji Motion Pictures Limited and Marinating Films Private Limited) is ₹ 65,112.20 lacs as at March 31, 2020.</p> <p>The value of such investments and loans form a significant part of the standalone total assets of the Holding Company. Accumulated losses have eroded/ partly eroded the net worth of the respective subsidiaries. This is an indication of potential impairment of carrying value of these investments and loans.</p> <p>The Holding Company assesses the carrying value of these investments and recoverability of loans by taking into account forecast business plans which are based on various assumptions including growth rate and discount factor. Management uses an independent external professional valuer to determine the fair value of these investments.</p> <p>Based on this, the Holding Company assessed that there is no requirement of considering impairment provision in the carrying value of its investments in and loans to such subsidiaries as at March 31, 2020 in the Standalone Financial Statements of the Holding Company.</p> <p>We considered this as a Key Audit Matter due to uncertainties and significant judgement required by the Management in preparation of future cash flows based on the business plans and the underlying assumptions such as discount rate, growth rate and valuation model.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of the controls over valuation of investments and recoverability of loans;</li> <li>• Assessing the historical accuracy of the Management's forecasted business plans by comparing the forecasts used in the prior year with the actual performance in the current year;</li> <li>• Comparing the forecasts with the latest approved budgets;</li> <li>• Evaluating the competence, capabilities and objectivity of the independent professional valuer engaged by the Management;</li> <li>• Together with auditor's valuation experts – <ul style="list-style-type: none"> <li>• assessing Management's forecasts to evaluate whether the forecasts are reasonable in comparison with the past performance and industry trends;</li> <li>• testing appropriateness of the method and model used for determining the fair value of investments, mathematical accuracy of the models' calculations, evaluating reasonableness and challenging key assumptions used such as growth rate, discount rate;</li> <li>• evaluating the sensitivity analysis in consideration of potential impact of reasonably possible upside or downside changes in the key assumptions.</li> </ul> </li> <li>• Considered the results of the aforesaid procedures in evaluating the recoverability of loan given to a subsidiary.</li> </ul> <p>Based on the above procedures performed, the management's assessment of carrying value of investments in and loans to such subsidiaries, was considered to be appropriate.</p> |

## Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises of Board's Report, Management

Discussion & Analysis, Report on Corporate Governance (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the Corporate Overview



section of the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Corporate Overview section of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate entity are responsible for assessing the ability of the Group and of its associate entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its associate entity are responsible for overseeing the financial reporting process of the Group and of its associate entity.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial

statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

15. The consolidated financial statements include the Group's share of profit after tax of ₹ Nil and total comprehensive income of ₹ Nil for the year ended March 31, 2020 in respect of an associate entity whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate entity and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to this associate entity, is based solely on such unaudited financial statements. In our opinion and according to the



information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated 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 statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

16. 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 financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies incorporated in India as on March 31, 2020 taken on record by the respective Board of

Directors, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate entity – Refer Note 36 to the consolidated financial statements.
  - ii. The Group and its associate entity had long term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Group and its associate entity did not have any derivative contracts as at March 31, 2020.
  - 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 incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
17. The Group 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.

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

**Sachin Parekh**  
Partner

Membership Number: 107038  
UDIN: 20107038AAAABW6927

Place: Mumbai  
Date: July 22, 2020

## Annexure A

### to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Balaji Telefilms Limited on the consolidated financial statements for the year ended March 31, 2020

#### 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 financial statements of the Company as of and for the year ended March 31, 2020, 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 associate entity incorporated in India namely IPB Capital Advisors LLP as it is Limited Liability Partnership Firm.

#### 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 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 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 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 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 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, 2020, 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. Also, refer paragraph 4(a) of our main report.

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

**Sachin Parekh**  
Partner

Membership Number: 107038  
UDIN: 20107038AAAABW6927

Place: Mumbai  
Date: July 22, 2020

# Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|----------------------|----------------------|
| <b>ASSETS</b>   |          |                      |                      |
| <b>Non-current assets</b>                                 |          |                      |                      |
| (a) Property, plant and equipment                         | 4a       | 2,790.73             | 3,161.95             |
| (b) Right of use Asset                                    | 4b       | 2,883.78             | -                    |
| (c) Capital work-in-progress                              | 4a       | 179.17               | 52.46                |
| (d) Goodwill on consolidation                             | 5        | 146.91               | 146.91               |
| (e) Other intangible assets                               | 5        | 72.03                | 455.33               |
| (f) Financial assets                                      |          |                      |                      |
| (i) Investments   | 6        | 361.91               | 1,504.69             |
| (ii) Trade receivables                                    | 14(ii)   | -                    | 150.12               |
| (iii) Loans   | 7        | 796.56               | 940.19               |
| (iv) Other financial assets                               | 8(i)     | -                    | 326.12               |
| (g) Deferred tax assets (net)                             | 9        | 723.99               | 1,981.86             |
| (h) Non-current income tax assets (net)                   | 10       | 1,721.22             | 3,017.15             |
| (i) Other non-current assets                              | 11       | 3,701.51             | 3,238.08             |
| <b>Total non-current assets</b>                           |          | <b>13,377.81</b>     | <b>14,974.86</b>     |
| <b>Current assets</b>                                     |          |                      |                      |
| (a) Inventories   | 12       | 15,577.80            | 19,583.91            |
| (b) Financial assets                                      |          |                      |                      |
| (i) Investments   | 13       | 12,263.98            | 28,525.52            |
| (ii) Trade receivables                                    | 14(i)    | 17,668.92            | 9,882.50             |
| (iii) Cash and cash equivalents                           | 15       | 1,986.29             | 1,920.84             |
| (iv) Bank balances other than (iii) above                 | 16       | 10.54                | 9.33                 |
| (v) Loans   | 17       | 35.02                | 71.39                |
| (vi) Other financial assets                               | 8(ii)    | 6,117.28             | 1,471.03             |
| (c) Contract assets                                       | 8(a)     | 63.25                | 682.25               |
| (d) Other current assets                                  | 18       | 21,678.00            | 10,926.59            |
| <b>Total current assets</b>                               |          | <b>75,401.08</b>     | <b>73,073.36</b>     |
| <b>Total Assets</b>                                       |          | <b>88,778.89</b>     | <b>88,048.22</b>     |
| <b>EQUITY AND LIABILITIES</b>                             |          |                      |                      |
| <b>Equity</b>   |          |                      |                      |
| (a) Equity share capital                                  | 19       | 2,022.61             | 2,022.61             |
| (b) Other equity  |          |                      |                      |
| - Equity component of compound financial instrument       |          | -                    | 66.45                |
| - Reserves & Surplus                                      | 20       | 67,192.18            | 74,155.85            |
| <b>Equity attributable to owners of the Company</b>       |          | <b>69,214.79</b>     | <b>76,244.91</b>     |
| Non-controlling interests                                 |          | 6.99                 | (101.98)             |
| <b>Total equity</b>                                       |          | <b>69,221.78</b>     | <b>76,142.93</b>     |
| <b>Liabilities</b>  |          |                      |                      |
| <b>Non-current liabilities</b>                            |          |                      |                      |
| (a) Financial liabilities                                 |          |                      |                      |
| (i) Borrowings  | 21       | -                    | 10.56                |
| (ii) Lease liabilities                                    | 4b       | 833.14               | -                    |
| <b>Total non-current liabilities</b>                      |          | <b>833.14</b>        | <b>10.56</b>         |
| <b>Current liabilities</b>                                |          |                      |                      |
| (a) Financial liabilities                                 |          |                      |                      |
| (i) Trade payables  | 22       |                      |                      |
| (i) total outstanding dues of micro and small enterprises |          | 68.41                | 34.81                |
| (ii) total outstanding dues other than (i) (i) above      |          | 11,824.82            | 9,026.92             |
| (ii) Lease liabilities                                    | 4b       | 2,173.58             | -                    |
| (iii) Other financial liabilities                         | 23       | 51.10                | 132.74               |
| (b) Provisions  | 24       | 18.25                | 15.99                |
| (c) Other current liabilities                             | 25       | 3,781.09             | 2,614.72             |
| (d) Current tax liabilities (net)                         | 26       | 806.72               | 69.55                |
| <b>Total current liabilities</b>                          |          | <b>18,723.97</b>     | <b>11,894.73</b>     |
| <b>Total Equity and Liabilities</b>                       |          | <b>88,778.89</b>     | <b>88,048.22</b>     |

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

Sachin Parekh  
Partner  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Shobha Kapoor  
(Managing Director)  
DIN: 00005124

D.G. Rajan  
(Audit Committee Chairman)  
DIN: 00303060

Sanjay Dwivedi  
(Group CFO)

Simmi Singh Bisht  
(Group Head Secretarial)  
Place : Mumbai  
Date : July 22, 2020



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------|-----------------------------------|-----------------------------------|
| (I) Revenue from operations   | 27       | 57,355.48                         | 42,770.87                         |
| (II) Other Income   | 28       | 860.70                            | 3,176.67                          |
| <b>(III) Total income (I+II)</b>  |          | <b>58,216.18</b>                  | <b>45,947.54</b>                  |
| <b>(IV) Expenses</b>  |          |                                   |                                   |
| (a) Cost of production / Acquisition and Telecast fees                  | 29       | 34,989.09                         | 40,044.69                         |
| (b) Changes in inventories  | 29       | 3,950.20                          | (2,447.28)                        |
| (c) Marketing and Distribution expenses                                 | 30       | 6,055.52                          | 4,312.16                          |
| (d) Employee benefits expense   | 31       | 3,644.80                          | 4,956.52                          |
| (e) Depreciation and amortisation expense                               | 32       | 3,884.70                          | 1,806.39                          |
| (f) Finance costs   | 33       | 266.21                            | 2.22                              |
| (g) Other expenses  | 34       | 7,642.49                          | 6,415.69                          |
| <b>(V) Total expenses</b>   |          | <b>60,433.01</b>                  | <b>55,090.39</b>                  |
| <b>(VI) Loss before Tax (III-V)</b>                                     |          | <b>(2,216.83)</b>                 | <b>(9,142.85)</b>                 |
| <b>(VII) Tax expense:</b>   | 35       |                                   |                                   |
| (a) Current tax   |          |                                   |                                   |
| Current tax   |          | 2,347.23                          | 695.81                            |
| (b) Deferred tax  |          |                                   |                                   |
| Deferred tax  |          | 49.21                             | 30.87                             |
| MAT Credit Entitlement  |          | -                                 | (94.10)                           |
| MAT Credit Utilisation  |          | 1,282.77                          | -                                 |
| <b>Total tax expense</b>  |          | <b>3,679.21</b>                   | <b>632.58</b>                     |
| <b>(VIII) Loss for the year (VI-VII)</b>                                |          | <b>(5,896.04)</b>                 | <b>(9,775.43)</b>                 |
| <b>(IX) Other comprehensive income</b>                                  |          |                                   |                                   |
| Items that will not be reclassified to profit or loss                   |          |                                   |                                   |
| Remeasurements of the post employment benefit obligations gain / (loss) |          | 1.99                              | 27.59                             |
| Income tax on items that may be reclassified to profit or loss          |          | 3.20                              | 2.01                              |
| <b>Total other comprehensive income for the year</b>                    |          | <b>5.19</b>                       | <b>29.60</b>                      |
| <b>(X) Total comprehensive income for the year (VIII+IX)</b>            |          | <b>(5,890.85)</b>                 | <b>(9,745.83)</b>                 |
| <b>(XI) Loss for the year attributable to :</b>                         |          |                                   |                                   |
| - Owners of the Company   |          | (5,878.01)                        | (9,735.33)                        |
| - Non-controlling interest  |          | (18.03)                           | (40.10)                           |
| <b>(XII) Other Comprehensive Income for the year attributable to :</b>  |          |                                   |                                   |
| - Owners of the Company   |          | 5.19                              | 29.60                             |
| - Non-controlling interest  |          | -                                 | -                                 |
| <b>(XIII) Total comprehensive income for year attributable to :</b>     |          |                                   |                                   |
| - Owners of the Company   |          | (5,872.82)                        | (9,705.73)                        |
| - Non-controlling interest  |          | (18.03)                           | (40.10)                           |
| <b>(XIV) Basic and diluted earnings per share (in ₹)</b>                | 40       | <b>(5.81)</b>                     | <b>(9.63)</b>                     |
| (Face value of ₹ 2 each)  |          |                                   |                                   |

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

Sachin Parekh  
Partner  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Shobha Kapoor  
(Managing Director)  
DIN: 00005124

D.G. Rajan  
(Audit Committee Chairman)  
DIN: 00303060

Sanjay Dwivedi  
(Group CFO)

Simmi Singh Bisht  
(Group Head Secretarial)  
Place : Mumbai  
Date : July 22, 2020

## Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                      |                                      |
| Loss before tax   | (2,216.83)                           | (9,142.85)                           |
| Adjustments for:  |                                      |                                      |
| Depreciation and amortisation expenses  | 3,884.70                             | 1,806.39                             |
| Interest cost - Leases  | 264.01                               | -                                    |
| Finance cost  | -                                    | 2.22                                 |
| Bad debts written off   | 504.24                               | 0.02                                 |
| Advances written off  | 997.24                               | 598.37                               |
| Provision for doubtful debts and advances (net)   | 430.25                               | 255.57                               |
| Loss on fixed assets written off/ disposal (net)  | 19.37                                | 10.47                                |
| Diminution in value of investments  | 0.38                                 | -                                    |
| Security Deposit Written-off  | 29.15                                | -                                    |
| Net gains on financial assets mandatorily measured at fair value through profit and loss  | (384.89)                             | (2,804.25)                           |
| Dividend Income on investments mandatorily measured at fair value through profit and loss | -                                    | (10.15)                              |
| Provision for gratuity expenses   | 28.03                                | 35.38                                |
| Amortisation of content   | 8,720.46                             | 7,417.97                             |
| Discontinued shows written off  | -                                    | 205.95                               |
| Advances / Creditors written back   | (202.39)                             | (203.24)                             |
| Amortisation of prepaid rent element of rental security deposit                           | -                                    | 79.03                                |
| Unwinding of discount on security deposit   | (71.76)                              | (86.21)                              |
| Unrealised exchange (gain)/Loss   | (13.62)                              | (0.02)                               |
| Employee share based payment expenses   | 76.37                                | 1,057.26                             |
| Interest income on fixed deposits   | (10.41)                              | (20.02)                              |
| Interest income on income-tax refund  | (110.36)                             | (11.94)                              |
| Interest income on deferred consideration   | (7.33)                               | -                                    |
| <b>Operating Profit/(loss) before working capital changes</b>                             | <b>11,936.61</b>                     | <b>(810.05)</b>                      |
| Adjustments for:  |                                      |                                      |
| (Increase) / decrease in trade receivable   | (7,736.74)                           | (685.72)                             |
| (Increase) / decrease in other current financial assets                                   | (4,654.62)                           | 278.31                               |
| (Increase) / decrease in other current assets   | (12,588.90)                          | (5,104.74)                           |
| (Increase) / decrease in the contract assets  | 619.00                               | (262.86)                             |
| (Increase) / decrease in non-current financial assets                                     | 326.12                               | 46.11                                |
| (Increase) / decrease in loans  | 25.77                                | 386.45                               |
| (Increase) / decrease in other non-current assets   | (463.43)                             | 1,780.49                             |
| (Increase) / decrease in inventories  | (4,714.36)                           | (14,427.36)                          |
| Increase / (decrease) in trade payables   | 3,033.89                             | 1,826.30                             |
| Increase / (decrease) in provisions   | (27.76)                              | (9.72)                               |
| Increase / (decrease) in other financial liabilities                                      | (4.26)                               | -                                    |
| Increase / (decrease) in other current liabilities  | 1,166.37                             | 1,160.34                             |
| <b>Cash (used in) operations</b>  | <b>(13,082.31)</b>                   | <b>(15,822.45)</b>                   |
| Income-tax paid   | (312.61)                             | (2,014.83)                           |
| <b>Net cash flow (used in) operating activities (A)</b>                                   | <b>(13,394.92)</b>                   | <b>(17,837.28)</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                      |                                      |
| Payments for property, plant and equipment  | (1,055.92)                           | (1,185.40)                           |
| Payments for intangible assets  | (7.92)                               | (55.55)                              |
| Proceeds from sale of property, plant and equipment                                       | 0.65                                 | -                                    |



## Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Payments for purchase of current investments                            | (32,841.86)                          | (29,083.84)                          |
| Proceeds from sale of current investments                               | 49,499.98                            | 47,099.07                            |
| Proceeds from sale of non current investments                           | 1,131.20                             | 1,506.61                             |
| Interest income received  | 120.77                               | 31.96                                |
| <b>Net cash generated from investing activities (B)</b>                 | <b>16,846.90</b>                     | <b>18,312.85</b>                     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                           |                                      |                                      |
| Payment of principal portion of lease liability                         | (2,112.30)                           | -                                    |
| Interest expenses on lease liability                                    | (264.01)                             | -                                    |
| Share issue costs   | (7.50)                               | (15.00)                              |
| Dividend paid to company's shareholders (including DDT)                 | (975.34)                             | (487.87)                             |
| Proceeds from issue of shares in subsidiary to non-controlling interest | 50.00                                | -                                    |
| <b>Net cash (used in) financing activities (C)</b>                      | <b>(3,309.15)</b>                    | <b>(502.87)</b>                      |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>   | <b>142.83</b>                        | <b>(27.30)</b>                       |
| Cash and cash equivalents at the beginning of the year                  | 1,802.90                             | 1,830.20                             |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>1,945.73</b>                      | <b>1,802.90</b>                      |
| <b>D. Non-cash financing and investing activities</b>                   |                                      |                                      |
| Acquisition of right of use assets                                      | 1,511.78                             | -                                    |

### Components of cash and cash equivalents

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Cash and cash equivalents above comprises of</b>     |                         |                         |
| - Cash and cash equivalent as per note 15               | 1,986.29                | 1,920.84                |
| - Temporarily overdrawn book balances as per note 23    | (40.56)                 | (117.94)                |
| <b>Cash and cash equivalents at the end of the year</b> | <b>1,945.73</b>         | <b>1,802.90</b>         |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes  
This is the Consolidated Statement of Cash Flows referred to in our report of even date

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

Sachin Parekh  
**Partner**  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Jeetendra Kapoor  
**(Chairman)**  
DIN: 00005345

Shobha Kapoor  
**(Managing Director)**  
DIN: 00005124

D.G. Rajan  
**(Audit Committee Chairman)**  
DIN: 00303060

Sanjay Dwivedi  
**(Group CFO)**

Simmi Singh Bisht  
**(Group Head Secretarial)**  
Place : Mumbai  
Date : July 22, 2020

## Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

### A. Equity share capital (Refer Note 19)

| Particulars                                     | (₹ in Lacs) |
|---|-------------|
| As at April 1, 2018                             | 2,022.61    |
| Changes in equity share capital during the year | -           |
| As at March 31, 2019                            | 2,022.61    |
| As at April 1, 2019                             | 2,022.61    |
| Changes in equity share capital during the year | -           |
| As at March 31, 2020                            | 2,022.61    |

### B. Other Equity (Refer note 20)

Other Equity (Refer note 20)

(₹ in Lacs)

| Particulars   | Equity component of compound financial instrument | Attributable to owners of Balaji Telefilms Limited |                            |                   |                                   | Other equity (Total) | Non-controlling interest | Total      |
|---|---|--|----------------------------|-------------------|-----------------------------------|----------------------|--------------------------|------------|
|   |   | Reserves and surplus                               |                            |                   | Share options outstanding account |                      |                          |            |
|   |   | General Reserve                                    | Securities Premium Account | Retained earnings |                                   |                      |                          |            |
| Balance as at April 1, 2018                                       | 66.45   | 5,133.10   | 68,749.34                  | 9,381.15          | -                                 | 83,330.04            | (392.81)                 | 82,937.23  |
| Adjustment consequent to adoption of Ind AS 115                   | -   | -  | -                          | 374.33            | -                                 | 374.33               | -                        | 374.33     |
| Loss for the year   | -   | -  | -                          | (9,735.33)        | -                                 | (9,735.33)           | (40.10)                  | (9,775.43) |
| Other comprehensive income for the year                           | -   | -  | -                          | 29.60             | -                                 | 29.60                | -                        | 29.60      |
| Total comprehensive income for the year                           | -   | -  | -                          | (9,705.73)        | -                                 | (9,705.73)           | (40.10)                  | (9,745.83) |
| Employee share options expense (Refer note 46)                    | -   | -  | -                          | -                 | 1,057.26                          | 1,057.26             | -                        | 1,057.26   |
| Share issue Expenses  | -   | -  | -                          | (15.00)           | -                                 | (15.00)              | -                        | (15.00)    |
| Transactions with owners in their capacity as owners:             |   |  |                            |                   |                                   |                      |                          |            |
| Payment of dividends (Refer note 51)                              | -   | -  | -                          | (404.52)          | -                                 | (404.52)             | -                        | (404.52)   |
| Dividend distribution tax (Refer note 20(a))                      | -   | -  | -                          | (83.15)           | -                                 | (83.15)              | -                        | (83.15)    |
| Impact of change in ownership interest (Refer note 37(a))         | -   | -  | -                          | (330.93)          | -                                 | (330.93)             | 330.93                   | -          |
| As at March 31, 2019  | 66.45   | 5,133.10   | 68,749.34                  | (783.85)          | 1,057.26                          | 74,222.30            | (101.98)                 | 74,120.32  |
| Balance as at April 1, 2019                                       | 66.45   | 5,133.10   | 68,749.34                  | (783.85)          | 1,057.26                          | 74,222.30            | (101.98)                 | 74,120.32  |
| Adjustment consequent to adoption of Ind AS 116 (Refer note 4(b)) | -   | -  | -                          | (186.38)          | -                                 | (186.38)             | -                        | (186.38)   |
| Loss for the year   | -   | -  | -                          | (5,878.01)        | -                                 | (5,878.01)           | (18.03)                  | (5,896.04) |
| Other comprehensive income for the year                           | -   | -  | -                          | 5.19              | -                                 | 5.19                 | -                        | 5.19       |
| Total comprehensive income for the year                           | -   | -  | -                          | (5,872.82)        | -                                 | (5,872.82)           | (18.03)                  | (5,890.85) |



## Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

### B. Other Equity (Contd..)

(₹ in Lacs)

| Particulars  | Equity component of compound financial instrument | Attributable to owners of Balaji Telefilms Limited |                            |                   |                                   | Other equity (Total) | Non-controlling interest | Total            |
|--|---|--|----------------------------|-------------------|-----------------------------------|----------------------|--------------------------|------------------|
|  |   | General Reserve                                    | Securities Premium Account | Retained earnings | Share options outstanding account |                      |                          |                  |
| Employee share options expense (Refer note 46)   | -   | -  | -                          | -                 | 76.37                             | 76.37                | -                        | 76.37            |
| Share issue Expenses   | -   | -  | -                          | (7.50)            | -                                 | (7.50)               | -                        | (7.50)           |
| Transactions with owners in their capacity as owners:  |   |  |                            |                   |                                   |                      |                          |                  |
| Payment of dividends (Refer note 51)   | -   | -  | -                          | (809.04)          | -                                 | (809.04)             | -                        | (809.04)         |
| Dividend distribution tax (Refer note 20(a))   | -   | -  | -                          | (166.30)          | -                                 | (166.30)             | -                        | (166.30)         |
| Impact on conversion of preference shares into equity  | -   | -  | -                          | 2.00              | -                                 | 2.00                 | -                        | 2.00             |
| Issue of equity shares   | -   | -  | -                          | -                 | -                                 | -                    | 50.00                    | 50.00            |
| Conversion of Zero dividend redeemable optionally convertible Preference Shares into Equity shares | (75.00)   | -  | -                          | -                 | -                                 | (75.00)              | 75.00                    | -                |
| Impact on conversion of preference shares into equity shares (on Non-controlling shares)           | 8.55  | -  | -                          | -                 | -                                 | 8.55                 | 2.00                     | 10.55            |
| <b>As at March 31, 2020</b>  | <b>-</b>  | <b>5,133.10</b>                                    | <b>68,749.34</b>           | <b>(7,823.89)</b> | <b>1,133.63</b>                   | <b>67,192.18</b>     | <b>6.99</b>              | <b>67,199.17</b> |

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 on even date

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

Sachin Parekh  
**Partner**  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Jeetendra Kapoor  
**(Chairman)**  
DIN: 00005345

Shobha Kapoor  
**(Managing Director)**  
DIN: 00005124

D.G. Rajan  
**(Audit Committee Chairman)**  
DIN: 00303060

Sanjay Dwivedi  
**(Group CFO)**

Simmi Singh Bisht  
**(Group Head Secretarial)**

Place : Mumbai  
Date : July 22, 2020

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 1 :Background

Balaji Telefilms Limited (the 'Company') was incorporated on November 10, 1994 under the Companies Act, 1956. Balaji Telefilms Limited and its subsidiaries (the 'Group') and its associate entity 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 content market, event business, production of films, B2C and B2B digital content business and operates a subscription based video on demand (SVOD) over the top (OTT) platform, distribution of films. 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 criteria 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 its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

### Historical cost convention

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.

- (III) Share based payments

### New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

The Group applied Ind AS 116 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under the method, Leases are recognized as a right of use assets and a corresponding liability at the date at which leased asset is available for use by the Group. The Group had to change its accounting policies and made certain adjustments following the adoption of Ind AS 116. This is disclosed in note 4b.

### (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 policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

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.

During the year, one of the associate, Indus Balaji Education Capital Advisors LLP, has been struck-off from the ROC register and investment has been written-off.

## (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, and chief financial officer which assesses the financial performance and position of the Group, and makes strategic decisions. Refer note 42 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 the 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.

## (e) Revenue Recognition

The Group derives revenue from producing television programs, Internet series, sale or licensing movie rights, delivering events to its customers, distribution of films, service fees for content development and licensing and subscription of its content to its customers. Some of the contracts include multiple deliverables, such as promises to provide a library of content at inception

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

as well as content updates over the term. The Group identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Revenue generated from the commissioned television programs and Internet series produced for broadcasters is recognized over the period of time over the contract period.

Revenue from sale and licensing of movies - The Group evaluates if a license represents a right to access the content (revenue recognized over time) or represents a right to use the content (revenue recognized at a point in time). The Group has determined that most license revenues are satisfied at a point in time due to their being limited ongoing involvement in the use of the license following its transfer to the customer.

Revenue from licensing of digital content right: The Group has determined that most license revenues in respect of digital content are satisfied at a point in time due to their being limited ongoing involvement in the use of the license following its transfer to the customer.

Revenue from events is recognised over the period of time.

Revenue generated from film distribution is recognized at a point in time as the films are screened.

Revenue generates from the free commercial time is recognised as and when the relevant episodes of the programme (Event) are telecast on broadcasting channels (revenue recognised at a point in time).

Revenue from franchise fees is recognised on sale of franchise rights (revenue recognised at a point in time)

The Group recognises subscription revenue over the subscription period.

The Group recognises revenue from service fee for content development where IP is shared with the customer, as the services are performed.

The transaction price, being the amount to which the Group expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Group's performance may result in additional revenues based on the achievement of agreed targets.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

### (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 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 Consolidated Financial Statements

for the year ended March 31, 2020

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 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 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 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 tax asset is realized or the deferred tax liability is settled.

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

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.

Minimum Alternate Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be

recognised as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax asset. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

## (h) Leases

**Till March 31, 2019:**

### 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.

**With effective from April 1, 2019:**

### As a lessee

The Group mainly has lease arrangements for building (offices and studio). The Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Group has the right to direct the use of the asset and whether the Group obtains substantially all the economic benefits from the use of that asset.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

except for short term leases and leases of low value assets. Contracts may contain both lease and non-lease components. However, the Group has elected not to separate lease and non-lease components and instead account for these as a single lease components.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the Group under residual value guarantee

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. Finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

- (i) Impact on the statement of profit and loss account

The adoption of this accounting standard did not have significant impact on the profit for the period and the earnings per share. Operating lease rentals which were recognised in the statement of profit and loss will now be recognised as depreciation expense for the right to use asset and finance cost for interest accrued on lease liability.

- (ii) Adjustments recognized in the balance sheet on 1 April, 2019 – Refer Note 4(b)

### 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. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

- (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**

The Company do not have physical inventory (i.e. goods)

Inventories comprise of Internet Series, Films, and are stated at the lower of cost and net realizable value.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

**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.

Inventory of internet series is amortized as per the amortization policy of the company based on expected pattern of realization of economic benefits.

Original internet series are amortised on an accelerated basis considering the expected pattern of realization of economic benefits and the expected viewing pattern of associated with the content. The amortization begins when the series/ episodes is launched on the group's OTT platform.

For acquired internet series and film rights, amortization is done on straight line basis over the period of the license.

For music, amortization starts when songs are being featured and utilized in Internet series till the end of license period.

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.

## (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.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Assets 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.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

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

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

### 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 48 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.

#### 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.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## (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.

Goodwill on consolidation is included in intangibles assets. Goodwill is not amortised but it is tested for impairment annually.

### (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

## (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

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

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 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.

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



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

contributions are made to a government administered provident fund towards which the Group has no further obligations beyond its monthly contributions.

## (s) Share Based Payment

Shared-based compensation benefits are provided to employees via "Balaji Telefilms ESOP, 2017" ("BTL ESOP 2017").

The fair value of options granted under the BTL ESOP 2017 scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding any impact of service conditions
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

## (t) 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.

## (u) 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 Judgments

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/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.

- 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.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### • 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 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 Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgment 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. In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will

be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

### • 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.

### • Fair valuation

Some of the Group's assets and liability are measured at fair value for financial reporting purpose. In estimating the fair value of an asset and liability Group uses market observable data to the extent available. When Level 1 inputs are not available, the company engages third party qualified valuer to establish the appropriate techniques and input to valuation model.

Information about the valuation techniques used in determining the fair value of various assets are disclosed in note 47.

### • Determination of Lease Term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

The following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Impact Assessment due to Covid-19 Pandemic – Refer Note 50

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 Group and that are believed to be reasonable under the circumstances.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 4a Property, plant and equipment & Capital Work-in-progress

| Description of Assets                 | Buildings<br>- Freehold | Computers  | Plant and<br>machinery<br>- Others | Studios<br>and sets | Vehicles | Furniture<br>and<br>fixtures | Office<br>equipments | Electrical<br>fittings | Lease Hold<br>Improvements | Total       | Capital<br>work-in-<br>progress |
|---------------------------------------|-------------------------|------------|------------------------------------|---------------------|----------|------------------------------|----------------------|------------------------|----------------------------|-------------|---------------------------------|
| <b>I. Gross Carrying Amount</b>       |                         |            |                                    |                     |          |                              |                      |                        |                            |             |                                 |
| Balance as at April 1, 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                          |
| Additions                             | -                       | 140.94     | 67.19                              | -                   | 12.09    | 0.32                         | 25.18                | 0.13                   | -                          | 245.85      | 929.50                          |
| Write-off                             | -                       | -          | -                                  | -                   | -        | -                            | -                    | -                      | -                          | -           | (10.47)                         |
| Transfer from CWIP                    | -                       | -          | -                                  | 1,093.36            | -        | -                            | -                    | -                      | -                          | 1,093.36    | (1,093.36)                      |
| Balance as at March 31, 2019          | 472.57                  | 1,460.78   | 2,629.66                           | 7,840.31            | 1,301.53 | 342.49                       | 520.59               | 96.52                  | 512.89                     | 15,177.34   | 52.46                           |
| <b>II. Accumulated Depreciation</b>   |                         |            |                                    |                     |          |                              |                      |                        |                            |             |                                 |
| Balance as at April 1, 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) | -                               |
| Depreciation expense                  | (7.90)                  | (96.37)    | (78.61)                            | (1,049.70)          | (110.78) | (10.04)                      | (31.01)              | (7.32)                 | (19.40)                    | (1,411.13)  | -                               |
| Balance as at March 31, 2019          | (112.60)                | (1,253.21) | (2,134.33)                         | (6,446.42)          | (712.58) | (313.39)                     | (455.42)             | (84.00)                | (503.44)                   | (12,015.39) | -                               |
| <b>III. Net Carrying Amount as at</b> |                         |            |                                    |                     |          |                              |                      |                        |                            |             |                                 |
| March 31, 2019                        | 359.97                  | 207.57     | 495.33                             | 1,393.89            | 588.95   | 29.10                        | 65.17                | 12.52                  | 9.45                       | 3,161.95    | 52.46                           |
| <b>I. Gross Carrying Amount</b>       |                         |            |                                    |                     |          |                              |                      |                        |                            |             |                                 |
| Balance as at April 1, 2019           | 472.57                  | 1,460.78   | 2,629.66                           | 7,840.31            | 1,301.53 | 342.49                       | 520.59               | 96.52                  | 512.89                     | 15,177.34   | 52.46                           |
| Additions                             | -                       | 43.35      | 8.35                               | -                   | -        | 3.99                         | 3.52                 | -                      | -                          | 59.21       | 996.72                          |
| Written off                           | -                       | 5.54       | -                                  | 37.97               | -        | -                            | -                    | -                      | -                          | 43.51       | (3.11)                          |
| Transfer from CWIP                    | -                       | -          | -                                  | 866.90              | -        | -                            | -                    | -                      | -                          | 866.90      | (866.90)                        |
| Balance as at March 31, 2020          | 472.57                  | 1,498.59   | 2,638.01                           | 8,669.24            | 1,301.53 | 346.48                       | 524.11               | 96.52                  | 512.89                     | 16,059.94   | 179.17                          |
| <b>II. Accumulated Depreciation</b>   |                         |            |                                    |                     |          |                              |                      |                        |                            |             |                                 |
| Balance as at April 1, 2019           | (112.60)                | (1,253.21) | (2,134.33)                         | (6,446.42)          | (712.58) | (313.39)                     | (455.42)             | (84.00)                | (503.44)                   | (12,015.39) | -                               |
| Depreciation expense                  | (7.92)                  | (104.86)   | (72.22)                            | (937.60)            | (111.65) | (8.05)                       | (22.72)              | (6.28)                 | (9.19)                     | (1,280.49)  | -                               |
| Disposals                             | -                       | 4.96       | -                                  | 21.71               | -        | -                            | -                    | -                      | -                          | 26.67       | -                               |
| Balance as at March 31, 2020          | (120.52)                | (1,353.11) | (2,206.55)                         | (7,362.31)          | (824.23) | (321.44)                     | (478.14)             | (90.28)                | (512.63)                   | (13,269.21) | -                               |
| <b>III. Net Carrying Amount as at</b> |                         |            |                                    |                     |          |                              |                      |                        |                            |             |                                 |
| March 31, 2020                        | 352.05                  | 145.48     | 431.46                             | 1,306.93            | 477.30   | 25.04                        | 45.97                | 6.24                   | 0.26                       | 2,790.73    | 179.17                          |

### Notes

- Building includes ₹ 220.86 lacs (Previous year ₹ 220.86 lacs), being cost of ownership premises in Co-operative Society including cost of shares of face value of ₹ 0.01 lac received under Bye-laws of the Society.
- Capital work-in-progress mainly includes sets for TV serials under construction.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 4b: Right of use Asset

| Particulars                    | (₹ in Lacs)             |                         |
|--------------------------------|-------------------------|-------------------------|
|                                | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Right of use Asset (Premises)  |                         |                         |
| Cost                           | 5,096.77                | -                       |
| Less: Accumulated amortisation | 2,212.99                | -                       |
|                                | <b>2,883.78</b>         | <b>-</b>                |

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to right of use assets:

| (₹ in Lacs)  |                 |
|--|-----------------|
| Particulars  | Amount          |
| <b>Amount recognised as at April 1, 2019 on adoption of Ind AS 116.*</b>       | <b>3,574.62</b> |
| Add: Prepaid rent re-classified as at April 1, 2019 on adoption of Ind AS 116* | 224.67          |
| Add: Additions during the year   | 1,287.11        |
| Add: Reclassified on account of adoption of Ind AS 116                         | 10.37           |
| Less: Disposals  | -               |
| <b>Balance as of March 31, 2020</b>  | <b>5,096.77</b> |

### Accumulated Amortisation

| (₹ in Lacs)   |                 |
|---|-----------------|
| Particulars   | Amount          |
| <b>Amount recognised on adoption of April 1, 2019</b> | <b>-</b>        |
| Add: Amortisation for the year                        | 2,212.99        |
| Less: Disposals                                       | -               |
| <b>Balance as at March 31, 2020</b>                   | <b>2,212.99</b> |
| <b>Net Carrying Value as at March 31, 2020</b>        | <b>2,883.78</b> |

The following is the movement in lease liabilities for the year ended March 31, 2020<sup>#</sup>

| (₹ in Lacs)  |                   |
|--|-------------------|
| Particulars  | Amount            |
| <b>Amount recognised as at April 1, 2019 on adoption of Ind AS 116</b> | <b>(3,831.91)</b> |
| Add: Additions during the year   | (1,287.11)        |
| Add: Interest for the year   | (264.01)          |
| Less: Lease payments made during the year                              | 2,376.31          |
| <b>Balance as of March 31, 2020</b>                                    | <b>(3,006.72)</b> |

<sup>#</sup> Also, represent net debt reconciliation as per requirements of AS 7 - Statement of Cash Flows.

The following is the break-up of current and non-current lease liabilities as of March 31, 2020:

| (₹ in Lacs)                   |                 |
|-------------------------------|-----------------|
| Particulars                   | Amount          |
| Current Lease liabilities     | 2,173.58        |
| Non-current lease liabilities | 833.14          |
| <b>Total</b>                  | <b>3,006.72</b> |

\*The Group has adopted Ind AS 116 w.e.f April 1, 2019 with a modified retrospective approach where the cumulative effect is adjusted to retained earnings as at April 1, 2019. Accordingly, previous year information has not been restated.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 4b: Right-of-use Asset (Contd..)

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 7.3% p.a. The difference between the right-of-use assets and lease liability of ₹ 186.38 lacs (net of deferred tax asset of ₹ 70.91 lacs) has been adjusted to retained earnings as at April 01, 2019.

In the statement of profit and loss for the current period, operating lease expenses which were recognised under cost of production and other expenses in corresponding periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any material impact on the profit for the period and earnings per share.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. The Group only has operating leases.

#### (ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Amortisation charge on right of use assets (Refer note 32)</b> |                         |                         |
| Premises  |                         |                         |
| - Studio  | 1,977.25                | -                       |
| - Office Space  | 235.74                  | -                       |
| <b>Total</b>  | <b>2,212.99</b>         | <b>-</b>                |

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Interest expense (included in finance cost) (Refer note 33)</b> |                         |                         |
| Interest on lease liability  | 264.01                  | -                       |
| <b>Total</b>   | <b>264.01</b>           | <b>-</b>                |

The total cash outflow for leases for the year ended 31 March 2020 was ₹ 2,376.31 lacs

#### iii) Practical expedients applied - Transition

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 5 Intangible assets & Goodwill on consolidation

(₹ in Lacs)

| Particulars  | Other Intangible assets<br>(Computer software) | Goodwill on consolidation |
|--|--|---------------------------|
| <b>I. Gross Carrying Amount</b>                      |  |                           |
| Balance as at April 1, 2018                          | 1,118.66                                       | 146.91                    |
| Additions  | 55.55  | -                         |
| Balance as at March 31, 2019                         | 1,174.21                                       | 146.91                    |
| <b>II. Accumulated Depreciation</b>                  |  |                           |
| Balance as at April 1, 2018                          | (323.62)                                       | -                         |
| Amortisation expense                                 | (395.26)                                       | -                         |
| Balance as at March 31, 2019                         | (718.88)                                       | -                         |
| <b>III. Net Carrying Amount as at March 31, 2019</b> | <b>455.33</b>                                  | <b>146.91</b>             |
| <b>I. Gross Carrying Amount</b>                      |  |                           |
| Balance as at April 1, 2019                          | 1,174.21                                       | 146.91                    |
| Additions  | 7.92   | -                         |
| Balance as at March 31, 2020                         | 1,182.13                                       | 146.91                    |
| <b>II. Accumulated Depreciation</b>                  |  |                           |
| Balance as at April 1, 2019                          | (718.88)                                       | -                         |
| Amortisation expense                                 | (391.22)                                       | -                         |
| Balance as at March 31, 2020                         | (1,110.10)                                     | -                         |
| <b>III. Net Carrying Amount as at March 31, 2020</b> | <b>72.03</b>                                   | <b>146.91</b>             |

## Note 6 Non-current investments

(₹ in Lacs)

| Particulars   | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| (1) Investment in associate (unquoted) (at cost)  |                      |                      |
| (i) IPB Capital Advisors LLP  | 0.45                 | 0.45                 |
| Add: Group's share of net loss for the year   | - 0.45               | - 0.45               |
| (ii) Indus Balaji Education Capital Advisors LLP  | -                    | 0.38                 |
| (2) Investment in Indus Balaji Investor Trust (unquoted) (at fair value through profit or loss) |                      |                      |
| (i) 1,953,763.97 (Previous year 2,242,859) Class A units of ₹100 each                           | 360.89               | 1,502.89             |
| (ii) 3,428.35 (Previous year 3,880) Class B units of ₹100 each                                  | 0.57                 | 0.97                 |
|   | 361.46               | 1,503.86             |
| <b>Aggregate carrying value of unquoted investments</b>   | <b>361.91</b>        | <b>1,504.69</b>      |
| <b>Aggregate amount of impairment in the value of investments</b>                               | <b>-</b>             | <b>-</b>             |

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 7 Loans (Non-current)

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Security deposit                                     | 796.56                  | 991.11                  |
| Less: Loss allowance                                 | -                       | (50.92)                 |
| <b>Total</b>   | <b>796.56</b>           | <b>940.19</b>           |
| <b>Break-up of security details</b>                  |                         |                         |
| Loans considered good - Secured                      | -                       | -                       |
| Loans considered good - Unsecured                    | 796.56                  | 940.19                  |
| Loans which have significant increase in credit risk | -                       | -                       |
| Loans – credit impaired                              | -                       | 50.92                   |
| <b>Total</b>   | <b>796.56</b>           | <b>991.11</b>           |
| Less: Loss allowance                                 | -                       | (50.92)                 |
| <b>Total loans</b>                                   | <b>796.56</b>           | <b>940.19</b>           |

Note: Security Deposits include deposits (undiscounted) given to three directors (Previous year : three directors) of the company of ₹ 740.00 lacs (Previous year : ₹ 708.32 lacs) for the properties taken on lease from them.

### Note 8 Other financial assets

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>(i) Non-current financial assets</b>   |                         |                         |
| Unsecured, considered good  |                         |                         |
| Fixed deposits with banks having more than 12 months maturity<br>(Refer Note below) | -                       | 326.12                  |
| <b>Total</b>  | <b>-</b>                | <b>326.12</b>           |
| <b>(ii) Current financial assets</b>  |                         |                         |
| (a) Receivable from co-distributor  | 2,900.16                | -                       |
| (b) Other receivables   | 1,173.78                | 1,358.91                |
| (c) Unbilled revenue  | 2,043.34                | 112.12                  |
| <b>Total</b>  | <b>6,117.28</b>         | <b>1,471.03</b>         |

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

### Note 8(a) Contract assets

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Contract assets relating to commissioned television programs | 63.25                   | 682.25                  |
| <b>Total</b>   | <b>63.25</b>            | <b>682.25</b>           |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 9 Deferred tax assets/liabilities (net)

(₹ in Lacs)

| Particulars                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Deferred tax assets</b>               |                         |                         |
| Lease Liabilities                        | 20.80                   | -                       |
| Depreciation on fixed assets             | 715.01                  | 903.43                  |
| Loss allowance on financial assets       | 74.35                   | 226.23                  |
| Deferred sales consideration             | 6.74                    | 24.08                   |
| Minimum alternate tax credit entitlement | -                       | 1,282.77                |
| Carried forward tax losses               | -                       | 109.27                  |
|  | <b>816.90</b>           | <b>2,545.78</b>         |
| <b>Deferred tax liabilities</b>          |                         |                         |
| Fair valuation of investments            | (92.91)                 | 552.86                  |
| Security deposits                        | -                       | 11.06                   |
|  | <b>(92.91)</b>          | <b>563.92</b>           |
| <b>Deferred tax asset (net)</b>          | <b>723.99</b>           | <b>1,981.86</b>         |

### Movement in deferred tax balances

(₹ in Lacs)

| Particulars  | For year ended March 31, 2020 |   |   |                                  |                    |
|--|-------------------------------|---|---|----------------------------------|--------------------|
|  | Opening<br>Balance            | On Account<br>of adoption of<br>Ind AS 116* | Charged/<br>(Credited) to<br>profit or loss | Charged/<br>(Credited)<br>to OCI | Closing<br>Balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                               |   |   |                                  |                    |
| Fair value of investments  | 552.86                        | -   | (459.95)                                    | -                                | 92.91              |
| Security deposits  | 11.06                         | -   | (11.06)                                     | -                                | -                  |
|  | <b>563.92</b>                 |   | <b>(471.01)</b>                             | <b>-</b>                         | <b>92.91</b>       |
| <b>Tax effect of items constituting deferred tax assets</b>      |                               |   |   |                                  |                    |
| Lease Liabilities*   | -                             | 70.91                                       | 50.11                                       | -                                | 20.80              |
| Depreciation on fixed assets                                     | 903.43                        | -   | 188.42                                      | -                                | 715.01             |
| Carried forward tax losses                                       | 109.27                        | -   | 109.27                                      | -                                | -                  |
| Deferred Sales Consideration                                     | 24.08                         | -   | 17.34                                       | -                                | 6.74               |
| Loss allowance on financial assets                               | 226.23                        | -   | 155.08                                      | (3.20)                           | 74.35              |
| MAT Credit entitlement / (utilisation)                           | 1,282.77                      | -   | 1,282.77                                    | -                                | -                  |
|  | <b>2,545.78</b>               | <b>70.91</b>                                | <b>1,802.99</b>                             | <b>(3.20)</b>                    | <b>816.90</b>      |
| <b>Net deferred tax asset / (liabilities)</b>                    | <b>1,981.86</b>               | <b>70.91</b>                                | <b>1,331.98</b>                             | <b>(3.20)</b>                    | <b>723.99</b>      |

\* Adjusted to retained earnings as at April 01, 2019

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 9 Deferred tax assets/liabilities (net) (Contd..)

### Movement in deferred tax balances (Contd..)

(₹ in Lacs)

| Particulars  | For year ended March 31, 2019 |                                      |                                       |                 |
|--|-------------------------------|--------------------------------------|---------------------------------------|-----------------|
|  | Opening Balance               | On Account of adoption of Ind AS 115 | Charged/ (Credited) to profit or loss | Closing Balance |
| <b>Tax effect of items constituting deferred tax liabilities</b> |                               |                                      |                                       |                 |
| Fair value of investments  | 966.05                        | -                                    | (413.19)                              | 552.86          |
| Adjusted to retained earnings as at April 01, 2018               | -                             | 45.06                                | (45.06)                               | -               |
| Security deposits  | -                             | -                                    | 11.06                                 | 11.06           |
|  | <b>966.05</b>                 | <b>45.06</b>                         | <b>(447.19)</b>                       | <b>563.92</b>   |
| <b>Tax effect of items constituting deferred tax assets</b>      |                               |                                      |                                       |                 |
| Depreciation on fixed assets                                     | 783.00                        | -                                    | (120.43)                              | 903.43          |
| Carried forward tax losses                                       | 816.47                        | -                                    | 707.20                                | 109.27          |
| Minimum alternate tax credit entitlement                         | -                             | -                                    | (24.08)                               | 24.08           |
| Loss allowance on financial assets                               | 113.96                        | -                                    | (112.27)                              | 226.23          |
| Security deposits  | 27.64                         | -                                    | 27.64                                 | -               |
| MAT Credit entitlement / (utilisation)                           | 1,188.67                      | -                                    | (94.10)                               | 1,282.77        |
|  | <b>2,929.74</b>               | <b>-</b>                             | <b>383.96</b>                         | <b>2,545.78</b> |
| <b>Net deferred tax asset / (liabilities)</b>                    | <b>1,963.69</b>               | <b>45.06</b>                         | <b>(63.23)</b>                        | <b>1,981.86</b> |

Section 115BAA of The Income-tax Act, 1962 provides an option to pay income tax at lower rates subject to certain conditions. The Management of the Holding Company has evaluated the option and decided to exercise the option under Section 115BAA w.e.f FY 2020-2021 (AY 2021-22). Accordingly, the Deferred tax is calculated at the tax rate of 25.17% as on March 31, 2020.

## Note 10 Non-current income tax assets (net)

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Advance payment of income tax (Provision netted off of ₹ 799.39 lacs (previous year: ₹ 802.57 lacs)) | 1,721.22             | 3,017.15             |
| <b>Total</b>   | <b>1,721.22</b>      | <b>3,017.15</b>      |

## Note 11 Other non-current assets

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Advance to vendors (considered good – unsecured) (Refer note 44) | 3,701.51             | 3,238.08             |
| <b>Total</b>   | <b>3,701.51</b>      | <b>3,238.08</b>      |

## Note 12 Inventories (cost or net realisable value, whichever is lower)

(₹ in Lacs)

| Particulars            | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|----------------------|----------------------|
| <b>Finished</b>        |                      |                      |
| Television serials     | -                    | 79.53                |
| Internet series        | 8,416.10             | 8,031.33             |
| <b>Work in process</b> |                      |                      |
| Films                  | 2,377.94             | 6,248.61             |
| Internet series        | 4,783.76             | 5,224.44             |
| <b>Total</b>           | <b>15,577.80</b>     | <b>19,583.91</b>     |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 13 Current investments (unquoted)

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Investment in mutual funds (Non trade) (Unquoted)<br>(measured at fair value through profit and loss) | 12,263.98               | 28,525.52               |
| <b>Aggregate amount of unquoted investments</b> <b>Total</b>  | <b>12,263.98</b>        | <b>28,525.52</b>        |

## Note 14 Trade receivables

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Trade Receivables from contract with customers                   | 17,871.62               | 10,457.85               |
| Less: Loss allowance   | (202.70)                | (425.23)                |
| <b>Total Receivables</b>   | <b>17,668.92</b>        | <b>10,032.62</b>        |
| 14(i) Current portion  | 17,668.92               | 9,882.50                |
| 14(ii) Non-current portion                                       | -                       | 150.12                  |
| <b>Break-up of trade receivables</b>                             |                         |                         |
| Trade receivables considered good – Secured                      | -                       | -                       |
| Trade receivables considered good – Unsecured                    | 17,871.62               | 10,457.85               |
| Trade receivables which have significant increase in credit risk | -                       | -                       |
| Trade receivables – credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>17,871.62</b>        | <b>10,457.85</b>        |
| Less: Loss allowance   | (202.70)                | (425.23)                |
| <b>Total Trade receivables</b>                                   | <b>17,668.92</b>        | <b>10,032.62</b>        |

## Note 15 Cash and cash equivalents

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| (a) Cash on hand  | 29.26                   | 27.05                   |
| (b) Balances with banks-  |                         |                         |
| (i) In current accounts   | 1,907.28                | 1,875.35                |
| (ii) In deposit accounts with original maturity of less than three months | 49.75                   | 18.44                   |
| <b>Total</b>  | <b>1,986.29</b>         | <b>1,920.84</b>         |

## Note 16 Other balances with banks

(₹ in Lacs)

| Particulars              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Unpaid dividend accounts | 10.54                   | 9.33                    |
| <b>Total</b>             | <b>10.54</b>            | <b>9.33</b>             |

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 17 Loans (current)

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Security deposit                                     | 35.02                   | 47.39                   |
| Loans to professional staff                          | -                       | 24.00                   |
| Less : Loss allowance                                | -                       | -                       |
| <b>Total</b>   | <b>35.02</b>            | <b>71.39</b>            |
| <b>Break-up of security details</b>                  |                         |                         |
| Loans considered good - Secured                      | -                       | -                       |
| Loans considered good - Unsecured                    | 35.02                   | 71.39                   |
| Loans which have significant increase in credit risk | -                       | -                       |
| Loans – credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>35.02</b>            | <b>71.39</b>            |
| Less: Loss allowance                                 | -                       | -                       |
| <b>Total loans</b>                                   | <b>35.02</b>            | <b>71.39</b>            |

### Note 18 Other current assets

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <u>(unsecured considered good, unless otherwise stated)</u> |                         |                         |
| Prepaid expenses  | 96.71                   | 141.23                  |
| Balances with government authorities                        | 8,289.24                | 6,961.58                |
| Advance to vendors  | 8,710.64                | 2,864.12                |
| Others receivables  |                         |                         |
| - considered good   | 4,581.41                | 959.66                  |
| - considered doubtful                                       | 255.13                  | -                       |
| Less: Provision for doubtful receivable                     | (255.13)                | -                       |
| <b>Total</b>  | <b>21,678.00</b>        | <b>10,926.59</b>        |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 19 Equity share capital

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| (a) Authorised  |                         |                         |
| 15,00,00,000 (Previous year 15,00,00,000) Equity shares of ₹ 2/- each   | 3,000.00                | 3,000.00                |
| 3,00,00,000 (Previous year 3,00,00,000) Preference shares of ₹ 2/- each | 600.00                  | 600.00                  |
|   | <b>3,600.00</b>         | <b>3,600.00</b>         |
| (b) Issued, Subscribed and fully paid-up                                |                         |                         |
| 10,11,30,443 (Previous year 10,11,30,443) Equity shares of ₹ 2/- each   | 2,022.61                | 2,022.61                |
| <b>Total</b>  | <b>2,022.61</b>         | <b>2,022.61</b>         |

### Notes :

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

| Name of shareholder      | As at March 31, 2020 |              | As at March 31, 2019 |              |
|--------------------------|----------------------|--------------|----------------------|--------------|
|                          | No of<br>shares held | % of Holding | No of<br>shares held | % of Holding |
| Reliance Industries Ltd. | 2,52,00,000          | 24.92        | 2,52,00,000          | 24.92        |
| Ekta Kapoor*             | 1,84,22,380          | 18.22        | 1,83,08,208          | 18.10        |
| Shobha Kapoor            | 1,10,08,850          | 10.89        | 1,10,08,850          | 10.89        |

\*Ekta Kapoor, Promoter Director of the Holding Company had purchased 1,25,046 equity shares during March 2020 quarter. However, due to time required for transaction to complete and reflect in buyer's account, 10,874 shares have not been captured in shareholding pattern as on March 31, 2020.

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

| Particulars  | As at March 31, 2020 |           | As at March 31, 2019 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No of shares         | ₹ in Lacs | No of shares         | ₹ in Lacs |
| Equity shares outstanding at the beginning of the year | 10,11,30,443         | 2,022.61  | 10,11,30,443         | 2,022.61  |
| Add: Issue of Equity Shares during the year            | -                    | -         | -                    | -         |
| Equity shares outstanding at the end of the year       | 10,11,30,443         | 2,022.61  | 10,11,30,443         | 2,022.61  |

- (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) During the five years immediately preceding March 31, 2020, no shares were bought back and no shares were issued for consideration other than cash nor as bonus shares.

- (v) Shares reserved for Issue under options

Information relating to Balaji Telefilms ESOP, 2017 including details of option issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note no 46.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 20 Other equity - Reserves and Surplus

| Particulars                           | (₹ in Lacs)             |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| (a) General reserve                   | 5,133.10                | 5,133.10                |
| (b) Securities premium account        | 68,749.34               | 68,749.34               |
| (c) Retained earnings                 | (7,823.89)              | (783.85)                |
| (d) Share options outstanding account | 1,133.63                | 1,057.26                |
| <b>Total</b>                          | <b>67,192.18</b>        | <b>74,155.85</b>        |

### Note 20(a) Retained earnings

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Balance at beginning of year (as originally presented)                       | (783.85)                | 9,381.15                |
| Adjustment consequent to adoption of Ind AS 115                              | -                       | 374.33                  |
| Adjustment consequent to adoption of Ind AS 116                              | (186.38)                | -                       |
| Impact of change in ownership interest                                       | -                       | (330.93)                |
| Conversion of preference shares into equity                                  | 2.00                    | -                       |
| Loss for the year  | (5,878.01)              | (9,735.33)              |
| Items of other comprehensive income recognised directly in retained earnings | 5.19                    | 29.60                   |
| Share issue costs  | (7.50)                  | (15.00)                 |
| Payment of dividends (Refer note 51)   | (809.04)                | (404.52)                |
| Dividend distribution tax  | (166.30)                | (83.15)                 |
| <b>Balance at end of the year</b>  | <b>(7,823.89)</b>       | <b>(783.85)</b>         |

### Note 20(b) Share options outstanding account

| Particulars                                       | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Balance at beginning of year                      | 1,057.26                | -                       |
| Add: Additions during the year (Refer Note no 46) | 76.37                   | 1,057.26                |
| <b>Balance at the end of the year</b>             | <b>1,133.63</b>         | <b>1,057.26</b>         |

#### Nature and purpose of reserves :

- General Reserve : General reserve is created out of transfer from retained earnings and is a free reserve.
- Securities Premium Account : Securities 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.
- Share options outstanding account : The share options outstanding account is used to recognise the grant date fair value of option issued to employees under Balaji Telefilms ESOP, 2017.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 21 Borrowings (Non-current)

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Unsecured :  |                         |                         |
| Liability component of compound financial instrument   |                         |                         |
| Nil (previous year 750,000) Zero dividend redeemable optionally convertible preference Shares of ₹ 10/- each | -                       | 10.56                   |
| <b>Total</b>   | <b>-</b>                | <b>10.56</b>            |

### Terms of issue

| Particulars   | Maturity date      | Terms of repayment                      |
|---|--------------------|---|
| 250,000 Zero dividend redeemable optionally convertible Preference Shares | September 22, 2025 | Single repayment at the end of the term |
| 250,000 Zero dividend redeemable optionally convertible Preference Shares | February 4, 2026   |   |
| 250,000 Zero dividend redeemable optionally convertible Preference Shares | November 28, 2037  |   |

Zero dividend redeemable optionally convertible Preference Shares to be redeemed at par at any time within the redemption period from the date of allotment with mutual consent of the Group and the preference shareholders.

The equity component relating to above of Nil (Previous year ₹ 66.45 lacs) is disclosed under Equity Component of Compound Financial Instrument in the Balance Sheet.

750,000 Zero dividend redeemable optionally convertible Preference Shares of ₹ 10/- each were converted into 750,000 equity shares of ₹ 10 each on March 18, 2020. Upon conversion of above preference shares, the carrying amount of the Equity Component of compound financial instruments and borrowing component of ₹ 66.45 lacs and ₹ 10.56 lacs respectively was derecognised and ₹ 75 lacs was transferred to equity share capital and balance ₹ 2.01 lacs transferred to retained earnings.

### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2020

(₹ in Lacs)

| Particulars               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | 1,986.29                | 1,920.84                |
| Non-current borrowings    | -                       | (10.56)                 |
| <b>Total</b>              | <b>1,986.29</b>         | <b>1,910.28</b>         |

| Particulars                                      | Other Asset               | Liabilities from financing activities | Total           |
|--|---------------------------|---------------------------------------|-----------------|
|  | Cash and cash equivalents | Non-current borrowings                |                 |
| <b>Net debt as at March 31, 2018</b>             | <b>2,191.54</b>           | <b>(8.33)</b>                         | <b>2,183.21</b> |
| Cash flows                                       | (270.70)                  | -                                     | (270.70)        |
| Interest expense                                 | -                         | (2.23)                                | (2.23)          |
| <b>Net debt as at March 31, 2019</b>             | <b>1,920.84</b>           | <b>(10.56)</b>                        | <b>1,910.28</b> |
| Cash flows                                       | 65.45                     | -                                     | 65.45           |
| Derecognition on conversion of Preference Shares | -                         | 10.56                                 | 10.56           |
| <b>Net debt as at March 31, 2020</b>             | <b>1,986.29</b>           | <b>-</b>                              | <b>1,986.29</b> |

Refer Note 4b for movement of Lease Liabilities.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 22 Trade payables

| Particulars                                     | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Current Liabilities</b>                      |                         |                         |
| Trade payables                                  |                         |                         |
| (a) Trade payables: micro and small enterprises | 68.41                   | 34.81                   |
| (b) Trade payables: others                      | 11,822.55               | 9,000.43                |
| (c) Trade payables to related parties           | 2.27                    | 26.49                   |
| <b>Total</b>                                    | <b>11,893.23</b>        | <b>9,061.73</b>         |

Disclosure required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:-

| Particulars   | (₹ in Lacs)                        |                                    |
|---|------------------------------------|------------------------------------|
|   | As at<br>March 31, 2020<br>Current | As at<br>March 31, 2019<br>Current |
| Principal amount remaining unpaid to any supplier as at the end of each accounting year   | 60.83                              | 30.01                              |
| Interest due thereon remaining unpaid to any supplier as at the end of each accounting year   | 7.58                               | 4.80                               |
| Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year  | -                                  | -                                  |
| The amount of interest due and payable for the period of delay in making payment which has been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act, 2006                               | -                                  | -                                  |
| The amount of interest accrued and remaining unpaid at the end of accounting year   | 7.58                               | 4.80                               |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | -                                  | -                                  |

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 23 Other financial liabilities (current)

| Particulars                           | (₹ in Lacs)             |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Unpaid dividends (Refer Note below)   | 10.54                   | 9.26                    |
| Temporarily overdrawn book balances   | 40.56                   | 117.94                  |
| Payables for purchase of fixed assets | -                       | 5.54                    |
| <b>Total</b>                          | <b>51.10</b>            | <b>132.74</b>           |

### Note

As at March 31, 2020, there are no amounts due to be transferred to Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013.



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 24 Provisions - current

(₹ in Lacs)

| Particulars                              | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Provision for Gratuity (Refer Note - 39) | 18.25                   | 15.99                   |
| <b>Total</b>                             | <b>18.25</b>            | <b>15.99</b>            |

### Note 25 Other current liabilities

(₹ in Lacs)

| Particulars                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Statutory liabilities                          | 563.37                  | 746.58                  |
| Advances from customers / contract liabilities | 1,667.91                | 892.50                  |
| Employee benefit payables                      | 191.27                  | 317.00                  |
| Deferred revenue / Contract Liabilities        | 1,357.55                | 658.17                  |
| Others   | 0.99                    | 0.47                    |
| <b>Total</b>                                   | <b>3,781.09</b>         | <b>2,614.72</b>         |

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020<br>Current | As at<br>March 31, 2019<br>Current |
|---|------------------------------------|------------------------------------|
| Advance received commissioned television programs and internet programs | 189.43                             | 239.73                             |
| Advance received from Movies related contracts                          | 1,478.48                           | 652.77                             |
| <b>Total Contract Liabilities</b>                                       | <b>1,667.91</b>                    | <b>892.50</b>                      |

Revenue recognised in relation to contract liabilities

The following table shows how much of revenue recognised in current reporting period related to carried forward of contract liabilities

(₹ in Lacs)

| Revenue recognised that was included in contract liability balance at the beginning of the period | For the year ended<br>March 31, 2020 | April 1, 2018 to<br>March 31, 2019 |
|---|--------------------------------------|------------------------------------|
| Commissioned television programs and internet programs  | 0.68                                 | 54.14                              |
| Movie related contracts   | 594.80                               | 25.83                              |
| <b>Total</b>  | <b>595.48</b>                        | <b>79.97</b>                       |

### Note 26 Current tax liabilities (net)

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Provision for tax (net of advance tax of ₹ 2,851.55 lacs (previous year ₹ 1,239.83 lacs)) | 806.72                  | 69.55                   |
| <b>Total</b>  | <b>806.72</b>           | <b>69.55</b>            |

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 27 Revenue from operations

| Particulars   | (₹ in Lacs)                          |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| (a) Revenue from contracts with customers           |                                      |                                      |
| - Sale of service                                   |                                      |                                      |
| Commissioned television programs                    | 30,158.54                            | 28,033.73                            |
| Subscription income                                 | 3,705.06                             | 1,554.64                             |
| License rights                                      | 900.00                               | 104.35                               |
| Licensing of digital content rights                 | 2,050.20                             | 2,610.73                             |
| Service income                                      | 2,333.78                             | -                                    |
| Franchise / Participation fees                      | 127.83                               | -                                    |
| Internet programs                                   | 23.79                                | 11.59                                |
| Sale and licensing of movies                        | 16,574.77                            | 9,300.55                             |
| Sale of television programs / movies concept rights | 57.47                                | 58.20                                |
| Event management                                    | 1,265.00                             | 939.00                               |
| Film distribution service                           | 0.17                                 | 0.48                                 |
| Free commercial time                                | 29.00                                | 3.16                                 |
| Marketing income                                    | 59.18                                | 21.74                                |
| (b) Other operating income                          |                                      |                                      |
| Facilities / equipment hire Income                  | 70.69                                | 132.70                               |
| <b>Total</b>  | <b>57,355.48</b>                     | <b>42,770.87</b>                     |

#### Unsatisfied long-term licensing contracts:

The following table shows unsatisfied performance obligations resulting from long-term licensing contracts.

| Particulars  | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Aggregate amount of the transaction price allocated to long-term licensing contracts that are fully unsatisfied as at reporting date | 1,400.00                             | 9,900.00                             |

Group expects that 100% of transaction price allocated to the unsatisfied contracts as on March 31, 2020 will be recognised as revenue during the next reporting period. The amount disclosed above does not include variable consideration which is constrained. All other contracts are for periods of one year or less.

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives, etc. which are adjusted to revenue.

### Note 28 Other Income

| Particulars  | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Interest income  |                                      |                                      |
| On fixed deposits with banks   | 10.41                                | 20.02                                |
| On Income-tax Refund   | 110.36                               | 11.94                                |
| Unwinding of discount on security deposit                                    | 71.76                                | 86.21                                |
| Interest income on deferred considerations                                   | 7.33                                 | -                                    |
| Net gains on financial assets measured at fair value through profit and loss | 436.80                               | 2,804.25                             |



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 28 Other Income (Contd..)

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Dividend Income on investments measured at fair value through profit and loss | -                                    | 10.15                                |
| Insurance claim received  | -                                    | 1.97                                 |
| Advance / Creditors written back  | 202.39                               | 203.24                               |
| Other income  | 0.60                                 | -                                    |
| Net foreign exchange differences  | 20.97                                | 38.89                                |
| Gain on disposal of Assets  | 0.08                                 | -                                    |
| <b>Total</b>  | <b>860.70</b>                        | <b>3,176.67</b>                      |

### Note 29 Cost of production / Acquisition and Telecast fees

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Amortisation of content  | 8,720.46                             | 7,417.97                             |
| Production expenses including purchase of costumes and dresses | 1,726.97                             | 1,970.17                             |
| Artists, Directors, technicians and Professional Fees          | 13,270.26                            | 13,804.71                            |
| Location hire charges  | 900.00                               | 2,636.89                             |
| Shooting and location expenses                                 | 3,394.02                             | 3,892.24                             |
| Telecasting fees / purchase of rights                          | 900.00                               | 168.02                               |
| Food and refreshments charges                                  | 416.72                               | 406.13                               |
| Sets & studio maintenance charges                              | 707.83                               | 765.25                               |
| Uplinking charges  | 115.14                               | 39.36                                |
| Insurance expense  | 27.62                                | 36.29                                |
| Dubbing & Subtitling   | 86.04                                | 356.03                               |
| Line production cost   | 1,912.41                             | 5,844.71                             |
| Set properties and equipment hire charges                      | 1,841.54                             | 1,847.56                             |
| Discontinued Shows written off                                 | -                                    | 205.95                               |
| Sound expense  | 92.27                                | 66.72                                |
| Other production expenses                                      | 877.81                               | 586.69                               |
| <b>Total</b>   | <b>34,989.09</b>                     | <b>40,044.69</b>                     |

### Change in Inventories :

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Opening balance :   |                                      |                                      |
| Television serials, internet series, events and films                 | 19,583.91                            | 12,780.46                            |
| Less: Derecognition of inventory on account of adoption of Ind AS 115 | -                                    | (2,490.81)                           |
|   | 19,583.91                            | 10,289.65                            |
| Closing balance :   |                                      |                                      |
| Television serials, internet series, events and films                 | 15,577.80                            | 19,583.91                            |
|   | <b>4,006.11</b>                      | <b>(9,294.26)</b>                    |
| Changes in inventories subject to amortisation                        | (55.91)                              | 6,846.98                             |
| <b>Net changes in inventories</b>                                     | <b>3,950.20</b>                      | <b>(2,447.28)</b>                    |

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## Note 30 Marketing and distribution expenses

(₹ in Lacs)

| Particulars           | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-----------------------|--------------------------------------|--------------------------------------|
| Marketing expenses    | 4,728.66                             | 3,723.99                             |
| Distribution expenses | 1,326.86                             | 588.17                               |
| <b>Total</b>          | <b>6,055.52</b>                      | <b>4,312.16</b>                      |

## Note 31 Employee Benefits Expense

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Salaries and wages  | 3,345.84                             | 3,642.95                             |
| Contributions to provident and other funds (Refer Note 39(a)) | 181.27                               | 197.89                               |
| Gratuity (Refer Note 39(b))                                   | 28.03                                | 35.38                                |
| Staff welfare expenses  | 13.29                                | 23.04                                |
| Employee share based payment expenses (Refer Note 46)         | 76.37                                | 1,057.26                             |
| <b>Total</b>  | <b>3,644.80</b>                      | <b>4,956.52</b>                      |

## Note 32 Depreciation and amortisation expense

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 4a) | 1,280.49                             | 1,411.13                             |
| Amortisation of Intangible assets (Refer Note 5)              | 391.22                               | 395.26                               |
| Depreciation on Right to use asset (Refer Note 4b)            | 2,212.99                             | -                                    |
| <b>Total</b>  | <b>3,884.70</b>                      | <b>1,806.39</b>                      |

## Note 33 Finance Costs

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Interest on liability component of compound financial instrument | -                                    | 2.22                                 |
| Interest on lease liability                                      | 264.01                               | -                                    |
| Interest on others   | 2.20                                 | -                                    |
| <b>Total</b>   | <b>266.21</b>                        | <b>2.22</b>                          |



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 34 Other expenses

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Power and fuel  | 93.20                                | 101.54                               |
| Rent including lease rentals  | 6.71                                 | 340.45                               |
| Repairs and maintenance - Others  | 152.24                               | 166.83                               |
| Insurance   | 58.86                                | 61.39                                |
| Rates and taxes   | 485.56                               | 292.64                               |
| Communication expenses  | 58.69                                | 89.69                                |
| Legal and professional charges (Refer Note 34.1)  | 2,004.93                             | 1,841.24                             |
| Directors Commission  | 95.20                                | -                                    |
| Security and housekeeping expenses  | 82.61                                | 61.53                                |
| Business promotion expenses   | 172.75                               | 145.06                               |
| Travelling and conveyance expenses  | 126.61                               | 130.65                               |
| Digital space charges   | 958.96                               | 788.45                               |
| Donations and contributions   | 21.84                                | 22.44                                |
| Expenditure on corporate social responsibility (Refer Note 34.2)                                | 54.62                                | 85.26                                |
| Advances written off (Net of provision - ₹ 50.92) (previous year: Nil)                          | 997.24                               | 598.37                               |
| Provision for doubtful debts and advances   | 430.25                               | 255.57                               |
| Bad debts written off net (Net of provision for doubtful debts - ₹ 345.70) (previous year: Nil) | 504.24                               | 0.02                                 |
| Investment written off  | 0.38                                 | -                                    |
| Financial assets measured at fair value through profit and loss                                 | 51.91                                | -                                    |
| Software expenses   | 234.92                               | 115.87                               |
| Directors sitting fees  | 62.25                                | 71.25                                |
| License and hosting fees  | 383.06                               | 509.18                               |
| Sales Commission  | 405.47                               | 149.66                               |
| Loss of fixed assets written off / disposal   | 19.37                                | 10.47                                |
| Foreign Exchange Loss (net)   | 6.36                                 | 5.77                                 |
| Miscellaneous expenses  | 174.26                               | 572.36                               |
| <b>Total</b>  | <b>7,642.49</b>                      | <b>6,415.69</b>                      |

### Note 34.1 Details of auditors remuneration (included in legal and professional charges)

(₹ in Lacs)

| Particulars                                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>As auditors :</b>                        |                                      |                                      |
| Audit fees                                  | 60.50                                | 60.50                                |
| <b>In respect of other audit services :</b> |                                      |                                      |
| Other services - Certification              | 11.27                                | 5.00                                 |
| Reimbursement of expenses                   | 0.90                                 | 2.03                                 |
| <b>Total</b>                                | <b>72.67</b>                         | <b>67.53</b>                         |

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### Note 34.2 Corporate social responsibility expenditure

| Particulars  | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Amounts required to be spent as per section 135 of the Act | 53.72                                | 78.96                                |
| Amounts spent during the year on                           |                                      |                                      |
| (i) Construction/acquisition of an asset                   | -                                    | -                                    |
| (ii) On purpose other than (i) above                       | 54.62                                | 85.26                                |
| <b>Total</b>   | <b>54.62</b>                         | <b>85.26</b>                         |

### Note 35 Tax expenses

| Particulars                                      | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| <b>Income tax expense</b>                        |                                      |                                      |
| Current tax                                      |                                      |                                      |
| Current tax on profits for the year              | 2,347.23                             | 695.81                               |
|  | <b>2,347.23</b>                      | <b>695.81</b>                        |
| Deferred tax                                     |                                      |                                      |
| Decrease/ (increase) in deferred tax assets      | 520.22                               | 478.06                               |
| (Decrease)/ increase in deferred tax liabilities | (471.01)                             | (447.19)                             |
| MAT Credit                                       |                                      |                                      |
| MAT Credit entitlement                           | -                                    | (94.10)                              |
| MAT Credit utilisation                           | 1,282.77                             | -                                    |
| <b>Total deferred tax expense/(benefit)</b>      | <b>1,331.98</b>                      | <b>(63.23)</b>                       |
| <b>Total</b>                                     | <b>3,679.21</b>                      | <b>632.58</b>                        |

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

| Particulars   | (₹ in Lacs)                          |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| <b>(Loss) before tax</b>  | (2,216.83)                           | (9,142.85)                           |
| <b>Income Tax calculated at 34.944% (Previous year- 34.944%)</b>            | <b>(774.65)</b>                      | <b>(3,194.88)</b>                    |
| Tax effect of amounts that are not deductible in determining taxable profit | 20.17                                | 66.06                                |
| Effect of set off of carried forward long term capital losses               | -                                    | (330.34)                             |
| Tax impact on losses of Subsidiaries for which no deferred tax recognised   | 3,820.22                             | 3,913.86                             |
| Tax impact on temporary differences for which no deferred tax recognised    | 116.41                               | 193.62                               |
| Tax on deductions under chapter VI-A  | (3.82)                               | (3.92)                               |
| Deferred Tax at the year end recognised at lower tax rates                  | 280.89                               | -                                    |
| Income taxed at lower rates (Long Term Capital Gains)                       | (31.08)                              | (20.00)                              |
| Others  | 251.07                               | 8.18                                 |
| <b>Total</b>  | <b>3,679.21</b>                      | <b>632.58</b>                        |
| <b>Income Tax expense recognised in profit &amp; loss</b>                   | <b>3,679.21</b>                      | <b>632.58</b>                        |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 36 Contingent liabilities (to the extent not provided for)

(₹ in Lacs)

| Claims against the company not acknowledged as debts | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| In respect of Service Tax Matters                    | 2,943.00                | 2,943.00                |
| In respect of VAT Matters                            | 145.50                  | 179.86                  |
| In respect of Income Tax Matters                     | 218.08                  | 218.08                  |
| In respect of Labour Matters                         | -                       | 54.00                   |

Apart from the above, the Group had received a Show Cause Notice (SCN) for demand of ₹ 6,348 lacs from Service Tax Department, Mumbai for the period April 2006 to March 2008 on exports made to one of the customers of the Group. On an appeal to Commissioner of Service Tax, the matter was adjudicated in the Group's favour. The department had further filed an appeal against the said order with the Customs, Excise & Service Tax Appellate Tribunal (CESTAT) which was dismissed by the Hon'ble CESTAT vide their order dated March 9, 2016. Department has further filed an appeal against the said order with the High Court on October 19, 2016 and same is pending for adjudication.

Times Internet Limited has filed a suit in the Delhi High Court for specific performance of the content Distribution License. Times Internet has further claimed for damages to the tune of ₹ 3,162.57 lacs. The company has accordingly filed a written statement denying claim of specific performance and damages and the same is not acknowledged as debt.

## 37 Interest in other entities

### (a) Subsidiaries

The Group's subsidiaries as at March 31, 2020 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/<br>Country of incorporation | Ownership interest held by the group |                | Ownership interest held by the non-controlling interest |                | Principle activity  |
|--|--|--------------------------------------|----------------|---|----------------|---|
|  |  | March 31, 2020                       | March 31, 2019 | March 31, 2020  | March 31, 2019 |   |
| Balaji Motion Pictures Limited                   | India  | 100%                                 | 100%           | -   | -              | Distribution of films                                     |
| ALT Digital Entertainment Limited                | India  | 100%                                 | 100%           | -   | -              | Subscription based sale & licensing of digital content    |
| Marinating Films Private Limited                 | India  | 99.95%                               | 99.90%         | 0.05%   | 0.10%          | Event management relating to film and television industry |
| Chhayabani Balaji Entertainment Private Limited* | India  | 50%                                  | 50%            | 50%   | 50%            | Production of television content                          |

\* The Group controls the composition of the Board of directors of the company and accordingly it has been considered for consolidation as a subsidiary. During the year Chhayabani Balaji Entertainment Private Limited has issued equity shares (nos 5,00,000) at ₹ 10 each to Balaji Telefilms Limited & Chhayabani Private Limited. Also during the year Chhayabani Balaji Entertainment Private Limited has converted its Zero dividend redeemable optionally convertible preference share (no's 15,00,000) of ₹ 10 each into equity shares.

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### 37 Interest in other entities (Contd..)

#### (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.

(₹ in Lacs)

| Name of entity                              | Place of business | % of ownership interest | Relationship | Accounting method | Carrying value |                |
|---|-------------------|-------------------------|--------------|-------------------|----------------|----------------|
|   |                   |                         |              |                   | March 31, 2020 | March 31, 2019 |
| IPB Capital Advisors LLP                    | India             | 50.00%                  | Associate    | Equity method     | 0.45           | 0.45           |
| Indus Balaji Education Capital Advisors LLP | India             | 0.00%                   | Associate    | Equity method     | -              | 0.38           |

### 38 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  |
| IPB Capital Advisors LLP                        | Associate   |
| Indus Balaji Education Capital Advisors LLP     | Associate (struck off from ROC register during the year ended March 31, 2020)                 |
| Mr. Jeetendra Kapoor                            | Key management person   |
| Mrs. Shobha Kapoor                              | Key management person   |
| Ms. Ekta Kapoor                                 | Key management person   |
| Mr. Tusshar Kapoor                              | Key management person (upto March 27, 2019) and relative of key management person thereafter. |
| Mr. Arun K. Purwar                              | Key management person   |
| Mr. Anshuman Thakur                             | Key management person   |
| Ms. Jyoti Deshpande                             | 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. Ramesh Sippy                                | Key management person (from September 1, 2019)  |
| Mr. Sunil Lulla                                 | Key management person (from May 25, 2018 to August 14, 2019)                                  |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 38 Related Party Transactions (Contd..)

### (b) Details of transactions during the year

(₹ in Lacs)

| Nature of Transactions        | Key Management Person and relative of key management personnel |
|-------------------------------|--|
| <b>Directors sitting fees</b> |  |
| Mr. Jeetendra Kapoor          | 6.00   |
|                               | (6.00)   |
| Mr. Tusshar Kapoor            | -  |
|                               | (4.50)   |
| Mr. Anshuman Thakur           | 2.00   |
|                               | (2.00)   |
| Mr. Arun K. Purwar            | 5.00   |
|                               | (5.00)   |
| Mr. Ashutosh Khanna           | 7.00   |
|                               | (5.50)   |
| Mr. D.G. Rajan                | 14.00  |
|                               | (14.00)  |
| Mr. Devender Kumar Vasal      | 13.00  |
|                               | (13.75)  |
| Ms. Jyoti Deshpande           | 3.00   |
|                               | (4.00)   |
| Mr. Pradeep Sarda             | 1.00   |
|                               | (2.50)   |
| Mr. V.B. Dalal                | 10.25  |
|                               | (14.00)  |
| Mr. Ramesh Sippy              | 1.00   |
|                               | (-)  |
| <b>Artist Fees</b>            |  |
| Tusshar Kapoor                | 47.25  |
|                               | (163.75)   |
| <b>Directors Commission</b>   |  |
| Mr. Jeetendra Kapoor          | 76.16  |
|                               | (-)  |
| Mr. D.G. Rajan                | 2.12   |
|                               | (-)  |
| Mr. P.K. Sarda                | 2.11   |
|                               | (-)  |
| Mr. Ashutosh Khanna           | 2.12   |
|                               | (-)  |
| Mr. Devender Kumar Vasal      | 2.11   |
|                               | (-)  |
| Mr. V.B. Dalal                | 2.12   |
|                               | (-)  |
| Mr. A. K. Purwar              | 2.11   |
|                               | (-)  |
| Ms. Jyoti Deshpande           | 2.12   |
|                               | (-)  |

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 38 Related Party Transactions (Contd..)

### (b) Details of Transactions during the year (Contd..)

(₹ in Lacs)

| Nature of Transactions                       | Key Management Person and relative of key management personnel |
|--|--|
| Mr. Anshuman Thakur                          | 2.11   |
|  | (-)  |
| Mr. Ramesh Sippy                             | 2.12   |
|  | (-)  |
| <b>Rent paid</b>                             |  |
| Mr. Jeetendra Kapoor                         | 58.89  |
|  | (55.55)  |
| Mrs. Shobha Kapoor                           | 1,599.53   |
|  | (1,505.33)   |
| Mr. Tusshar Kapoor                           | 14.76  |
|  | (13.92)  |
| Ms. Ekta Kapoor                              | 253.47   |
|  | (234.99)   |
| <b>Remuneration (Refer note (iii) below)</b> |  |
| Mrs. Shobha Kapoor                           | 239.88   |
|  | (239.88)   |
| Ms. Ekta Kapoor                              | 239.88   |
|  | (239.88)   |
| Mr. Sunil Lulla                              | 89.23  |
|  | (222.92)   |

### (c) Closing balances as at year end

(₹ in Lacs)

| Nature of Transactions                        | Key Management Person and relative of key management personnel |
|---|--|
| <b>Amount receivable as at March 31, 2020</b> |  |
| <b>Security Deposit amount receivable</b>     |  |
| Mrs. Shobha Kapoor *                          | 340.00   |
|   | (308.32)   |
| Mr. Jeetendra Kapoor *                        | 300.00   |
|   | (300.00)   |
| Mr. Tusshar Kapoor *                          | 100.00   |
|   | (100.00)   |
| Ms. Ekta Kapoor *                             | 100.00   |
|   | (100.00)   |
| <b>Amount payable</b>                         |  |
| Mr. Jeetendra Kapoor                          | 78.00  |
|   | (-)  |
| Mrs. Shobha Kapoor                            | 12.48  |
|   | (-)  |
| Mr. Tusshar Kapoor                            | 1.70   |
|   | (-)  |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 38 Related Party Transactions (Contd..)

### (c) Closing balances as at year end (Contd..)

(₹ in Lacs)

| Nature of Transactions   | Key Management Person and relative of key management personnel |
|--------------------------|--|
| Ms. Ekta Kapoor          | 22.97  |
|                          | (-)  |
| Mr. D.G. Rajan           | 2.12   |
|                          | (-)  |
| Mr. P.K. Sarda           | 2.11   |
|                          | (-)  |
| Mr. Ashutosh Khanna      | 2.12   |
|                          | (-)  |
| Mr. Devender Kumar Vasal | 2.11   |
|                          | (-)  |
| Mr. V.B. Dalal           | 2.12   |
|                          | (-)  |
| Mr. A. K. Purwar         | 2.11   |
|                          | (-)  |
| Ms. Jyoti Deshpande      | 2.12   |
|                          | (-)  |
| Mr. Anshuman Thakur      | 2.11   |
|                          | (-)  |
| Mr. Ramesh Sippy         | 2.12   |
|                          | (-)  |

\* - Deposit for leased property

#### Note

- 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.
- Figures in bracket relate to the previous year.
- 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 separately and hence not disclosed.

## 39 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 ₹ 181.27 lacs (previous year ₹ 197.89 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.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 39 Employee Benefits (Contd..)

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

| Particulars                         | Valuation as at                                   |   |
|-------------------------------------|---|---|
|                                     | March 31, 2020                                    | March 31, 2019                                    |
| Discount rate(s)                    | 5.45% - 6.84%                                     | 6.76% - 7.64%                                     |
| Expected rate(s) of salary increase | 5% - 10%  | 5% - 10%  |
| Rate of Employee Turnover           | 2% - 25%  | 10% - 25%   |
| Mortality Rate during employment    | Indian Assured Lives Mortality (2006-08) Ultimate | Indian Assured Lives Mortality (2006-08) Ultimate |

Defined benefit plans – as per actuarial valuation on March 31, 2020

| Particulars   | Funded Plan    |                |
|---|----------------|----------------|
|   | Gratuity       | Funded Plan    |
|   | March 31, 2020 | March 31, 2019 |
| (₹ in Lacs)   |                |                |
| <b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b> |                |                |
| Actuarial (Gains)/Losses on Obligation for the year   | (2.83)         | (27.90)        |
| Return on Plan Assets, Excluding Interest Income  | 0.84           | 0.98           |
| <b>Total</b>  | <b>(1.99)</b>  | <b>(26.92)</b> |
| <b>Net amount recognised in Other Comprehensive Income (OCI)</b>  | <b>(1.99)</b>  | <b>(27.59)</b> |
| <b>Expenses recognised in the Statement of Profit or Loss for Current year</b>                              |                |                |
| Current Service Cost  | 27.11          | 35.11          |
| Net interest cost   | 0.92           | 0.45           |
| <b>Total</b>  | <b>28.03</b>   | <b>35.56</b>   |
| <b>Expense recognised</b>   | <b>28.03</b>   | <b>35.38</b>   |
| <b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>   |                |                |
| Present value of defined benefit obligation at the end of the year  | 185.24         | 152.54         |
| Fair value of plan assets at the end of the year  | (191.54)       | (150.66)       |
| (Surplus)* / Deficit  | (6.30)         | 1.88           |
| <b>Net liability recognized in the Balance sheet</b>  |                |                |
| Current provision (Refer note 24)   | 18.25          | 15.99          |
| <b>II. Change in the obligation during the year ended</b>   |                |                |
| Present value of defined benefit obligation at the beginning of the year                                    | 152.54         | 135.14         |
| Current Service Cost  | 27.11          | 35.11          |
| Interest Cost   | 10.79          | 10.55          |
| (Benefit paid from the Fund)  | (2.37)         | (0.36)         |
| Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions                         | 8.21           | (16.00)        |
| Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions                           | 3.13           | 2.55           |
| Actuarial (Gains)/ Losses on Obligations- Due to experience   | (14.17)        | (14.45)        |
| <b>Present value of defined benefit obligation at the end of the year</b>                                   | <b>185.24</b>  | <b>152.54</b>  |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 39 Employee Benefits (Contd..)

Defined benefit plans – as per actuarial valuation on March 31, 2020 (Contd..)

| Particulars   | (₹ in Lacs)    |                |
|---|----------------|----------------|
|   | Funded Plan    | Funded Plan    |
|   | Gratuity       | Gratuity       |
|   | March 31, 2020 | March 31, 2019 |
| <b>III. Change in fair value of assets during the year ended 31st March</b> |                |                |
| Fair value of plan assets at the beginning of the year                      | 150.66         | 129.38         |
| Interest Income   | 9.87           | 10.10          |
| Contributions by the employer   | 34.22          | 12.52          |
| Benefit paid from the Fund  | (2.37)         | (0.36)         |
| Return on Plan Assets, excluding Interest Income                            | (0.84)         | (0.98)         |
| <b>Fair value of plan assets at the end of the year</b>                     | <b>191.54</b>  | <b>150.66</b>  |

\* Note : In two subsidiaries the plan assets are higher than the defined benefit obligation. Further these subsidiaries do not have a right to get refund on any excess contribution made. Accordingly no asset is recognised.

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

| Particulars   | (₹ in Lacs)                       |                                   |
|---|-----------------------------------|-----------------------------------|
|   | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Projected Benefit Obligation on Current Assumptions     | 185.24                            | 152.54                            |
| Delta Effect of +1% Change in Rate of Discounting       | (6.97)                            | (8.04)                            |
| Delta Effect of -1% Change in Rate of Discounting       | 7.60                              | 8.95                              |
| Delta Effect of +1% Change in Rate of Salary Increase   | 5.70                              | 7.96                              |
| Delta Effect of -1% Change in Rate of Salary Increase   | (4.45)                            | (7.34)                            |
| Delta Effect of +1% Change in Rate of Employee Turnover | 1.31                              | 0.03                              |
| Delta Effect of -1% Change in Rate of Employee Turnover | (1.41)                            | (0.14)                            |

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 ₹ 27.25 lacs to the gratuity trusts during the next financial year. (Previous Year ₹ 38.58 lacs)

Maturity profile of defined benefit obligation (undiscounted):

| Particulars               | (₹ in Lacs)                       |                                   |
|---------------------------|-----------------------------------|-----------------------------------|
|                           | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| 1st Following year        | 25.73                             | 15.28                             |
| 2nd Following year        | 27.47                             | 15.70                             |
| 3rd Following year        | 25.18                             | 18.30                             |
| 4th Following year        | 22.92                             | 17.92                             |
| 5th Following year        | 20.15                             | 17.71                             |
| Sum of Years 6 to 10      | 70.01                             | 74.84                             |
| Sum of Years 11 and above | 46.29                             | 95.63                             |

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### 39 Employee Benefits (Contd..)

#### Plan Assets

The fair value of Group's gratuity plan asset as of March 31, 2020 and 2019 by category are as follows:

| Particulars                       | (₹ in Lacs)             |                         |
|-----------------------------------|-------------------------|-------------------------|
|                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Asset category:</b>            |                         |                         |
| Deposits with Insurance companies | 191.54                  | 150.66                  |
|                                   | 100%                    | 100%                    |

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.

#### Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Securities will increase the present value of the liability requiring higher provision.

**Salary Risk :** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk :** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk :** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality Risk :** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

### 40 Earning per share

Basic and diluted earnings per share calculation is as below:

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| (a) Profit for the year attributable to equity share holders (₹ in Lacs)        | (5,878.01)                           | (9,735.33)                           |
| (b) Weighted average number of equity shares outstanding during the year (Nos.) | 10,11,30,443                         | 10,11,30,443                         |
| (c) Earnings per share - Basic and diluted (₹) (a/b)                            | (5.81)                               | (9.63)                               |
| (d) Nominal value of shares (₹)   | 2                                    | 2                                    |

As at the year-ends, the stock options granted as referred in Note 46 are not dilutive in nature and accordingly, basic and diluted earning per share is same.



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

**41** 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 in the subsidiaries and the requirement of the Ind AS 12 regarding reasonable certainty, deferred tax asset has not been recognised to the extent of ₹ 8,859.11 lacs (Previous year ₹ 6,334.30 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 for respective subsidiaries.

### 42 Segment Information

The Chief Operating Decision Maker (CODM) of the Group examines the Group's performance from a product offering perspective and the management has identified the following reportable segments :

- (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)

| Type of services                               | Commissioned Programmes |                  | Films            |                 | Digital         |                 | Total             |                   |
|--|-------------------------|------------------|------------------|-----------------|-----------------|-----------------|-------------------|-------------------|
|  | Current Year            | Previous Year    | Current Year     | Previous Year   | Current Year    | Previous Year   | Current Year      | Previous Year     |
| Revenue  | 42,144.86               | 34,401.83        | 17,240.18        | 10,227.19       | 7,774.91        | 4,187.11        | 67,159.95         | 48,816.13         |
| Less: Inter Segment sale                       | 9,512.54                | 5,119.10         | 665.24           | 926.16          | (373.31)        | -               | 9,804.47          | 6,045.26          |
| <b>Total Revenue</b>                           | <b>32,632.32</b>        | <b>29,282.73</b> | <b>16,574.94</b> | <b>9,301.03</b> | <b>8,148.22</b> | <b>4,187.11</b> | <b>57,355.48</b>  | <b>42,770.87</b>  |
| Segment results                                | 8,306.01                | 4,908.62         | 5,413.90         | 826.24          | (9,215.82)      | (12,080.66)     | 4,504.09          | (6,345.80)        |
| Unallocable expenses                           |                         |                  |                  |                 |                 |                 | (7,581.62)        | (5,973.72)        |
| Unallocable income                             |                         |                  |                  |                 |                 |                 | 860.70            | 3,176.67          |
| <b>Profit / (Loss) before tax</b>              |                         |                  |                  |                 |                 |                 | <b>(2,216.83)</b> | <b>(9,142.85)</b> |
| Tax expense                                    |                         |                  |                  |                 |                 |                 | (3,679.21)        | (632.58)          |
| <b>(Loss) for the year</b>                     |                         |                  |                  |                 |                 |                 | <b>(5,896.04)</b> | <b>(9,775.43)</b> |
| Segment assets                                 | 18,065.23               | 14,777.29        | 16,731.24        | 11,143.61       | 37,556.14       | 27,621.91       | 72,352.61         | 53,542.81         |
| Unallocable assets                             |                         |                  |                  |                 |                 |                 | 16,426.28         | 34,505.41         |
| <b>Total assets</b>                            |                         |                  |                  |                 |                 |                 | <b>88,778.89</b>  | <b>88,048.22</b>  |
| Segment liabilities                            | 12,081.53               | 6,774.29         | 2,241.10         | 1,512.00        | 3,898.41        | 2,936.11        | 18,221.04         | 11,222.40         |
| Unallocated liabilities                        |                         |                  |                  |                 |                 |                 | 1,336.07          | 682.89            |
| <b>Total Liabilities</b>                       |                         |                  |                  |                 |                 |                 | <b>19,557.11</b>  | <b>11,905.29</b>  |
| <b>Other Information</b>                       |                         |                  |                  |                 |                 |                 |                   |                   |
| Additions to Non-current assets (allocable)*   | 1,005.07                | 996.69           | -                | -               | 50.16           | 105.06          | 1,055.23          | 1,101.75          |
| Additions to Non-current assets (unallocable)* |                         |                  |                  |                 |                 |                 | 8.62              | 129.15            |
| Depreciation / Amortisation (allocable)        | 1,457.95                | 1,113.56         | 18.66            | 16.64           | 564.15          | 482.94          | 2,040.76          | 1,613.14          |
| Depreciation / Amortisation (unallocable)      |                         |                  |                  |                 |                 |                 | 1,843.94          | 193.25            |

\* Other than financials assets and deferred tax assets

The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments. Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 42 Segment Information (Contd..)

### Geographic Information

(₹ in Lacs)

| Particulars                            | Within India   |                | Outside India  |                | Total          |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Revenue from operations                | 55,990.07      | 41,584.52      | 1,365.41       | 1,186.35       | 57,355.48      | 42,770.87      |
| Carrying amount of Non-current assets* | 11,495.35      | 10,071.88      | -              | -              | 11,495.35      | 10,071.88      |

\* Other than financials assets and deferred tax assets.

### Information about major customers

During the year 2019-2020, revenue from four customer amounted to more than 10% of the total revenue aggregating to ₹ 49,001.93 lacs

During the year 2018-2019, revenue from three customer amounted to more than 10% of the total revenue aggregating to ₹ 31,295.25 lacs

### Relationship between disclosure of disaggregated revenue (Refer note 27) and revenue information disclosed for each reportable segment

Sales between segments are carried out at arm's length and are eliminated on consolidation. The segment revenue is measured in the same way as in the statement of profit and loss.

The group derives revenue from transfer of various types of services in the following major product lines

(₹ in Lacs)

| Type of services                    | Commissioned Programmes |               | Films        |               | Digital      |               | Total        |               |
|-------------------------------------|-------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
|                                     | Current Year            | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Commissioned television programs    | 30,158.54               | 28,033.73     | -            | -             | -            | -             | 30,158.54    | 28,033.73     |
| Subscription income                 | -                       | -             | -            | -             | 3,705.06     | 1,554.64      | 3,705.06     | 1,554.64      |
| License rights                      | 900.00                  | 104.35        | -            | -             | -            | -             | 900.00       | 104.35        |
| Licensing of digital content rights | -                       | -             | -            | -             | 2,050.20     | 2,610.73      | 2,050.20     | 2,610.73      |
| Service income                      | -                       | -             | -            | -             | 2,333.78     | -             | 2,333.78     | -             |
| Franchise / Participation fees      | 127.83                  | -             | -            | -             | -            | -             | 127.83       | -             |
| Internet programs                   | 23.79                   | 11.59         | -            | -             | -            | -             | 23.79        | 11.59         |
| Sale and licensing of movies        | -                       | -             | 16,574.77    | 9,300.55      | -            | -             | 16,574.77    | 9,300.55      |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 42 Segment Information(Contd..)

Relationship between disclosure of disaggregated revenue (Refer note 27) and revenue information disclosed for each reportable segment (Contd..)

(₹ in Lacs)

| Type of services                                    | Commissioned Programmes |                  | Films            |                 | Digital         |                 | Total            |                  |
|---|-------------------------|------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|
|   | Current Year            | Previous Year    | Current Year     | Previous Year   | Current Year    | Previous Year   | Current Year     | Previous Year    |
| Sale of television programs / movies concept rights | 57.47                   | 58.20            | -                | -               | -               | -               | 57.47            | 58.20            |
| Event management                                    | 1,265.00                | 939.00           | -                | -               | -               | -               | 1,265.00         | 939.00           |
| Film distribution service                           | -                       | -                | 0.17             | 0.48            | -               | -               | 0.17             | 0.48             |
| Free commercial time                                | 29.00                   | 3.16             | -                | -               | -               | -               | 29.00            | 3.16             |
| Advertisement income                                | -                       | -                | -                | -               | 59.18           | 21.74           | 59.18            | 21.74            |
| Facilities / equipment hire Income                  | 70.69                   | 132.70           | -                | -               | -               | -               | 70.69            | 132.70           |
| <b>Total</b>  | <b>32,632.32</b>        | <b>29,282.73</b> | <b>16,574.94</b> | <b>9,301.03</b> | <b>8,148.22</b> | <b>4,187.11</b> | <b>57,355.48</b> | <b>42,770.87</b> |

## 43 Details relating to investment in Limited Liability Partnership (LLP)

| Name of LLP                                 | Names of partners in the LLP | As at March 31, 2020      |   | As at March 31, 2019      |   |
|---|------------------------------|---------------------------|---|---------------------------|---|
|   |                              | 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%   |
|   |                              | <b>1.000</b>              | <b>100.00%</b>                                  | <b>1.000</b>              | <b>100%</b>                                     |
| Indus Balaji Education Capital Advisors LLP | Balaji Telefilms Limited     | -                         | -   | 0.375                     | 18.75%  |
|   | IP Capital Advisors LLP      | -                         | -   | 0.375                     | 18.75%  |
|   | IPX Capital Advisors LLP     | -                         | -   | 0.250                     | 12.50%  |
|   | Mohit Ralhan                 | -                         | -   | 0.500                     | 25.00%  |
|   | IPM Capital Advisors LLP     | -                         | -   | 0.500                     | 25.00%  |
|   |                              | <b>-</b>                  | <b>-</b>  | <b>2.000</b>              | <b>100%</b>                                     |

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

**44** The Group has advances / receivable from one of its co-producer and a film director. The advances / receivable amounting to ₹ 1,619 lacs are subject to litigation as at March 31, 2020. On the basis of the evaluation carried out by the management, in consultation with the lawyer, the amounts are considered good and fully recoverable.

**45** 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 comprehensive income | Amount ₹ in lacs |
| <b>Parent</b>  |   |                  |                                     |                  |   |                  |   |                  |
| <b>Balaji Telefilms Limited</b>                        |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | 152.75%   | 1,05,739.14      | -98.15%                             | 5,786.94         | -183.04%  | (9.50)           | -98.07%   | 5,777.44         |
| March 31, 2019   | 132.64%   | 1,00,992.72      | -20.59%                             | 2,012.46         | -12.87%   | (3.81)           | -20.61%   | 2,008.65         |
| <b>Subsidiaries (group's share)</b>                    |   |                  |                                     |                  |   |                  |   |                  |
| <b>Balaji Motion Pictures Limited</b>                  |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | -0.13%  | (96.38)          | -1.86%                              | 109.71           | 0.00%   | -                | -1.86%  | 109.71           |
| March 31, 2019   | -0.34%  | (267.28)         | 0.47%                               | (45.56)          | 0.00%   | -                | 0.47%   | (45.56)          |
| <b>ALT Digital Entertainment Limited</b>               |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | 38.02%  | 26,320.17        | 188.92%                             | (11,138.96)      | 283.04%   | 14.69            | 188.84%   | (11,124.27)      |
| March 31, 2019   | 29.60%  | 22,536.47        | 117.56%                             | (11,492.18)      | 112.87%   | 33.41            | 117.58%   | (11,458.77)      |
| <b>Marinating Films Private Limited</b>                |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | 0.18%   | 123.02           | 1.61%                               | (95.08)          | 0.00%   | -                | 1.61%   | (95.08)          |
| March 31, 2019   | 0.29%   | 217.98           | 0.14%                               | (13.49)          | 0.00%   | -                | 0.14%   | (13.49)          |
| <b>Chhayabani Balaji Entertainment Private Limited</b> |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | 0.01%   | 6.94             | 0.30%                               | (17.98)          | 0.00%   | -                | 0.31%   | (17.98)          |
| March 31, 2019   | 0.04%   | 30.82            | 0.41%                               | (40.09)          | 0.00%   | -                | 0.41%   | (40.09)          |
| <b>Non-controlling interests in all subsidiaries</b>   |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | 0.01%   | 6.99             | 0.31%                               | (18.03)          | 0.00%   | -                | 0.31%   | (18.03)          |
| March 31, 2019   | -0.13%  | (101.98)         | 0.41%                               | (40.10)          | 0.00%   | -                | 0.41%   | (40.10)          |
| <b>Associates</b>                                      |   |                  |                                     |                  |   |                  |   |                  |
| <b>IPB Capital Advisors LLP</b>                        |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | *   | 0.45             | *                                   | -                | 0.00%   | -                | *   | -                |
| March 31, 2019   | *   | 0.45             | *                                   | -                | 0.00%   | -                | *   | -                |
| <b>Indus Balaji Education Capital Advisors LLP</b>     |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | *   | -                | 0.00%                               | -                | 0.00%   | -                | 0.00%   | -                |
| March 31, 2019   | *   | 0.38             | 0.00%                               | -                | 0.00%   | -                | 0.00%   | -                |
| <b>Total</b>   |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020   | 190.84%   | 1,32,100.33      | 91.14%                              | (5,373.40)       | 100.00%   | 5.19             | 91.14%  | (5,368.21)       |



## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### 45 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 (Contd..)

| 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 comprehensive income | Amount ₹ in lacs |
| March 31, 2019                     | 162.08%   | 1,23,409.56      | 98.40%                              | (9,618.96)       | 100.00%   | 29.60            | 98.40%  | (9,589.36)       |
| <b>Adjustment on consolidation</b> |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020                     | -90.84%   | (62,878.55)      | 8.86%                               | (522.64)         | 0.00%   | -                | 8.87%   | (522.64)         |
| March 31, 2019                     | -62.08%   | (47,266.63)      | 1.60%                               | (156.47)         | 0.00%   | -                | 1.60%   | (156.47)         |
| <b>Net Total</b>                   |   |                  |                                     |                  |   |                  |   |                  |
| March 31, 2020                     | 100%  | 69,221.78        | 100%                                | (5,896.04)       | 100%  | 5.19             | 100%  | (5,890.85)       |
| March 31, 2019                     | 100%  | 76,142.93        | 100%                                | (9,775.43)       | 100%  | 29.60            | 100%  | (9,745.83)       |

\*percentage disclosure is below the rounding off norms of the group

### 46 Share based payments

The Nomination and Remuneration Committee ("NRC") of the Board of Directors of the Company has formulated the Balaji Telefilms ESOP, 2017 ("the ESOP Scheme") to grant Stock Options in the form of Options to the eligible employees of the Company and its subsidiaries. The ESOP Scheme has been adopted by the NRC by a Resolution passed at its meeting held on February 13, 2018 pursuant to the enabling authority granted under resolution passed by the members of the Company by way of Postal Ballot or electronic voting held on December 30, 2017. ESOP Scheme has been formulated in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI Regulations"), as amended.

The NRC, vide a resolution passed at its meeting held on May 19, 2018, and June 20, 2018 has granted Options ("Options"), 16,63,734 Options on May 19, 2018 and 21,25,239 Options on June 20, 2018 to the eligible employees of the Company and its subsidiaries (as per terms decided by the NRC).

The Options granted would vest over a period of 3 years – the first 25% to vest at the end of one year from the grant date, 35% to vest at the end of second year from the grant date and balance 40% to vest at the end of third year from the grant date. Once vested, the option remain exercisable for the period of 3 years from the last vesting date

When exercisable, each option is convertible into one equity share. The exercise price of the options is based on the stock exchange last closing market price after deducting 25% discount as determined by the Members of Nomination and Remuneration Committee.

The vesting schedule and exercise options granted on May 19, 2018 is as follows:

| Year | Vesting of options | Vesting dates | Exercise Period up to |
|------|--------------------|---------------|-----------------------|
| 1    | 25%                | May 18, 2019  | May 18, 2024          |
| 2    | 35%                | May 18, 2020  | May 18, 2024          |
| 3    | 40%                | May 18, 2021  | May 18, 2024          |

## Notes forming part of Consolidated Financial Statements

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### 46 Share based payments (Contd..)

The vesting schedule and exercise period of the Options granted on June 20, 2018 is as follows:

| Year | Vesting of options | Vesting dates | Exercise Period up to |
|------|--------------------|---------------|-----------------------|
| 1    | 25%                | June 19, 2019 | June 19, 2024         |
| 2    | 35%                | June 19, 2020 | June 19, 2024         |
| 3    | 40%                | June 19, 2021 | June 19, 2024         |

During the year ended March 31, 2020 the Group recorded an employee compensation expenses of ₹ 76.37 lacs (previous year ₹ 1,057.26 lacs) in the statement of profit and loss.

Set out below is a summary of options granted under the plan:

| Particulars                        | As at March 31, 2020                        |                   | As at March 31, 2019                        |                   |
|------------------------------------|---|-------------------|---|-------------------|
|                                    | Average Exercise price per share option (₹) | Number of options | Average Exercise price per share option (₹) | Number of options |
| Opening balance                    | 91.67                                       | 31,53,856         | -   | -                 |
| Granted during the year            | -   | -                 | 91.68                                       | 37,88,973         |
| Exercised during the year          | -   | -                 | -   | -                 |
| Forfeited/(lapsed) during the year | -   | 12,48,924         | -   | 6,35,117          |
| <b>Closing balance</b>             | <b>91.34</b>                                | <b>19,04,932</b>  | <b>91.67</b>                                | <b>31,53,856</b>  |

Number of option exercisable as at March 31, 2020: 4,76,233 (previous year: NIL)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant date    | Expiry date   | Exercise price (₹) | Share options March 31, 2020 | Exercise price (₹) | Share options March 31, 2019 |
|---------------|---------------|--------------------|------------------------------|--------------------|------------------------------|
| May 19, 2018  | May 18, 2024  | 90.00              | 10,54,570                    | 90.00              | 14,02,455                    |
| June 20, 2018 | June 19, 2024 | 93.00              | 8,50,362                     | 93.00              | 17,51,401                    |
| <b>Total</b>  |               |                    | <b>19,04,932</b>             |                    | <b>31,53,856</b>             |

#### Fair value of options granted

The fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 72.01 per option for options granted on May 19, 2018 (Tranche 1) and ₹ 74.33 per option for options granted on June 20, 2018 (Tranche 2). The fair value at grant date is determined using the Binomial Tree Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted included :

- Options are granted for no consideration and vest upon completion of service for a period of one to three years from the date of grant. Vested options are exercisable for a period of three years after last vesting date
- Exercise price: ₹ 90 (Tranche 1) and ₹ 93 (Tranche 2)
- Grant date: May 19, 2018 (Tranche 1) and June 20, 2018 (Tranche 2)
- Expiry date: May 18, 2024 (Tranche 1) and June 19, 2024 (Tranche 2)
- Share price at grant date: ₹ 119.80 (Tranche 1) and ₹ 123.45 (Tranche 2)



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 46 Share based payments (Contd..)

### Fair value of options granted (Contd..)

- f) Expected price volatility of the company's shares: 46.05% (Tranche 1) and 45.87% (Tranche 2)
- g) Expected dividend yield: 0.91% (Tranche 1 and 2)
- h) Risk-free interest rate: 7.92% (Tranche 1) and 8.05% (Tranche 2)

The expected price volatility is based on the historic volatility (based on the remaining life of the options).

## 47 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 Group 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)

| Particulars                              | March 31, 2020   |          |                  | March 31, 2019   |          |                  |
|--|------------------|----------|------------------|------------------|----------|------------------|
|  | FVPL             | FVOCI    | Amortised cost   | FVPL             | FVOCI    | Amortised cost   |
| <b>Financial assets</b>                  |                  |          |                  |                  |          |                  |
| <b>Non-current financial assets</b>      |                  |          |                  |                  |          |                  |
| Investments                              | 361.46           | -        | -                | 1,503.86         | -        | -                |
| Loans                                    | -                | -        | 796.56           | -                | -        | 940.19           |
| Other financial assets                   | -                | -        | -                | -                | -        | 326.12           |
| Trade receivables                        | -                | -        | -                | -                | -        | 150.12           |
| <b>Current financial assets</b>          |                  |          |                  |                  |          |                  |
| Investments                              | 12,263.98        | -        | -                | 28,525.52        | -        | -                |
| Trade receivables                        | -                | -        | 17,668.92        | -                | -        | 9,882.50         |
| Cash and cash equivalents                | -                | -        | 1,986.29         | -                | -        | 1,920.84         |
| Other balances with bank                 | -                | -        | 10.54            | -                | -        | 9.33             |
| Loans                                    | -                | -        | 35.02            | -                | -        | 71.39            |
| Other financial assets                   | -                | -        | 6,117.28         | -                | -        | 1,471.03         |
| <b>Total Financial Assets</b>            | <b>12,625.44</b> | <b>-</b> | <b>26,614.61</b> | <b>30,029.38</b> | <b>-</b> | <b>14,771.52</b> |
| <b>Financial Liabilities</b>             |                  |          |                  |                  |          |                  |
| <b>Non-current financial liabilities</b> |                  |          |                  |                  |          |                  |
| Borrowings                               | -                | -        | -                | -                | -        | 10.56            |
| <b>Current financial liabilities</b>     |                  |          |                  |                  |          |                  |
| Trade payables                           | -                | -        | 11,893.23        | -                | -        | 9,061.73         |
| Other financial liabilities              | -                | -        | 51.10            | -                | -        | 132.74           |
| <b>Total Financial Liabilities</b>       | <b>-</b>         | <b>-</b> | <b>11,944.33</b> | <b>-</b>         | <b>-</b> | <b>9,205.03</b>  |

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 47 Fair Value Measurements (Contd..)

### (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 under 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, 2020 | Level 1          | Level 2  | Level 3       | Total            |
|--|------------------|----------|---------------|------------------|
| <b>Financial Assets</b>  |                  |          |               |                  |
| Financial instrument at FVPL   |                  |          |               |                  |
| Investment in trusts   | -                | -        | 361.46        | 361.46           |
| Mutual Fund  | 12,263.98        | -        | -             | 12,263.98        |
| <b>Total Financial Assets</b>  | <b>12,263.98</b> | <b>-</b> | <b>361.46</b> | <b>12,625.44</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020 | Level 1  | Level 2  | Level 3       | Total         |
|---|----------|----------|---------------|---------------|
| <b>Non-current financial assets</b>   |          |          |               |               |
| Loans   | -        | -        | 796.56        | 796.56        |
| <b>Total Financial assets</b>   | <b>-</b> | <b>-</b> | <b>796.56</b> | <b>796.56</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at fair value- recurring fair value measurement March 31, 2019 | Level 1          | Level 2  | Level 3         | Total            |
|--|------------------|----------|-----------------|------------------|
| <b>Financial Assets</b>  |                  |          |                 |                  |
| Financial instrument at FVPL   |                  |          |                 |                  |
| Investment in trusts   | -                | -        | 1,503.86        | 1,503.86         |
| Mutual Fund  | 28,525.52        | -        | -               | 28,525.52        |
| <b>Total Financial Assets</b>  | <b>28,525.52</b> | <b>-</b> | <b>1,503.86</b> | <b>30,029.38</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019 | Level 1  | Level 2  | Level 3         | Total           |
|---|----------|----------|-----------------|-----------------|
| <b>Non-current financial assets</b>   |          |          |                 |                 |
| Loans   | -        | -        | 941.35          | 941.35          |
| Trade receivable  | -        | -        | 150.12          | 150.12          |
| Other financial assets  | -        | -        | 326.12          | 326.12          |
| <b>Total Financial assets</b>   | <b>-</b> | <b>-</b> | <b>1,417.59</b> | <b>1,417.59</b> |
| <b>Non-current financial liabilities</b>  |          |          |                 |                 |
| Borrowings  | -        | -        | 10.56           | 10.56           |
| <b>Total Financial liabilities</b>  | <b>-</b> | <b>-</b> | <b>10.56</b>    | <b>10.56</b>    |



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 47 Fair Value Measurements (Contd..)

The carrying value of the current trade receivables, cash and cash equivalents, other bank balances, current loans, trade payables 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 non-current financial asset is not materially different than its carrying value.

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. Mutual funds are valued at the closing NAV.

**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 included 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 investee Company (i.e. Trust) is on the basis of NAV provided by investee company.
- 3) 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, 2020

|   |  | (₹ in Lacs)                   |
|---|--|-------------------------------|
|   |  | Investment in units of trusts |
| <b>Particulars</b>                          |  |                               |
| <b>As at April 1, 2018</b>                  |  | <b>3,166.05</b>               |
| Changes during the year                     |  | -                             |
| Acquisitions                                |  | -                             |
| Sales                                       |  | (2,142.84)                    |
| Gains/(Losses) recognised in profit or loss |  | 480.65                        |
| <b>As at March 31, 2019</b>                 |  | <b>1,503.86</b>               |
| Acquisitions                                |  | -                             |
| Sales                                       |  | (1,090.49)                    |
| Impairment loss                             |  | (51.91)                       |
| <b>As at March 31, 2020</b>                 |  | <b>361.46</b>                 |

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 47 Fair Value Measurements (Contd..)

### (iv) Valuation process

For the valuation of financial assets required for financial reporting purposes, which are falling under the Level 3, the fair value of investee Company (trust) is on the basis of the net asset value ('NAV') provided by investee Company. 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.

### (v) Fair value of financial assets measured at amortised cost

| Particulars                  | March 31, 2020  |            | March 31, 2019  |            |
|------------------------------|-----------------|------------|-----------------|------------|
|                              | Carrying amount | Fair value | Carrying amount | Fair value |
| <b>Financial assets</b>      |                 |            |                 |            |
| Trade receivable             | -               | -          | 150.12          | 150.12     |
| Loans                        | 796.56          | 796.56     | 940.19          | 941.35     |
| Other financial assets       | -               | -          | 326.12          | 326.12     |
| <b>Financial liabilities</b> |                 |            |                 |            |
| Borrowings                   | -               | -          | 10.56           | 10.56      |

## 48 Financial Risk Management (Also refer note 50)

### 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.

#### (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, 2020 and March 31, 2019 is the carrying value of each class of financial assets as disclosed in note 47.



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 48 Financial Risk Management (Also refer note 50) (Contd..)

### Security deposits given to lessors

The group has given security deposit to lessors for premises leased by it as at March 31, 2020 and March 31, 2019. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.

### Trade receivables and Contract assets

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past dues. The Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rate for the contract assets.

Trade receivables and contract assets 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.

The Group measures the expected credit loss of trade receivables, contract assets, loans and other financial assets which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Group has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted to reflect current and forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the financial assets and provision made:

(₹ in Lacs)

| Particulars       | March 31, 2020        |                | March 31, 2019        |                |
|-------------------|-----------------------|----------------|-----------------------|----------------|
|                   | Gross Carrying Amount | Loss Allowance | Gross Carrying Amount | Loss Allowance |
| Trade Receivables | 17,871.62             | (202.70)       | 10,457.85             | (425.23)       |
| Loans             | 831.58                | -              | 1,062.50              | (50.92)        |
| Unbilled Revenue  | 2,043.34              | -              | 112.12                | -              |
| Contract assets   | 63.25                 | -              | 682.25                | -              |

The following table summarizes the changes in the Provisions made for the receivables and loans:

(₹ in Lacs)

| Particulars                 | Trade receivable and unbilled |                | Loans          |                |
|-----------------------------|-------------------------------|----------------|----------------|----------------|
|                             | March 31, 2020                | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Opening balance             | 425.23                        | 425.25         | 50.92          | 50.92          |
| Provided during the year    | 679.36                        | -              | -              | -              |
| Written off during the year | (901.89)                      | (0.02)         | (50.92)        | -              |
| Reversals of provisions     | -                             | -              | -              | -              |
| <b>Closing balance</b>      | <b>202.70</b>                 | <b>425.23</b>  | <b>-</b>       | <b>50.92</b>   |

## Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

### 48 Financial Risk Management (Contd..)

Of the Trade Receivables balance as at March 31, 2020 of ₹ 17,668.92 lacs (as at March 31, 2019 of ₹ 10,032.62 lacs), the top 3 customers of the group represent the balance of ₹ 14,312.02 lacs as at March 31, 2020 (as at March 31, 2019 of ₹ 7,964.90 lacs).

No significant changes in estimation techniques or assumptions were made during the reporting period.

#### (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 (undiscounted)

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            |
|---|------------------|-------------------|------------------|------------------|
| <b>March 31, 2020</b>                           |                  |                   |                  |                  |
| Trade payables                                  | 11,893.23        | -                 | -                | 11,893.23        |
| Lease liabilities                               | 1,143.36         | 1,153.09          | 861.23           | 3,157.68         |
| Other Financial Liabilities                     | 51.10            | -                 | -                | 51.10            |
| <b>Total financial liabilities</b>              | <b>13,087.69</b> | <b>1,153.09</b>   | <b>861.23</b>    | <b>15,102.01</b> |

(₹ in Lacs)

| Contractual maturities of financial liabilities | 6 months or less | 6 months -1 years | More than 1 year | Total           |
|---|------------------|-------------------|------------------|-----------------|
| <b>March 31, 2019</b>                           |                  |                   |                  |                 |
| Borrowings                                      | -                | -                 | 10.56            | 10.56           |
| Trade payables                                  | 9,061.73         | -                 | -                | 9,061.73        |
| Other Financial Liabilities                     | 132.74           | -                 | -                | 132.74          |
| <b>Total financial liabilities</b>              | <b>9,194.47</b>  | <b>-</b>          | <b>10.56</b>     | <b>9,205.03</b> |

#### (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 is subject to the risk that changes in foreign currency values impact the Company's export revenue and import of services.

As at March 31, 2020, the unhedged exposure to the Group on holding financial assets (trade receivables) and liabilities (trade payables net of advances) other than in their functional currency amounted to ₹ 111.40 lacs and ₹21.64 lacs (March 31, 2019 ₹ 83.75 lacs and ₹138.93 lacs)



# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 48 Financial Risk Management (Contd..)

### (b) Interest rate risk

The group does not have any variable interest borrowings and is thus not exposed to interest rate risk as at March 31, 2020 (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.

Investments are made by the finance team under the policies approved by the Board of Directors. 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. Investments in Preference shares of subsidiaries are held for strategic purpose and are not trading in nature.

#### (ii) Sensitivity

(₹ in Lacs)

| Particulars  | Impact on profit before tax |                |
|--|-----------------------------|----------------|
|  | March 31, 2020              | March 31, 2019 |
| Net asset value - Increase 5% (March 31, 2019 5%)* | 613.20                      | 1,040.04       |
| Net asset value - Decrease 5% (March 31, 2019 2%)* | (613.20)                    | (416.02)       |

\*Profit before tax for the year would increase/ decrease as a result of gains/ losses on investments classified at fair value through profit or loss.

## 49 Capital Management

The Group's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

# Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2020

## 50 Impact assessment due to Covid-19 pandemic

The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently, the business activities of the Group are also affected. Group has resumed its operations for the TV business as per the directives and permissions of the State Government and other statutory and trade bodies on June 26, 2020. The resumption of business has been undertaken with the required precautions stipulated by the authorities. The Group's digital business continued to operate throughout the lockdown period however, launch of new shows is effected due to shutdown in production activities during the lockdown phase. We expect the production of Digital content and Films to be resumed in due course. The Group's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Group will continue to monitor any material changes as the situation evolves

## 51 Dividends

| Particulars   | (₹ in Lacs)    |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| <b>Equity Shares</b>  |                |                |
| (i) Final Dividend paid<br>Dividend of ₹ 0.40 per fully paid share pertaining to the immediately preceding financial year   | 404.52         | 404.52         |
| (ii) Dividend not recognised at the end of the reporting period<br>In addition to the above dividends, since the year end, the Company has proposed dividend of nil for the financial year 2019-20 (₹ 0.40 per fully paid share for the financial year 2018-19) | -              | 404.52         |
| (iii) Interim Dividend of ₹ 0.40 per fully paid-up share for the financial year 2019-2020   | 404.52         | -              |

Signatures to notes 1 to 51

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

Sachin Parekh  
**Partner**  
Membership No: 107038  
Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Jeetendra Kapoor  
**(Chairman)**  
DIN: 00005345

Shobha Kapoor  
**(Managing Director)**  
DIN: 00005124

D.G. Rajan  
**(Audit Committee Chairman)**  
DIN: 00303060

Sanjay Dwivedi  
**(Group CFO)**

Simmi Singh Bisht  
**(Group Head Secretarial)**  
Place : Mumbai  
Date : July 22, 2020



BALAJI MOTION PICTURES LIMITED

# Board's Report

The Directors present the 14<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2020.

## COMPANY PERFORMANCE

### FINANCIAL HIGHLIGHTS

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

| (₹ in Lacs)  |                 |                 |
|--|-----------------|-----------------|
| Particulars  | 2019-20         | 2018-19         |
| <b>Income</b>  |                 |                 |
| Turnover   | 615.41          | 320.59          |
| <b>Total</b>   | <b>615.41</b>   | <b>320.59</b>   |
| <b>Expenditure</b>   | <b>437.30</b>   | <b>330.39</b>   |
| <b>Profit/(Loss) before depreciation, interest &amp; tax</b> | <b>178.11</b>   | <b>(9.80)</b>   |
| Finance costs  | 68.40           | 35.76           |
| Depreciation and amortization                                | -               | -               |
| <b>Profit/(Loss) before tax</b>                              | <b>109.71</b>   | <b>(45.56)</b>  |
| Provision for taxation                                       | -               | -               |
| <b>Profit/ (Loss) after tax</b>                              | <b>109.71</b>   | <b>(45.56)</b>  |
| Balance brought forward from previous year                   | (543.19)        | (497.63)        |
| Other comprehensive income for the year                      | -               | -               |
| <b>Balance carried to the balance sheet</b>                  | <b>(433.48)</b> | <b>(543.19)</b> |

## RESULTS OF OPERATIONS

During the year under review, your Company has achieved a turnover of ₹ 615.41 Lacs as against ₹ 320.59 Lacs during the previous fiscal. In the current financial year, the Company has reported profit of ₹ 109.71 Lacs as against loss of ₹ 45.56 Lacs in the previous fiscal.

## DIVIDEND

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 of the Company.

## BORROWINGS

The Company has borrowed ₹30,81.95 Lacs from Holding Company i.e. Balaji Telefilms Limited during the year under review.

## SHARE CAPITAL

The paid-up Share Capital of the Company as on March 31, 2020 was ₹ 2,00,00,000 (Rupees Two Crores Only) comprising of 20,00,000 Equity 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, 2020 the Company 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 business 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 CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OCCURRED BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

### IMPACT OF COVID-19

The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently, the business activities of the Company are also affected. The Company has resumed its operations as per the directives and permissions of the State Government and other statutory and trade bodies. The resumption of business has been undertaken with the required precautions stipulated by the authorities.

The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its investments, other assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

### Change in designation of Independent Directors to Non-Executive Directors

During the year under review, the designation of Mr. Duraiswamy Gunaseela Rajan and Mr. Ashutosh

Khanna has been changed from Independent Director to Non-Executive Director w.e.f. May 22, 2019 due to non-requirement of Independent Directors on the Board of the Company pursuant to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### Retirement by rotation and subsequent re-appointment

Mr. Jeetendra 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 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 Board recommends his re-appointment as Non-Executive Director of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the Company had received necessary declaration 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. Further, since there were no Independent directors on the Board of the Company as on March 31, 2020, there was no requirement to receive such declaration.

## AUDITORS

### STATUTORY AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 11<sup>th</sup> Annual General Meeting (AGM) held on August 31, 2017 had approved the appointment of M/s. Price Water Chartered Accountants LLP for a term of 5 (five) consecutive years, to hold office till the conclusion of the AGM to be held for the financial year 2021-22 of the Company. M/s. Price Waterhouse Chartered Accountants LLP have confirmed that they are not disqualified from continuing as Auditors of the Company.

Statutory Auditor have included Emphasis of Matter drawing Members attention to Note No 30 of Financial Statement, in connection with uncertainties and the



management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation.

### **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.

However, during the year under review, Secretarial Review of the Company was conducted for better corporate governance and to ensure timely compliances with respect to statutory provisions of the Companies Act, 2013 as 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 AND POLICIES**

### **i) BOARD MEETINGS**

During the year under review, 4 (four) Meetings of the Board of Directors were held on, May 22, 2019, August 09, 2019, November 13, 2019 & February 12, 2020. 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. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

### **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.

The provisions of Section 177, 178 & 135 of the Companies Act, 2013 with respect to constitution of various Committees are not applicable to the Company.

## **OTHER DISCLOSURES**

### **i) EXTRACT OF ANNUAL RETURN**

The details forming part of extract of Annual Return in Form MGT – 9, as required under Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, is appended as Annexure I, which forms part of this Report and is also available on website of the Company at <http://www.balajitelefilms.com/investor-relations.php>

### **ii) REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors have not reported to the Board under Section 134(3) (ca) and 143 (12) of the Companies Act, 2013, any instance of fraud 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 the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **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 behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy wherein the employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the Management to the work groups. 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 <http://www.balajitelefilms.com/whistle-blower-policy.php>

**vi) RELATED PARTY TRANSACTIONS**

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 188 and 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and at an arm's length basis. 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.

**vii) FIXED DEPOSITS**

During the year under review the Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

**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 Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee and Apex Committee has been set up

to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the financial year 2019-20, no sexual harassment complaint 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 Light Emitting Diode (LED) 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 and Non-Executive Director. 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 etc.

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

## EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 provides that annual performance evaluation of 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 including Executive and Non-Executive Directors is conducted based on the criteria and framework adopted by the Board. The Board takes note of the 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, 2020, 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, 2020 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 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**

**Place:** Mumbai  
**Date:** July 22, 2020

Sd/-  
**Jeetendra Kapoor**  
Chairman  
DIN: 00005345

# Annexure I

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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.<br>Tel: +91-022-40698000<br>Fax: +91-022-40698181/82<br>Email: <a href="mailto:neha.shah@balajitelefilms.com">neha.shah@balajitelefilms.com</a><br>Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a> |
| 6. | Whether listed Company   | No  |
| 7. | Name, Address & Contact details of the Registrar & Transfer Agent, if any. | NSDL Database Management Limited<br>4 <sup>th</sup> Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra.<br>Tel: +91-022-49142591<br>Email: <a href="mailto:nileshb@nsdl.co.in">nileshb@nsdl.co.in</a><br>Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</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 |
|---|-----------------------|--------------------------------|------------------|--------------------|
| <b>Balaji Telefilms Limited</b><br><b>Registered Office:</b><br>C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai-400053, Maharashtra. | L99999MH1994PLC082802 | Holding Company                | 100              | 2 (46)             |



#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### i) Category-wise Shareholding:

| Category of Shareholders   | No. of Shares held at the beginning of the year i.e. April 01, 2019 |                  |                  |                   | No. of Shares held at the end of the year i.e. March 31, 2020 |          |                  |                   | % Change during the year |
|--|---|------------------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|  | Demat   | Physical         | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |                  |                  |                   |   |          |                  |                   |                          |
| <b>(1) Indian</b>  |   |                  |                  |                   |   |          |                  |                   |                          |
| a) Individual /HUF   | 0   | 6*               | 6                | 0.0003            | 6*  | 0        | 6                | 0.0003            | 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   | 19,99,994        | 19,99,994        | 99.9997           | 19,99,994   | 0        | 19,99,994        | 99.9997           | 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                        |
| <b>Sub-total (A)(1)</b>  | <b>0</b>  | <b>20,00,000</b> | <b>20,00,000</b> | <b>100.00</b>     | <b>20,00,000</b>  | <b>0</b> | <b>20,00,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>(2) Foreign</b>   |   |                  |                  |                   |   |          |                  |                   |                          |
| 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                        |
| <b>Sub-total (A)(2)</b>  | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoters A= A (1)+A (2)</b>                          | <b>0</b>  | <b>20,00,000</b> | <b>20,00,000</b> | <b>100.00</b>     | <b>20,00,000</b>  | <b>0</b> | <b>20,00,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>B. Public Shareholding</b>  |   |                  |                  |                   |   |          |                  |                   |                          |
| <b>(1) Institutions</b>  |   |                  |                  |                   |   |          |                  |                   |                          |
| 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                        |
| f) Insurance Companies   | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| g) FIs   | 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 Investors   | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| j) Others  | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (B)(1):</b>   | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>(2) Non-Institutions</b>  |   |                  |                  |                   |   |          |                  |                   |                          |
| 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 ₹1 lakh | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |

| Category of Shareholders                               | No. of Shares held at the beginning of the year i.e. April 01, 2019 |                  |                  |                   | No. of Shares held at the end of the year i.e. March 31, 2020 |          |                  |                   | % Change during the year |
|--|---|------------------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|  | Demat   | Physical         | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| c) Others  | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (B)(2):</b>                               | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b> | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>                             | <b>0</b>  | <b>20,00,000</b> | <b>20,00,000</b> | <b>100.00</b>     | <b>20,00,000</b>  | <b>0</b> | <b>20,00,000</b> | <b>100.00</b>     | <b>0</b>                 |

**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, 2019 |                                  |  | Shareholding at the end of the year i.e. March 31, 2020 |                                  |  | % 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                               | 19,99,994   | 99.9997                          | 0  | 19,99,994   | 99.9997                          | 0  | 0  |
| 2.      | Jeetendra Kapoor jointly with Balaji Telefilms Limited | 1   | 0.00005                          | 0  | 1   | 0.00005                          | 0  | 0  |
| 3.      | Shobha Kapoor jointly with Balaji Telefilms Limited    | 1   | 0.00005                          | 0  | 1   | 0.00005                          | 0  | 0  |
| 4.      | Ekta Kapoor jointly with Balaji Telefilms Limited      | 1   | 0.00005                          | 0  | 1   | 0.00005                          | 0  | 0  |
| 5.      | Tusshar Kapoor jointly with Balaji Telefilms Limited   | 1   | 0.00005                          | 0  | 1   | 0.00005                          | 0  | 0  |
| 6.      | Deepoo Vaswani jointly with Balaji Telefilms Limited   | 1   | 0.00005                          | 0  | 1   | 0.00005                          | 0  | 0  |
| 7.      | Ramesh Sippy jointly with Balaji Telefilms Limited     | 1   | 0.00005                          | 0  | 1   | 0.00005                          | 0  | 0  |
|         | <b>Total</b>   | <b>20,00,000</b>  | <b>100.00</b>                    | <b>0</b>   | <b>20,00,000</b>  | <b>100.00</b>                    | <b>0</b>   | <b>0</b>                                 |

## iii) Change in Promoters' Shareholding:

There are no changes in Promoters' Shareholding during the financial year 2019-20.

## 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.      | <b>Mr. Jeetendra Kapoor*</b> |               |                                  |   |                                  |
|         | At the beginning of the year | 1             | 0.00005                          | 1                                       | 0.00005                          |
|         | Bought during the year       | -             | -                                | 1                                       | 0.00005                          |
|         | Sold during the year         | -             | -                                | 1                                       | 0.00005                          |
|         | At the end of the year       | 1             | 0.00005                          | 1                                       | 0.00005                          |
| 2.      | <b>Mrs. Shobha Kapoor*</b>   |               |                                  |   |                                  |
|         | At the beginning of the year | 1             | 0.00005                          | 1                                       | 0.00005                          |
|         | Bought during the year       | -             | -                                | 1                                       | 0.00005                          |
|         | Sold during the year         | -             | -                                | 1                                       | 0.00005                          |
|         | At the end of the year       | 1             | 0.00005                          | 1                                       | 0.00005                          |
| 3.      | <b>Ms. Ekta Kapoor*</b>      |               |                                  |   |                                  |
|         | At the beginning of the year | 1             | 0.00005                          | 1                                       | 0.00005                          |
|         | Bought during the year       | -             | -                                | 1                                       | 0.00005                          |
|         | Sold during the year         | -             | -                                | 1                                       | 0.00005                          |
|         | At the end of the year       | 1             | 0.00005                          | 1                                       | 0.00005                          |

## Notes:

\*Shares are held jointly with Balaji Telefilms Limited.

1. Directors: Mr. Duraiswamy Gunaseela Rajan, Mr. Ashutosh Khanna and KMP: Ms. Neha Shah did not hold any shares during the financial year 2019-20.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lacs)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans from Holding Company | Deposits | Total Indebtedness |
|--|----------------------------------|--------------------------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                                      |          |                    |
| i) Principal Amount  | -                                | 232.61                               | -        | 232.61             |
| ii) Interest due but not paid                              | -                                | -                                    | -        | -                  |
| iii) Interest accrued but not due                          | -                                | 59.52                                | -        | 59.52              |
| <b>Total (i+ii+iii)</b>                                    | -                                | <b>292.13</b>                        | -        | <b>292.13</b>      |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                                      |          |                    |
| Addition   | -                                | 3,291.69                             | -        | 3,291.69           |
| Interest for the year                                      | -                                | 68.40                                | -        | 68.40              |
| Reduction  | -                                | 570.27                               | -        | 570.27             |
| <b>Net Change</b>  | -                                | <b>2,789.82</b>                      | -        | <b>2,789.82</b>    |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                                      |          |                    |
| i) Principal Amount  | -                                | 3,020.38                             | -        | 3,020.38           |
| ii) Interest due but not paid                              | -                                | -                                    | -        | -                  |
| iii) Interest accrued but not due                          | -                                | 61.57                                | -        | 61.57              |
| <b>Total (i+ ii+ iii)</b>                                  | -                                | <b>3,081.95</b>                      | -        | <b>3,081.95</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. 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.

**B. Remuneration to other Directors:**

(₹ in Lacs)

| Sr. No. | Particulars of Remuneration                    | Name of Directors          |                 |             |                            |                 | Total Amount |
|---------|--|----------------------------|-----------------|-------------|----------------------------|-----------------|--------------|
| 1.      | Independent Directors                          | Duraiswamy Gunaseela Rajan | Ashutosh Khanna |             |                            |                 |              |
|         | Fee for attending Board and Committee Meetings | 0.5                        | 0.5             |             |                            |                 | 1.0          |
|         | Commission                                     | -                          | -               |             |                            |                 | -            |
|         | Others   | -                          | -               |             |                            |                 | -            |
|         | <b>Total (1)</b>                               | <b>0.5</b>                 | <b>0.5</b>      |             |                            |                 | <b>1.0</b>   |
| 2.      | Non-Executive Directors                        | Jeetendra Kapoor           | Shobha Kapoor   | Ekta Kapoor | Duraiswamy Gunaseela Rajan | Ashutosh Khanna |              |
|         | Fee for attending Board and Committee Meetings | 2.0                        | -               | -           | 1.5                        | 1.5             | 5.0          |
|         | Commission                                     | -                          | -               | -           | -                          | -               | -            |
|         | Others   | -                          | -               | -           | -                          | -               | -            |
|         | <b>Total (2)</b>                               | <b>2.0</b>                 | <b>-</b>        | <b>-</b>    | <b>1.5</b>                 | <b>1.5</b>      | <b>5.0</b>   |
|         | <b>Total B (1+2)</b>                           | <b>2.5</b>                 | <b>0.5</b>      | <b>-</b>    | <b>1.5</b>                 | <b>1.5</b>      | <b>6.0</b>   |
|         | <b>Total Managerial Remuneration (A+B)</b>     |                            |                 |             |                            |                 | <b>6.0</b>   |
|         | <b>Ceiling as per the Act (per annum)</b>      |                            |                 | N.A.        |                            |                 |              |

**Note:**

- Sittings fees paid to Mr. Duraiswamy Gunaseela Rajan and Mr. Ashutosh Khanna for the period from April 01, 2019 to May 22, 2019 as Independent Directors of the Company. Thereafter due to change in their designation from Independent Director to Non-Executive Director w.e.f. May 22, 2019, sitting fees for the period from May 23, 2019 to March 31, 2020 was paid to them as Non-Executive Directors of the Company.

**C. Remuneration to Key Managerial Personnel other than MD/Manager:**

(₹ in Lacs)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel               | Total Amount |
|---------|---|--|--------------|
|         |   | <b>Ms. Neha Shah Company Secretary</b> |              |
| 1.      | Gross salary  | 6.40                                   | 6.40         |
|         | (a) Salary as per the provisions contained in Section 17(1) of the Income Tax Act, 1961 | -                                      | -            |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                          | -                                      | -            |
|         | (c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961                         | -                                      | -            |
| 2.      | Stock Option  | -                                      | -            |
| 3.      | Sweat Equity  | -                                      | -            |
| 4.      | Commission- as % of profit  | -                                      | -            |
| 5.      | Others – Provident Fund and Reimbursements  | 0.33                                   | 0.33         |
|         | <b>Total</b>  | <b>6.73</b>                            | <b>6.73</b>  |



## 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, during the year.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Jeetendra Kapoor**  
Chairman  
DIN: 00005345

# Financial Statements

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# Independent Auditor's Report

## To the Members of Balaji Motion Pictures Limited

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of Balaji Motion Pictures Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

4. We draw your attention to Note 30 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact of the event in the subsequent period is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles

generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations as at March 31, 2020 which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
  - 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, 2020.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
13. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, reporting under Section 197 (16) of the Act is not applicable to the Company.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAW6811

Place: Mumbai  
Date: July 22, 2020

# 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 Motion Pictures Limited on the financial statements for the year ended March 31, 2020

### 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, 2020 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.

### **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, 2020, 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. Also refer paragraph 4 of our main audit report.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAAW6811

Place: Mumbai  
Date: July 22, 2020

## Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Balaji Motion Pictures Limited on the financial statements for the year ended March 31, 2020

- 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 said 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 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, employees' state insurance, income tax, goods and service tax, cess 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 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. Also refer paragraph 13 of our main audit 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 Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further the Company is not required to constitute Audit Committee under Section 177 of the Act, and accordingly, to the extent, the provision 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 audit. 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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAW6811

Place: Mumbai  
Date: July 22, 2020

# Balance Sheet

as at March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| <b>ASSETS</b>   |          |                         |                         |
| <b>Non-current assets</b>                                 |          |                         |                         |
| (a) Current tax asset                                     | 4        | 47.22                   | 16.01                   |
| <b>Total Non-Current Assets</b>                           |          | <b>47.22</b>            | <b>16.01</b>            |
| <b>Current assets</b>                                     |          |                         |                         |
| (a) Financial assets                                      |          |                         |                         |
| (i) Trade receivables                                     | 5        | 43.02                   | -                       |
| (ii) Loans  | 6        | 0.20                    | 0.20                    |
| (iii) Cash and cash equivalents                           | 7        | 25.86                   | 48.87                   |
| (iv) Other financial assets                               | 8        | 2,901.48                | -                       |
| (b) Other current assets                                  | 9        | -                       | 1.46                    |
| <b>Total Current Assets</b>                               |          | <b>2,970.56</b>         | <b>50.53</b>            |
| <b>Total Assets</b>                                       |          | <b>3,017.78</b>         | <b>66.54</b>            |
| <b>EQUITY AND LIABILITIES</b>                             |          |                         |                         |
| <b>Equity</b>   |          |                         |                         |
| (a) Equity share capital                                  | 10       | 200.00                  | 200.00                  |
| (b) Other equity  | 11       | (296.38)                | (467.28)                |
| <b>Total Equity</b>                                       |          | <b>(96.38)</b>          | <b>(267.28)</b>         |
| <b>Liabilities</b>  |          |                         |                         |
| <b>Current liabilities</b>                                |          |                         |                         |
| (a) Financial liabilities                                 |          |                         |                         |
| (i) Borrowings  | 12       | 3,081.95                | 292.13                  |
| (ii) Trade payables                                       | 13       |                         |                         |
| (I) total outstanding dues of micro and small enterprises |          | -                       | -                       |
| (II) total outstanding dues other than (ii) (I) above     |          | 4.71                    | 2.54                    |
| (b) Other current liabilities                             | 14       | 27.50                   | 39.15                   |
| <b>Total current liabilities</b>                          |          | <b>3,114.16</b>         | <b>333.82</b>           |
| <b>Total Equity and Liabilities</b>                       |          | <b>3,017.78</b>         | <b>66.54</b>            |

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Sanjay Dwivedi  
(Group CFO)

Place : Mumbai  
Date : July 22, 2020

Shobha Kapoor  
(Director)  
DIN: 00005124

Neha Shah  
(Company Secretary)



# Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------|-----------------------------------|-----------------------------------|
| <b>Continuing operations</b>  |          |                                   |                                   |
| (I) Revenue from operations   | 15       | 615.41                            | 320.59                            |
| <b>(II) Total income</b>  |          | <b>615.41</b>                     | <b>320.59</b>                     |
| <b>(III) Expenses</b>   |          |                                   |                                   |
| (a) Employee benefit expense  | 16       | 420.18                            | 279.72                            |
| (b) Finance costs   | 17       | 68.40                             | 35.76                             |
| (c) Other expenses  | 18       | 17.12                             | 50.67                             |
| <b>(IV) Total expenses</b>  |          | <b>505.70</b>                     | <b>366.15</b>                     |
| <b>(V) Profit/(Loss) before tax (II-IV)</b>                                 |          | <b>109.71</b>                     | <b>(45.56)</b>                    |
| <b>(VI) Tax expense</b>   |          |                                   |                                   |
| (a) Current tax   |          | -                                 | -                                 |
| (b) Deferred tax  |          | -                                 | -                                 |
| <b>Total tax expense</b>  |          | <b>-</b>                          | <b>-</b>                          |
| <b>(VII) Profit / (Loss) for the year from continuing operations (V-VI)</b> |          | <b>109.71</b>                     | <b>(45.56)</b>                    |
| <b>(VIII) Other comprehensive income</b>                                    |          |                                   |                                   |
| Items that will not be reclassified to statement of profit or loss          |          | -                                 | -                                 |
| <b>Total other comprehensive income for the year (net of tax)</b>           |          | <b>-</b>                          | <b>-</b>                          |
| <b>(IX) Total comprehensive income for the year(VII+VIII)</b>               |          | <b>109.71</b>                     | <b>(45.56)</b>                    |
| <b>(X) Basic and diluted earnings/(loss) per share (In ₹)</b>               | 20       | 5.49                              | (2.28)                            |
| (Face value of ₹ 10 each)   |          |                                   |                                   |

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**

Ali Akbar

**Partner**

Membership No: 117839

**For and on behalf of the Board of Directors**

Jeetendra Kapoor

**(Chairman)**

DIN: 00005345

Shobha Kapoor

**(Director)**

DIN: 00005124

Sanjay Dwivedi

**(Group CFO)**

Neha Shah

**(Company Secretary)**

Place : Mumbai

Date : July 22, 2020

Place : Mumbai

Date : July 22, 2020

# Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                               |                                      |                                      |
| Profit/(Loss) before tax from continuing operations                         | 109.71                               | (45.56)                              |
| <i>Adjustments for:</i>   |                                      |                                      |
| Finance costs   | 68.40                                | 35.76                                |
| Employee stock option expenses  | 61.19 129.59                         | 75.91 111.67                         |
| <b>Operating profit before working capital changes</b>                      | <b>239.30</b>                        | <b>66.11</b>                         |
| Decrease/(Increase) in Loans  | -                                    | 349.80                               |
| Decrease/(Increase) in Trade Receivables                                    | (43.02)                              | 14.93                                |
| Decrease/(Increase) in Other Financial Assets                               | (2,901.48)                           | -                                    |
| Decrease/(Increase) in Other Current Assets                                 | 1.46                                 | 7.56                                 |
| Increase/(Decrease) in Trade payables                                       | 2.17                                 | (6.84)                               |
| Increase/(Decrease) in Other Financial Liabilities                          | -                                    | (110.26)                             |
| Increase/(Decrease) Other current liabilities                               | (11.65) (2,952.52)                   | 31.22 286.41                         |
| <b>Cash flow generated (used in)/from Operating Activities before taxes</b> | <b>(2,713.22)</b>                    | <b>352.52</b>                        |
| Income taxes (Paid)   | (31.21)                              | (16.01)                              |
| <b>Net cash flow generated (used in)/from Operating Activities (A)</b>      | <b>(2,744.43)</b>                    | <b>336.51</b>                        |
| <b>B. Cash Flow from Investing Activities</b>                               |                                      |                                      |
| Bank Balance not considered as cash and cash equivalents                    | -                                    | 0.58                                 |
| <b>Net cash flow from investing activities (B)</b>                          | <b>-</b>                             | <b>0.58</b>                          |
| <b>C. Cash Flow from Financing Activities</b>                               |                                      |                                      |
| Proceeds from current borrowings  | 3,291.69                             | 96.00                                |
| Repayment of current borrowings   | (570.27)                             | (725.50)                             |
| <b>Net cash from/(used in) Financing Activities (C)</b>                     | <b>2,721.42</b>                      | <b>(629.50)</b>                      |
| <b>Net (Decrease) in Cash and cash equivalents (A+B+C)</b>                  | <b>(23.01)</b>                       | <b>(292.41)</b>                      |
| Cash and cash equivalents at the beginning of the year (Refer note 7)       | 48.87                                | 341.28                               |
| <b>Cash and cash equivalents at the end of the year (Refer note 7)</b>      | <b>25.86</b>                         | <b>48.87</b>                         |

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

Ali Akbar  
Partner  
Membership No: 117839

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Shobha Kapoor  
(Director)  
DIN: 00005124

Sanjay Dwivedi  
(Group CFO)

Neha Shah  
(Company Secretary)

Place : Mumbai  
Date : July 22, 2020

Place : Mumbai  
Date : July 22, 2020



# Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity share capital

| Particulars                                     | (₹ in Lacs) |
|---|-------------|
| Balance as at April 1, 2018                     | 200.00      |
| Changes in equity share capital during the year | -           |
| Balance as at March 31, 2019                    | 200.00      |
| Balance as at April 1, 2019                     | 200.00      |
| Changes in equity share capital during the year | -           |
| Balance as at March 31, 2020                    | 200.00      |

## B. Other Equity

| Particulars                                    | Reserves and surplus  |   | (₹ in Lacs) |
|--|---|---|-------------|
|  | Retained earnings<br>(Deficit in statement<br>of profit and loss) | Share options<br>outstanding<br>account | Total       |
| Balance as at April 1, 2018                    | (497.63)  | -                                       | (497.63)    |
| Loss for the year                              | (45.56)   | -                                       | (45.56)     |
| Other comprehensive income for the year        | -   | -                                       | -           |
| Total comprehensive income for the year        | (45.56)   | -                                       | (45.56)     |
| Employee stock option expenses (Refer note 29) | -   | 75.91                                   | 75.91       |
| Balance as at March 31, 2019                   | (543.19)  | 75.91                                   | (467.28)    |
| Balance as at April 1, 2019                    | (543.19)  | 75.91                                   | (467.28)    |
| Profit for the year                            | 109.71  | -                                       | 109.71      |
| Other comprehensive income for the year        | -   | -                                       | -           |
| Total comprehensive income for the year        | 109.71  | -                                       | 109.71      |
| Employee stock option expenses (Refer note 29) | -   | 61.19                                   | 61.19       |
| Balance as at March 31, 2020                   | (433.48)  | 137.10                                  | (296.38)    |

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

Ali Akbar

Partner

Membership No: 117839

For and on behalf of the Board of Directors

Jeetendra Kapoor

(Chairman)

DIN: 00005345

Shobha Kapoor

(Director)

DIN: 00005124

Sanjay Dwivedi

(Group CFO)

Neha Shah

(Company Secretary)

Place : Mumbai

Date : July 22, 2020

Place : Mumbai

Date : July 22, 2020

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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 criteria's 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 its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

#### Historical cost convention

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.
- III) Share-based payments

#### New and amended standards adopted by the Company:

Ind AS 116 – Lease : The Company has applied Ind AS 116, for the first time beginning April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The adoption of the standard does not have any impact on the Company's financial statements and hence no adjustment to the opening balance of retained earnings as at April 01, 2019 is required.

### (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 who assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 23.

### (c) Foreign Currency Translation

#### (i) Functional and presentation currency

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) 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 recognised in Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated



# Notes forming part of Financial Statements

for the year ended March 31, 2020

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

The Company derives revenue from distribution of films. The Company identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Revenue generated from film distribution is recognized at a point in time as the films are screened.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

## (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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (f) Leases

**Till March 31, 2019:**

### 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.

**With effective from April 1, 2019:**

### As a lessee

From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the group under residual value guarantee

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense

in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## (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.

## (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



# Notes forming part of Financial Statements

for the year ended March 31, 2020

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 that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets 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 financial assets 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.

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

# Notes forming part of Financial Statements

for the year ended March 31, 2020

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.

### (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) 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, 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.

### (l) 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.

### (m) 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 Financial Statements

for the year ended March 31, 2020

## (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.

### 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.

## (n) **Share Based Payment**

Under the Balaji Telefilms ESOP, 2017 ("the ESOP Scheme"), Balaji Telefilms Limited (the Parent company) has granted employee stock options to the Company's employees, where new shares of the parent company will be issued directly to the Company's eligible employees. The fair value of the stock option is calculated using Binomial model. The cost calculated using this method is recognised as an employee benefit expenses over the vesting period of the options; and a corresponding credit is recognised in equity.

## (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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (p) 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 Judgments

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:

### 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.

### 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. In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 4 Non-current tax asset

| Particulars                   | (₹ in Lacs)             |                         |
|-------------------------------|-------------------------|-------------------------|
|                               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Advance payment of income-tax | 47.22                   | 16.01                   |
| <b>Total</b>                  | <b>47.22</b>            | <b>16.01</b>            |

## Note 5 Trade receivables

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Trade receivables from contract with customers                                   | -                       | -                       |
| Trade receivables from contract with customers - Related Parties (refer Note 19) | 43.02                   | -                       |
| Less : Loss allowance  | -                       | -                       |
| <b>Total</b>   | <b>43.02</b>            | <b>-</b>                |
| Current portion  | 43.02                   | -                       |
| Non- current portion   | -                       | -                       |

## Break-up of security details

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Trade receivables considered good - Secured                      | -                       | -                       |
| Trade receivables considered good - Unsecured                    | 43.02                   | -                       |
| Trade receivables which have significant increase in credit risk | -                       | -                       |
| Trade receivables - credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>43.02</b>            | <b>-</b>                |
| Loss allowance   | -                       | -                       |
| <b>Total trade receivable</b>                                    | <b>43.02</b>            | <b>-</b>                |

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 6 Loans

| Particulars           | (₹ in Lacs)             |                         |
|-----------------------|-------------------------|-------------------------|
|                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Current loans</b>  |                         |                         |
| Security Deposit      | 0.20                    | 0.20                    |
| Less : Loss allowance | -                       | -                       |
| <b>Total</b>          | <b>0.20</b>             | <b>0.20</b>             |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 6 Loans (Contd..)

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Break-up of security details</b>                  |                         |                         |
| Loans considered good - Secured                      | -                       | -                       |
| Loans considered good - Unsecured                    | 0.20                    | 0.20                    |
| Loans which have significant increase in credit risk | -                       | -                       |
| Loans – credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>0.20</b>             | <b>0.20</b>             |
| Loss allowance                                       | -                       | -                       |
| <b>Total</b>   | <b>0.20</b>             | <b>0.20</b>             |

## Note 7 Cash and cash equivalents

| Particulars             | (₹ in Lacs)             |                         |
|-------------------------|-------------------------|-------------------------|
|                         | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| (a) Cash on hand        | 0.01                    | -                       |
| (b) Balances with banks |                         |                         |
| In current accounts     | 25.85                   | 48.87                   |
| <b>Total</b>            | <b>25.86</b>            | <b>48.87</b>            |

(Note: There are no repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period and prior periods.)

## Note 8 Other financial assets

| Particulars       | (₹ in Lacs)             |                         |
|-------------------|-------------------------|-------------------------|
|                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Other advances    | 2,900.16                | -                       |
| Other receivables | 1.32                    | -                       |
| <b>Total</b>      | <b>2,901.48</b>         | <b>-</b>                |

## Note 9 Other current assets

| Particulars      | (₹ in Lacs)             |                         |
|------------------|-------------------------|-------------------------|
|                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Prepaid expenses | -                       | 1.46                    |
| <b>Total</b>     | <b>-</b>                | <b>1.46</b>             |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 10 Equity share capital

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Authorised</b>  |                         |                         |
| 350,00,000 (Previous year 350,00,000) Equity shares of ₹ 10/- each | 3,500.00                | 3,500.00                |
| <b>Total</b>   | <b>3,500.00</b>         | <b>3,500.00</b>         |
| <b>Issued, Subscribed and fully paid-up</b>                        |                         |                         |
| 20,00,000 (Previous year 20,00,000) Equity shares of ₹ 10/- each   | 200.00                  | 200.00                  |
| <b>Total</b>   | <b>200.00</b>           | <b>200.00</b>           |

### Notes :

#### (i) Shares held by holding company / ultimate holding company :

|  | As at<br>March 31, 2020<br>No. of shares | As at<br>March 31, 2019<br>No. of shares |
|--|--|--|
| Balaji Telefilms Limited<br>(immediate and ultimate holding company) | 20,00,000                                | 20,00,000                                |

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

| Name of shareholder      | As at March 31, 2020  |              | As at March 31, 2019  |              |
|--------------------------|-----------------------|--------------|-----------------------|--------------|
|                          | No. of<br>shares held | % of Holding | No. of<br>shares held | % of Holding |
| Balaji Telefilms Limited | 20,00,000             | 100%         | 20,00,000             | 100%         |

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

| Name of shareholder                                    | As at March 31, 2020 |           | As at March 31, 2019 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No. of shares        | ₹ in Lacs | No. of shares        | ₹ in Lacs |
| Equity shares outstanding at the beginning of the year | 20,00,000            | 200.00    | 20,00,000            | 200.00    |
| Equity shares outstanding at the end of the year       | 20,00,000            | 200.00    | 20,00,000            | 200.00    |

(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, 2020.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 11 Other Equity - Reserves & Surplus

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| (i) Retained earnings/(Deficit in statement of profit and loss) | (433.48)                | (543.19)                |
| (ii) Share options outstanding account                          | 137.10                  | 75.91                   |
| <b>Total</b>  | <b>(296.38)</b>         | <b>(467.28)</b>         |

### (i) Retained earnings/(Deficit in statement of profit and loss)

| Particulars                                    | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Balance at beginning of year                   | (543.19)                | (497.63)                |
| Profit/(Loss) for the year                     | 109.71                  | (45.56)                 |
| Other comprehensive income for the year        | -                       | -                       |
| <b>Total comprehensive income for the year</b> | <b>109.71</b>           | <b>(45.56)</b>          |
| <b>Balance at the end of the year</b>          | <b>(433.48)</b>         | <b>(543.19)</b>         |

### (ii) Share options outstanding account

| Particulars                                     | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Balance at beginning of year                    | 75.91                   | -                       |
| Add : Additions during the year (Refer note 29) | 61.19                   | 75.91                   |
| <b>Balance at the end of the year</b>           | <b>137.10</b>           | <b>75.91</b>            |

#### Nature and purpose of reserves :

Share options outstanding account : The share options outstanding account is used to recognise the grant date fair value of option issued to employees under Balaji Telefilms ESOP 2017 Scheme.

## Note 12 Current borrowings

| Particulars                            | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Loans from holding company (Unsecured) | 3,081.95                | 292.13                  |
| <b>Total</b>                           | <b>3,081.95</b>         | <b>292.13</b>           |

**Note:** Loan is taken from Holding Company, basis the simple interest on reducing balance and is repayable on demand.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the year ended March 31, 2020

(₹ in Lacs)

| Particulars               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | 25.86                   | 48.87                   |
| Current borrowings        | (3,081.95)              | (292.13)                |
| <b>Net debt</b>           | <b>(3,056.09)</b>       | <b>(243.26)</b>         |

(₹ in Lacs)

| Particulars                          | Other Assets                 | Liabilities from<br>financing activities | Total             |
|--------------------------------------|------------------------------|--|-------------------|
|                                      | Cash and cash<br>equivalents | Borrowings                               |                   |
| <b>Net debt as at March 31, 2018</b> | <b>341.28</b>                | <b>(885.87)</b>                          | <b>(544.59)</b>   |
| Cash flows                           | (292.41)                     | 629.50                                   | 337.09            |
| Interest expense                     | -                            | (35.76)                                  | (35.76)           |
| <b>Net debt as at March 31, 2019</b> | <b>48.87</b>                 | <b>(292.13)</b>                          | <b>(243.26)</b>   |
| Cash flows (net)                     | (23.01)                      | (2,721.42)                               | (2,744.43)        |
| Interest expense                     | -                            | (68.40)                                  | (68.40)           |
| <b>Net debt as at March 31, 2020</b> | <b>25.86</b>                 | <b>(3,081.95)</b>                        | <b>(3,056.09)</b> |

## Note 13 Trade payables

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Trade payables : due to micro and small enterprises | -                       | -                       |
| Trade payables : others                             | 4.71                    | 2.54                    |
| Trade payables : Related Parties                    | -                       | -                       |
| <b>Total</b>  | <b>4.71</b>             | <b>2.54</b>             |

### 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 14 Other current liabilities

| Particulars               | (₹ in Lacs)             |                         |
|---------------------------|-------------------------|-------------------------|
|                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Employee benefits payable | 11.48                   | 11.72                   |
| Statutory liabilities     | 16.02                   | 27.43                   |
| <b>Total</b>              | <b>27.50</b>            | <b>39.15</b>            |

## Note 15 Revenue from operations

| Particulars                                  | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| <b>Revenue from contracts with customers</b> |                                      |                                      |
| - Sale of Services                           |                                      |                                      |
| Film distribution service                    | 615.41                               | 320.59                               |
| <b>Total</b>                                 | <b>615.41</b>                        | <b>320.59</b>                        |

### Unsatisfied long term contracts :

As on March 31, 2020, the company does not have any unsatisfied performance obligations resulting from the fixed price long term contracts.

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives etc. which are adjusted to revenue.

## Note 16 Employee benefit expense

| Particulars                                     | (₹ in Lacs)                          |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Salaries and wages                              | 352.54                               | 199.04                               |
| Contributions to provident fund (Refer note 25) | 6.45                                 | 4.77                                 |
| Employee stock options expenses (Refer note 29) | 61.19                                | 75.91                                |
| <b>Total</b>                                    | <b>420.18</b>                        | <b>279.72</b>                        |

## Note 17 Finance costs

| Particulars                            | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Interest on borrowings (Refer Note 19) | 68.40                                | 35.76                                |
| <b>Total</b>                           | <b>68.40</b>                         | <b>35.76</b>                         |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 18 Other expenses

(₹ in Lacs)

| Particulars                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Rent including lease rentals                     | 6.00                                 | 6.00                                 |
| Legal and professional charges (Refer note 18.1) | 14.93                                | 18.50                                |
| Directors sitting fees                           | 6.00                                 | 8.00                                 |
| Rates and taxes (Refer note 18.2)                | (17.93)                              | 13.27                                |
| Miscellaneous expenses                           | 8.12                                 | 4.90                                 |
| <b>Total</b>                                     | <b>17.12</b>                         | <b>50.67</b>                         |

## Note 18.1 Details of auditors remuneration (included in Legal and Professional charges)

(₹ in Lacs)

| Particulars                              | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>As Auditors :</b>                     |                                      |                                      |
| Audit fee                                | 2.50                                 | 2.50                                 |
| <b>In other capacities :</b>             |                                      |                                      |
| Other services (including certification) | 1.00                                 | 2.50                                 |
| Reimbursement of expenses                | 0.05                                 | 0.14                                 |
| <b>Total</b>                             | <b>3.55</b>                          | <b>5.14</b>                          |

## Note 18.2 Rates and taxes

(₹ in Lacs)

| Particulars                              | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Rates and taxes                          | 6.41                                 | 13.27                                |
| Write back of Excess GST Credit in books | (24.34)                              | -                                    |
| <b>Total</b>                             | <b>(17.93)</b>                       | <b>13.27</b>                         |

## 19 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                           |
| 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 (upto March 27, 2019) |
| Mr. D G Rajan                                   | Key management person                       |
| Mr. Ashutosh Khanna                             | Key management person                       |
| Mr. Devender Kumar Vasal                        | Key management person (upto May 19, 2018)   |
| Mr. V B Dalal                                   | Key management person (upto May 19, 2018)   |
| Mr. Pradeep Sarda                               | Key management person (upto May 19, 2018)   |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

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

(₹ in Lacs)

| Nature of Transactions   | Holding Company | Key Management Person | Fellow Subsidiary |
|--|-----------------|-----------------------|-------------------|
| <b>Loan Received</b>   |                 |                       |                   |
| Balaji Telefilms Limited                                       | 3,291.69        | -                     | -                 |
|  | (96.00)         | (-)                   | (-)               |
| <b>Loan Repaid</b>   |                 |                       |                   |
| Balaji Telefilms Limited                                       | 570.27          | -                     | -                 |
|  | (725.50)        | (-)                   | (-)               |
| <b>Interest Expense</b>  |                 |                       |                   |
| Balaji Telefilms Limited                                       | 68.40           | -                     | -                 |
|  | (35.76)         | (-)                   | (-)               |
| <b>Contributed equity on account of Employee stock options</b> |                 |                       |                   |
| Balaji Telefilms Limited                                       | 61.19           | -                     | -                 |
|  | (75.91)         | (-)                   | (-)               |
| <b>Distribution Commission Income</b>                          |                 |                       |                   |
| Balaji Telefilms Limited                                       | 615.24          | -                     | -                 |
|  | (320.10)        | (-)                   | (-)               |
| <b>Rent Paid</b>   |                 |                       |                   |
| Balaji Telefilms Limited                                       | 6.00            | -                     | -                 |
|  | (6.00)          | (-)                   | (-)               |
| <b>Directors sitting fees</b>                                  |                 |                       |                   |
| Mr. D G Rajan  | -               | 2.00                  | -                 |
|  | (-)             | (2.00)                | (-)               |
| Mr. Ashutosh Khanna  | -               | 2.00                  | -                 |
|  | (-)             | (1.50)                | (-)               |
| Mr. Devender Kumar Vasal                                       | -               | -                     | -                 |
|  | (-)             | (0.50)                | (-)               |
| Mr. V B Dalal  | -               | -                     | -                 |
|  | (-)             | (0.50)                | (-)               |
| Mr. Jeetendra Kapoor   | -               | 2.00                  | -                 |
|  | (-)             | (2.00)                | (-)               |
| Mr. Tusshar Kapoor   | -               | -                     | -                 |
|  | (-)             | (1.50)                | (-)               |

## (c) Closing balances as at year end

(₹ in Lacs)

| Nature of Transactions.   | Holding Company | Key Management Person | Fellow Subsidiary |
|---------------------------|-----------------|-----------------------|-------------------|
| <b>Current borrowings</b> |                 |                       |                   |
| Balaji Telefilms Limited  | 3,081.95        | -                     | -                 |
|                           | (292.13)        | (-)                   | (-)               |
| <b>Trade receivable</b>   |                 |                       |                   |
| Balaji Telefilms Limited  | 43.02           | -                     | -                 |
|                           | (-)             | (-)                   | (-)               |

### Note:

i). Figures in bracket relate to the previous financial year



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 20 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<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>Basic and diluted earnings per share for continuing operation</b>               |                                      |                                      |
| Profit/(Loss) for the year attributable to equity shareholders (A)<br>(₹ in Lacs)  | 109.71                               | (45.56)                              |
| Weighted average number of equity shares outstanding during the year<br>(Nos.) (B) | 2,000,000                            | 2,000,000                            |
| Earnings per share - Basic and diluted (₹) (A/B)                                   | 5.49                                 | (2.28)                               |
| Nominal value of shares (₹)  | 10                                   | 10                                   |

**21** 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 ₹ 58 lacs (previous year ₹ 87 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.

## 22 Lease Transactions

Amount of lease rentals charged to the statement profit and loss is ₹ 6 lacs (previous year ₹ 6 lacs). The company does not have any non-cancellable leases as on March 31, 2020. As evaluated by the Company there is no underlying identified asset in view of substantive substitution right with the lessor.

## 23 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 ₹ 615.24 lacs is derived from single external customer of the company in the year ended March 31, 2020.

Revenue of ₹ 320.10 lacs is derived from single external customer of the company in the year ended March 31, 2019.

**24** As at March 31, 2020 the Company has accumulated losses of ₹ 433.48 lacs. The company has necessary financial support from its parent company Balaji Telefilms Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2020 as the Company neither has the intention nor the necessity of liquidation or curtailing materially the scale of the operations. In the opinion of the Board of Directors, the Company will meet all its financial obligations as they fall due for payment for at least 12 months from the date of signatures of these financial statements.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 25 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 ₹ 6.45 lacs (previous year ₹ 4.77 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, 2020   | March 31, 2019                                 |
| Discount rate(s)                    | 6.84%  | 7.64%  |
| Expected rate(s) of salary increase | 0% for next 1 Year,<br>5% p.a thereafter,<br>starting from 2<br>Year | 5.00%  |
| Rate of Employee Turnover           | 2.00%  | 10.00%   |
| Mortality Rate during employment    | Indian Assured<br>Lives Mortality<br>(2006-08)                       | Indian Assured<br>Lives Mortality<br>(2006-08) |

### Defined benefit plans – as per actuarial valuation on March 31, 2020

(₹ in Lacs)

| Particulars   | Funded Plan    |                |
|---|----------------|----------------|
|   | Gratuity       |                |
|   | March 31, 2020 | March 31, 2019 |
| <b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b> |                |                |
| Actuarial (Gains)/Losses on Obligation for the year   | 0.53           | 0.68           |
| Return on Plan Assets, Excluding Interest Income  | 0.09           | (0.01)         |
| <b>Total</b>  | <b>0.63</b>    | <b>0.67</b>    |
| <b>Net amount recognised in Other Comprehensive Income (OCI)</b>  | -              | -              |
| <b>Expenses recognised in the Statement of Profit or Loss for current year</b>                              |                |                |
| Current Service Cost  | 1.74           | 0.99           |
| Net interest cost   | (0.73)         | (0.81)         |
| <b>Total</b>  | <b>1.01</b>    | <b>0.18</b>    |
| <b>Expenses Recognized</b>  | -              | -              |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Defined benefit plans – as per actuarial valuation on March 31, 2020 (Contd..)

(₹ in Lacs)

| Particulars   | Funded Plan    |                |
|---|----------------|----------------|
|   | Gratuity       |                |
|   | March 31, 2020 | March 31, 2019 |
| <b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>                     |                |                |
| Present value of defined benefit obligation at the end of the year                  | (10.71)        | (7.83)         |
| Fair value of plan assets at the end of the year                                    | 18.65          | 17.41          |
| Surplus/(Deficit)   | 7.94           | 9.58           |
| <b>Net Asset recognized in the Balance sheet</b>                                    | -              | -              |
| <b>II. Change in the obligation during the year ended</b>                           |                |                |
| Present value of defined benefit obligation at the beginning of the year            | 7.83           | 5.71           |
| <i>Expenses Recognised in Profit and Loss Account</i>                               |                |                |
| - Current Service Cost  | 1.74           | 0.99           |
| - Interest Cost   | 0.60           | 0.45           |
| Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions | (1.60)         | -              |
| Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions   | 0.66           | 0.08           |
| Actuarial (Gains)/ Losses on Obligations- Due to experience                         | 1.48           | 0.60           |
| <b>Present value of defined benefit obligation at the end of the year</b>           | <b>10.71</b>   | <b>7.83</b>    |
| <b>III. Change in fair value of assets during the year ended 31st March</b>         |                |                |
| Fair value of plan assets at the beginning of the year                              | 17.41          | 16.14          |
| Interest Income   | 1.33           | 1.26           |
| Return on Plan Assets, excluding Interest Income                                    | (0.09)         | 0.01           |
| <b>Fair value of plan assets at the end of the year</b>                             | <b>18.64</b>   | <b>17.41</b>   |

**Note:-** Since the plan assets are contributed to insurer managed fund, the company does not have a right to get refund on any excess contribution made. Accordingly no asset is recognised.

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

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Projected Benefit Obligation on Current Assumptions     | 10.71                                | 7.83                                 |
| Delta Effect of +1% Change in Rate of Discounting       | (1.38)                               | (0.49)                               |
| Delta Effect of -1% Change in Rate of Discounting       | 1.66                                 | 0.56                                 |
| Delta Effect of +1% Change in Rate of Salary Increase   | 1.53                                 | 0.55                                 |
| Delta Effect of -1% Change in Rate of Salary Increase   | (1.33)                               | (0.51)                               |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.22                                 | 0.06                                 |
| Delta Effect of -1% Change in Rate of Employee Turnover | (0.26)                               | (0.08)                               |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

The company does not expect any contribution to the gratuity fund 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, 2020 | For the year ended March 31, 2019 |
| 1st Following year  | 0.26                              | 0.77                              |
| 2nd Following year  | 0.26                              | 0.82                              |
| 3rd Following year  | 0.28                              | 0.78                              |
| 4th Following year  | 0.35                              | 0.75                              |
| 5th Following year  | 0.36                              | 0.82                              |
| Sum of Years 6 to 10  | 2.03                              | 3.46                              |
| Sum of Years 11 and above   | 28.87                             | 7.65                              |

## Plan Assets

The fair value of Company's gratuity plan asset as of March 31, 2020 and 2019 by category are as follows:

|                        | (₹ in Lacs)          |                      |
|------------------------|----------------------|----------------------|
| Particulars            | As at March 31, 2020 | As at March 31, 2019 |
| <b>Asset category:</b> |                      |                      |
| Insurer managed funds  | 18.64                | 17.41                |
|                        | 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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 26 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.

Financial instrument by category:-

(₹ in Lacs)

| Financial Assets                   | March 31, 2020 |       |                 | March 31, 2019 |       |                |
|------------------------------------|----------------|-------|-----------------|----------------|-------|----------------|
|                                    | FVPL           | FVOCI | Amortised cost  | FVPL           | FVOCI | Amortised cost |
| <b>Current financial assets</b>    |                |       |                 |                |       |                |
| Trade receivables                  | -              | -     | 43.02           | -              | -     | -              |
| Cash and cash equivalents          | -              | -     | 25.86           | -              | -     | 48.87          |
| Loans                              | -              | -     | 0.20            | -              | -     | 0.20           |
| Other financial assets             | -              | -     | 2,901.48        | -              | -     | -              |
| <b>Total Financial Assets</b>      | -              | -     | <b>2,970.56</b> | -              | -     | <b>49.07</b>   |
| <b>Financial Liabilities</b>       |                |       |                 |                |       |                |
| Borrowings                         | -              | -     | 3,081.95        | -              | -     | 292.13         |
| Trade payables                     | -              | -     | 4.71            | -              | -     | 2.54           |
| <b>Total Financial Liabilities</b> | -              | -     | <b>3,086.66</b> | -              | -     | <b>294.67</b>  |

## 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 under the accounting standard.

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

## 27 Capital management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 28 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 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, 2020 and March 31, 2019 is the carrying value of each class of financial assets as disclosed in note 26

#### 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 Financial Statements

for the year ended March 31, 2020

## (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           |
|---|------------------|-------------------|------------------|-----------------|
| <b>March 31, 2020</b>                           |                  |                   |                  |                 |
| Borrowings                                      | 3,081.95         | -                 | -                | 3,081.95        |
| Trade payables                                  | 4.71             | -                 | -                | 4.71            |
| <b>Total financial liabilities</b>              | <b>3,086.66</b>  | <b>-</b>          | <b>-</b>         | <b>3,086.66</b> |

(₹ in Lacs)

| Contractual maturities of financial liabilities | 6 months or less | 6 months -1 years | More than 1 year | Total         |
|---|------------------|-------------------|------------------|---------------|
| <b>March 31, 2019</b>                           |                  |                   |                  |               |
| Borrowings                                      | 292.13           | -                 | -                | 292.13        |
| Trade payables                                  | 2.54             | -                 | -                | 2.54          |
| <b>Total financial liabilities</b>              | <b>294.67</b>    | <b>-</b>          | <b>-</b>         | <b>294.67</b> |

## (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, 2020 (Previous year Nil).

### (b) Interest rate risk

The Company does not have any variable interest rate borrowing and is thus not exposed to interest rate risk as at March 31, 2020 (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, 2020 (Previous year Nil).

## 29 Share Based Payments

Certain employees of the Company are allotted employee stock options of the Holding Company. These plans are subject to eligibility criteria based on employee's period of service (Service Conditions) with the Group. The holding Company does not charge any cost for this benefit. An expenses for grant date fair value of the award is recognised over the vesting period of the options; and a corresponding credit is recognised in equity. The credit to equity is treated as a capital contribution. The fair value of the option has been arrived at using Binomial Model.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (i) Summary of Stock options granted under the plan :

| Particulars                      | Number of Options |
|----------------------------------|-------------------|
| Opening Balance - April 01, 2018 | -                 |
| Granted during the year          | 230,510           |
| Exercised during the year        | -                 |
| Forfeited during the year        | -                 |
| Closing Balance - March 31, 2019 | 230,510           |
| Opening Balance - April 01, 2019 | 230,510           |
| Granted during the year          | -                 |
| Exercised during the year        | -                 |
| Forfeited during the year        | -                 |
| Closing Balance - March 31, 2020 | 230,510           |

## (ii) Expense arising from share based payment transaction

| Particulars                    | (₹ in Lacs)                          |                                      |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Employee Stock Option Expenses | 61.19                                | 75.91                                |

**30** The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently, the business activities of the Company are also affected. The Company has resumed its operations as per the directives and permissions of the State Government and other statutory and trade bodies. The resumption of business has been undertaken with the required precautions stipulated by the authorities.

The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its investments, other assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

## Signatures to notes 1 to 30

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Jeetendra Kapoor  
(Chairman)  
DIN: 00005345

Sanjay Dwivedi  
(Group CFO)  
Place : Mumbai  
Date : July 22, 2020

Shobha Kapoor  
(Director)  
DIN: 00005124

Neha Shah  
(Company Secretary)



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

# Board's Report

The Directors present the 5<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2020.

## COMPANY PERFORMANCE

### FINANCIAL HIGHLIGHTS

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

|   |                    | (₹ in Lacs)        |
|---|--------------------|--------------------|
| Particulars   | 2019-20            | 2018-19            |
| Income from operations                                  | 7,774.91           | 4,187.11           |
| Less: Total expenditure                                 | 18,626.37          | 15,907.15          |
| <b>Operating profit</b>                                 | <b>(10,851.46)</b> | <b>(11,720.04)</b> |
| Less: Interest  | 58.58              | 25.03              |
| Less: Depreciation                                      | 564.15             | 482.94             |
| <b>Operating Profit after interest and depreciation</b> | <b>(11,474.19)</b> | <b>(12,228.01)</b> |
| Add: Other income                                       | 335.23             | 735.83             |
| Less: Exceptional Items                                 | -                  | -                  |
| <b>Profit before tax</b>                                | <b>(11,138.96)</b> | <b>(11,492.18)</b> |
| Less: Provision for taxation                            | -                  | -                  |
| <b>Net profit / (loss) after tax</b>                    | <b>(11,138.96)</b> | <b>(11,492.18)</b> |
| <b>Other Comprehensive Income</b>                       | <b>14.69</b>       | <b>33.41</b>       |
| Balance brought forward from previous year              | (22,837.87)        | (11,653.49)        |
| <b>Adj for Ind AS 116/ 115</b>                          | <b>(54.35)</b>     | <b>289.39</b>      |
| <b>Appropriations:</b>                                  |                    |                    |
| Disposable profits                                      | -                  | -                  |
| Less: Interim dividend                                  | -                  | -                  |
| Less: Payment of dividend                               | -                  | -                  |
| Less: Corporate dividend tax                            | -                  | -                  |
| Less: Transfer to General Reserve                       | -                  | -                  |
| Less: Share issue costs                                 | (7.50)             | (15.00)            |
| <b>Balance carried to balance sheet</b>                 | <b>(34,023.99)</b> | <b>(22,837.87)</b> |

### RESULTS OF OPERATIONS

During the year under review, the Company has reported loss of ₹ 11,124.27 lacs as against loss of ₹ 11,458.77 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 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 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, 2020 is ₹ 60,005,00,000 (Rupees Six Hundred Crores and Five Lacs Only).
- The Company has neither issued shares with differential voting rights nor granted stock options

or sweat equity. As on March 31, 2020, the Company is a wholly owned material 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 or 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 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 CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OCCURRED BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

### IMPACT OF COVID-19

The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently the business activities of the Company are also affected.

The digital business continues to operate throughout the lockdown period however, launch of new shows is affected due to shutdown in production activities during the lockdown phase. Management expects the production of digital content to be resumed in due course.

The Company has assessed the potential impact of COVID-19 on its business, liquidity and financial position and has initiated effective steps to reduce the impact. Given the continuing uncertainties due to the COVID-19

pandemic, the actual impact may be different from that estimated as on the date of approval of these financial statements and will require continuous monitoring of the Company's operations.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

### Re-appointment of Ms. Ekta Kapoor as Managing Director

During the year under review, Ms. Ekta Kapoor was re-appointed as a Managing Director of the Company w.e.f. February 13, 2020.

### Re-appointment of Independent Directors

The first term of office of Mr. Duraiswamy Gunaseela Rajan and Mr. Devender Kumar Vasal as Independent Directors will cease on August 30, 2021. The Board on the recommendation of Nomination and Remuneration Committee has recommended their reappointment as Independent Directors of the Company for a second term of 5 (five) consecutive years w.e.f. August 31, 2021. 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 Director and other related information has been detailed in the Notice convening the 5<sup>th</sup> AGM of the Company.

### Retirement by rotation and subsequent re-appointment

Mrs. Shobha Kapoor, 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. The Board recommends her re-appointment as Managing Director of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 2<sup>nd</sup> Annual General Meeting (AGM) held on August 31, 2017 had approved the appointment of M/s. Price Water Chartered Accountants LLP for a term of 5 (five) consecutive years, to hold office till the conclusion of the AGM to be held for the financial year 2021-22 of the Company. M/s. Price Waterhouse Chartered Accountants LLP have confirmed that they are not disqualified from continuing as Auditors of the Company.

Statutory Auditor have included Emphasis of Matter drawing Members attention to Note No 41 of Financial Statement, in connection with uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation.

### 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 Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. AVS & Associates., Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2020-21.

### 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.
- Secretarial Audit Report issued by M/s. AVS & Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2019-20 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, 4 (four) meetings of the Board of Directors were held on May 22, 2019, August 09, 2019, November 13, 2019 and February 12, 2020. 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. Duraiswamy Gunaseela Rajan | Independent Director | Chairman             |
| Mr. Devender Kumar Vasal       | Independent Director | Member               |
| Mr. Virendra Babubhai Dalal    | 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. Virendra Babubhai Dalal    | Independent Director     | Chairman             |
| Mr. Duraiswamy Gunaseela Rajan | Independent Director     | Member               |
| Mr. Devender Kumar Vasal       | Independent Director     | Member               |
| Mrs. Shobha Kapoor             | Non – Executive 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

In accordance with the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee of the Company was formed during the year under review, comprising of following members:

| Name of the Members            | Designation              | Nature of Membership |
|--------------------------------|--------------------------|----------------------|
| Mrs. Shobha Kapoor             | Non – Executive Director | Chairperson          |
| Ms. Ekta Kapoor                | Managing Director        | Member               |
| Mr. Duraiswamy Gunaseela Rajan | Independent Director     | Member               |

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries which can be accessed at <http://www.balajitelefilms.com/corporate-social-responsibility.php>

#### 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 business objectives and enhance the Company's competitive advantage. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

#### vi) 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.

### OTHER DISCLOSURES

#### i) EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return in Form MGT – 9, as required under Section 92 of the Companies Act and Rule 12 of the Companies (Management and Administration) Rules, 2014,

is appended as Annexure II, which forms part of this Report and is also available on website of the Company at <https://www.altbalaji.com/investorRelations>

#### ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Board or Audit Committee, under Section 134(3)(ca) and 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 the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### 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 behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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 <http://www.balajitelefilms.com/whistle-blower-policy.php>

#### vi) RELATED PARTY TRANSACTIONS

All transactions / contracts / arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 188 and 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and at arm's length basis except usage of premises



let out to the Company by Balaji Telefilms Limited (Holding Company) without any rent payment on ongoing basis and is appended as Form AOC-2 in Annexure III, which forms part of this Report. 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.

#### vii) FIXED DEPOSITS

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

#### 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 Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee and Apex Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the financial year 2019-20, no sexual harassment complaint 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

#### 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 Light Emitting Diode (LED) 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 are ₹ 55.52 Lacs (Previous Year: ₹ 70.15) and the foreign exchange outgo is ₹ 566.91 Lacs (Previous Year ₹ 421.66 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 etc.

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

EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 provides 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 Nomination and Remuneration Committee carries out review of the performance of the Board of Directors, based on feedback received from the Directors. The evaluation of the Board as a whole, its Committees and Individual Directors including Independent Directors & Non- Independent Directors is conducted based on the criteria and framework adopted by the Board. The Board takes note of 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, 2020, 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, 2020 and of the 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, 2020 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

Place: Mumbai  
Date: July 22, 2020

Sd/-  
Shobha Kapoor  
Chairperson  
DIN: 00005124



# Annexure I

FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31<sup>st</sup> March, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Board of Directors

**ALT Digital Media Entertainment Limited**

Add: C-13, Balaji House, Dalia Industrial Estate,

Opp. Laxmi Indl Estate, New Link Road,

Andheri - (West), Mumbai - 400053

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 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 31<sup>st</sup> March, 2020 (**‘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 31<sup>st</sup> March, 2020 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; (**Not Applicable to the Company during the audit period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (**Not applicable to the Company pursuant to notification dated 22<sup>nd</sup> January, 2019 issued by Ministry of Corporate Affairs**);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment (**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, 2018 (**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 to the extent applicable;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(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) We further report that as Identified and Confirmed by the Company, considering the current business activities i.e. OTT Platforms which is self regulated, No law is specifically applicable to it during the audit period.

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) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not Applicable to the Company during the audit period)**

During the period under review the Company has 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 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 and agenda items 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.

**We further report that** during the audit period, the Company had made allotment of 15,00,00,000 (Fifteen Crores) equity shares at face value of ₹ 10/- each aggregating to ₹ 150,00,00,000/- (Rupees One Hundred and Fifty Crores Only) on right basis.

**For AVS & Associates**  
Company Secretaries

SD/-

**Vijay Yadav**  
Partner

Membership No: A39251

CP No: 16806

UDIN: A039251B000486951

**Place:** Kalyan, Thane

**Date:** 22/07/2020

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 Board of Directors

**ALT Digital Media Entertainment Limited**

Add: C-13, Balaji House, Dalia Industrial Estate,

Opp. Laxmi Indl Estate, New Link Road,

Andheri - (West), Mumbai – 400053

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

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
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 check 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. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
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 check basis for the purpose of issue of the Secretarial Audit Report.
6. Due to lockdown in the state because of COVID-19, we were not able to personally visit the office of the company for verification of some of documents physically and hence obtained most of the documents, details, information in electronic mode and taken necessary explanations, clarifications and representations either telephonically or electronically whenever required.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For AVS & Associates**  
Company Secretaries

SD/-

**Vijay Yadav**

Partner

Membership No: A39251

CP No: 16806

UDIN: A039251B000486951

**Place:** Kalyan, Thane

**Date:** 22/07/2020

## Annexure II

### FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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-400053, Maharashtra.<br>Tel: + 91-022-40698000<br>Fax: + 91-022-40698181<br>Email: <a href="mailto:karuna.naik@altdigital.in">karuna.naik@altdigital.in</a><br>Website: <a href="http://www.altbalaji.com">www.altbalaji.com</a> |
| 6. | Whether listed company   | No  |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | NSDL Database Management Limited<br>4 <sup>th</sup> Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra<br>Tel: + 91-022-49142591<br>Email: <a href="mailto:nileshb@nsdl.co.in">nileshb@nsdl.co.in</a><br>Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</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 |
|---|-----------------------|--------------------------------|------------------|--------------------|
| <b>Balaji Telefilms Limited</b><br><b>Registered Office:</b><br>C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri West, Mumbai-400053, Maharashtra. | L99999MH1994PLC082802 | Holding Company                | 100              | 2 (46)             |



#### 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, 2019 |                     |                     |                   | No. of Shares held at the end of the year i.e. March 31, 2020 |          |                     |                   | % Change during the year |
|--|---|---------------------|---------------------|-------------------|---|----------|---------------------|-------------------|--------------------------|
|  | Demat   | Physical            | Total               | % of Total Shares | Demat   | Physical | Total               | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |                     |                     |                   |   |          |                     |                   |                          |
| <b>(1) Indian</b>  |   |                     |                     |                   |   |          |                     |                   |                          |
| (a) Individual/ HUF  | 0   | 18,006*             | 18,006              | 0.004             | 18,006*   | 0        | 18,006              | 0.003             | -0.001                   |
| 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 Corp.  | 0   | 45,00,31,994        | 45,00,31,994        | 99.996            | 60,00,31,994  | 0        | 60,00,31,994        | 99.997            | 0.001                    |
| e) Banks / FI  | 0   | 0                   | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| f) Any other   | 0   | 0                   | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| <b>Sub total (A) (1)</b>   | <b>0</b>  | <b>45,00,50,000</b> | <b>45,00,50,000</b> | <b>100.00</b>     | <b>60,00,50,000</b>   | <b>0</b> | <b>60,00,50,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>(2) Foreign</b>   |   |                     |                     |                   |   |          |                     |                   |                          |
| 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                        |
| <b>Sub total (A)(2)</b>  | <b>0</b>  | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>            | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoters A= A(1) + A(2)</b>                  | <b>0</b>  | <b>45,00,50,000</b> | <b>45,00,50,000</b> | <b>100.00</b>     | <b>60,00,50,000</b>   | <b>0</b> | <b>60,00,50,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>B. Public Shareholding</b>  |   |                     |                     |                   |   |          |                     |                   |                          |
| <b>(1) Institutions</b>  |   |                     |                     |                   |   |          |                     |                   |                          |
| 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) FII's   | 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                        |
| <b>Sub-total (B)(1)</b>  | <b>0</b>  | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>            | <b>0</b>          | <b>0</b>                 |
| <b>(2) Non-Institutions</b>  |   |                     |                     |                   |   |          |                     |                   |                          |
| a) Bodies Corp.  | 0   | 0                   | 0                   | 0                 | 0   | 0        | 0                   | 0                 | 0                        |
| b) Individuals   |   |                     |                     | 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                        |

| Category of Shareholders  | No. of Shares held at the beginning of the year i.e. April 01, 2019 |                     |                     |                   | No. of Shares held at the end of the year i.e. March 31, 2020 |          |                     |                   | % 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                        |
| <b>Sub-total (B)(2) :-</b>  | <b>0</b>  | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>            | <b>0</b>          | <b>0</b>                 |
| <b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>                            | <b>0</b>  | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>            | <b>0</b>          | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                          | <b>0</b>  | <b>0</b>            | <b>0</b>            | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>            | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>  | <b>0</b>  | <b>45,00,50,000</b> | <b>45,00,50,000</b> | <b>100.00</b>     | <b>60,00,50,000</b>   | <b>0</b> | <b>60,00,50,000</b> | <b>100.00</b>     | <b>0</b>                 |

**Note:** \*Shares are held in the capacity of nominee shareholder on behalf of Balaji Telefilms Limited.

## ii) Shareholding of Promoter:

| Sr. No. | Shareholder's Name  | Shareholding at the beginning of the year i.e. April 01, 2019 |                                  |  | Shareholding at the end of the year i.e. March 31, 2020 |                                  |  | % 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                                  | 45,00,31,994  | 99.9964                          | 0  | 60,00,31,994  | 99.997                           | 0  | 0.0006                                   |
| 2.      | Jeetendra Kapoor as a nominee of Balaji Telefilms Limited | 3,001   | 0.0006                           | 0  | 3,001   | 0.0005                           | 0  | -0.0001                                  |
| 3.      | Shobha Kapoor as a nominee of Balaji Telefilms Limited    | 3,001   | 0.0006                           | 0  | 3,001   | 0.0005                           | 0  | -0.0001                                  |
| 4.      | Ekta Kapoor as a nominee of Balaji Telefilms Limited      | 3,001   | 0.0006                           | 0  | 3,001   | 0.0005                           | 0  | -0.0001                                  |
| 5.      | Tusshar Kapoor as a nominee of Balaji Telefilms Limited   | 3,001   | 0.0006                           | 0  | 3,001   | 0.0005                           | 0  | -0.0001                                  |
| 6.      | Deepoo Vaswani as a nominee of Balaji Telefilms Limited   | 3,001   | 0.0006                           | 0  | 3,001   | 0.0005                           | 0  | -0.0001                                  |
| 7.      | Ramesh Sippy as a nominee of Balaji Telefilms Limited     | 3,001   | 0.0006                           | 0  | 3,001   | 0.0005                           | 0  | -0.0001                                  |
|         | <b>Total</b>  | <b>45,00,50,000</b>   | <b>100</b>                       | <b>0</b>   | <b>60,00,50,000</b>                                     | <b>100</b>                       | <b>0</b>   | <b>0</b>                                 |

**Note:**

- The percentage change in the promoter's shareholding is due to increase in the paid up share capital of the Company.
- Percentage calculated on the paid-up share capital (45,00,50,000 shares) at the beginning of the year.
- Percentage calculated on the paid-up share capital (60,00,50,000 shares) at the end of the year.



## iii) Change in Promoters' Shareholding:

| Sr. No. | Name of Shareholder  | 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.      | <b>Balaji Telefilms Limited</b>                                  |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 45,00,31,994  | 99.9964                          | 45,00,31,994                            | 99.9964                          |
|         | Right issue on June 11, 2019                                     | 7,50,00,000   | *14.28                           | 52,50,31,994                            | 99.9965                          |
|         | Right issue on October 01, 2019                                  | 7,50,00,000   | **12.50                          | 60,00,31,994                            | 99.997                           |
|         | Sold during the year   | 0             | 0                                | 60,00,31,994                            | 99.997                           |
|         | At the end of the year   | 60,00,31,994  | 99.997                           | 60,00,31,994                            | 99.997                           |
| 2.      | <b>Jeetendra Kapoor as a nominee of Balaji Telefilms Limited</b> |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year   | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |
| 3.      | <b>Shobha Kapoor as a nominee of Balaji Telefilms Limited</b>    |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year   | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |
| 4.      | <b>Ekta Kapoor as a nominee of Balaji Telefilms Limited</b>      |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year   | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |
| 5.      | <b>Tusshar Kapoor as a nominee of Balaji Telefilms Limited</b>   |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year   | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |
| 6.      | <b>Deepoo Vaswani as a nominee of Balaji Telefilms Limited</b>   |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year   | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |
| 7.      | <b>Ramesh Sippy as a nominee of Balaji Telefilms Limited</b>     |               |                                  |   |                                  |
|         | At the beginning of the year                                     | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year   | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year   | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |

\* Percentage calculated on the paid-up share capital (52,50,50,000 shares)

\*\* Percentage calculated on the paid-up share capital (60,00,50,000 shares)

## Note:

- The percentage change in the promoter's shareholding is due to increase in the paid up share capital of the Company.
- Percentage calculated on the paid-up share capital (45,00,50,000 shares) at the beginning of the year.
- Percentage calculated on the paid-up share capital (60,00,50,000 shares) at the end of the year.

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.      | <b>Shobha Kapoor*</b>        |               |                                  |   |                                  |
|         | At the beginning of the year | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year       | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year         | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year       | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |
| 2.      | <b>Ekta Kapoor*</b>          |               |                                  |   |                                  |
|         | At the beginning of the year | 3,001         | 0.0006                           | 3,001                                   | 0.0006                           |
|         | Bought during the year       | -             | -                                | 3,001                                   | 0.0006                           |
|         | Sold during the year         | -             | -                                | 3,001                                   | 0.0006                           |
|         | At the end of the year       | 3,001         | 0.0005                           | 3,001                                   | 0.0005                           |

**Note:**

\* Shares are held in the capacity of nominee shareholder on behalf of Balaji Telefilms Limited.

1. The percentage change in the shareholding is due to increase in the paid up share capital of the Company.
2. Percentage calculated on the paid-up share capital (45,00,50,000 shares) at the beginning of the year.
3. Percentage calculated on the paid-up share capital (60,00,50,000 shares) at the end of the year.
4. Directors: Mr. Duraiswamy Gunaseela Rajan, Mr. Devender Kumar Vasal and Mr. Virendra Babubhai Dalal and KMPs: Mr. Sanjay Dwivedi, Mr. Nachiket Pantvaiddya and Ms. Karuna Naik did not hold any shares during the financial year 2019-20.

**V. INDEBTEDNESS:**

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2019-20.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. 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 2019-20.



## B. Remuneration to other Directors:

(₹ in Lacs)

| Sr. No. | Particulars of Remuneration                    | Name of Directors                 |                             |                                | Total Amount |
|---------|--|-----------------------------------|-----------------------------|--------------------------------|--------------|
| 1.      | <b>Independent Directors</b>                   | <b>Duraiswamy Gunaseela Rajan</b> | <b>Devender Kumar Vasal</b> | <b>Virendra Babubhai Dalal</b> |              |
|         | Fee for attending Board and Committee meetings | 6.0                               | 6.0                         | 4.75                           | 16.75        |
|         | Commission                                     |                                   |                             |                                |              |
|         | Others   |                                   |                             |                                |              |
|         | <b>Total (1)</b>                               | <b>6.0</b>                        | <b>6.0</b>                  | <b>4.75</b>                    | <b>16.75</b> |
| 2.      | <b>Other Non- Executive Directors</b>          | <b>Shobha Kapoor</b>              |                             |                                |              |
|         | Fee for attending Board and Committee meetings | -                                 |                             | -                              | -            |
|         | Commission                                     | -                                 |                             | -                              | -            |
|         | <b>Others</b>                                  | -                                 |                             | -                              | -            |
|         | <b>Total (2)</b>                               | -                                 |                             | -                              | -            |
|         | <b>Total (1+2)</b>                             | <b>6.0</b>                        | <b>6.0</b>                  | <b>4.75</b>                    | <b>16.75</b> |
|         | <b>Ceiling as per Act (per annum)</b>          |                                   | N.A.                        |                                |              |

## Note:

- The Independent Directors have been paid only sitting fees for attending the Board/Committee meetings of the Company which is excluded under Sec 197 of the Companies Act, 2013.

## C. Remuneration to Key Managerial Personnel other than MD / Manager/ WTD

(₹ in Lacs)

| Sr. No. | Particulars of Remuneration  | Key Managerial Personnel   |  |   | Total Amount |
|---------|--|--|--|---|--------------|
|         |  | <b>Mr. Nachiket Pantvaidya<br/>[Group Chief Operating Officer &amp; Chief Executive Officer (Alt)]</b> | <b>Ms. Karuna Naik<br/>(Company Secretary)</b> | <b>Mr. Sanjay Dwivedi<br/>(Group Chief Financial Officer)</b> |              |
| 1.      | Gross salary   | -  | 4.15   | -   | 4.15         |
|         | (a) Salary   | -  | -  | -   | -            |
|         | (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                             | -  | 0.21   | -   | 0.21         |
|         | <b>Total</b>   | <b>-</b>   | <b>4.36</b>                                    | <b>-</b>  | <b>4.36</b>  |

## Note:

- The above figures does not include remuneration paid to Group COO & CEO (Alt) & Group CFO as the same is not directly paid by the Company and is paid to Parent Company by way of Cross Charge.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act 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**

**Place:** Mumbai  
**Date:** July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
**DIN:** 00005124



## Annexure III

### FORM NO. AOC - 2

#### PARTICULARS OF CONTRACT/ARRANGEMENTS MADE WITH RELATED PARTIES

For the financial year ended March 31, 2020

[Pursuant to Clause h of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts), Rules, 2014]

#### 1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

The following contract or arrangement or transactions entered into during the year ended March 31, 2020 was not at arm's length basis.

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions  | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions   | Date of approval by the Board | Amount paid as advances, if any: | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 |
|---|--|---|--|--|-------------------------------|----------------------------------|---|
| Balaji Telefilms Limited (Holding Company)              | Arrangement with the Holding Company for usage of the premises viz. C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Indl Estate, New Link Road, Andheri - (West), Mumbai - 400053 by the Company as its Registered Office without payment of any rent. | On-going  | -  | In order to curtail the expenses and to maximize profits, the Company has entered into arrangement with the Holding Company. | February 12, 2019             | N.A.                             | N.A.  |

#### 2) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS LENGTH BASIS

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were at arm's length basis.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
DIN:00005124

# Financial Statements

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# Independent Auditor's Report

## To the Members of Alt Digital Media Entertainment Limited

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of Alt Digital Media Entertainment Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 41 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact of the event in the subsequent period is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the financial statements

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

133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. 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 Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 to the financial statements.
- ii. The Company has long term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
- 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, 2020.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

14. The Company has not paid/provided for managerial remuneration during the year. Accordingly, reporting under Section 197 (16) of the Act is not applicable to the Company.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAAT7396

Place: Mumbai  
Date: July 22, 2020

## Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2020

### 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, 2020 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.

### **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, 2020, 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. Also refer paragraph 4 of our main audit report.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAAT7396

Place: Mumbai  
Date: July 22, 2020

## Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Alt Digital Media Entertainment Limited on the financial statements for the year ended March 31, 2020

- 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)© of the said Order are not applicable to the Company.
- ii. The Company is into the business of providing digital content through mobile application platform, its inventory comprises of digital programs and film rights and accordingly, does not hold inventory (i.e. goods) in physical form. Therefore, the provisions of Clause 3(ii) of the said 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 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 Section 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 the undisputed statutory dues in respect of profession tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, goods and service tax, cess 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 borrowing 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 explanation 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 managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 14 of our main audit 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 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. 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 provision of clause 3(xvi) of the order are not applicable to the Company.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAAT7396

Place: Mumbai  
Date: July 22, 2020

# Balance Sheet

as at March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|----------------------|----------------------|
| <b>ASSETS</b>   |          |                      |                      |
| <b>Non-current assets</b>                                 |          |                      |                      |
| (a) Property, plant and equipment                         | 4.1      | 97.33                | 134.41               |
| (b) Intangible assets                                     | 4.2      | 72.03                | 455.33               |
| (c) Right of use Asset                                    | 5        | 213.10               | -                    |
| (d) Income tax assets (net)                               | 6        | 395.53               | 261.47               |
| <b>Total Non-Current Assets</b>                           |          | <b>777.99</b>        | <b>851.21</b>        |
| <b>Current assets</b>                                     |          |                      |                      |
| (a) Inventories   | 7        | 14,194.49            | 12,415.95            |
| (b) Financial assets                                      |          |                      |                      |
| (i) Investments   | 8        | 2,143.62             | 6,350.51             |
| (ii) Trade receivables                                    | 9        | 5,407.11             | 532.60               |
| (iii) Cash and cash equivalents                           | 10       | 544.20               | 233.10               |
| (iv) Loans  | 11       | 34.82                | 47.19                |
| (v) Other financial assets                                | 12       | 1,511.59             | 60.17                |
| (c) Other current assets                                  | 13       | 13,936.93            | 6,447.81             |
| <b>Total Current Assets</b>                               |          | <b>37,772.76</b>     | <b>26,087.33</b>     |
| <b>Total Assets</b>                                       |          | <b>38,550.75</b>     | <b>26,938.54</b>     |
| <b>EQUITY AND LIABILITIES</b>                             |          |                      |                      |
| <b>Equity</b>   |          |                      |                      |
| (a) Equity share capital                                  | 14       | 60,005.00            | 45,005.00            |
| (b) Other equity  | 15       | (33,684.83)          | (22,468.53)          |
| <b>Total Equity</b>                                       |          | <b>26,320.17</b>     | <b>22,536.47</b>     |
| <b>Liabilities</b>  |          |                      |                      |
| <b>Non-current liabilities</b>                            |          |                      |                      |
| (a) Financial liabilities                                 |          |                      |                      |
| (i) Trade payables  |          |                      |                      |
| (I) Total outstanding dues of micro and small enterprises | 17       | -                    | -                    |
| (II) Total outstanding dues other than (i) (I) above      | 17       | 164.11               | 280.89               |
| (ii) Lease Liability                                      | 5        | 147.30               | -                    |
| <b>Total Non-Current Liabilities</b>                      |          | <b>311.41</b>        | <b>280.89</b>        |
| <b>Current liabilities</b>                                |          |                      |                      |
| (a) Financial liabilities                                 |          |                      |                      |
| (i) Trade payables  |          |                      |                      |
| (I) Total outstanding dues of micro and small enterprises | 17       | 22.22                | 34.81                |
| (II) Total outstanding dues other than (i) (I) above      | 17       | 10,167.13            | 2,908.67             |
| (ii) Lease Liability                                      | 5        | 106.07               | -                    |
| (iii) Other financial liabilities                         | 18       | -                    | 5.54                 |
| (b) Other current liabilities                             | 19       | 1,623.74             | 1,172.16             |
| <b>Total Current Liabilities</b>                          |          | <b>11,919.16</b>     | <b>4,121.18</b>      |
| <b>Total Equity and Liabilities</b>                       |          | <b>38,550.75</b>     | <b>26,938.54</b>     |

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

Ali Akbar  
Partner  
Membership No: 117839  
Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Shobha Kapoor  
(Chairperson)  
DIN: 00005124

Nachiket Pantvaidya  
(CEO)

Karuna Naik  
(Company Secretary)  
Place : Mumbai  
Date : July 22, 2020

Sanjay Dwivedi  
(Group CFO)



# Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars  | Note No. | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|----------|------------------------------|------------------------------|
| (I) Revenue from operations                                    | 20       | 7,774.91                     | 4,187.11                     |
| (II) Other income  | 21       | 335.23                       | 735.83                       |
| <b>(III) Total income (I+II)</b>                               |          | <b>8,110.14</b>              | <b>4,922.94</b>              |
| <b>(IV) Expenses</b>   |          |                              |                              |
| (a) Direct cost  | 22       | 10,416.04                    | 8,102.27                     |
| (b) Employee benefits expense                                  | 23       | 1,050.78                     | 1,552.85                     |
| (c) Depreciation and amortization expense                      | 24       | 564.15                       | 482.94                       |
| (d) Finance cost   | 25       | 58.58                        | 25.03                        |
| (e) Marketing expenses   | 26       | 3,043.68                     | 2,596.33                     |
| (f) Other expenses   | 27       | 4,115.86                     | 3,655.70                     |
| <b>(V) Total expenses</b>                                      |          | <b>19,249.10</b>             | <b>16,415.12</b>             |
| <b>(VI) (Loss) before tax (III-V)</b>                          |          | <b>(11,138.96)</b>           | <b>(11,492.18)</b>           |
| (VII) Income Tax expense                                       |          |                              |                              |
| (a) Current tax  |          | -                            | -                            |
| (b) Deferred tax   | 16       | -                            | -                            |
| <b>Total tax expenses/(credit)</b>                             |          | <b>-</b>                     | <b>-</b>                     |
| <b>(VIII) (Loss) for the year (VI-VII)</b>                     |          | <b>(11,138.96)</b>           | <b>(11,492.18)</b>           |
| <b>(IX) Other comprehensive income</b>                         |          |                              |                              |
| Items that will not be reclassified to profit or loss          |          |                              |                              |
| Remeasurements of post-employment benefit obligations          |          | 14.69                        | 33.41                        |
| Income tax relating to above item                              |          | -                            | -                            |
| <b>Total other comprehensive income for the year</b>           |          | <b>14.69</b>                 | <b>33.41</b>                 |
| <b>(X) Total comprehensive income for the year (VIII+IX)</b>   |          | <b>(11,124.27)</b>           | <b>(11,458.77)</b>           |
| <b>(XI) Basic and diluted earnings/(loss) per share (in ₹)</b> | 30       | <b>(2.02)</b>                | <b>(2.90)</b>                |
| (Face Value of ₹ 10 each)                                      |          |                              |                              |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit & Loss referred to in our report of even date

## For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Ali Akbar  
Partner  
Membership No: 117839  
Place : Mumbai  
Date : July 22, 2020

## For and on behalf of the Board of Directors

Shobha Kapoor  
(Chairperson)  
DIN: 00005124

Nachiket Pantvaidya  
(CEO)

Karuna Naik  
(Company Secretary)  
Place : Mumbai  
Date : July 22, 2020

Sanjay Dwivedi  
(Group CFO)

# Statement of Cash Flow

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                             |                                      |                                      |
| Loss before tax   | (11,138.96)                          | (11,492.18)                          |
| <b>Adjustment for:</b>  |                                      |                                      |
| Employee share based payment expense                                      | (30.18)                              | 369.34                               |
| Impact of adoption of Ind AS 115 directly recognised in retained earnings | -                                    | 289.39                               |
| Provision for bad and doubtful debts                                      | 58.93                                | -                                    |
| Loss/(Profit) on fair valuation of current investments                    | 711.18                               | (34.50)                              |
| Loss/(Profit) on sale of fixed asstes                                     | (0.08)                               | -                                    |
| Provision for gratuity expenses   | 11.33                                | 23.49                                |
| Foreign exchange loss (Net)   | 6.36                                 | 5.77                                 |
| Amortisation of Inventory   | 9,082.55                             | 7,540.29                             |
| Unwinding of discount on security deposit                                 | (3.29)                               | (3.87)                               |
| Profit on sale of current investments (non-trade) (net)                   | (1,043.04)                           | (697.46)                             |
| Depreciation and amortisation   | 564.15                               | 486.73                               |
| Discontinued Shows written off  | 0.00                                 | 205.95                               |
| Interest on Lease rentals   | 23.77                                | -                                    |
| Interest on deferred payment  | 34.81                                | 25.03                                |
| <b>Operating loss before working capital changes</b>                      | <b>(1,722.47)</b>                    | <b>(3,282.02)</b>                    |
| (Increase)/Decrease in trade receivables                                  | (4,939.80)                           | (454.84)                             |
| (Increase)/Decrease in Inventory  | (10,861.09)                          | (14,278.22)                          |
| (Increase)/Decrease in other current financial assets                     | (1,458.61)                           | (53.39)                              |
| (Increase)/Decrease in other non-current assets                           | -                                    | 0.36                                 |
| (Increase)/Decrease in other current assets                               | (7,492.29)                           | (3,158.96)                           |
| (Increase)/Decrease in loans  | 15.66                                | 0.20                                 |
| Increase/(Decrease) in trade payables                                     | 7,129.10                             | 1,259.56                             |
| Increase/(Decrease) in other financial liabilities                        | (5.54)                               | -                                    |
| Increase/(Decrease) in other current liabilities                          | 454.94                               | 378.29                               |
| <b>Cash from operations</b>   | <b>(17,157.63)</b>                   | <b>(16,307.00)</b>                   |
| Income taxes paid   | (134.06)                             | (214.04)                             |
| <b>Net cash used in operating activities</b>                              | <b>(19,014.16)</b>                   | <b>(19,803.06)</b>                   |



# Statement of Cash Flow

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>B. Cash Flow from Investing Activities</b>                                     |                                      |                                      |
| Proceeds from sale of investments   | 19,538.75                            | 18,397.24                            |
| Payment for purchase of investments   | (15,000.00)                          | (14,000.00)                          |
| Payment for Intangible assets   | (7.92)                               | (55.55)                              |
| Payment for Property, plant and equipment   | (42.23)                              | (59.56)                              |
| Proceeds from sale of Property, plant and equipment                               | 0.65                                 | -                                    |
| <b>Net cash flow from investing activities</b>                                    | <b>4,489.25</b>                      | <b>4,282.13</b>                      |
| <b>C. Cash Flow from Financing Activities</b>                                     |                                      |                                      |
| Proceeds from issue of Equity Share Capital                                       | 15,000.00                            | 15,000.00                            |
| Share issue costs   | (7.50)                               | (15.00)                              |
| Lease Rent paid   | (121.68)                             | -                                    |
| Finance cost  | (34.81)                              | (25.03)                              |
| <b>Net cash flow from financing activities</b>                                    | <b>14,836.01</b>                     | <b>14,959.97</b>                     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                       | <b>311.10</b>                        | <b>(560.96)</b>                      |
| Cash and cash equivalents at the beginning of the financial year (Refer Note 10)  | 233.10                               | 794.06                               |
| <b>Cash and cash equivalents at the end of the financial year (Refer Note 10)</b> | <b>544.20</b>                        | <b>233.10</b>                        |

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**

Ali Akbar

**Partner**

Membership No: 117839

Place : Mumbai

Date : July 22, 2020

**For and on behalf of the Board of Directors**

Shobha Kapoor

**(Chairperson)**

DIN: 00005124

Karuna Naik

**(Company Secretary)**

Place : Mumbai

Date : July 22, 2020

Nachiket Pantvaidya

**(CEO)**

Sanjay Dwivedi

**(Group CFO)**

# Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity share capital

| Particulars                                     | (₹ in Lacs)      |
|---|------------------|
| <b>As at April 1, 2018</b>                      | <b>30,005.00</b> |
| Changes in equity share capital during the year | 15,000.00        |
| <b>As at March 31, 2019</b>                     | <b>45,005.00</b> |
| Changes in equity share capital during the year | 15,000.00        |
| <b>As at March 31, 2020</b>                     | <b>60,005.00</b> |

## B. Other Equity

| Particulars                                     | Reserves and surplus   | Share options          | (₹ in Lacs)        |
|---|--|------------------------|--------------------|
|   | Retained earnings/<br>(Deficit in statement<br>of Profit and Loss) | outstanding<br>account | Total              |
| <b>As at April 1, 2018</b>                      | <b>(11,653.49)</b>   | <b>-</b>               | <b>(11,653.49)</b> |
| Adjustment consequent to adoption of Ind AS 115 | 289.39   | -                      | 289.39             |
| Share Issue costs                               | (15.00)  | -                      | (15.00)            |
| Loss for the year                               | (11,492.18)  | -                      | (11,492.18)        |
| Other comprehensive income for the year         | 33.41  | -                      | 33.41              |
| Employee stock option expense (Refer note 34)   | -  | 369.34                 | 369.34             |
| <b>As at March 31, 2019</b>                     | <b>(22,837.87)</b>   | <b>369.34</b>          | <b>(22,468.53)</b> |
| <b>As at April 1, 2019</b>                      | <b>(22,837.87)</b>   | <b>369.34</b>          | <b>(22,468.53)</b> |
| Adjustment consequent to adoption of Ind AS 116 | (54.35)  | -                      | (54.35)            |
| Share Issue costs                               | (7.50)   | -                      | (7.50)             |
| Loss for the year                               | (11,138.96)  | -                      | (11,138.96)        |
| Other comprehensive income for the year         | 14.69  | -                      | 14.69              |
| Employee stock option expense (Refer note 34)   | -  | (30.18)                | (30.18)            |
| <b>As at March 31, 2020</b>                     | <b>(34,023.99)</b>   | <b>339.16</b>          | <b>(33,684.83)</b> |

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 in our report of even date

### For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Ali Akbar

Partner

Membership No: 117839

Place : Mumbai

Date : July 22, 2020

### For and on behalf of the Board of Directors

Shobha Kapoor

(Chairperson)

DIN: 00005124

Nachiket Pantvaidya

(CEO)

Karuna Naik

(Company Secretary)

Place : Mumbai

Date : July 22, 2020

Sanjay Dwivedi

(Group CFO)



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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 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 its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

#### Historical cost convention

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.
- iii. Share based payments

### (b) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

The Company applied Ind AS 116 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under the method, Leases are recognized as a right of use assets and a corresponding liability at the date at which leased asset is available for use by the Company. The Company had to change its accounting policies and make certain adjustments following the adoption of Ind AS 116. This is disclosed in note 38.

### (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 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 32.

### (d) Foreign currency translation

#### (i) Functional and presentation currency

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) 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 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 Financial Statements

for the year ended March 31, 2020

## (e) Revenue Recognition

The Company derives revenue from licensing, subscription and service fee for content development from its customers. Some of the contracts include multiple deliverables, such as promises to provide a library of content at inception as well as content updates over the term. The Company identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

The Company has determined that most license revenues are satisfied at a point in time due to their being limited ongoing involvement in the use of the license following its transfer to the customer.

The Company recognises subscription revenue over the subscription period.

The Company recognises revenue from service fee for content development where IP is shared with the customer, as the services are performed.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

## (f) 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.

## (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 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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

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.

## (h) Leases

**Till March 31, 2019:**

### 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.

**With effective from April 1, 2019:**

### As a lessee

From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the company under residual value guarantee

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

- (i) Impact on the statement of profit and loss account

The adoption of this accounting standard did not have significant impact on the profit for the period and the earnings per share. Operating lease rentals which were recognized in the statement of profit and loss will be now be recognized as depreciation expense for the right to use asset and finance cost for interest accrued on lease liability.

- (ii) Adjustments recognized in the balance sheet on April 1, 2019

The change in accounting policy affected the following items in the balance sheet on April 1, 2019:

- Right to use asset increase by INR 296.93 lacs
- Lease liabilities increase by INR 351.28 lacs

The net impact on retained earnings on April 1, 2019 was decrease of INR 54.35 lacs.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (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 Company's cash management.

## (j) 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 produce/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.

Inventory is amortized as per the amortization policy of the company based on expected pattern of realization of economic benefits.

Original web series are amortised on an accelerated basis considering the expected pattern of realisation of economic benefits and the expected viewing pattern associated with the content. The amortization begins when the series/episode is launched on the company's OTT platform.

For acquired web series and film rights, amortization is done on straight line basis over the period of the license.

For music, amortization starts when songs are being featured and utilized in web series till the end of license period.

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.

## (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 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 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:



# Notes forming part of Financial Statements

for the year ended March 31, 2020

- 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 36 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 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.

## (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

# Notes forming part of Financial Statements

for the year ended March 31, 2020

course of business and in the event of default, insolvency or bankruptcy of the Company 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 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:

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.

## (o) 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

## (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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (q) 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.

## (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 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 benefit 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 the statement of Profit and 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (iii) Share-based payments:

Under the Balaji Telefilms ESOP, 2017 ("the ESOP Scheme"), Balaji Telefilms Limited (the Parent Company) has granted employee stock options to the Company's employees where new shares will be issued directly to the Company's eligible employees. The fair value of the stock option is calculated using Binomial model. The cost calculated using this method is recognised as an employee benefit expense over the vesting period of the options; and a corresponding credit is recognised in equity.

## (s) 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.

## (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 Judgments

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 below 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 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 Revenue recognition:

The Company calculates the revenue to be recognized in respect of Licensing of Digital Content rights (where the Company has no continuing involvement subsequent to delivery of content), by applying the proportion of total cost incurred to the total cost expected to be incurred for producing digital programming content over the term of the respective revenue contract. The use of this method requires the Company to estimate the total costs expected to be incurred on digital programming content over the term of the respective revenue contract. The total costs expected to be incurred on digital programming content is based on the overall future business plans drawn by the management.

- Estimation of Defined Benefit Obligation:

The Company's obligation on account of gratuity is determined based on actuarial valuation. 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 Financial Statements

for the year ended March 31, 2020

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 29.

- 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. In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax

assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

- Estimates of pattern of amortization of original web series:

The company periodically reviews the expected pattern of realization of economic benefits relating to original web series taking into account the to date and future expected viewing patterns. This reassessment may result in change in amortization of content in future periods on a prospective basis.

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 Financial Statements

for the year ended March 31, 2020

## Note 4.1 - Property, plant and equipment

(₹ in Lacs)

| Description of Assets                                | Computers    | Furniture and fixtures | Office equipments | Electrical fittings | Lease Hold Improvements | Total         |
|--|--------------|------------------------|-------------------|---------------------|-------------------------|---------------|
| <b>I. Gross Carrying Amount</b>                      |              |                        |                   |                     |                         |               |
| Balance as at April 1, 2018                          | 149.60       | 5.60                   | 39.64             | 0.21                | 58.19                   | 253.24        |
| Additions  | 39.61        | 0.32                   | 9.58              | -                   | -                       | 49.51         |
| Disposals  | -            | -                      | -                 | -                   | -                       | -             |
| Balance as at March 31, 2019                         | 189.21       | 5.92                   | 49.22             | 0.21                | 58.19                   | 302.75        |
| <b>II. Accumulated Depreciation</b>                  |              |                        |                   |                     |                         |               |
| Balance as at April 1, 2018                          | (39.16)      | (1.01)                 | (11.08)           | (0.07)              | (29.34)                 | (80.66)       |
| Depreciation expense                                 | (58.40)      | (0.58)                 | (9.28)            | (0.02)              | (19.40)                 | (87.68)       |
| Disposals  | -            | -                      | -                 | -                   | -                       | -             |
| Balance as at March 31, 2019                         | (97.56)      | (1.59)                 | (20.36)           | (0.09)              | (48.74)                 | (168.34)      |
| <b>III. Net Carrying Amount as at March 31, 2019</b> | <b>91.65</b> | <b>4.33</b>            | <b>28.86</b>      | <b>0.12</b>         | <b>9.45</b>             | <b>134.41</b> |

(₹ in Lacs)

| Description of Assets                                | Computers    | Furniture and fixtures | Office equipments | Electrical fittings | Lease Hold Improvements | Total        |
|--|--------------|------------------------|-------------------|---------------------|-------------------------|--------------|
| <b>I. Gross Carrying Amount</b>                      |              |                        |                   |                     |                         |              |
| Balance as at April 1, 2019                          | 189.21       | 5.92                   | 49.22             | 0.21                | 58.19                   | 302.75       |
| Additions  | 42.23        | -                      | -                 | -                   | -                       | 42.23        |
| Disposals  | 5.54         | -                      | -                 | -                   | -                       | 5.54         |
| Balance as at March 31, 2020                         | 225.90       | 5.92                   | 49.22             | 0.21                | 58.19                   | 339.44       |
| <b>II. Accumulated Depreciation</b>                  |              |                        |                   |                     |                         |              |
| Balance as at April 1, 2019                          | (97.56)      | (1.59)                 | (20.36)           | (0.09)              | (48.74)                 | (168.34)     |
| Depreciation expense                                 | (58.87)      | (0.59)                 | (10.05)           | (0.02)              | (9.19)                  | (78.73)      |
| Disposals  | 4.96         | -                      | -                 | -                   | -                       | 4.96         |
| Balance as at March 31, 2020                         | (151.47)     | (2.18)                 | (30.41)           | (0.11)              | (57.93)                 | (242.11)     |
| <b>III. Net Carrying Amount as at March 31, 2020</b> | <b>74.43</b> | <b>3.74</b>            | <b>18.81</b>      | <b>0.10</b>         | <b>0.26</b>             | <b>97.33</b> |

## Note 4.2 Intangible Assets

(₹ in Lacs)

| Description of Assets                                | Computer Software | Total         |
|--|-------------------|---------------|
| <b>I. Gross Carrying Amount</b>                      |                   |               |
| Balance as at April 1, 2018                          | 1,118.66          | 1,118.66      |
| Additions  | 55.55             | 55.55         |
| Disposals  | -                 | -             |
| Balance as at March 31, 2019                         | 1,174.21          | 1,174.21      |
| <b>II. Accumulated Amortisation</b>                  |                   |               |
| Balance as at April 1, 2018                          | (323.62)          | (323.62)      |
| Amortisation expense                                 | (395.26)          | (395.26)      |
| Disposals  | -                 | -             |
| Balance as at March 31, 2019                         | (718.88)          | (718.88)      |
| <b>III. Net Carrying Amount as at March 31, 2019</b> | <b>455.33</b>     | <b>455.33</b> |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 4.2 Intangible Assets (Contd..)

(₹ in Lacs)

| Description of Assets                                | Computer Software | Total             |
|--|-------------------|-------------------|
| <b>I. Gross Carrying Amount</b>                      |                   |                   |
| Balance as at April 1, 2019                          | 1,174.21          | 1,174.21          |
| Additions  | 7.92              | 7.92              |
| Disposals  | -                 | -                 |
| <b>Balance as at March 31, 2020</b>                  | <b>1,182.13</b>   | <b>1,182.13</b>   |
| <b>II. Accumulated Amortisation</b>                  |                   |                   |
| Balance as at April 1, 2019                          | (718.88)          | (718.88)          |
| Amortisation expense                                 | (391.22)          | (391.22)          |
| Disposals  | -                 | -                 |
| <b>Balance as at March 31, 2020</b>                  | <b>(1,110.10)</b> | <b>(1,110.10)</b> |
| <b>III. Net Carrying Amount as at March 31, 2020</b> | <b>72.03</b>      | <b>72.03</b>      |

## Note 5 Leases

This note provides information for leases where company is a lessee. The company leases office premises with a lease term of 6 to 7 years.

(i) The Balance Sheet shows following amounts relating to leases :

### Right of use Asset

(₹ in Lacs)

| Particulars        | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|----------------------|----------------------|
| Leasehold Premises | 213.10               | -                    |
| <b>Total</b>       | <b>213.10</b>        | <b>-</b>             |

### Lease Liability

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--------------|----------------------|----------------------|
| Current      | 106.07               | -                    |
| Non-current  | 147.30               | -                    |
| <b>Total</b> | <b>253.37</b>        | <b>-</b>             |

(ii) Amount recognised in the statement of Profit and Loss

(₹ in Lacs)

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Amortisation on right of use assets (Refer note 24)    | 94.20                | -                    |
| Interest on Lease liabilities (Refer note 25)          | 23.77                | -                    |
| Expenses relating to short term leases (Refer note 27) | 0.71                 | -                    |
| <b>Total</b>   | <b>118.68</b>        | <b>-</b>             |

Total cash outflow for leases for the year ended March 31, 2020 was ₹ 121.68 lacs.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 6 Income tax assets (net)

| Particulars            | (₹ in Lacs)             |                         |
|------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Tax deducted at source | 395.53                  | 261.47                  |
| <b>Total</b>           | <b>395.53</b>           | <b>261.47</b>           |

## Note 7 Inventories

| Particulars                                | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Unamortised digital programs / film rights | 9,410.73                | 7,191.51                |
| Digital programs pending completion        | 4,783.76                | 5,224.44                |
| <b>Total</b>                               | <b>14,194.49</b>        | <b>12,415.95</b>        |

## Note 8 Current investments

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Investment in mutual funds (Non Trade) (Unquoted)</b> |                         |                         |
| (Carried at fair value through Profit & Loss)            | 2,143.62                | 6,350.51                |
| <b>Total</b>   | <b>2,143.62</b>         | <b>6,350.51</b>         |

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Total current investments</b>                                |                         |                         |
| Aggregate amount of quoted investments and market value thereof | -                       | -                       |
| Aggregate amount of unquoted investments                        | 2,143.62                | 6,350.51                |
| Aggregate amount of impairment in the value of investments      | -                       | -                       |
| <b>Total</b>  | <b>2,143.62</b>         | <b>6,350.51</b>         |

## Note 9 Trade receivables

| Particulars                                    | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Trade receivables from contract with customers | 5,466.04                | 532.60                  |
| Less: Loss Allowance                           | (58.93)                 | -                       |
| <b>Total</b>                                   | <b>5,407.11</b>         | <b>532.60</b>           |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 9 Trade receivables (Contd..)

### Break-up of security details

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Trade receivables considered good - Secured                      | -                       | -                       |
| Trade receivables considered good - Unsecured                    | 5,466.04                | 532.60                  |
| Trade receivables which have significant increase in credit risk | -                       | -                       |
| Trade receivables- credit impaired                               | -                       | -                       |
| Total  | 5,466.04                | 532.60                  |
| Loss allowance   | (58.93)                 | -                       |
| <b>Total</b>   | <b>5,407.11</b>         | <b>532.60</b>           |

## Note 10 Cash and cash equivalents

| Particulars                | (₹ in Lacs)             |                         |
|----------------------------|-------------------------|-------------------------|
|                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Cash and cash equivalents: |                         |                         |
| Bank balances:             |                         |                         |
| - In current accounts      | 544.20                  | 233.10                  |
| <b>Total</b>               | <b>544.20</b>           | <b>233.10</b>           |

## Note 11 Loans

| Particulars                     | (₹ in Lacs)             |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Current financial assets</b> |                         |                         |
| Security Deposits               | 34.82                   | 47.19                   |
| <b>Total</b>                    | <b>34.82</b>            | <b>47.19</b>            |

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Break-up of security details</b>                  |                         |                         |
| Loans considered good - Secured                      | -                       | -                       |
| Loans considered good - Unsecured                    | 34.82                   | 47.19                   |
| Loans which have significant increase in credit risk | -                       | -                       |
| Loans – credit impaired                              | -                       | -                       |
| Less: Loss allowance                                 | -                       | -                       |
| <b>Total</b>   | <b>34.82</b>            | <b>47.19</b>            |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 12 Other current financial assets

| Particulars                         | (₹ in Lacs)             |                         |
|-------------------------------------|-------------------------|-------------------------|
|                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>(Unsecured, considered good)</b> |                         |                         |
| Unbilled Revenue                    | 1,511.59                | 60.17                   |
| <b>Total</b>                        | <b>1,511.59</b>         | <b>60.17</b>            |

## Note 13 Other current assets

| Particulars                              | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Prepaid expenses                         | 65.95                   | 70.96                   |
| Balances with government authorities     | 7,367.17                | 5,412.34                |
| Advance to suppliers                     | 2,026.49                | 808.05                  |
| Advance to related party (Refer Note 28) | -                       | 156.46                  |
| Other receivables                        | 4,477.32                | -                       |
| <b>Total</b>                             | <b>13,936.93</b>        | <b>6,447.81</b>         |

## Note 14 Equity Share capital

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>(a) Authorised</b>   |                         |                         |
| 1,00,00,00,000 (Previous year 1,00,00,00,000) Equity shares of ₹ 10/- each            | 1,00,000.00             | 1,00,000.00             |
| 2,00,000 (Previous year 2,00,000) Preference shares of ₹ 10/- each                    | 20.00                   | 20.00                   |
|   | <b>1,00,020.00</b>      | <b>1,00,020.00</b>      |
| <b>(b) Issued subscribed and paid-up</b>  |                         |                         |
| 60,00,50,000 (Previous year 45,00,50,000) Equity shares of ₹ 10/- each, Fully paid-up | 60,005.00               | 45,005.00               |
| <b>Total</b>  | <b>60,005.00</b>        | <b>45,005.00</b>        |

## Authorised Equity Share Capital Movement

| Particulars                | Number of<br>Shares      | Amount<br>(₹ in Lacs) |
|----------------------------|--------------------------|-----------------------|
| As at 31 March 2018        | 1,00,00,00,000.00        | 1,00,000.00           |
| Increase during the year   | -                        | -                     |
| As at 31 March 2019        | 1,00,00,00,000.00        | 1,00,000.00           |
| Increase during the year   | -                        | -                     |
| <b>As at 31 March 2020</b> | <b>1,00,00,00,000.00</b> | <b>1,00,000.00</b>    |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Notes :

- (i) Shares held by holding company/ultimate holding company

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Balaji Telefilms Limited (immediate and ultimate holding company) | 60,00,50,000            | 45,00,50,000            |

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

| Name of shareholder      | As at March 31, 2020  |              | As at March 31, 2019  |              |
|--------------------------|-----------------------|--------------|-----------------------|--------------|
|                          | No. of<br>shares held | % of Holding | No. of<br>shares held | % of Holding |
| Balaji Telefilms Limited | 60,00,50,000          | 100%         | 45,00,50,000          | 100%         |

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

| Particulars   | As at March 31, 2020 |                  | As at March 31, 2019 |                  |
|---|----------------------|------------------|----------------------|------------------|
|   | No. of shares        | (₹) in Lacs      | No. of shares        | (₹) in Lacs      |
| Equity shares outstanding at the beginning of the year  | 45,00,50,000         | 45,005.00        | 3,00,050,000         | 30,005.00        |
| Add: Issue of Equity Shares during the year             | 15,00,00,000         | 15,000.00        | 1,50,000,000         | 15,000.00        |
| <b>Equity shares outstanding at the end of the year</b> | <b>60,00,50,000</b>  | <b>60,005.00</b> | <b>4,50,050,000</b>  | <b>45,005.00</b> |

- (iv) The company has only one class of equity shares having a par value of INR 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, 2020.

## Note 15 Other Equity

(₹ in Lacs)

| Particulars                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| Retained Earnings                 | (34,023.99)             | (22,837.87)             |
| Share options outstanding account | 339.16                  | 369.34                  |
| <b>Total</b>                      | <b>(33,684.83)</b>      | <b>(22,468.53)</b>      |

## Note 15.1 Retained earnings

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year                            | (22,837.87)             | (11,653.49)             |
| Adjustment consequent to adoption of Ind AS 115                 | -                       | 289.39                  |
| Adjustment consequent to adoption of Ind AS 116 (Refer note 38) | (54.35)                 | -                       |
| Share Issue Costs   | (7.50)                  | (15.00)                 |
| Loss of the year  | (11,138.96)             | (11,492.18)             |
| Other comprehensive income for the year (net of tax)            | 14.69                   | 33.41                   |
| <b>Balance at the year end</b>                                  | <b>(34,023.99)</b>      | <b>(22,837.87)</b>      |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 15.2 Share options outstanding account

(₹ in Lacs)

| Particulars                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Balance at beginning of year                   | 369.34                  | -                       |
| Add: Additions during the year (Refer note 34) | (30.18)                 | 369.34                  |
| <b>Balance at the year end</b>                 | <b>339.16</b>           | <b>369.34</b>           |

## Note 16 Deferred tax liability (Refer Note 31)

(₹ in Lacs)

| Particulars            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------|-------------------------|-------------------------|
| Deferred tax asset     | (29.35)                 | (224.31)                |
| Deferred tax liability | 29.35                   | 224.31                  |
| <b>Total</b>           | <b>-</b>                | <b>-</b>                |

(₹ in Lacs)

| Particulars  | For year ended March 31, 2020 |   |                    |
|--|-------------------------------|---|--------------------|
|  | Opening<br>Balance            | Charged/<br>(Credited) to<br>Profit or Loss | Closing<br>Balance |
| <u>Tax effect of items constituting deferred tax liabilities</u> |                               |   |                    |
| Fair value of investments  | 206.39                        | (185.63)                                    | 20.76              |
| Deferred payment to trade payable                                | 17.92                         | (9.33)                                      | 8.59               |
|  | <b>224.31</b>                 | <b>(194.96)</b>                             | <b>29.35</b>       |
| <u>Tax effect of items constituting deferred tax assets</u>      |                               |   |                    |
| Carried forward tax losses                                       | 224.31                        | 194.96                                      | 29.35              |
|  | <b>224.31</b>                 | <b>194.96</b>                               | <b>29.35</b>       |
| <b>Net Tax Asset/(Liabilities)</b>                               | <b>-</b>                      | <b>-</b>                                    | <b>-</b>           |

(₹ in Lacs)

| Particulars  | For year ended March 31, 2019 |   |                    |
|--|-------------------------------|---|--------------------|
|  | Opening<br>Balance            | Charged/<br>(Credited) to<br>Profit or Loss | Closing<br>Balance |
| <u>Tax effect of items constituting deferred tax liabilities</u> |                               |   |                    |
| Fair value of investments  | 197.42                        | 8.97  | 206.39             |
| Deferred payment to trade payable                                | -                             | 17.92                                       | 17.92              |
|  | <b>197.42</b>                 | <b>26.89</b>                                | <b>224.31</b>      |
| <u>Tax effect of items constituting deferred tax assets</u>      |                               |   |                    |
| Carried forward tax losses                                       | 197.42                        | (26.89)                                     | 224.31             |
|  | <b>197.42</b>                 | <b>(26.89)</b>                              | <b>224.31</b>      |
| <b>Net Tax Asset/(Liabilities)</b>                               | <b>-</b>                      | <b>-</b>                                    | <b>-</b>           |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 17 Trade payables

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Non-Current</b>                                    |                         |                         |
| (a) Trade payables: micro and small enterprises       | -                       | -                       |
| (b) Trade payables: others                            | -                       | -                       |
| (c) Trade payables to related parties (Refer Note 28) | 164.11                  | 280.89                  |
| <b>Total</b>  | <b>164.11</b>           | <b>280.89</b>           |

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Current</b>  |                         |                         |
| (a) Trade payables: micro and small enterprises       | 22.22                   | 34.81                   |
| (b) Trade payables: others                            | 1,999.08                | 1,723.60                |
| (c) Trade payables to related parties (Refer Note 28) | 8,168.05                | 1,185.07                |
| <b>Total</b>  | <b>10,189.35</b>        | <b>2,943.48</b>         |

### Due to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The details pursuant to the said MSMED Act are as follows:

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| (i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year   | 16.37                   | 30.01                   |
| (ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year  | -                       | -                       |
| (iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006   | 5.85                    | 4.80                    |
| (iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year   | -                       | -                       |
| (v) The amount of interest accrued and remaining unpaid at the end of each accounting year, and   | 10.83                   | 4.96                    |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | 10.83                   | 4.96                    |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 18 Other current financial liabilities

(₹ in Lacs)

| Particulars                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Payable to creditors related to fixed assets | -                       | 5.54                    |
| <b>Total</b>                                 | <b>-</b>                | <b>5.54</b>             |

## Note 19 Other current liabilities

(₹ in Lacs)

| Particulars                            | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Statutory liabilities                  | 112.05                  | 347.92                  |
| Employee benefits payable              | 154.14                  | 166.07                  |
| Deferred revenue/ Contract Liabilities | 1,357.55                | 658.17                  |
| <b>Total</b>                           | <b>1,623.74</b>         | <b>1,172.16</b>         |

## Note 20 Revenue from operations

(₹ in Lacs)

| Particulars                         | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Subscription income                 | 3,705.06                             | 1,554.64                             |
| Licensing of digital content rights | 2,050.20                             | 2,610.73                             |
| Service Income                      | 1,960.47                             | -                                    |
| Marketing income                    | 59.18                                | 21.74                                |
| <b>Total</b>                        | <b>7,774.91</b>                      | <b>4,187.11</b>                      |

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives, etc. which are adjusted to revenue.

There are no unsatisfied performance obligations in respect of revenue contract.

## Note 21 Other income

(₹ in Lacs)

| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Unwinding of discount on security deposit   | 3.29                                 | 3.87                                 |
| Net gain on investments mandatorily measured at fair value through profit and loss* | 331.86                               | 731.96                               |
| Gain on disposal of Fixed Assets  | 0.08                                 | -                                    |
| <b>Total</b>  | <b>335.23</b>                        | <b>735.83</b>                        |

\*Total net gain on investments mandatorily measured at fair value through profit and loss includes ₹ 1,043.04 lacs (Previous year ₹ 697.46 lacs) as net gain on sale of investments



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 22 Direct Cost

(₹ in Lacs)

| Particulars                    | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Amortisation of content        | 9,082.55                             | 7,540.29                             |
| Dubbing & subtitling cost      | 86.04                                | 356.03                               |
| Discontinued shows written off | -                                    | 205.95                               |
| Creative curation service fee  | 1,247.45                             | -                                    |
| <b>Total</b>                   | <b>10,416.04</b>                     | <b>8,102.27</b>                      |

## Note 23 Employee Benefit Expense

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                                  | 1,077.71                             | 1,359.34                             |
| Contributions to provident and other funds (Refer Note 29) | 55.71                                | 66.21                                |
| Gratuity (Refer Note 29)                                   | 11.33                                | 23.49                                |
| Staff welfare expenses                                     | 5.36                                 | 4.48                                 |
| Employee stock options expense                             | (99.33)                              | 99.33                                |
| <b>Total</b>   | <b>1,050.78</b>                      | <b>1,552.85</b>                      |

## Note 24 Depreciation and amortisation expense

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 4.1) | 78.73                                | 87.68                                |
| Amortisation of Intangible assets (Refer Note 4.2)             | 391.22                               | 395.26                               |
| Amortisation of Right of use Assets (Refer Note 5)             | 94.20                                | -                                    |
| <b>Total</b>   | <b>564.15</b>                        | <b>482.94</b>                        |

## Note 25 Finance costs

(₹ in Lacs)

| Particulars                                  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Interest on deferred payment                 | 34.81                                | 25.03                                |
| Interest on Lease Liabilities (Refer Note 5) | 23.77                                | -                                    |
| <b>Total</b>                                 | <b>58.58</b>                         | <b>25.03</b>                         |

## Note 26 Marketing Expenses

(₹ in Lacs)

| Particulars        | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------|--------------------------------------|--------------------------------------|
| Marketing Expenses | 3,043.68                             | 2,596.33                             |
| <b>Total</b>       | <b>3,043.68</b>                      | <b>2,596.33</b>                      |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 27 Other expenses

| Particulars                                      | (₹ in Lacs)                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Power and fuel                                   | 21.10                                | 23.16                                |
| Rent including lease rentals                     | 0.71                                 | 142.94                               |
| Repairs and maintenance - Others                 | 8.48                                 | 8.34                                 |
| Rates and taxes                                  | 130.66                               | 103.78                               |
| Communication expenses                           | 18.42                                | 48.49                                |
| Legal and professional charges (Refer note 27.1) | 1,032.24                             | 821.24                               |
| Cross charge by Parent Company                   | 784.81                               | 848.93                               |
| Travelling and conveyance expenses               | 11.34                                | 41.76                                |
| Digital space charges                            | 958.96                               | 788.45                               |
| Software expenses                                | 233.01                               | 102.29                               |
| Directors sitting fees                           | 16.75                                | 18.00                                |
| License and hosting fees                         | 383.06                               | 509.18                               |
| Foreign Exchange Loss (net)                      | 6.36                                 | 5.77                                 |
| Provision for bad and doubtful debts             | 58.93                                | -                                    |
| Sales Commission                                 | 405.47                               | 149.66                               |
| Miscellaneous expenses                           | 45.57                                | 43.71                                |
| <b>Total</b>                                     | <b>4,115.86</b>                      | <b>3,655.70</b>                      |

## Note 27.1 Details of auditors remuneration (included in Legal and Professional charges)

| Particulars                       | (₹ in Lacs)                          |                                      |
|-----------------------------------|--------------------------------------|--------------------------------------|
|                                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| As Auditors:                      |                                      |                                      |
| Audit fee                         | 16.50                                | 16.50                                |
| Other services-certification etc. | 6.17                                 | -                                    |
| Reimbursement of expenses         | 0.13                                 | 0.17                                 |
| <b>Total</b>                      | <b>22.80</b>                         | <b>16.67</b>                         |

## Note 28 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                              | Relative of 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             |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

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

(₹ in Lacs)

| Nature of Transactions.                         | Holding Company | Key Management Person & Relative of KMP | Fellow Subsidiary |
|---|-----------------|---|-------------------|
| Creative curation service fee                   | 1,247.45        |   |                   |
|   | -               |   |                   |
| Cross Charge (Reimbursement of Expenses)        | 898.55          |   |                   |
|   | (578.92)        |   |                   |
| Employee stock option expense (Refer note 34)*  | (30.18)         |   |                   |
|   | (369.34)        |   |                   |
| <b>Director Sitting Fees</b>                    |                 |   |                   |
| D G Rajan                                       |                 | 6.00                                    |                   |
|   |                 | (6.00)                                  |                   |
| Devender Kumar Vasal                            |                 | 6.00                                    |                   |
|   |                 | (6.00)                                  |                   |
| V B Dalal                                       |                 | 4.75                                    |                   |
|   |                 | (6.00)                                  |                   |
| <b>Artist Fees</b>                              |                 |   |                   |
| Tusshar Kapoor                                  |                 | 47.25                                   |                   |
|   |                 | (163.75)                                |                   |
| Issue of Shares                                 | 15,000.00       |   |                   |
|   | (15,000.00)     |   |                   |
| Purchase of Content (Web Series & Films)        | 10,243.33       |   |                   |
|   | (4,975.62)      |   |                   |
| Chhayabani Balaji Entertainment Private Limited |                 |   | -                 |
|   |                 |   | (64.60)           |
| Marinating Films Private Limited                |                 |   | 50.00             |
|   |                 |   | -                 |
| Marketing Expenses                              | 118.86          |   |                   |
|   | (21.42)         |   |                   |
| Interest on deferred payment                    | 34.81           |   |                   |
|   | (25.03)         |   |                   |
| Advance for Content                             | -               |   |                   |
|   | (156.46)        |   |                   |

## (c) Closing balances as at year end

(₹ in Lacs)

| Nature of Transactions. | Holding Company | Key Management Person & Relative of KMP | Fellow Subsidiary |
|-------------------------|-----------------|---|-------------------|
| Trade payable           | 8,332.16        | -                                       | -                 |
|                         | (1,465.96)      | -                                       | -                 |
| Advance to supplier     | -               | -                                       | -                 |
|                         | (156.46)        | -                                       | -                 |

### Note:

Figures in bracket relate to the previous year.

\*Includes reversal of 99.33 lakhs for employees of ALT who resigned in last year.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 29 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 ₹ 55.71 lakhs (Previous year ₹ 66.21 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:

| Particulars                                     | Valuation as at                                   |   |
|---|---|---|
|   | 31-Mar-20   | 31-Mar-19   |
| Discount rate                                   | 5.45%   | 6.76%   |
| Salary growth rate (For the next 1st year)      | 0.00%   | 10.00%  |
| Salary growth rate (Starting from the 2nd year) | 10.00%  | 10.00%  |
| Rate of employee turnover                       | 25.00%  | 25.00%  |
| 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, 2020

(₹ in Lacs)

| Particulars   | Funded Plan               |                           |
|---|---------------------------|---------------------------|
|   | Gratuity                  |                           |
|   | Year ended March 31, 2020 | Year ended March 31, 2019 |
| <b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b> |                           |                           |
| Actuarial (Gains)/Losses on Obligation for the year   | (15.19)                   | (33.76)                   |
| Return on Plan Assets, Excluding Interest Income  | 0.50                      | 0.35                      |
| <b>Net (Income)/Expense for the year recognised in other comprehensive income (OCI)</b>                     | <b>(14.69)</b>            | <b>(33.41)</b>            |
| <b>Expense Recognised in the Statement of Profit and Loss</b>   |                           |                           |
| Current Service Cost  | 11.64                     | 22.09                     |
| Net interest cost   | (0.31)                    | 1.40                      |
| <b>Expenses Recognized</b>  | <b>11.33</b>              | <b>23.49</b>              |
| <b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>   |                           |                           |
| 1. Present value of defined benefit obligation at the end of the year                                       | (26.88)                   | (30.74)                   |
| 2. Fair value of plan assets at the end of the year   | 41.85                     | 35.26                     |
| 3. Surplus/(Deficit)  | 14.97                     | 4.52                      |
| 4. Net (liability)/ Asset   | 14.97                     | 4.52                      |
| 5. Net liability recognised in the Balance sheet (Refer note below)   | -                         | -                         |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Defined benefit plans – as per actuarial valuation on March 31, 2020 (Contd..)

(₹ in Lacs)

| Particulars  | Funded Plan                  |                              |
|--|------------------------------|------------------------------|
|  | Gratuity                     |                              |
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| <b>II. Change in the obligation during the year</b>                                    |                              |                              |
| 1. Present value of defined benefit obligation at the beginning of the year            | 30.74                        | 39.34                        |
| 2. Expenses Recognised in Statement of Profit or Loss                                  |                              |                              |
| - Current Service Cost   | 11.64                        | 22.09                        |
| - Interest Expense/(Income)  | 2.08                         | 3.07                         |
| (Benefit paid from the Fund)   | (2.37)                       | -                            |
| 3. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions | -                            | (16.00)                      |
| 4. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions   | (0.88)                       | 1.44                         |
| 5. Actuarial (Gains)/ Losses on Obligations- Due to experience                         | (14.31)                      | (19.20)                      |
| <b>6. Present value of defined benefit obligation at the end of the year</b>           | <b>26.88</b>                 | <b>30.74</b>                 |
| <b>III. Change in fair value of assets during the year</b>                             |                              |                              |
| 1. Fair value of plan assets at the beginning of the year                              | 35.26                        | 21.42                        |
| 2. Contributions by employer   | 7.08                         | 12.52                        |
| 3. Benefits paid from the fund   | (2.37)                       | -                            |
| 4. Interest Income   | 2.38                         | 1.67                         |
| 5. Return on Plan Assets, excluding Interest Income                                    | (0.50)                       | (0.35)                       |
| <b>6. Fair value of plan assets at the end of the year</b>                             | <b>41.85</b>                 | <b>35.26</b>                 |

**Note:-** Since the plan assets are contributed to insurer managed fund, the company does not have a right to get refund on any excess contribution made. Accordingly, no asset is recognised.

The sensitivity of the defined benefit obligation to the weighted principle assumptions is:

(₹ in Lacs)

| Particulars  | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| <b>Projected Benefit Obligation on Current Assumptions</b> | <b>26.88</b>   | <b>30.74</b>   |
| Delta Effect of +1% Change in Rate of Discounting          | (1.19)         | (1.39)         |
| Delta Effect of -1% Change in Rate of Discounting          | 1.30           | 1.51           |
| Delta Effect of +1% Change in Rate of Salary Increase      | 1.26           | 1.45           |
| Delta Effect of -1% Change in Rate of Salary Increase      | (0.93)         | (1.36)         |
| Delta Effect of +1% Change in Rate of Employee Turnover    | 0.71           | 0.86           |
| Delta Effect of -1% Change in Rate of Employee Turnover    | (0.74)         | (0.90)         |

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.

The Company expects to contribute ₹ Nil (Previous year ₹ 7.11 lakhs) to the gratuity fund during the next financial year.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

Maturity profile of defined benefit obligation:

## Projected Benefits Payable in future years from Date of Reporting

| Particulars               | (₹ in Lacs)    |                |
|---------------------------|----------------|----------------|
|                           | March 31, 2020 | March 31, 2019 |
| 1st Following year        | 1.09           | 0.10           |
| 2nd Following year        | 3.46           | 3.82           |
| 3rd Following year        | 4.29           | 5.47           |
| 4th Following year        | 4.47           | 5.52           |
| 5th Following year        | 4.07           | 5.32           |
| Sum of Years 6 to 10      | 11.92          | 15.49          |
| Sum of Years 11 and above | 6.35           | 8.38           |

## Plan Assets

The fair value of Company's pension plan asset as of March 31, 2020 and March 31, 2019 by category are as follows:

| Particulars           | (₹ in Lacs)             |                         |
|-----------------------|-------------------------|-------------------------|
|                       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Asset category:       |                         |                         |
| Insurer managed funds | 41.85                   | 35.26                   |
|                       | 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.

## 30 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<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) (Loss) for the year attributable to equity shareholders (₹ in lacs)        | (11,138.96)                          | (11,492.18)                          |
| (b) Weighted average number of Equity shares outstanding during the year (Nos) | 55,05,29,452                         | 39,62,14,384                         |
| (c) Loss per share - Basic and diluted (₹) (a / b)                             | (2.02)                               | (2.90)                               |
| (d) Nominal value of shares (₹)  | 10                                   | 10                                   |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

**31** 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 ₹ 8,620.54 lacs (previous year ₹ 6,035.39 lacs) as at March 31, 2020. 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.

## 32 Segment Information

The Company is primarily engaged in the business of subscription based sale/licensing of digital content, which in the context of Ind AS 108 on "Operating Segments", constitutes a single reportable segment.

Revenue of approximately ₹ 4,000.75 lacs during the year ended March 31, 2020 are derived from major six external customer.

Revenue of approximately ₹ 2,604.37 lacs during the year ended March 31, 2019 are derived from major six external customer.

**33** As at March 31, 2020 the Company has accumulated losses of ₹ 34,023.99 lacs. The company has necessary financial support from its parent company Balaji Telefilms Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2020 as the Company neither has the intention nor the necessity of liquidation or curtailing materially the scale of the operations. In the opinion of the Board of Directors, the Company will meet all its financial obligations as they fall due for payment for at least 12 months from the date of signatures of these financial statements.

## 34 Share Based Payments

Certain employees of the Company are allotted employee stock options of the Holding Company. These plans are subject to eligibility criteria based on employee's period of service (Service Conditions) with the Group. The holding Company does not charge any cost for this benefit, An expenses for grant date fair value of the award is recognised over the vesting period of the options; and a corresponding credit is recognised in equity. The credit to equity is treated as a capital contribution. The fair value of the option has been arrived at using Binomial Model.

(i) Summary of Stock options granted under the plan :

| Particulars                      | Number of Options |
|----------------------------------|-------------------|
| Opening Balance - April 01, 2019 | 289,017           |
| Granted during the year          | -                 |
| Exercised during the year        | -                 |
| Forfeited during the year        | 289,017           |
| Closing Balance - March 31, 2020 | -                 |

(ii) Expense arising from share based payment

| Particulars                    | March 31, 2020 | March 31, 2019 |
|--------------------------------|----------------|----------------|
| Employee Stock Option Expenses | (30.18)        | 369.34         |

(₹ in Lacs)

# Notes forming part of Financial Statements

for the year ended March 31, 2020

The above Employee Stock Option Expenses reversal of ₹ 30.18 lacs is included in the statement of Profit and Loss as under-

| Particulars                                    | Amount<br>(₹ in lacs) |
|--|-----------------------|
| Employee stock options expense (Refer Note 23) | (99.33)               |
| Cross charge by Parent Company (Refer Note 27) | 69.15                 |
| <b>Total</b>                                   | <b>(30.18)</b>        |

## 35 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)

| Particulars                              | March 31, 2020  |          |                  | March 31, 2019  |          |                 |
|--|-----------------|----------|------------------|-----------------|----------|-----------------|
|  | FVPL            | FVOCI    | Amortised cost   | FVPL            | FVOCI    | Amortised cost  |
| <b>Current financial assets</b>          |                 |          |                  |                 |          |                 |
| Investments                              | 2,143.62        | -        | -                | 6,350.51        | -        | -               |
| Trade receivables                        | -               | -        | 5,407.11         | -               | -        | 532.60          |
| Cash and cash equivalents                | -               | -        | 544.20           | -               | -        | 233.10          |
| Loans                                    | -               | -        | 34.82            | -               | -        | 47.19           |
| Other financial assets                   | -               | -        | 1,511.59         | -               | -        | 60.17           |
| <b>Total Financial Assets</b>            | <b>2,143.62</b> | <b>-</b> | <b>7,497.72</b>  | <b>6,350.51</b> | <b>-</b> | <b>873.06</b>   |
| <b>Non-Current Financial Liabilities</b> |                 |          |                  |                 |          |                 |
| Trade payables                           | -               | -        | 164.11           | -               | -        | 280.89          |
| <b>Current Financial Liabilities</b>     |                 |          |                  |                 |          |                 |
| Trade payables                           | -               | -        | 10,189.36        | -               | -        | 2,943.48        |
| Other financial liabilities              | -               | -        | -                | -               | -        | 5.54            |
| <b>Total Financial Liabilities</b>       | <b>-</b>        | <b>-</b> | <b>10,353.47</b> | <b>-</b>        | <b>-</b> | <b>3,229.91</b> |

### (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, 2020 | Level 1         | Level 2  | Level 3  | Total           |
|---|-----------------|----------|----------|-----------------|
| <b>Financial Assets</b>   |                 |          |          |                 |
| Mutual Funds  | 2,143.62        | -        | -        | 2,143.62        |
| <b>Total Financial Assets</b>   | <b>2,143.62</b> | <b>-</b> | <b>-</b> | <b>2,143.62</b> |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 35 Fair Value Measurements (Contd..)

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020 | Level 1  | Level 2  | Level 3       | Total         |
|---|----------|----------|---------------|---------------|
| <b>Non-current liabilities</b>  |          |          |               |               |
| Trade Payables  | -        | -        | 166.17        | 166.17        |
| <b>Total Financial Liabilities</b>  | <b>-</b> | <b>-</b> | <b>166.17</b> | <b>166.17</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at fair value-recurring fair value measurement March 31, 2019 | Level 1         | Level 2  | Level 3  | Total           |
|---|-----------------|----------|----------|-----------------|
| <b>Financial Assets</b>   |                 |          |          |                 |
| Mutual Funds  | 6,350.51        | -        | -        | 6,350.51        |
| <b>Total Financial Assets</b>   | <b>6,350.51</b> | <b>-</b> | <b>-</b> | <b>6,350.51</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019 | Level 1  | Level 2  | Level 3       | Total         |
|---|----------|----------|---------------|---------------|
| <b>Non-current liabilities</b>  |          |          |               |               |
| Trade Payables  | -        | -        | 284.69        | 284.69        |
| <b>Total Financial Liabilities</b>  | <b>-</b> | <b>-</b> | <b>284.69</b> | <b>284.69</b> |

The carrying value of trade receivables, cash and cash equivalents, current loans, current 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. Mutual funds are valued at the closing NAV.

**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 included 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 from issuer of Mutual Fund.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

(iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ in Lacs)

| Particulars                              | March 31, 2020  |            | March 31, 2019  |            |
|--|-----------------|------------|-----------------|------------|
|  | Carrying amount | Fair Value | Carrying amount | Fair Value |
| <b>Non Current Financial Liabilities</b> |                 |            |                 |            |
| Trade Payables                           | 164.11          | 166.17     | 280.89          | 284.69     |

## 36 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 counterparties 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, 2020 and March 31, 2019 is the carrying value of each class of financial assets as disclosed in note 35.

#### Security deposits given to lessors

The Company has given security deposit to lessors for premises leased by it as at March 31, 2020 and March 31, 2019. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered to be good.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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.

The Company measures the expected credit loss of trade receivables and other financial assets which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The Company has used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix taken into account historical credit loss experience and adjusted to reflect current and forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

The following table summarizes the Gross carrying amount of the financial assets and provision made: (₹ in Lacs)

| Particulars       | March 31, 2020        |                | March 31, 2019        |                |
|-------------------|-----------------------|----------------|-----------------------|----------------|
|                   | Gross Carrying Amount | Loss Allowance | Gross Carrying Amount | Loss Allowance |
| Trade Receivables | 5,466.04              | (58.93)        | 532.60                | -              |
| Loans             | 34.82                 | -              | 47.19                 | -              |
| Unbilled Revenue  | 1,511.59              | -              | 60.17                 | -              |

The following table summarizes the changes in the Provisions made for the receivables:

(₹ in Lacs)

| Particulars                                 | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Opening balance                             | -              | -              |
| Provided during the year (net of write off) | (58.93)        | -              |
| Reversals of provisions                     | -              | -              |
| <b>Closing balance</b>                      | <b>(58.93)</b> | <b>-</b>       |

Of the Trade Receivables balance as at March 31, 2020 of ₹ 5,407.11 lacs (as at March 31, 2019 of ₹ 532.60 lacs), the top 3 customers of the company represent the balance of ₹ 5,331.40 lacs as at March 31, 2020 (as at March 31, 2019 of ₹ 365.37 lacs).

No significant changes in estimation techniques or assumptions were made during the reporting period.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (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.

### Maturity 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     |
| <b>March 31, 2020</b>                           |                  |                   |                  |           |
| Trade payables                                  | 10,189.36        | -                 | 164.11           | 10,353.47 |
| Other Financial Liabilities                     | -                | -                 | -                | -         |
| Total financial liabilities                     | 10,189.36        | -                 | -                | 10,353.47 |

| (₹ in Lacs)                                     |                  |                   |                  |          |
|---|------------------|-------------------|------------------|----------|
| Contractual maturities of financial liabilities | 6 months or less | 6 months -1 years | More than 1 year | Total    |
| <b>March 31, 2019</b>                           |                  |                   |                  |          |
| Trade payables                                  | 2,943.48         | -                 | 280.89           | 3,224.37 |
| Other Financial Liabilities                     | 5.54             | -                 | -                | 5.54     |
| Total financial liabilities                     | 2,949.02         | -                 | -                | 3,229.91 |

## (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 is subject to the risk that changes in foreign currency values impact the Company's export revenue and import of services.

As at March 31, 2020, the unhedged exposure to the Company on holding financial assets (trade receivables) and liabilities (trade payables net of advances) other than in their functional currency amounted to ₹ 111.40 lacs and ₹ 21.64 lacs (March 31, 2019 ₹ 83.75 lacs and ₹ 138.93 lacs)

### (b) Interest rate risk

The Company does not have any borrowings and is thus not exposed to interest rate risk as at March 31, 2020 (Previous year Nil).



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (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, 2020             | March 31, 2019 |
| Net asset value - Increase 5% (March 31, 2019 5%)* | 107.18                     | 317.53         |
| Net asset value - Decrease 5% (March 31, 2019 5%)* | (107.18)                   | (317.53)       |

\*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.

## 37 Capital Management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- 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 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

## 38 Changes in accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the company's financial statements.

The company has adopted Ind AS 116 for the first time using modified retrospective method with date of initial application of April 1, 2019. The company has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 1, 2019.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 8.27%.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## i) Practical expedients applied - Transition

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at April 1, 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 296.93 Lacs and a lease liability of ₹ 351.28 Lacs as at April 1, 2019. The cumulative effect of applying the standard as at April 1, 2019 of ₹ 54.35 Lacs was debited to retained earnings. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

## (ii) Measurement of lease liabilities

The following is the break-up of current and non-current lease liabilities as of March 31, 2020:

| (₹ in Lacs)                   |               |
|-------------------------------|---------------|
| Particulars                   | FY 2019-20    |
| Current Lease liabilities     | 106.07        |
| Non-current lease liabilities | 147.30        |
| <b>Total</b>                  | <b>253.37</b> |

The following is the movement in lease liabilities for the year ended March 31, 2020

| Particulars                            | Amount          |
|--|-----------------|
| Balance as of April 1, 2019            | (351.28)        |
| Additions                              | -               |
| Finance cost accrued during the period | (23.77)         |
| Payment of lease liabilities           | 121.68          |
| <b>Balance as of March 31, 2020</b>    | <b>(253.37)</b> |

## (iii) Measurement of right-of-use assets

| (₹ in Lacs)                                       |                 |
|---|-----------------|
| Particulars                                       | Category of ROU |
|   | Office Space    |
| Balance as of April 1, 2019                       | 296.93          |
| Reclassified on account of adoption of Ind AS 116 | 10.37           |
| Additions   | -               |
| Amortisation                                      | (94.20)         |
| <b>Balance as of March 31, 2020</b>               | <b>213.10</b>   |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 39 Change in Inventory Amortisation pattern

During the year, the company has evaluated the amortisation pattern of its inventory of internet series. The company evaluated the expected viewership pattern of the content of internet series by users of services from the launch date of content based on the historical and estimated viewing pattern. On this basis, the company has decided to revise the amortisation pattern. Till September 30, 2019, the amortisation was spread on an accelerated basis over 2 years. From October 1, 2019 onwards, the amortisation is being spread on an accelerated basis over 3 years of launch. Consequent to the change, the amortisation of internet series grouped under cost of production is lower by ₹ 989.75 lacs with an equivalent impact on the loss before tax for the year ended March 31, 2020.

**40** Times Internet Limited has filed a suit in the Delhi High Court for specific performance of the content Distribution License. Times Internet has further claimed for damages to the tune of ₹ 3,162.57 lacs. The company has accordingly filed a written statement denying claim of specific performance and damages and the same is not acknowledged as debt.

**41** The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently the business activities of the Company are also affected.

The digital business continues to operate throughout the lockdown period however, launch of new shows is affected due to shutdown in production activities during the lockdown phase. Management expects the production of digital content to be resumed in due course.

The Company has assessed the potential impact of COVID-19 on its business, liquidity and financial position and has initiated effective steps to reduce the impact. Given the continuing uncertainties due to the COVID-19 pandemic, the actual impact may be different from that estimated as on the date of approval of these financial statements, and will require continuous monitoring of the Company's operations.

Signatures to note 1 to 41

### For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Ali Akbar

Partner

Membership No: 117839

Place : Mumbai

Date : July 22, 2020

### For and on behalf of the Board of Directors

Shobha Kapoor

(Chairperson)

DIN: 00005124

Nachiket Pantvaidya

(CEO)

Karuna Naik

(Company Secretary)

Place : Mumbai

Date : July 22, 2020

Sanjay Dwivedi

(Group CFO)

MARINATING FILMS PRIVATE LIMITED

# Board's Report

The Directors present the 9<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2020.

## COMPANY PERFORMANCE

### FINANCIAL HIGHLIGHTS

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

| Particulars   | (₹ in Lacs)     |                 |
|---|-----------------|-----------------|
|   | 2019-20         | 2018-19         |
| Income from operations                                  | 1,106.83        | 114.03          |
| Less: Total expenditure                                 | 1,209.82        | 147.00          |
| <b>Operating profit</b>                                 | <b>(102.99)</b> | <b>(32.97)</b>  |
| Less: Interest  | -               | -               |
| Less: Depreciation                                      | -               | -               |
| <b>Operating (Loss) after interest and depreciation</b> | <b>(102.99)</b> | <b>(32.97)</b>  |
| Add: Other income                                       | 7.86            | 19.47           |
| <b>(Loss) before tax</b>                                | <b>(95.13)</b>  | <b>(13.50)</b>  |
| Less: Provision for taxation                            | -               | -               |
| <b>Net (loss) after tax</b>                             | <b>(95.13)</b>  | <b>(13.50)</b>  |
| <b>Other Comprehensive Income</b>                       | -               | -               |
| Balance brought forward from previous year              | (552.90)        | (676.13)        |
| Conversion of preference shares into equity             | -               | 136.73          |
| <b>Balance carried to balance sheet</b>                 | <b>(648.03)</b> | <b>(552.90)</b> |

### RESULTS OF OPERATIONS

During the year under review, the Company has reported loss of ₹ 95.13 Lacs as against loss of ₹ 13.50 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 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, 2020 was ₹ 4,46,00,000 /- (Rupees Four Crores Forty-Six Lacs Only) comprising of 44,60,000 Equity 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, 2020 the Company is a subsidiary of Balaji Telefilms Limited.

### DEBENTURES

The Company has 32,50,000 Zero Percent Compulsorily Convertible Debentures of the face value of ₹ 10/- each at par as on March 31, 2020.

### 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.

## 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 CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OCCURED BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

### IMPACT OF COVID-19

The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently, the business activities of the Company are also affected.

The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its investments, other assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

### Change in designation of Independent Director to Non-Executive Director

During the year under review, the designation of Mr. Devender Kumar Vasal was changed from

Independent Director to Non-Executive Director w.e.f. May 22, 2019 due to non-requirement of Independent Directors on the Board of the Company pursuant to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### Retire by rotation and subsequent re-appointment

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. The Board recommends her re-appointment as Non-Executive Director of the Company.

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 DIRECTOR

During the year under review, the Company had received necessary declaration 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. Further, since there were no Independent directors on the Board of the Company as on March 31, 2020, there was no requirement to receive such declaration.

## AUDITORS

### STATUTORY AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 6<sup>th</sup> Annual General Meeting (AGM) held on August 31, 2017 had approved the appointment of M/s. Price Water Chartered Accountants LLP for a term of 5 (five) consecutive years, to hold office till the conclusion of the AGM to be held for the financial year 2021-22 of the Company. M/s. Price Waterhouse Chartered Accountants LLP have confirmed that they are not disqualified from continuing as Auditors of the Company.

Statutory Auditor have included Emphasis of Matter drawing Members attention to Note No 27 of Financial

Statement, in connection with uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation.

### **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 the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

However, during the year under review, Secretarial Review of the Company was conducted for better corporate governance and to ensure timely compliances with respect to statutory provisions of the Companies Act, 2013 as 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, 4 (four) Meetings of the Board of Directors were held on, May 22, 2019, August 09, 2019, November 13, 2019 & February 12, 2020. 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. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

### **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.

The provisions of Section 177, 178 & 135 of the Companies Act, 2013 with respect to constitution of various Committees are not applicable to the Company.

## **OTHER DISCLOSURES**

### **i) EXTRACT OF ANNUAL RETURN**

The details forming part of extract of Annual Return in Form MGT – 9, as required under Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, is appended as Annexure I, which forms part of this Report and is also available on Website of the Company at [http://www.balajitelefilms.com/annual\\_return.php](http://www.balajitelefilms.com/annual_return.php)

### **ii) REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors have not reported to the Board, under Section 134(3)(ca) and 143(12) of the Companies Act, 2013, any instance of fraud 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 the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **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 provisions of Companies Act, 2013 relating to Vigil Mechanism / Whistle Blower Policy are not applicable to the Company.

#### vi) RELATED PARTY TRANSACTIONS

All transactions / contracts / arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 188 and 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and at arm's length basis except usage of premises let out to the Company by Balaji Telefilms Limited (Holding Company) without payment of any rent on on-going basis and is appended as Form AOC-2 in Annexure II, which forms part of this Report. 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.

#### vii) FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

#### viii) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company does not have any Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence no disclosure is required to be given in this regard.

#### ix) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Holding Company i.e. Balaji Telefilms Limited has in place Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 which is applicable to all its subsidiaries. However, since there are no employees on the payroll of the Company, the same is not applicable.

#### 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 Light Emitting Diode (LED) 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 and Non-Executive 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 etc.

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

## EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 provides that annual performance evaluation of 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 including Executive and Non-Executive Directors is conducted based on the criteria and framework adopted by the Board. The Board takes note of the 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, 2020, 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, 2020 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 co-operation, assistance and support.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
DIN: 00005124



# Annexure I

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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-400053, Maharashtra.<br>Tel: +91-022-40698000,<br>Fax: +91-022-40698181/82<br>Email: <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a>   |
| 6. | Whether listed Company   | No  |
| 7. | Name, Address & Contact details of the Registrar & Transfer Agent, if any. | NSDL Database Management Limited<br>4 <sup>th</sup> Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra.<br>Tel: +91-022-49142591<br>Email: <a href="mailto:nileshb@nsdl.co.in">nileshb@nsdl.co.in</a><br>Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</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 |
|--|-----------------------|--------------------------------|------------------|--------------------|
| <b>Balaji Telefilms Limited</b><br><b>Registered Office:</b><br>C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra. | L99999MH1994PLC082802 | Holding Company                | 99.95            | 2(46)              |

#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Shareholding:

| Category of Shareholders  | No. of Shares held at the beginning of the year i.e. April 01, 2019 |                  |                  |                   | No. of Shares held at the end of the year i.e. March 31, 2020 |          |                  |                   | % Change during the year |
|---|---|------------------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|   | Demat   | Physical         | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>   |   |                  |                  |                   |   |          |                  |                   |                          |
| <b>(1) Indian</b>   |   |                  |                  |                   |   |          |                  |                   |                          |
| a) Individual /HUF  | 0   | 4,900            | 4,900            | 0.11              | 2,450   | 0        | 2,450            | 0.05              | -0.06                    |
| 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   | 44,55,100        | 44,55,100        | 99.89             | 44,57,550   | 0        | 44,57,550        | 99.95             | 0.06                     |
| e) Banks/FI   | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| f) Any other  | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (A)(1)</b>   | <b>0</b>  | <b>44,60,000</b> | <b>44,60,000</b> | <b>100.00</b>     | <b>44,60,000</b>  | <b>0</b> | <b>44,60,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>(2) Foreign</b>  |   |                  |                  |                   |   |          |                  |                   |                          |
| 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                        |
| <b>Sub-total (A)(2)</b>   | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoters A= A (1)+A (2)</b>                           | <b>0</b>  | <b>44,60,000</b> | <b>44,60,000</b> | <b>100.00</b>     | <b>44,60,000</b>  | <b>0</b> | <b>44,60,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>B. Public Shareholding</b>   |   |                  |                  |                   |   |          |                  |                   |                          |
| <b>(1) Institutions</b>   |   |                  |                  |                   |   |          |                  |                   |                          |
| 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) FIs  | 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 Investors  | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| j) Others   | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (B)(1):</b>  | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>(2) Non-Institutions</b>   |   |                  |                  |                   |   |          |                  |                   |                          |
| 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 ₹ 1 lakh | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |



| Category of Shareholders                               | No. of Shares held at the beginning of the year i.e. April 01, 2019 |                  |                  |                   | No. of Shares held at the end of the year i.e. March 31, 2020 |          |                  |                   | % Change during the year |
|--|---|------------------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|  | Demat   | Physical         | Total            | % of Total Shares | Demat   | Physical | Total            | % of Total Shares |                          |
| c) Others  | 0   | 0                | 0                | 0                 | 0   | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (B)(2):</b>                               | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b> | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | <b>0</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>          | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>                             | <b>0</b>  | <b>44,60,000</b> | <b>44,60,000</b> | <b>100.00</b>     | <b>44,60,000</b>  | <b>0</b> | <b>44,60,000</b> | <b>100.00</b>     | <b>0</b>                 |

Note: Change in shareholding is pursuant to Members inter se transfer of shares from Mr. Sunny Arora to Balaji Telefilms Limited.

## ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name       | Shareholding at the beginning of the year i.e. April 01, 2019 |                                  |  | Shareholding at the end of the year i.e. March 31, 2020 |                                  |  | % 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 | 44,55,100   | 99.90                            | 0  | 44,57,550   | 99.95                            | 0  | 0.05                                     |
| 2.      | Mr. Anand Mishra         | 2,450   | 0.05                             | 0  | 2,450   | 0.05                             | 0  | 0  |
| 3.      | Mr. Sunny Arora          | 2,450   | 0.05                             | 0  | 0   | 0                                | 0  | -0.05                                    |
|         | <b>Total</b>             | <b>44,60,000</b>  | <b>100.00</b>                    | <b>0</b>   | <b>44,60,000</b>  | <b>100.00</b>                    | <b>0</b>   | <b>0</b>                                 |

Note:

- Change in shareholding is pursuant to Members inter se transfer of shares from Mr. Sunny Arora to Balaji Telefilms Limited.
- Ms. Ekta Kapoor & Mrs. Shobha Kapoor are Promoter Directors of the Company and did not hold any share of the Company as on March 31, 2020.

## 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.      | <b>Balaji Telefilms Limited</b>               |               |                                  |   |                                  |
|         | At the beginning of the year                  | 44,55,100     | 99.90                            | 44,55,100                               | 99.90                            |
|         | Transfer of shares from Sunny Arora's account | 2,450         | 0.05                             | 44,57,550                               | 99.95                            |
|         | Sold during the year                          | -             | -                                | 44,57,550                               | 99.95                            |
|         | At the end of the year                        | 44,57,550     | 99.95                            | 44,57,550                               | 99.95                            |
| 2.      | <b>Anand Mishra</b>                           |               |                                  |   |                                  |
|         | At the beginning of the year                  | 2,450         | 0.05                             | 2,450                                   | 0.05                             |
|         | Bought during the year                        | -             | -                                | 2,450                                   | 0.05                             |
|         | Sold during the year                          | -             | -                                | 2,450                                   | 0.05                             |
|         | At the end of the year                        | 2,450         | 0.05                             | 2,450                                   | 0.05                             |
| 3.      | <b>Sunny Arora</b>                            |               |                                  |   |                                  |
|         | At the beginning of the year                  | 2,450         | 0.05                             | 2,450                                   | 0.05                             |

| 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 |
|         | Bought during the year   | -             | -                                | 2,450                                   | 0.05                             |
|         | Transfer of shares to Balaji Telefilms Limited on October 30, 2019 | 2,450         | 0.05                             | 0                                       | 0.00                             |
|         | At the end of the year   | 0             | 0.00                             | 0                                       | 0.00                             |

**Note:** Change in shareholding is pursuant to Members inter se transfer of shares from Mr. Sunny Arora to Balaji Telefilms Limited.

**iv) Shareholding Pattern of top 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 2019-20. 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.

## V. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2019-20.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. 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.

**B. Remuneration to other Directors:**

| (₹ In Lacs) |  |                      |             |                      |              |
|-------------|--|----------------------|-------------|----------------------|--------------|
| Sr. No.     | Particulars of Remuneration                    | Name of Directors    |             |                      | Total Amount |
| 1.          | Independent Directors                          | Devender Kumar Vasal |             |                      |              |
|             | Fee for attending Board and Committee Meetings | 0.25                 |             |                      | 0.25         |
|             | Commission                                     | -                    |             |                      | -            |
|             | Others   | -                    |             |                      | -            |
|             | <b>Total (1)</b>                               | <b>0.25</b>          |             |                      | <b>0.25</b>  |
| 2.          | Other Non- Executive Directors                 | Shobha Kapoor        | Ekta Kapoor | Devender Kumar Vasal |              |
|             | Fee for attending Board and Committee Meetings | -                    | -           | 0.75                 | 0.75         |
|             | Commission                                     | -                    | -           | -                    | -            |
|             | Others   | -                    | -           | -                    | -            |
|             | <b>Total (2)</b>                               | <b>-</b>             | <b>-</b>    | <b>0.75</b>          | <b>0.75</b>  |
|             | <b>Total B= (1+2)</b>                          | <b>0.25</b>          | <b>-</b>    | <b>0.75</b>          | <b>1.0</b>   |
|             | <b>Total Managerial Remuneration (A+B)</b>     |                      |             |                      | <b>1.0</b>   |
|             | <b>Ceiling as per Act (per annum)</b>          | N.A.                 |             |                      |              |

**Note:** Sitzings fees paid to Mr. Devender Kumar Vasal for the period from April 01, 2019 to May 22, 2019 as Independent Director of the Company. Thereafter due to change in his designation from Independent Director to Non-Executive Director w.e.f. May 22, 2019, sitting fees for the period from May 23, 2019 to March 31, 2020 was paid to him as Non-Executive Director of the Company.

**C. 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**

**Place:** Mumbai

**Date:** July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
DIN: 00005124

## Annexure II

### FORM AOC-2

#### PARTICULARS OF CONTRACTS /ARRANGEMENTS / TRANSACTIONS MADE WITH RELATED PARTIES

For the financial year ended March 31, 2020

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts), Rules, 2014]

#### 1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

The following contract or arrangement or transaction entered into during the year ended March 31, 2020 was not at arm's length basis.

| Name(s) of the Related Party and nature of relationship | Nature of Contracts/ Arrangements/ Transactions   | Duration of the Contracts/ Arrangements/ Transactions | Salient terms of the Contracts or Arrangements or Transactions including the value, if any | Justification for entering into such Contracts or Arrangements or Transactions   | Date of approval by the Board  | Amount paid as advances, if any | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 |
|---|---|---|--|--|--|---------------------------------|---|
| Balaji Telefilms Limited (Holding Company)              | Arrangement with the Holding Company for usage of the premises viz. C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Indl Estate, New Link Road, Andheri - (West), Mumbai - 400053 by the Company as its Registered Office without any payment of rent | On-going  | -  | In order to curtail the expenses and maximize profits, the Company has entered into this arrangement with its Holding Company. | Since 2 out of 3 Directors were interested in this transaction, the requirement of quorum could not be fulfilled and hence Members Approval was sought at the AGM. | N.A.                            | August 30, 2019   |

#### 2) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS LENGTH BASIS

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were at arm's length basis.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
DIN: 00005124



# Independent Auditor's Report

## To the Members of Marinating Films Private Limited

## Emphasis of Matter

### Report on the audit of the financial statements

#### Opinion

1. We have audited the accompanying financial statements of Marinating Films Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4. We draw your attention to Note 27 to the financial statements which explains the uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact of the event in the subsequent period is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

#### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles

generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and

perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
  - 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, 2020.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
13. The Company has not paid/provided for managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAAU5492

Place: Mumbai  
Date: July 22, 2020

# Annexure A

## to Independent Auditor's Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Marinating Films Private Limited on the financial statements for the year ended March 31, 2020

### 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, 2020 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.

### **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 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 control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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. Also refer paragraph 4 of our main audit report.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**Ali Akbar**

Partner

Membership Number: 117839

UDIN: 20117839AAAAAU5492

Place: Mumbai

Date: July 22, 2020

## Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Marinating Films Private Limited on the financial statements for the year ended March 31, 2020

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.

- 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 into the business of event management relating to films and television industry and accordingly, does not hold inventory (i.e. goods). Therefore, the provisions of Clause 3(ii) of the said 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 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 income tax, goods and service tax, cess 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. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to debenture holders as at the balance sheet date. The Company does not have any loans or borrowing from any financial institution or bank or Government as at the balance sheet date, accordingly, to this extent, 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 explanation 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 managerial remuneration during the year. Accordingly, the provision of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 13 of our main audit 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 Indian Accounting Standard (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 audit. 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

**Ali Akbar**

Partner

Membership Number: 117839

UDIN: 20117839AAAAAU5492

Place: Mumbai

Date: July 22, 2020

# Balance Sheet

as at March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| <b>ASSETS</b>   |          |                         |                         |
| <b>Non-current assets</b>                                 |          |                         |                         |
| (a) Current tax asset (net)                               | 4        | 110.90                  | 94.33                   |
| <b>Total Non-current Assets</b>                           |          | <b>110.90</b>           | <b>94.33</b>            |
| <b>Current assets</b>                                     |          |                         |                         |
| (a) Financial assets                                      |          |                         |                         |
| (i) Investments   | 5        | 74.13                   | 68.93                   |
| (ii) Trade receivables                                    | 6        | -                       | 76.62                   |
| (iii) Cash and cash equivalents                           | 7        | 12.66                   | 59.36                   |
| (iv) Other financial assets                               | 8        | -                       | 51.95                   |
| (b) Other current assets                                  | 9        | 120.80                  | 125.63                  |
| <b>Total Current Assets</b>                               |          | <b>207.59</b>           | <b>382.49</b>           |
| <b>Total Assets</b>                                       |          | <b>318.49</b>           | <b>476.82</b>           |
| <b>EQUITY AND LIABILITIES</b>                             |          |                         |                         |
| <b>Equity</b>   |          |                         |                         |
| (a) Share capital   | 10A      | 446.00                  | 446.00                  |
| (b) Instrument entirely equity in nature                  | 10B      | 325.00                  | 325.00                  |
| (c) Other Equity  |          |                         |                         |
| - Reserves & Surplus                                      | 11       | (648.03)                | (552.90)                |
| <b>Total Equity</b>                                       |          | <b>122.97</b>           | <b>218.10</b>           |
| <b>Liabilities</b>  |          |                         |                         |
| <b>Current liabilities</b>                                |          |                         |                         |
| (a) Financial liabilities                                 |          |                         |                         |
| (i) Trade payables  |          |                         |                         |
| (a) total outstanding dues of micro and small enterprises | 12       | -                       | -                       |
| (b) total outstanding dues other than (i) (a) above       | 12       | 22.06                   | 21.21                   |
| (b) Other current liabilities                             | 13       | 173.46                  | 237.51                  |
| <b>Total Current Liabilities</b>                          |          | <b>195.52</b>           | <b>258.72</b>           |
| <b>Total Equity and Liabilities</b>                       |          | <b>318.49</b>           | <b>476.82</b>           |

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

Ali Akbar  
**Partner**  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Shobha Kapoor  
**(Chairperson)**  
DIN: 00005124

Sanjay Dwivedi  
**(Group CFO)**

Place : Mumbai  
Date : July 22, 2020



# Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars  | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------|-----------------------------------|-----------------------------------|
| 1 Revenue from operations                                      | 14       | 1,106.83                          | 114.03                            |
| 2 Other income   | 15       | 7.86                              | 19.47                             |
| <b>3 Total Income (1+2)</b>                                    |          | <b>1,114.69</b>                   | <b>133.50</b>                     |
| <b>4 Expenses</b>  |          |                                   |                                   |
| Cost of Production / Acquisition and Telecast Fees             | 16       | 1,058.89                          | -                                 |
| Changes in inventories   | 16       | -                                 | 114.77                            |
| Marketing expense  |          | 8.60                              | -                                 |
| Employee benefits expense                                      | 17       | -                                 | 3.92                              |
| Other expenses   | 18       | 142.33                            | 28.31                             |
| <b>Total Expenses</b>  |          | <b>1,209.82</b>                   | <b>147.00</b>                     |
| <b>5 Loss before tax (3-4)</b>                                 |          | <b>(95.13)</b>                    | <b>(13.50)</b>                    |
| 6 Income tax expense   |          |                                   |                                   |
| - Current tax  |          | -                                 | -                                 |
| - Deferred tax   |          | -                                 | -                                 |
| <b>Total tax expense</b>                                       |          | <b>-</b>                          | <b>-</b>                          |
| <b>7 Loss for the year (5-6)</b>                               |          | <b>(95.13)</b>                    | <b>(13.50)</b>                    |
| <b>8 Other comprehensive income</b>                            |          | <b>-</b>                          | <b>-</b>                          |
| <b>9 Total comprehensive income for the year (7+8)</b>         |          | <b>(95.13)</b>                    | <b>(13.50)</b>                    |
| <b>10 Basic &amp; Diluted earnings/(loss) per share (in ₹)</b> | 20       | <b>(1.23)</b>                     | <b>(0.23)</b>                     |
| (Face value of ₹ 10 each)                                      |          |                                   |                                   |

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

Ali Akbar

Partner

Membership No: 117839

Place : Mumbai

Date : July 22, 2020

For and on behalf of the Board of Directors

Shobha Kapoor

(Chairperson)

DIN: 00005124

Sanjay Dwivedi

(Group CFO)

Place : Mumbai

Date : July 22, 2020

# Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                                    |                                      |                                      |
| Loss before tax  | (95.13)                              | (13.50)                              |
| <b>Adjustments for</b>   |                                      |                                      |
| Interest on income tax refund  | (0.59)                               | (4.37)                               |
| Provision for Bad and Doubtful Debts   | 116.19                               | -                                    |
| Profit on fair valuation of current investments                                  | (5.20)                               | (3.93)                               |
| Creditors written back   | (1.47) 108.93                        | (11.17) (19.47)                      |
| <b>Operating Loss before working capital changes</b>                             | <b>13.80</b>                         | <b>(32.97)</b>                       |
| Decrease / (Increase) in trade receivables                                       | 12.38                                | 844.99                               |
| Decrease / (Increase) in Other financial assets                                  | -                                    | (51.95)                              |
| Decrease / (Increase) in inventories   | -                                    | 114.77                               |
| Decrease / (Increase) in other current assets                                    | 4.83                                 | 2.94                                 |
| (Decrease) / Increase in trade payables  | 2.32                                 | (1,122.27)                           |
| (Decrease) / Increase in other current liabilities                               | (64.05) (44.52)                      | 44.87 (166.65)                       |
|  | <b>(30.72)</b>                       | <b>(199.62)</b>                      |
| Income taxes paid  | (15.98)                              | (19.94)                              |
| <b>Net cash used in operating activities (A)</b>                                 | <b>(46.70)</b>                       | <b>(219.56)</b>                      |
| <b>B. Cash Flow from Investing Activities</b>                                    |                                      |                                      |
| Investment in mutual fund  | -                                    | (65.00)                              |
| <b>Net cash flow from / (used in) investing activities (B)</b>                   | <b>-</b>                             | <b>(65.00)</b>                       |
| <b>C. Cash Flow from Financing Activities</b>                                    |                                      |                                      |
| Issue of compulsory convertible debentures                                       | -                                    | 325.00                               |
| <b>Net cash flow from financing activities (C)</b>                               | <b>-</b>                             | <b>325.00</b>                        |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>            | <b>(46.70)</b>                       | <b>40.44</b>                         |
| Cash and cash equivalents at the beginning of the financial year (Refer note 7)  | 59.36                                | 18.92                                |
| <b>Cash and cash equivalents at the end of the financial year (Refer note 7)</b> | <b>12.66</b>                         | <b>59.36</b>                         |

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Shobha Kapoor  
(Chairperson)  
DIN: 00005124

Sanjay Dwivedi  
(Group CFO)

Place : Mumbai  
Date : July 22, 2020



# Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity share capital

| Particulars  | (₹ in Lacs)   |
|--|---------------|
| <b>As at April 01, 2018</b>  | <b>1.00</b>   |
| Shares issued on conversion of Zero dividend optionally convertible redeemable preference shares into Equity shares                | 345.00        |
| Shares issued on conversion of Zero dividend optionally convertible non-cumulative redeemable preference shares into Equity shares | 100.00        |
| <b>As at March 31, 2019</b>  | <b>446.00</b> |
| <b>As at April 1, 2019</b>   | <b>446.00</b> |
| Changes in equity share capital during the year  | -             |
| <b>As at March 31, 2020</b>  | <b>446.00</b> |

## B. Instrument entirely equity in nature - Compulsory Convertible Debentures

| Particulars   | (₹ in Lacs)   |
|---|---------------|
| <b>As at April 01, 2018</b>   | <b>-</b>      |
| Issue of Zero Percent Compulsorily Convertible Debentures of ₹ 10 each (Refer note 10B) | 325.00        |
| <b>As at March 31, 2019</b>   | <b>325.00</b> |
| <b>As at April 1, 2019</b>  | <b>325.00</b> |
| Changes in Compulsory Convertible Debentures during the year                            | -             |
| <b>As at March 31, 2020</b>   | <b>325.00</b> |

## C. Other Equity

| Particulars  | Equity component of compound financial instruments | (₹ in Lacs)   |                    |
|--|--|---|--------------------|
|  |  | Reserves and surplus  | Total other equity |
|  |  | Retained earnings / (Deficit in statement of Profit & loss) |                    |
| <b>As at April 01, 2018</b>  | <b>573.90</b>                                      | <b>(676.13)</b>   | <b>(102.23)</b>    |
| Conversion of Zero dividend optionally convertible redeemable preference shares in equity shares | (445.00)   | -   | (445.00)           |
| Conversion of preference shares into equity  | (128.90)   | 136.73  | 7.83               |
| Loss for the year  | -  | (13.50)   | (13.50)            |
| <b>As at March 31, 2019</b>  | <b>-</b>   | <b>(552.90)</b>   | <b>(552.90)</b>    |
| <b>As at April 1, 2019</b>   | <b>-</b>   | <b>(552.90)</b>   | <b>(552.90)</b>    |
| Loss for the year  | -  | (95.13)   | (95.13)            |
| <b>As at March 31, 2020</b>  | <b>-</b>   | <b>(648.03)</b>   | <b>(648.03)</b>    |

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 on even date.

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Shobha Kapoor  
(Chairperson)  
DIN: 00005124

Sanjay Dwivedi  
(Group CFO)  
Place : Mumbai  
Date : July 22, 2020

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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 Statements. 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 its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

#### Historical cost convention

The financial statements have been prepared on historical cost basis, except certain financial assets that are measured at fair value.

#### New and amended standards adopted by the Company

The Company has applied Ind AS 116, for the first time beginning April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. The standard removes the current

distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The adoption of the standard does not have any impact on the Company's financial statements and hence no adjustment to the opening balance of retained earnings as at April 01, 2019 is required.

### (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 22 for segment information presented.

### (c) Revenue Recognition

The Company derives revenue from licensing rights, free commercial time, franchise fees and internet sale to its customers. Some of the contracts include multiple deliverables. The Company identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

- (i) Revenue from licensing of events / internet sale - The Company has determined that performance obligation for license revenues are satisfied at a point in time due to their being limited ongoing involvement in the use of the license following its transfer to the customer.
- (ii) Revenue generated from the free commercial time is recognized as and when the relevant episodes of the programme (Event) are telecast on broadcasting channels (revenue recognized at a point in time).
- (iii) Revenue from franchise fees is recognized on sale of franchise rights (revenue recognized at a point in time).



# Notes forming part of Financial Statements

for the year ended March 31, 2020

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

## (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) 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.

## (f) 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.

## (g) 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 Financial Statements

for the year ended March 31, 2020

## (h) 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(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 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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (i) 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.

## (j) 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.

## (k) 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.

## (l) 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (m) 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.

## (n) 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 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:

### • **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 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 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 Financial Statements

for the year ended March 31, 2020

## Note 4 Current tax assets

| Particulars            | (₹ in Lacs)             |                         |
|------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Tax deducted at source | 110.90                  | 94.33                   |
| <b>Total</b>           | <b>110.90</b>           | <b>94.33</b>            |

## Note 5 Current Investments (Unquoted)

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Investment in Mutual Fund (Non Trade)<br>(Carried at fair value through profit and loss) | 74.13                   | 68.93                   |
| <b>Total</b>   | <b>74.13</b>            | <b>68.93</b>            |

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Total current investments</b>                               |                         |                         |
| Aggregate amount of quoted investments at market value thereof | -                       | -                       |
| Aggregate amount of unquoted investments                       | 74.13                   | 68.93                   |
| Aggregate amount of impairment in the value of investments     | -                       | -                       |

## Note 6 Trade receivables

| Particulars   | (₹ in Lacs)             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Trade Receivable from contract with customers                 | 143.77                  | 156.15                  |
| Trade Receivable from contract with customers - Related party | -                       | -                       |
| Less: Loss allowance  | (143.77)                | (79.53)                 |
| <b>Total</b>  | <b>-</b>                | <b>76.62</b>            |

## Break up of security details

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Trade receivables considered good - Secured                      | -                       | -                       |
| Trade receivables considered good - Unsecured                    | 143.77                  | 156.15                  |
| Trade receivables which have significant increase in credit risk | -                       | -                       |
| Trade receivables - credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>143.77</b>           | <b>156.15</b>           |
| Loss allowance   | (143.77)                | (79.53)                 |
| <b>Total trade receivable</b>                                    | <b>-</b>                | <b>76.62</b>            |

The Company has recognised an allowance for doubtful debts against receivables from whom recoverability is uncertain.

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 ₹ 143.77 lacs (March 31, 2019 ₹ 79.53 lacs) towards doubtful receivables.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 7 Cash and cash equivalents

(₹ in Lacs)

| Particulars           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks   |                         |                         |
| - in current accounts | 12.66                   | 59.36                   |
| <b>Total</b>          | <b>12.66</b>            | <b>59.36</b>            |

## Note 8 Other financial assets

(₹ in Lacs)

| Particulars      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------|-------------------------|-------------------------|
| Unbilled revenue | -                       | 51.95                   |
| <b>Total</b>     | <b>-</b>                | <b>51.95</b>            |

## Note 9 Other current assets

(₹ in Lacs)

| Particulars                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| Balances with government authorities | 113.24                  | 120.62                  |
| Advance to vendors                   | 7.56                    | 5.01                    |
| <b>Total</b>                         | <b>120.80</b>           | <b>125.63</b>           |

## Note 10 Share capital

(₹ in Lacs)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>(a) Authorised</b>   |                         |                         |
| 105,50,000 (Previous year 105,50,000) Equity Shares of ₹ 10/- each              | 1,055.00                | 1,055.00                |
| 44,50,000 (Previous year 44,50,000) Redeemable Preference Shares of ₹ 10/- each | 445.00                  | 445.00                  |
|   | <b>1,500.00</b>         | <b>1,500.00</b>         |
| <b>(b) Issued, Subscribed and fully paid up</b>                                 |                         |                         |
| 44,60,000 (Previous year 44,60,000) Equity Shares of ₹ 10/- each                | 446.00                  | 446.00                  |
|   | <b>446.00</b>           | <b>446.00</b>           |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 10A Equity share capital

### (i) Movement in Equity Share Capital:

#### Authorised Share Capital

| Particulars              | Number of Shares | ₹ in Lacs |
|--------------------------|------------------|-----------|
| As at April 1, 2018      | 50,000           | 5         |
| Increase during the year | 1,05,00,000      | 1,050     |
| As at March 31, 2019     | 1,05,50,000      | 1,055     |
| Increase during the year | -                | -         |
| As at March 31, 2020     | 1,05,50,000      | 1,055     |

#### Issued, Subscribed and fully paid up

| Particulars  | Number of Shares | ₹ in Lacs |
|--|------------------|-----------|
| As at April 1, 2018  | 10,000           | 1         |
| Shares issued on conversion of Zero dividend optionally convertible redeemable preference shares into Equity shares                | 34,50,000        | 345       |
| Shares issued on conversion of Zero dividend optionally convertible non-cumulative redeemable preference shares into Equity shares | 10,00,000        | 100       |
| As at March 31, 2019   | 44,60,000        | 446       |
| Increase during the year   | -                | -         |
| As at March 31, 2020   | 44,60,000        | 446       |

### (ii) Shares held by holding company / ultimate holding company :

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
|   | No. of Shares           | No. of Shares           |
| Balaji Telefilms Limited (immediate and ultimate holding company) | 44,57,550               | 44,55,100               |

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

| Name of Equity shareholder | As at March 31, 2020  |              | As at March 31, 2019  |              |
|----------------------------|-----------------------|--------------|-----------------------|--------------|
|                            | Number of shares held | % of Holding | Number of shares held | % of Holding |
| Balaji Telefilms Limited   | 44,57,550             | 99.95%       | 44,55,100             | 99.90%       |

(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, 2020.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 10B Instruments entirely equity in nature - Compulsory Convertible Debentures

| Particulars   | Numbers          | ₹ in Lacs  |
|---|------------------|------------|
| <b>As at April 1, 2018</b>  | -                | -          |
| Issue of Zero Percent Compulsorily Convertible Debentures of ₹ 10 each (Refer note below) | 32,50,000        | 325        |
| <b>As at March 31, 2019</b>   | <b>32,50,000</b> | <b>325</b> |
| Increase during the year  | -                | -          |
| <b>As at March 31, 2020</b>   | <b>32,50,000</b> | <b>325</b> |

32,50,000 Zero Percent Compulsorily Convertible Debentures (CCD) of ₹ 10 each were allotted on June 21, 2018 for cash consideration to Balaji Telefilms Limited (immediate and ultimate holding company). The CCD shall be converted into equity shares after 3 months from the date of allotment at the option of the board or at any time, at the option of the debenture holders. However in any case the CCD shall be converted into equity share not later than 10 years from the date of allotment.

## Note 11 Reserves & Surplus

| Particulars   | (₹ in Lacs)          |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2020 | As at March 31, 2019 |
| Retained earnings / (Deficit in statement of Profit & loss) | (648.03)             | (552.90)             |
| <b>Total</b>  | <b>(648.03)</b>      | <b>(552.90)</b>      |

## Note 11.1 Retained earnings / (Deficit in statement of Profit & loss)

| Particulars                                 | (₹ in Lacs)               |                           |
|---|---------------------------|---------------------------|
|   | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Balance at beginning of year                | (552.90)                  | (676.13)                  |
| Conversion of preference shares into equity | -                         | 136.73                    |
| Loss for the year                           | (95.13)                   | (13.50)                   |
| <b>Balance at end of the year</b>           | <b>(648.03)</b>           | <b>(552.90)</b>           |

## Note 12 Trade payables

| Particulars                                       | (₹ in Lacs)          |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2020 | As at March 31, 2019 |
| <b>Current</b>                                    |                      |                      |
| Trade payables: micro and small enterprises       | -                    | -                    |
| Trade payables : others                           | 12.08                | 11.23                |
| Trade payables to related parties (Refer note 19) | 9.98                 | 9.98                 |
| <b>Total</b>                                      | <b>22.06</b>         | <b>21.21</b>         |

### Notes:

#### (a) Micro, Small and Medium Enterprises :

Trade payable includes ₹ Nil (March 31, 2019 ₹ 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 Financial Statements

for the year ended March 31, 2020

## Note 13 Other current liabilities

(₹ in Lacs)

| Particulars                                   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Contract liabilities / Advance from customers | 173.46                  | 237.51                  |
| <b>Total</b>                                  | <b>173.46</b>           | <b>237.51</b>           |

## Note 14 Revenue from operations

(₹ in Lacs)

| Particulars                    | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>(a) Sale of services</b>    |                                      |                                      |
| License Rights                 | 900.00                               | 104.35                               |
| Franchise / Participation fees | 127.83                               | -                                    |
| Internet income                | 50.00                                | 6.52                                 |
| Free commercial time           | 29.00                                | 3.16                                 |
| <b>Total</b>                   | <b>1,106.83</b>                      | <b>114.03</b>                        |

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives, etc. which are adjusted to revenue.

There are no unsatisfied performance obligations in respect of revenue contract.

## Note 15 Other income

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Interest income on Income-tax refund                                 | 0.59                                 | 4.37                                 |
| Unrealised gains on Investments at fair value through profit or loss | 5.20                                 | 3.93                                 |
| Creditors written back   | 1.47                                 | 11.17                                |
| Other  | 0.60                                 | -                                    |
| <b>Total</b>   | <b>7.86</b>                          | <b>19.47</b>                         |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 16 Cost of Production / Acquisition and Telecast Fees

(₹ in Lacs)

| Particulars                                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Purchase of costumes and dresses              | 0.08                                 | -                                    |
| Artists, Directors and other technicians fees | 112.67                               | -                                    |
| Shooting and location expenses                | 4.39                                 | -                                    |
| Telecasting Fees                              | 900.00                               | -                                    |
| Insurance expense                             | 0.54                                 | -                                    |
| Food and refreshments                         | 6.36                                 | -                                    |
| Set properties and equipment hire charges     | 24.98                                | -                                    |
| Other production expenses                     | 9.87                                 | -                                    |
| <b>Total</b>                                  | <b>1,058.89</b>                      | <b>-</b>                             |

### Changes in Inventories :

(₹ in Lacs)

| Particulars                         | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Opening balance - Events            | -                                    | 114.77                               |
| Closing balance - Events            | -                                    | -                                    |
| <b>Total changes in inventories</b> | <b>-</b>                             | <b>114.77</b>                        |

## Note 17 Employee benefits expense

(₹ in Lacs)

| Particulars        | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------|--------------------------------------|--------------------------------------|
| Salaries and wages | -                                    | 3.92                                 |
| <b>Total</b>       | <b>-</b>                             | <b>3.92</b>                          |

## Note 18 Other expenses

(₹ in Lacs)

| Particulars                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Rates and taxes                                  | 22.74                                | 16.62                                |
| Legal and professional charges (Refer note 18.1) | 2.35                                 | 9.81                                 |
| Director sitting fees                            | 1.00                                 | 1.75                                 |
| Provision for doubtful debts                     | 116.19                               | -                                    |
| Miscellaneous expenses                           | 0.05                                 | 0.13                                 |
| <b>Total</b>                                     | <b>142.33</b>                        | <b>28.31</b>                         |

### Note 18.1 Payment to auditors (included in Legal & professional charges)

(₹ in Lacs)

| Particulars                             | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>As auditors :</b>                    |                                      |                                      |
| Audit fees                              | 0.20                                 | 3.50                                 |
| For other service                       | 0.10                                 | -                                    |
| Reimbursement of out of pocket expenses | -                                    | 0.05                                 |
| <b>Total</b>                            | <b>0.30</b>                          | <b>3.55</b>                          |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 19 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. Anand Prakash Mishra                | Key management person (upto October 23, 2018)   |
| Mr. Devendra Kumar Vasal                | Key management person   |
| Mr. Virendra Babubhai Dalal             | Key management person (upto May 19, 2018)   |
| Marinating Films Partnership            | Entity in which key management person has significant influence (upto October 23, 2018) |

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

(₹ in Lacs)

| Nature of Transactions                                    | Holding Company | Director | Fellow Subsidiary |
|---|-----------------|----------|-------------------|
| <b>Conversion of preference shares into equity shares</b> |                 |          |                   |
| Balaji Telefilms Limited                                  | -               | -        | -                 |
|   | (445.00)        | (-)      | (-)               |
| <b>Issue of compulsory convertible debentures</b>         |                 |          |                   |
| Balaji Telefilms Limited                                  | -               | -        | -                 |
|   | (325.00)        | (-)      | (-)               |
| <b>Expenses incurred on behalf of MFPL</b>                |                 |          |                   |
| Balaji Telefilms Limited                                  | -               | -        | -                 |
|   | (9.98)          | (-)      | (-)               |
| <b>Sale of Digital Rights</b>                             |                 |          |                   |
| Alt Digital Media Entertainment Limited                   | -               | -        | 50.00             |
|   | (-)             | (-)      | (6.52)            |
| <b>Remuneration</b>                                       |                 |          |                   |
| Anand Prakash Mishra                                      | -               | -        | -                 |
|   | (-)             | (3.92)   | (-)               |
| <b>Director Sitting Fees</b>                              |                 |          |                   |
| Devendra Kumar Vasal                                      | -               | 1.00     | -                 |
|   | (-)             | (1.25)   | (-)               |
| Virendra Babubhai Dalal                                   | -               | -        | -                 |
|   | (-)             | (0.50)   | (-)               |

### (c) Closing balances as at March 31, 2020

(₹ in Lacs)

| Nature of Transactions.                    | Holding Company | Director | Fellow Subsidiary |
|--|-----------------|----------|-------------------|
| <b>Amount payable as on March 31, 2020</b> |                 |          |                   |
| Balaji Telefilms Limited                   | 9.98            | -        | -                 |
|  | (9.98)          | (-)      | (-)               |

#### Note

- 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.
- Figures in bracket relate to the previous year.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 20 Earnings 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<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) (Loss) for the year attributable to equity share holders<br>(₹ in lacs)        | (95.13)                              | (13.50)                              |
| (b) Weighted average number of equity shares outstanding during the<br>year (Nos.) | 77,10,000                            | 59,15,890                            |
| (c) Loss per share - Basic and diluted (₹) (a / b)                                 | (1.23)                               | (0.23)                               |
| (d) Nominal value of shares (₹)  | 10                                   | 10                                   |

**21** 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 ₹ 126.70 lacs (previous year ₹ 158.85 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.

## 22 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 ₹ 900.00 lacs (March 31, 2019 ₹ 104.35) is derived from a single external customer.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 23 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) Classification of financial assets and liabilities

(₹ in Lacs)

| Particulars                        | March 31, 2020 |          |                | March 31, 2019 |          |                |
|------------------------------------|----------------|----------|----------------|----------------|----------|----------------|
|                                    | FVPL           | FVOCI    | Amortised cost | FVPL           | FVOCI    | Amortised cost |
| <b>Financial Assets</b>            |                |          |                |                |          |                |
| <b>Current financial assets</b>    |                |          |                |                |          |                |
| Investments                        | 74.13          | -        | -              | 68.93          | -        | -              |
| Trade receivables                  | -              | -        | -              | -              | -        | 76.62          |
| Cash and cash equivalents          | -              | -        | 12.66          | -              | -        | 59.36          |
| Other current financials assets    | -              | -        | -              | -              | -        | 51.95          |
| <b>Total Financial Assets</b>      | <b>74.13</b>   | <b>-</b> | <b>12.66</b>   | <b>68.93</b>   | <b>-</b> | <b>187.93</b>  |
| <b>Financial Liabilities</b>       |                |          |                |                |          |                |
| Trade payables                     | -              | -        | 22.06          | -              | -        | 21.21          |
| <b>Total Financial Liabilities</b> | <b>-</b>       | <b>-</b> | <b>22.06</b>   | <b>-</b>       | <b>-</b> | <b>21.21</b>   |

### (i) Fair Value hierarchy of financial assets and liabilities

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 under 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 measurements at March 31, 2020 | Level 1      | Level 2  | Level 3  | Total        |
|---|--------------|----------|----------|--------------|
| <b>Current financial assets</b>   |              |          |          |              |
| Investments in mutual fund  | 74.13        | -        | -        | 74.13        |
| <b>Total Financial Assets</b>   | <b>74.13</b> | <b>-</b> | <b>-</b> | <b>74.13</b> |

(₹ in Lacs)

| Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2019 | Level 1      | Level 2  | Level 3  | Total        |
|---|--------------|----------|----------|--------------|
| <b>Current financial assets</b>   |              |          |          |              |
| Investments in mutual fund  | 68.93        | -        | -        | 68.93        |
| <b>Total Financial Liabilities</b>  | <b>68.93</b> | <b>-</b> | <b>-</b> | <b>68.93</b> |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

The carrying value of trade receivables, cash and cash equivalents, trade payables and other current financial assets 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. The mutual funds are valued using the closing NAV.

**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 included 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 from issuer of mutual fund.

## 24 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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

The Company's maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is the carrying value of each class of financial assets as disclosed in note 23.

## 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.

## (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        |
|---|------------------|-------------------|------------------|--------------|
| <b>March 31, 2020</b>                           |                  |                   |                  |              |
| Trade payables                                  | 0.20             | 21.86             | -                | 22.06        |
| <b>Total financial liabilities</b>              | <b>0.20</b>      | <b>21.86</b>      | <b>-</b>         | <b>22.06</b> |

(₹ in Lacs)

| Contractual maturities of financial liabilities | 6 months or less | 6 months -1 years | More than 1 year | Total        |
|---|------------------|-------------------|------------------|--------------|
| <b>March 31, 2019</b>                           |                  |                   |                  |              |
| Trade payables                                  | 21.21            | -                 | -                | 21.21        |
| <b>Total financial liabilities</b>              | <b>21.21</b>     | <b>-</b>          | <b>-</b>         | <b>21.21</b> |

## (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, 2020 (Previous year Nil).

### (ii) Interest rate risk

The Company have borrowing bearing zero interest rate and is thus not exposed to interest rate risk as at March 31, 2020 (Previous year ₹ Nil).

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (iii) Price risk

### (a) 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

| Particulars  | (₹ in Lacs)                |                |
|--|----------------------------|----------------|
|  | Impact on profit after tax |                |
|  | March 31, 2020             | March 31, 2019 |
| Net asset value - Increase 5% (March 31, 2019 5%)* | 3.71                       | 3.45           |
| Net asset value - Decrease 5% (March 31, 2019 2%)* | (3.71)                     | (1.38)         |

\*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.

## 25 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.

## 26 Deferred Tax assets (net)

| Particulars                     | (₹ in Lacs)          |                      |
|---------------------------------|----------------------|----------------------|
|                                 | As at March 31, 2020 | As at March 31, 2019 |
| <b>Deferred Tax Liabilities</b> |                      |                      |
| Fair value of investment        | 2.30                 | 1.02                 |
| <b>Deferred Tax Assets</b>      |                      |                      |
| On brought forward losses       | 2.30                 | 1.02                 |
| <b>Total</b>                    | -                    | -                    |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 26 Deferred Tax assets (net) (Contd..)

Deferred Tax movement

(₹ in Lacs)

| Particulars   | For the year March 31, 2020 |                                       |                 |
|---|-----------------------------|---------------------------------------|-----------------|
|   | Opening Balance             | Charged/ (Credited) to Profit or Loss | Closing Balance |
| Tax effect of items constituting deferred tax liabilities |                             |                                       |                 |
| Fair value of investments                                 | 1.02                        | 1.28                                  | 2.30            |
| Tax effect of items constituting deferred tax assets      |                             |                                       |                 |
| Brought forward losses                                    | 1.02                        | (1.28)                                | 2.30            |
| Net tax assets  | -                           | -                                     | -               |

(₹ in Lacs)

| Particulars   | For the year March 31, 2019 |                                       |                 |
|---|-----------------------------|---------------------------------------|-----------------|
|   | Opening Balance             | Charged/ (Credited) to Profit or Loss | Closing Balance |
| Tax effect of items constituting deferred tax liabilities |                             |                                       |                 |
| Fair value of investments                                 | -                           | 1.02                                  | 1.02            |
| Tax effect of items constituting deferred tax assets      |                             |                                       |                 |
| Brought forward losses                                    | -                           | (1.02)                                | 1.02            |
| Net tax assets  | -                           | -                                     | -               |

**27** The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has adversely impacted the entire media and entertainment industry and consequently, the business activities of the Company are also affected.

The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its investments, other assets and liabilities as at March 31, 2020 and concluded that there were no material adjustments required in the financial statements as on March 31, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

**28** As at March 31, 2020 the Company has accumulated losses of ₹ 648.03 lacs. The Company has necessary financial support from its parent company Balaji Telefilms Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2020 as the Company neither has the intention nor the necessity of liquidation or of curtailing materially the scale of the operations. In the opinion of the Board of Directors, the Company will meet all it's financial obligations as they fall due for payment for at least 12 months from the date of signatures of these financial statements.

**Signature to notes 1 to 28**

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

Ali Akbar  
**Partner**  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

**For and on behalf of the Board of Directors**

Shobha Kapoor  
**(Chairperson)**  
DIN: 00005124

Sanjay Dwivedi  
**(Group CFO)**

Place : Mumbai  
Date : July 22, 2020



CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

# Board's Report

The Directors present the 5<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2020.

## COMPANY PERFORMANCE

### FINANCIAL HIGHLIGHTS

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

| (₹ in Lacs)   |                 |                 |
|---|-----------------|-----------------|
| Particulars   | 2019-20         | 2018-19         |
| Income from operations                                  | -               | 164.25          |
| Less: Total expenditure                                 | 44.03           | 225.30          |
| <b>Operating profit</b>                                 | <b>(44.03)</b>  | <b>(61.05)</b>  |
| Less: Interest  | -               | 4.46            |
| Less: Depreciation                                      | 7.09            | 14.67           |
| <b>Operating (Loss) after interest and depreciation</b> | <b>(51.12)</b>  | <b>(80.18)</b>  |
| Add: Other income                                       | 15.16           | -               |
| Less: Exceptional Items                                 | -               | -               |
| <b>(Loss) before tax</b>                                | <b>(35.96)</b>  | <b>(80.18)</b>  |
| Less: Provision for taxation                            | -               | -               |
| <b>Net (loss) after tax</b>                             | <b>(35.96)</b>  | <b>(80.18)</b>  |
| <b>Other Comprehensive Income</b>                       | -               | -               |
| Balance brought forward from previous year              | (209.18)        | (129.00)        |
| Conversion of preference shares into equity             | 4.03            | -               |
| <b>Balance carried to balance sheet</b>                 | <b>(241.11)</b> | <b>(209.18)</b> |

## RESULTS OF OPERATIONS

During the year under review, the Company has reported a net loss of ₹ 35.96 Lacs as compared to a net loss of ₹ 80.18 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 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 reclassified the existing Authorized Share Capital of the Company at the Extra Ordinary General Meeting held on March 13, 2020, from ₹ 5,00,00,000/- (Rupees Five Crore Only) divided into 25,00,000 (Twenty-Five Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 25,00,000 (Twenty-Five Lakh) Preference Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 5,00,00,000/- (Rupees Five Crore Only) divided into 35,00,000 (Thirty-Five Lakh) Equity

Shares of ₹ 10/- (Rupees Ten Only) each and 15,00,000 (Fifteen Lakh) Preference Shares of ₹ 10/- (Rupees Ten Only) each.

- During the year under review, the Company has issued and allotted 10,00,000 Equity Shares of ₹ 10/- each at par on right basis to its existing shareholders.
- During the year under review, the Company has converted 15,00,000 (Fifteen Lakhs) Zero Dividend Redeemable Optionally Convertible Preference Shares of ₹ 10/- each into Equity Shares of ₹ 10/- each.
- Pursuant to conversion of Preference Shares into Equity Shares and allotment of Equity shares on right basis, the paid-up share capital of the Company as on March 31, 2020 was ₹ 2,55,00,000/- (Rupees Two Crores Fifty-Five Lacs Only) comprising of 25,50,000 Equity shares of face value of ₹ 10/- each. The Company has neither issued shares with differential voting rights nor granted stock options or sweat equity. As on March 31, 2020 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 or 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, 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 the Board's Report along with applicable annexures are not annexed herewith.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OCCURRED BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

### I. FINANCIAL STATEMENTS ON NON-GOING CONCERN BASIS:

The Company had considered and evaluated the proposal of voluntary Winding up in the Board Meeting held on July 22, 2020 considering that the Company may not be able to continue in foreseeable future as a going concern. It has also approved the financial statements for the year ended March 31, 2020 on Non-going concern basis, as the management has decided to liquidate the entity due to no future business plans.

### II. IMPACT OF COVID-19 PANDEMIC ON BUSINESS OPERATIONS:

The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has no impact on the Company's operations.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

### Change in designation of Independent Director to Non-Executive Director

During the year under review, the designation of Mr. Virendra Babubhai Dalal was changed from Independent Director to Non-Executive Director w.e.f. May 22, 2019 due to non-requirement of Independent Directors on the Board of the Company pursuant to Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### Retirement by rotation and subsequent re-appointment

Mr. Saugata Nandi, Managing 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 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 Board recommends his re-appointment as Managing Director of the Company.



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 DIRECTOR

During the year under review, the Company had received necessary declaration 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. Further, since there were no Independent directors on the Board of the Company as on March 31, 2020, there was no requirement to receive such declaration.

### AUDITORS

#### STATUTORY AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 2<sup>nd</sup> Annual General Meeting (AGM) held on August 31, 2017 had approved the appointment of M/s. Price Water Chartered Accountants LLP for a term of 5 (five) consecutive years, to hold office till the conclusion of the AGM to be held for the financial year 2021-22 of the Company. M/s. Price Waterhouse Chartered Accountants LLP have confirmed that they are not disqualified from continuing as Auditors of the Company.

Statutory Auditor have included Emphasis of Matter drawing Members attention to Note No 29 of Financial Statement, in connection with preparation of financials on realisable value basis.

#### 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 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

However, during the year under review, Secretarial Review of the Company was conducted for better corporate governance and to ensure timely compliances with respect to statutory provisions of the Companies Act, 2013 as 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 AND POLICIES

#### i) BOARD MEETINGS

During the year under review, 4 (four) Meetings of the Board of Directors were held on, May 22, 2019, August 09, 2019, November 13, 2019 & February 12, 2020. 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. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

#### iii) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY

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.

The provisions of Section 177, 178 & 135 of the Companies Act, 2013 with respect to constitution of various Committees are not applicable to the Company.

### OTHER DISCLOSURES

#### i) EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return in Form MGT - 9, as required under Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration)

Rules, 2014, is appended as Annexure I, which forms part of this Report and is also available on website of the Company at [http://www.balajitelefilms.com/annual\\_return.php](http://www.balajitelefilms.com/annual_return.php)

## ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors have not reported to the Board, under Section 134(3)(ca) and 143(12) of the Companies Act, 2013, any instance of fraud 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 the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## iv) INTERNAL FINANCIAL CONTROL 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 provisions of Companies Act, 2013 relating to Vigil Mechanism / Whistle Blower Policy are not applicable to the Company.

## vi) RELATED PARTY TRANSACTIONS

All transactions / contracts / arrangements entered into by the Company with related party (ies) as defined under the provisions of Section 188 and 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and at arm's length basis except usage of premises let out to the Company by Balaji Telefilms Limited (Holding Company) without payment of any rent on ongoing basis and is appended as Form AOC-2 in Annexure II, which forms part of this Report. 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.

## vii) FIXED DEPOSITS

During the year under review the Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

## viii) PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company does not have any Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013. Hence no disclosure is required to be given in this regard.

## ix) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Holding Company i.e. Balaji Telefilms Limited has in place Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 which is applicable to all its subsidiaries. However, since there are no employees on the payroll of the Company, the same is not applicable.

## 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 Light Emitting Diode (LED) 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 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 etc.

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

## EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 provides that annual performance evaluation of 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 including Executive and Non-Executive Directors is conducted based on the criteria and framework adopted by the Board. The Board takes note of the 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, 2020, 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, 2020 had been prepared on a 'Non-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 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 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 co-operation, assistance and support.

**For and on behalf of the Board of Directors**

Sd/-  
**Place:** Mumbai  
**Date:** July 22, 2020

**Shobha Kapoor**  
Chairperson  
**DIN:** 00005124

# Annexure I

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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-400053, Maharashtra.<br>Tel: +91-022-40698000<br>Fax: +91-022-40698181/82<br>Email: <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a><br>Website: <a href="http://www.chhayabanibalaji.com">www.chhayabanibalaji.com</a> |
| 6. | Whether listed Company   | No   |
| 7. | Name, Address & Contact details of the Registrar & Transfer Agent, if any. | NSDL Database Management Limited<br>4 <sup>th</sup> Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra.<br>Tel: +91-022-49142591<br>Email: <a href="mailto:nileshb@nsdl.co.in">nileshb@nsdl.co.in</a><br>Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</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 |
|---|-----------------------|--------------------------------|------------------|--------------------|
| <b>Balaji Telefilms Limited</b><br><b>Registered Office:</b><br>C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai-400053, Maharashtra. | L99999MH1994PLC082802 | Holding Company                | 50               | 2(46)              |



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

##### ii) Category-wise Share Holding:

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>i.e. April 01, 2019 |               |               |                   | No. of Shares held at the end of the year<br>i.e. March 31, 2020 |          |                  |                   | % Change during the year |
|--|--|---------------|---------------|-------------------|--|----------|------------------|-------------------|--------------------------|
|  | Demat  | Physical      | Total         | % of Total Shares | Demat  | Physical | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>  |  |               |               |                   |  |          |                  |                   |                          |
| <b>(1) Indian</b>  |  |               |               |                   |  |          |                  |                   |                          |
| 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            | 10,50,000  | 0        | 10,50,000        | 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                        |
| <b>Sub-total (A)(1)</b>  | <b>0</b>   | <b>50,000</b> | <b>50,000</b> | <b>100.00</b>     | <b>10,50,000</b>   | <b>0</b> | <b>10,50,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>(2) Foreign</b>   |  |               |               |                   |  |          |                  |                   |                          |
| a) Individuals (NRIs/<br>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                        |
| <b>Sub-total (A)(2)</b>  | <b>0</b>   | <b>0</b>      | <b>0</b>      | <b>0</b>          | <b>0</b>   | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoters A= A (1)+A (2)</b>                          | <b>0</b>   | <b>50,000</b> | <b>50,000</b> | <b>100.00</b>     | <b>10,50,000</b>   | <b>0</b> | <b>10,50,000</b> | <b>100.00</b>     | <b>0</b>                 |
| <b>B. Public Shareholding</b>  |  |               |               |                   |  |          |                  |                   |                          |
| <b>(1) Institutions</b>  |  |               |               |                   |  |          |                  |                   |                          |
| 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) FII's   | 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 Investors   | 0  | 0             | 0             | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| j) Others  | 0  | 0             | 0             | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (B)(1):</b>   | <b>0</b>   | <b>0</b>      | <b>0</b>      | <b>0</b>          | <b>0</b>   | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>(2) Non-Institutions</b>  |  |               |               |                   |  |          |                  |                   |                          |
| 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 ₹1 lakh | 0  | 0             | 0             | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| c) Others  | 0  | 0             | 0             | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| <b>Sub-total (B)(2):</b>   | <b>0</b>   | <b>0</b>      | <b>0</b>      | <b>0</b>          | <b>0</b>   | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |

| Category of Shareholders                      | No. of Shares held at the beginning of the year<br>i.e. April 01, 2019 |          |        |                   | No. of Shares held at the end of the year<br>i.e. March 31, 2020 |          |           |                   | % 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  | 50,000   | 50,000 | 100               | 10,50,000  | 0        | 10,50,000 | 100.00            | 0                        |

**Note:** 1. Change in shareholding is pursuant to allotment of equity shares and conversion of preference shares into equity.  
2. The Corporate action for 15,00,000 shares allotted on March 18, 2020 pursuant to conversion of existing preference shares into equity shares was not completed as on March 31, 2020 due to lockdown caused by COVID-19 pandemic. Hence, the said shares are not reflecting in the above table at the end of the year i.e. March 31, 2020.

## ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name         | Shareholding at the beginning of the year i.e. April 01, 2019 |                                  |  | Shareholding at the end of the year i.e. March 31, 2020 |                                  |  | % 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  | 12,75,000   | 50.00                            | 0  | 0  |
| 2.      | Chhayabani Private Limited | 25,000  | 50.00                            | 0  | 12,75,000   | 50.00                            | 0  | 0  |
|         | <b>Total</b>               | <b>50,000</b>   | <b>100.00</b>                    | <b>0</b>   | <b>25,50,000</b>  | <b>100.00</b>                    | <b>0</b>   | <b>0</b>                                 |

Note: Ms. Ekta Kapoor, Mrs. Shobha Kapoor, Mr. Saugata Nandi & Mr. Ramlal Nandi are Promoter Directors of the Company and did not hold any shares of the Company as on March 31, 2020.

## 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.      | <b>Balaji Telefilms Limited</b>   |               |                                  |   |                                  |
|         | At the beginning of the year  | 25,000        | 50.00                            | 25,000                                  | 50.00                            |
|         | Right issue on January 20, 2020   | 5,00,000      | 50.00                            | 5,25,000                                | 50.00                            |
|         | Allotment pursuant to conversion of preference shares into Equity on March 18, 2020 | 7,50,000      | 50.00                            | 12,75,000                               | 50.00                            |
|         | Sold during the year  | 0             | 0                                | 12,75,000                               | 50.00                            |
|         | At the end of the year  | 12,75,000     | 50.00                            | 12,75,000                               | 50.00                            |
| 2.      | <b>Chhayabani Private Limited</b>   |               |                                  |   |                                  |
|         | At the beginning of the year  | 25,000        | 50.00                            | 25,000                                  | 50.00                            |
|         | Right issue on January 20, 2020   | 5,00,000      | 50.00                            | 5,25,000                                | 50.00                            |
|         | Allotment pursuant to conversion of preference shares into Equity on March 18, 2020 | 7,50,000      | 50.00                            | 12,75,000                               | 50.00                            |
|         | Sold during the year  | 0             | 0                                | 12,75,000                               | 50.00                            |
|         | At the end of the year  | 12,75,000     | 50.00                            | 12,75,000                               | 50.00                            |

Note: Change in shareholding is pursuant to allotment of equity shares and conversion of preference shares into equity.



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 2019-20. 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 2019-20.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. 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 2019-20.

### B. Remuneration to other Directors:

|         |  |                                |                    |                     |                                | (₹ In Lacs)  |
|---------|--|--------------------------------|--------------------|---------------------|--------------------------------|--------------|
| Sr. No. | Particulars of Remuneration                    | Name of Directors              |                    |                     |                                | Total Amount |
| 1.      | <b>Independent Directors</b>                   | <b>Virendra Babubhai Dalal</b> |                    |                     |                                |              |
|         | Fee for attending Board and Committee Meetings | 0.25                           |                    |                     |                                | 0.25         |
|         | Commission                                     |                                |                    |                     |                                |              |
|         | Others   |                                |                    |                     |                                |              |
|         | <b>Total (1)</b>                               | <b>0.25</b>                    |                    |                     |                                | <b>0.25</b>  |
| 2.      | <b>Other Non- Executive Directors</b>          | <b>Shobha Kapoor</b>           | <b>Ekta Kapoor</b> | <b>Ramlal Nandi</b> | <b>Virendra Babubhai Dalal</b> |              |
|         | Fee for attending Board and Committee Meetings | -                              | -                  | -                   | 0.50                           | 0.50         |
|         | Commission                                     | -                              | -                  | -                   |                                | -            |
|         | Others   | -                              | -                  | -                   |                                | -            |
|         | <b>Total (2)</b>                               | <b>-</b>                       | <b>-</b>           | <b>-</b>            | <b>0.50</b>                    | <b>0.50</b>  |
|         | <b>Total B= (1+2)</b>                          | <b>0.25</b>                    |                    |                     | <b>0.50</b>                    | <b>0.75</b>  |
|         | <b>Total Managerial Remuneration (A+B)</b>     |                                |                    |                     |                                | 0.75         |
|         | <b>Ceiling as per Act (per annum)</b>          |                                |                    |                     | N.A.                           |              |

**Note:** Sittings fees paid to Mr. Virendra Babubhai Dalal for the period from April 01, 2019 to May 22, 2019 as an Independent Director of the Company. Thereafter due to change in his designation from Independent Director to Non-Executive Director w.e.f. May 22, 2019, sitting fees for the period from May 23, 2019 to March 31, 2020 was paid to him as Non-Executive Director of the Company.

### C. 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 the Companies Act, 2013 against the Company or its Directors or other officers in default during the year.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
DIN: 00005124



## Annexure II

### FORM AOC-2

#### PARTICULARS OF CONTRACTS /ARRANGEMENTS / TRANSACTIONS MADE WITH RELATED PARTIES

For the financial year ended March 31, 2020

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts), Rules, 2014]

#### 1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

The following contract or arrangement or transaction entered into during the year ended March 31, 2020 was not at arm's length basis.

| Name(s) of the Related Party and nature of relationship | Nature of Contracts/ Arrangements/ Transactions   | Duration of the Contracts/ Arrangements/ Transactions | Salient terms of the Contracts or Arrangements or Transactions including the value, if any | Justification for entering into such Contracts or Arrangements or Transactions   | Date of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 |
|---|---|---|--|--|-------------------------------|---------------------------------|---|
| Balaji Telefilms Limited (Holding Company)              | Arrangement with the Holding Company for usage of the premises viz. C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Indl Estate, New Link Road, Andheri - (West), Mumbai - 400053 by the Company as its Registered Office without payment of any rent | On-going  | -  | In order to curtail the expenses and maximize profits, the Company has entered into this arrangement with its Holding Company. | February 12, 2019             | N.A.                            | N.A.  |

#### 2) DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS LENGTH BASIS

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were at arm's length basis.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: July 22, 2020

Sd/-  
**Shobha Kapoor**  
Chairperson  
DIN: 00005124

# Financial Statements

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# Independent Auditor's Report

**To the Members of Chhayabani Balaji Entertainment Private Limited**

## Report on the audit of the financial statements

### Opinion

1. We have audited the accompanying financial statements of Chhayabani Balaji Entertainment Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

4. We draw your attention to Note 29 to the financial statements which states that the financial statements have been prepared on a realisable value basis as the Management of the Company plans to cease its business operations.

Our opinion is not modified in respect of this matter.

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a



statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020.
- 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, 2020.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

13. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

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

**Ali Akbar**  
Partner

Membership Number: 117839  
UDIN: 20117839AAAAAV4585

Place: Mumbai  
Date: July 22, 2020

# Annexure A

## to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditor's Report of even date to the members of Chhayabani Balaji Entertainment Private Limited on the financial statements for the year ended March 31, 2020

### 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, 2020 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 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 control 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, 2020, 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

**Ali Akbar**

Partner

Membership Number: 117839

UDIN: 20117839AAAAV4585

Place: Mumbai

Date: July 22, 2020

## Annexure B

### to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditor's Report of even date to the members of Chhayabani Balaji Entertainment Private Limited on the financial statements for the year ended March 31, 2020

- 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 noted 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 provision of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is into the business of making television /internet programs and accordingly does not hold Inventory (i.e. goods). Therefore, the provisions of Clause 3(ii) of the said 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 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 income tax, goods and service tax, cess 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 explanation 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 managerial remuneration during the year. Accordingly, the provision of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 13 of our main audit 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 Indian Accounting Standard (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 audit. 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

**Ali Akbar**

Partner

Membership Number: 117839

UDIN: 20117839AAAAV4585

Place: Mumbai

Date: July 22, 2020

# Balance Sheet

as at March 31, 2020

(₹ in Lacs)

| Particulars   | Note No. | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| <b>ASSETS</b>   |          |                         |                         |
| <b>Non-current assets</b>                                 |          |                         |                         |
| (a) Property, plant and equipment                         | 4        | 1.44                    | 24.79                   |
| (b) Income tax asset (net)                                | 5        | 3.28                    | 17.26                   |
| <b>Total Non-current assets</b>                           |          | <b>4.72</b>             | <b>42.05</b>            |
| <b>Current assets</b>                                     |          |                         |                         |
| (a) Financial assets                                      |          |                         |                         |
| (i) Trade receivables                                     | 6        | -                       | 0.45                    |
| (ii) Cash and cash equivalents                            | 7        | 21.56                   | 1.80                    |
| (b) Other current assets                                  | 8        | -                       | 25.29                   |
| <b>Total Current assets</b>                               |          | <b>21.56</b>            | <b>27.54</b>            |
| <b>Total Assets</b>                                       |          | <b>26.28</b>            | <b>69.59</b>            |
| <b>EQUITY AND LIABILITIES</b>                             |          |                         |                         |
| <b>Equity</b>   |          |                         |                         |
| (a) Share capital   | 9        | 255.00                  | 5.00                    |
| (b) Other equity  |          |                         |                         |
| - Equity component of compound financial instrument       |          | -                       | 132.91                  |
| - Reserves & Surplus                                      | 10       | (241.11)                | (209.18)                |
| <b>Total Equity</b>                                       |          | <b>13.89</b>            | <b>(71.27)</b>          |
| <b>Liabilities</b>  |          |                         |                         |
| <b>Non-current liabilities</b>                            |          |                         |                         |
| (a) Financial liabilities                                 |          |                         |                         |
| (i) Borrowings  | 11       | -                       | 21.12                   |
| <b>Total Non-current liabilities</b>                      |          | <b>-</b>                | <b>21.12</b>            |
| <b>Current liabilities</b>                                |          |                         |                         |
| (a) Financial liabilities                                 |          |                         |                         |
| (i) Trade payables  |          |                         |                         |
| (a) total outstanding dues of micro and small enterprises | 12       | -                       | -                       |
| (b) total outstanding dues other than (i) (a) above       | 12       | 10.45                   | 78.98                   |
| (b) Other current liabilities                             | 13       | 1.94                    | 40.76                   |
| <b>Total Current liabilities</b>                          |          | <b>12.39</b>            | <b>119.74</b>           |
| <b>Total Equity and Liabilities</b>                       |          | <b>26.28</b>            | <b>69.59</b>            |

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

For and on behalf of the Board of Directors

Shobha Kapoor  
(Chairperson)  
DIN: 00005124

Sanjay Dwivedi  
(Group CFO)  
Place : Mumbai  
Date : July 22, 2020

Saugata Nandi  
(Managing Director)  
DIN: 00620045



# Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars  | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------|-----------------------------------|-----------------------------------|
| 1 Revenue from operations                                      | 14       | -                                 | 164.25                            |
| 2 Other income   | 15       | 15.16                             | -                                 |
| <b>3 Total income</b>  |          | <b>15.16</b>                      | <b>164.25</b>                     |
| <b>4 Expenses</b>  |          |                                   |                                   |
| Cost of production   | 16       | -                                 | 197.75                            |
| Change in inventories of stock-in-trade                        | 16       | -                                 | 7.00                              |
| Depreciation and amortisation expense                          | 17       | 7.09                              | 14.67                             |
| Finance Cost   | 18       | -                                 | 4.46                              |
| Other expenses   | 19       | 44.03                             | 20.55                             |
| <b>5 Total expenses</b>  |          | <b>51.12</b>                      | <b>244.43</b>                     |
| <b>6 Loss before tax (3-5)</b>                                 |          | <b>(35.96)</b>                    | <b>(80.18)</b>                    |
| <b>7 Tax expenses</b>  |          |                                   |                                   |
| Current tax  |          | -                                 | -                                 |
| Deferred tax   | 27       | -                                 | -                                 |
| <b>Total tax expense</b>                                       |          | <b>-</b>                          | <b>-</b>                          |
| <b>8 Loss for the year (6-7)</b>                               |          | <b>(35.96)</b>                    | <b>(80.18)</b>                    |
| <b>9 Other Comprehensive Income</b>                            |          | <b>-</b>                          | <b>-</b>                          |
| <b>10 Total Comprehensive Income for the year (8+9)</b>        |          | <b>(35.96)</b>                    | <b>(80.18)</b>                    |
| <b>11 Basic &amp; diluted earnings/(loss) per share (in ₹)</b> | 21       | <b>(11.83)</b>                    | <b>(160.36)</b>                   |
| (Face value of ₹ 10 each)                                      |          |                                   |                                   |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit & Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Ali Akbar

Partner

Membership No: 117839

Place : Mumbai

Date : July 22, 2020

For and on behalf of the Board of Directors

Shobha Kapoor

(Chairperson)

DIN: 00005124

Sanjay Dwivedi

(Group CFO)

Place : Mumbai

Date : July 22, 2020

Saugata Nandi

(Managing Director)

DIN: 00620045

# Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 |  | For the year ended<br>March 31, 2019 |  |
|--|--------------------------------------|--|--------------------------------------|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                    |                                      |  |                                      |  |
| Loss before tax  | (35.96)                              |  | (80.18)                              |  |
| <b>Adjustments for</b>   |                                      |  |                                      |  |
| Depreciation   | 7.09                                 |  | 14.67                                |  |
| Loss on fixed assets written off   | 16.26                                |  | -                                    |  |
| Interest on Liability component of compound financial instrument                 | -                                    |  | 4.46                                 |  |
| Creditors written back   | (14.23)                              |  | -                                    |  |
| Interest on income tax refund  | (0.93)                               |  | -                                    |  |
| Advance written off  | 0.61                                 |  | -                                    |  |
| Bad debts written off  | 0.45                                 |  | -                                    |  |
|  | 9.25                                 |  | 19.13                                |  |
| <b>Operating loss before working capital changes</b>                             | <b>(26.71)</b>                       |  | <b>(61.05)</b>                       |  |
| (Increase) / Decrease in trade receivables                                       | -                                    |  | 91.71                                |  |
| (Increase) / Decrease in inventories   | -                                    |  | 7.00                                 |  |
| (Increase) / Decrease in other financial assets                                  | -                                    |  | 0.50                                 |  |
| (Increase) / Decrease in other current assets                                    | 25.29                                |  | (11.53)                              |  |
| Increase / (Decrease) in trade payables  | (54.30)                              |  | (26.22)                              |  |
| Increase / (Decrease) in other current liabilities                               | (39.43)                              |  | 3.35                                 |  |
|  | (68.44)                              |  | 64.81                                |  |
|  | <b>(95.15)</b>                       |  | <b>3.76</b>                          |  |
| Income taxes refund / paid   | 14.91                                |  | (3.47)                               |  |
| <b>Net cash flow from / (used in) operating activities (A)</b>                   | <b>(80.24)</b>                       |  | <b>0.29</b>                          |  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                    |                                      |  |                                      |  |
| Purchase of fixed assets   | -                                    |  | (0.80)                               |  |
| <b>Net cash used in investing activities (B)</b>                                 | <b>-</b>                             |  | <b>(0.80)</b>                        |  |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |                                      |  |                                      |  |
| Issue of Equity Share Capital  | 100.00                               |  | 100.00                               |  |
| <b>Net cash flow from financing activities (C)</b>                               | <b>100.00</b>                        |  | <b>-</b>                             |  |
| <b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>            | <b>19.76</b>                         |  | <b>(0.51)</b>                        |  |
| Cash and cash equivalents at the beginning of the financial year (Refer note 7)  | 1.80                                 |  | 2.31                                 |  |
| <b>Cash and cash equivalents at the end of the financial year (Refer note 7)</b> | <b>21.56</b>                         |  | <b>1.80</b>                          |  |

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

**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 : July 22, 2020



# Statement of Changes in Equity

for the year ended March 31, 2020

## A. Equity share capital

| Particulars  | (₹ in Lacs) |
|--|-------------|
| As at April 1, 2018  | 5.00        |
| Changes in equity share capital during the year  | -           |
| As at March 31, 2019   | 5.00        |
| As at April 1, 2019  | 5.00        |
| Changes in equity share capital during the year (Refer note 9)   | 100.00      |
| Shares issued on conversion of Zero dividend redeemable optionally convertible Preference Shares (Refer note 9 and 11) | 150.00      |
| As at March 31, 2020   | 255.00      |

## B. Other Equity

| Other Equity   |  |   | (₹ in Lacs) |
|--|--|---|-------------|
| Particulars  | Equity component of compound financial instruments | Reserves and surplus  | Total       |
|  |  | Retained earnings / (Deficit in statement of profit & loss) |             |
| As at April 1, 2018  | 132.91   | (129.00)  | 3.91        |
| (Loss) for the year  | -  | (80.18)   | (80.18)     |
| As at March 31, 2019   | 132.91   | (209.18)  | (76.27)     |
| As at April 1, 2019  | 132.91   | (209.18)  | (76.27)     |
| Conversion of Zero dividend redeemable optionally convertible Preference Shares into Equity shares (Refer note 11) | (150.00)   | -   | (150.00)    |
| Conversion of preference shares into equity shares (Refer note 11)   | 17.09  | 4.03  | 21.12       |
| (Loss) for the year  | -  | (35.96)   | (35.96)     |
| As at March 31, 2020   | -  | (241.11)  | (241.11)    |

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 on even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Ali Akbar

Partner

Membership No: 117839

Place : Mumbai

Date : July 22, 2020

For and on behalf of the Board of Directors

Shobha Kapoor

(Chairperson)

DIN: 00005124

Sanjay Dwivedi

(Group CFO)

Place : Mumbai

Date : July 22, 2020

Saugata Nandi

(Managing Director)

DIN: 00620045

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 1 : Background

Chhayabani Balaji Entertainment Private Limited was incorporated on February 16, 2015 under the Companies Act, 2013 and was in the business of production of television and web series 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 Statements. 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 its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

The financial statements have been prepared under the assumption that the Company will not continue as a going concern.

#### New and amended standards adopted by the Company

The Company has applied Ind AS 116, for the first time beginning April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-

of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The adoption of the standard does not have any impact on the Company's financial statements and hence no adjustment to the opening balance of retained earnings as at April 01, 2019 is required.

### (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 for segment information presented.

### (c) Revenue Recognition

The Company derives revenue from producing television programs and web series for its customers. Some of the contracts include multiple deliverables. The Company identifies and evaluate each performance obligation under the contract. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Revenue generated from the commissioned television programs and web series produced for broadcasters is recognized over the period of time over the contract period.

The transaction price, being the amount to which the Company expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed targets.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a



# Notes forming part of Financial Statements

for the year ended March 31, 2020

consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue excludes any taxes and duties collected on behalf of the government.

## (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) 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.

## (f) 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.

## (g) 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 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 25 (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 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.

## (h) 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.

## (i) Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation



# Notes forming part of Financial Statements

for the year ended March 31, 2020

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.

### **(j) 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.

### **(k) 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.

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (l) Earning 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.

## (m) 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 Financial Statements

for the year ended March 31, 2020

## Note 4 - Property, plant and equipment

(₹ in Lacs)

| Description of Assets                                | Plant and machinery - Computers | Plant and machinery - Others | Studios and sets | Total   |
|--|---------------------------------|------------------------------|------------------|---------|
| <b>I. Gross Carrying Amount</b>                      |                                 |                              |                  |         |
| Balance as at April 1, 2018                          | 5.71                            | 1.23                         | 37.97            | 44.91   |
| Additions  | 0.80                            | -                            | -                | 0.80    |
| Balance as at March 31, 2019                         | 6.51                            | 1.23                         | 37.97            | 45.71   |
| <b>II. Accumulated Depreciation</b>                  |                                 |                              |                  |         |
| Balance as at April 1, 2018                          | (3.30)                          | (0.25)                       | (2.70)           | (6.25)  |
| Depreciation expense                                 | (1.89)                          | (0.12)                       | (12.66)          | (14.67) |
| Balance as at March 31, 2019                         | (5.19)                          | (0.37)                       | (15.36)          | (20.92) |
| <b>III. Net Carrying Amount as at March 31, 2019</b> | 1.32                            | 0.86                         | 22.61            | 24.79   |

(₹ in Lacs)

| Description of Assets                                | Plant and machinery - Computers | Plant and machinery - Others | Studios and sets | Total   |
|--|---------------------------------|------------------------------|------------------|---------|
| <b>I. Gross Carrying Amount</b>                      |                                 |                              |                  |         |
| Balance as at April 1, 2019                          | 6.51                            | 1.23                         | 37.97            | 45.71   |
| Disposal / Write-off                                 | -                               | -                            | (37.97)          | (37.97) |
| Balance as at March 31, 2020                         | 6.51                            | 1.23                         | -                | 7.74    |
| <b>II. Accumulated Depreciation</b>                  |                                 |                              |                  |         |
| Balance as at April 1, 2019                          | (5.19)                          | (0.37)                       | (15.36)          | (20.92) |
| Depreciation expense                                 | (0.62)                          | (0.12)                       | (6.35)           | (7.09)  |
| Disposal / written off                               | -                               | -                            | 21.71            | 21.71   |
| Balance as at March 31, 2020                         | (5.81)                          | (0.49)                       | -                | (6.30)  |
| <b>III. Net Carrying Amount as at March 31, 2020</b> | 0.70                            | 0.74                         | -                | 1.44    |

## Note 5 Income tax assets (net)

(₹ in Lacs)

| Particulars            | As at March 31, 2020 | As at March 31, 2019 |
|------------------------|----------------------|----------------------|
| Tax deducted at source | 3.28                 | 17.26                |
| <b>Total</b>           | <b>3.28</b>          | <b>17.26</b>         |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 6 Trade receivables

(₹ in Lacs)

| Particulars           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------|-------------------------|-------------------------|
| Trade receivable      | -                       | 0.45                    |
| Less : Loss allowance | -                       | -                       |
| <b>Total</b>          | <b>-</b>                | <b>0.45</b>             |

## Break up of security details

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Trade receivables considered good - Secured                      | -                       | -                       |
| Trade receivables considered good - Unsecured                    | -                       | 0.45                    |
| Trade receivables which have significant increase in credit risk | -                       | -                       |
| Trade receivables - credit impaired                              | -                       | -                       |
| Less : Loss allowance  | -                       | -                       |
| <b>Total trade receivable</b>                                    | <b>-</b>                | <b>0.45</b>             |

## Note 7 Cash and cash equivalents

(₹ in Lacs)

| Particulars                             | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Cash on hand                            | 0.12                    | 1.43                    |
| Balances with banks in current accounts | 21.44                   | 0.37                    |
| <b>Total</b>                            | <b>21.56</b>            | <b>1.80</b>             |

## Note 8 Other current assets

(₹ in Lacs)

| Particulars                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------------|-------------------------|-------------------------|
| Balances with government authorities | -                       | 24.16                   |
| Advance to vendors                   | -                       | 1.13                    |
| <b>Total</b>                         | <b>-</b>                | <b>25.29</b>            |

## Note 9 Share capital

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>(a) Authorised</b>  |                         |                         |
| 35,00,000 (Previous Year 25,00,000) Equity Shares of ₹ 10/- each     | 350.00                  | 250.00                  |
| 15,00,000 (Previous Year 25,00,000) Preference Shares of ₹ 10/- each | 150.00                  | 250.00                  |
| <b>Total</b>   | <b>500.00</b>           | <b>500.00</b>           |
| <b>(b) Issued, Subscribed and fully paid-up</b>                      |                         |                         |
| 25,50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each        | 255.00                  | 5.00                    |
| <b>Total</b>   | <b>255.00</b>           | <b>5.00</b>             |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 9 Share capital (Contd..)

### Notes :

(i) Shares held by holding company / ultimate holding company :

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
|   | No. of shares           | No. of shares           |
| Balaji Telefilms Limited (immediate and ultimate holding company) | 12,75,000               | 25,000                  |

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

| Name of shareholder        | As at March 31, 2020 |              | As at March 31, 2019 |              |
|----------------------------|----------------------|--------------|----------------------|--------------|
|                            | No. of shares held   | % of holding | No. of shares held   | % of holding |
| Balaji Telefilms Limited   | 12,75,000            | 50.00%       | 25,000               | 50.00%       |
| Chhayabani Private Limited | 12,75,000            | 50.00%       | 25,000               | 50.00%       |

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

| Name of shareholder  | As at March 31, 2020 |           | As at March 31, 2019 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No. of shares held   | ₹ in Lacs | No. of shares held   | ₹ 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  | 10,00,000            | 100       | -                    | -         |
| Add: Issue of Equity Shares on conversion of Zero dividend redeemable optionally convertible Preference Shares (Refer note 11) | 15,00,000            | 150       | -                    | -         |
| Equity shares outstanding at the end of the year   | 25,50,000            | 255       | 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, 2020.

(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.

## Note 10 Reserves & Surplus

(₹ in Lacs)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Retained Earnings / (Deficit in statement of profit &amp; loss)</b> |                         |                         |
| Balance at beginning of year   | (209.18)                | (129.00)                |
| Conversion of preference shares into equity                            | 4.03                    | -                       |
| (Loss) for the Year  | (35.96)                 | (80.18)                 |
| <b>Balance at end of the year</b>                                      | <b>(241.11)</b>         | <b>(209.18)</b>         |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 11 Borrowings - Non current

| Particulars  | (₹ in Lacs)             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Unsecured :  |                         |                         |
| Liability component of compound financial instrument   |                         |                         |
| Nil (Previous year 15,00,000) Zero dividend redeemable optionally convertible Preference Shares of ₹ 10/- each | -                       | 21.12                   |
| <b>Total</b>   | <b>-</b>                | <b>21.12</b>            |

### Terms of allotment

| Particulars  | Allotment date     | Redemption date    |
|--|--------------------|--------------------|
|  | Number of Options  | Number of Options  |
| 5,00,000 Zero dividend redeemable optionally convertible Preference Shares | September 23, 2015 | September 22, 2025 |
| 5,00,000 Zero dividend redeemable optionally convertible Preference Shares | February 5, 2016   | February 4, 2026   |
| 5,00,000 Zero dividend redeemable optionally convertible Preference Shares | November 29, 2017  | November 28, 2037  |

Zero dividend redeemable optionally convertible Preference Shares to be redeemed at par at any time within the redemption period from the date of allotment with mutual consent of the Company and the preference shareholders.

The equity component relating to above is disclosed under Equity Component of Compound Financial Instrument in the Balance Sheet.

15,00,000 Zero dividend redeemable optionally convertible Preference Shares of ₹ 10/- each were converted into 15,00,000 equity shares of ₹ 10 each on March 18, 2020. Upon conversion of above preference shares, the carrying amount of the Equity Component of compound financial instruments and borrowing component of ₹ 132.91 lacs and ₹ 21.12 lacs respectively was derecognised and ₹ 150 lacs was transferred to equity share capital and balance ₹ 4.03 lacs transferred to retained earnings.

### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

| Particulars               | (₹ in Lacs)             |                         |
|---------------------------|-------------------------|-------------------------|
|                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Cash and cash equivalents | 21.56                   | 1.80                    |
| Non-current borrowings    | -                       | (21.12)                 |
| <b>Total</b>              | <b>21.56</b>            | <b>(19.32)</b>          |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 11 Borrowings - Non current (Contd..)

### Net debt reconciliation (Contd..)

(₹ in Lacs)

| Particulars  | Other Assets              | Liabilities from financing activities | Total   |
|--|---------------------------|---------------------------------------|---------|
|  | Cash and cash equivalents | Non-current borrowings                |         |
| Net debt as at March 31, 2018  | 2.31                      | (16.66)                               | (14.35) |
| Cash flows   | (0.51)                    | -                                     | (0.51)  |
| Interest expense   | -                         | (4.46)                                | (4.46)  |
| Net debt as at March 31, 2019  | 1.80                      | (21.12)                               | (19.32) |
| Cash flows   | 19.76                     | -                                     | 19.76   |
| Conversion of debt component of compound financial instrument into equity shares | -                         | 21.12                                 | 21.12   |
| Net debt as at March 31, 2020  | 21.56                     | -                                     | 21.56   |

## Note 12 Trade payables

(₹ in Lacs)

| Particulars                                       | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Current   |                      |                      |
| Trade payables: micro and small enterprises       | -                    | -                    |
| Trade payables: others                            | 8.18                 | 52.49                |
| Trade payables to related parties (Refer note 20) | 2.27                 | 26.49                |
| Total   | 10.45                | 78.98                |

### Notes:

#### (a) Micro, Small and Medium Enterprises :

The balances payable 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 13 Other current liabilities

(₹ in Lacs)

| Particulars           | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|----------------------|----------------------|
| Statutory liabilities | 0.96                 | 40.29                |
| Others                | 0.98                 | 0.47                 |
| Total                 | 1.94                 | 40.76                |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 14 Revenue from operations

(₹ in Lacs)

| Particulars                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| <b>Sale of services:</b>         |                                      |                                      |
| Commissioned television programs | -                                    | 99.65                                |
| Internet programs                | -                                    | 64.60                                |
| <b>Total</b>                     | <b>-</b>                             | <b>164.25</b>                        |

The Revenue recognised is equivalent to the contract price and there is no element of discount, rebates, incentives, etc. which are adjusted to revenue.

There are no unsatisfied performance obligations in respect of revenue contract.

## Note 15 Other income

(₹ in Lacs)

| Particulars                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Creditors written back        | 14.23                                | -                                    |
| Interest on Income-tax Refund | 0.93                                 | -                                    |
| <b>Total</b>                  | <b>15.16</b>                         | <b>-</b>                             |

## Note 16 Cost of production

(₹ in Lacs)

| Particulars                               | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Purchase of costumes and dresses          | -                                    | 5.50                                 |
| Artists, Directors and other technicians  | -                                    | 107.42                               |
| Shooting and location expenses            | -                                    | 34.63                                |
| Set properties and equipment hire charges | -                                    | 30.73                                |
| Food & Refreshments                       | -                                    | 10.57                                |
| Other production expenses                 | -                                    | 8.90                                 |
| <b>Total</b>                              | <b>-</b>                             | <b>197.75</b>                        |

## Changes in Inventories :

(₹ in Lacs)

| Particulars                         | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Opening balance - Television series | -                                    | 7.00                                 |
| Closing balance - Television series | -                                    | -                                    |
| <b>Total changes in inventories</b> | <b>-</b>                             | <b>7.00</b>                          |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## Note 17 Depreciation and amortisation expense

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer note 4) | 7.09                                 | 14.67                                |
| <b>Total</b>   | <b>7.09</b>                          | <b>14.67</b>                         |

## Note 18 Finance Cost

(₹ in Lacs)

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Interest on Liability component of compound financial instrument | -                                    | 4.46                                 |
| <b>Total</b>   | <b>-</b>                             | <b>4.46</b>                          |

## Note 19 Other expenses

(₹ in Lacs)

| Particulars                                      | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Communication expenses                           | 0.03                                 | 0.53                                 |
| Director sitting fees                            | 0.75                                 | 1.00                                 |
| Legal and professional charges (Refer Note 19.1) | 13.08                                | 13.59                                |
| Rates and taxes                                  | 7.39                                 | 0.94                                 |
| Repair and maintenance                           | -                                    | 0.06                                 |
| Loss on fixed assets written off                 | 16.26                                | -                                    |
| Travelling and conveyance expenses               | 2.90                                 | 3.61                                 |
| Advances written off                             | 0.61                                 | -                                    |
| Bad debts written off                            | 0.45                                 | -                                    |
| Miscellaneous expenses                           | 2.56                                 | 0.82                                 |
| <b>Total</b>                                     | <b>44.03</b>                         | <b>20.55</b>                         |

### Note 19.1 Payments to auditors (included in Legal & professional charges)

(₹ in Lacs)

| Particulars                             | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>As auditors :</b>                    |                                      |                                      |
| Audit fees                              | 0.20                                 | 3.00                                 |
| Reimbursement of out of pocket expenses | -                                    | 0.04                                 |
| <b>Total</b>                            | <b>0.20</b>                          | <b>3.04</b>                          |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 20 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 |
|---|-----------------|--|--|-----------------------|-------------------|
| <b>Issue of Equity Share Capital</b>                      |                 |  |  |                       |                   |
| Balaji Telefilms Limited                                  | 50.00           | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| Chhayabani Private Limited                                | 50.00           | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| <b>Conversion of preference shares into equity shares</b> |                 |  |  |                       |                   |
| Balaji Telefilms Limited                                  | 75.00           | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| Chhayabani Private Limited                                | 75.00           | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| <b>Sale of Contents</b>                                   |                 |  |  |                       |                   |
| ALT Digital Media Entertainment Limited                   | -               | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (64.60)           |
| <b>Shooting and location expenses / Others</b>            |                 |  |  |                       |                   |
| India Film Laboratories Private Limited                   | -               | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (6.75)   | (-)                   | (-)               |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 20 Related Party Transactions (Contd..)

### (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 |
|---|-----------------|--|--|-----------------------|-------------------|
| <b>Expenses incurred on behalf of CBEPL</b>                 |                 |  |  |                       |                   |
| India Film Laboratories Private Limited                     | -               | -  | 18.78  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| Mr. Saugata Nandi   | -               | -  | -  | 0.74                  | -                 |
|   | (-)             | (-)  | (-)  | (3.54)                | (-)               |
| Mr. Ramlal Nandi  | -               | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (2.07)                | (-)               |
| <b>Reimbursement of expense incurred on behalf of CBEPL</b> |                 |  |  |                       |                   |
| India Film Laboratories Private Limited                     | -               | -  | 18.78  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| Mr. Saugata Nandi   | -               | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (4.51)                | (-)               |
| Mr. Ramlal Nandi  | -               | -  | -  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (2.07)                | (-)               |
| <b>Repayment during the year</b>                            |                 |  |  |                       |                   |
| India Film Laboratories Private Limited                     | -               | -  | 24.22  | -                     | -                 |
|   | (-)             | (-)  | (-)  | (-)                   | (-)               |
| <b>Director sitting fees</b>                                |                 |  |  |                       |                   |
| Mr. Virendra Babubhai Dalal                                 | -               | -  | -  | 0.75                  | -                 |
|   | (-)             | (-)  | (-)  | (1.00)                | (-)               |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 20 Related Party Transactions (Contd..)

### (c) Closing balances as at the year end March 31, 2020

(₹ in Lacs)

| Particulars                             | Holding Company | Other shareholder having significant influence | Company in which Key Management Person has significant influence | Independent director | Fellow subsidiary |
|---|-----------------|--|--|----------------------|-------------------|
| <b>Trade Payables</b>                   |                 |  |  |                      |                   |
| India Film Laboratories Private Limited | -               | -  | 2.27   | -                    | -                 |
|   | (-)             | (-)  | (26.49)  | (-)                  | (-)               |
| <b>Other current liabilities</b>        |                 |  |  |                      |                   |
| Mr. Saugata Nandi                       | -               | -  | -  | 0.98                 | -                 |
|   | (-)             | (-)  | (-)  | (0.24)               | (-)               |
| <b>Director sitting fees payable</b>    |                 |  |  |                      |                   |
| Mr. Virendra Babubhai Dalal             | -               | -  | -  | -                    | -                 |
|   | (-)             | (-)  | (-)  | (0.23)               | (-)               |

#### Note

- 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.
- Figures in bracket relate to the previous year.

## 21 Earnings per share

### Basic and diluted earnings per share

Earnings per share is calculated by dividing the loss 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, 2020 | For the year ended March 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| (a) (Loss) for the period attributable to equity share holders (₹ in Lacs)      | (35.96)                           | (80.18)                           |
| (b) Weighted average number of equity shares outstanding during the year (Nos.) | 3,04,098                          | 50,000                            |
| (c) (Loss) per share - Basic and diluted (₹) (a / b)                            | (11.83)                           | (160.36)                          |
| (d) Nominal value of shares (₹)   | 10                                | 10                                |

Note : Impact of optionally convertible preference shares on EPS is anti-dilutive, hence not considered.

- 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 ₹ 53.87 lacs (Previous year ₹ 53.06 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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 23 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 Nil (March 31, 2019 ₹ 164.25 lacs) are derived from the two major customers of the company.

## 24 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)

| Particulars                        | March 31, 2020 |       |                | March 31, 2019 |       |                |
|------------------------------------|----------------|-------|----------------|----------------|-------|----------------|
|                                    | FVPL           | FVOCI | Amortised cost | FVPL           | FVOCI | Amortised cost |
| <b>Financial Assets</b>            |                |       |                |                |       |                |
| <b>Current financial assets</b>    |                |       |                |                |       |                |
| Trade receivables                  | -              | -     | -              | -              | -     | 0.45           |
| Cash and cash equivalents          | -              | -     | 21.56          | -              | -     | 1.80           |
| <b>Total Financial Assets</b>      | -              | -     | <b>21.56</b>   | -              | -     | <b>2.25</b>    |
| <b>Financial Liabilities</b>       |                |       |                |                |       |                |
| Borrowings                         | -              | -     | -              | -              | -     | 21.12          |
| Trade payables                     | -              | -     | 10.45          | -              | -     | 78.98          |
| <b>Total Financial Liabilities</b> | -              | -     | <b>10.45</b>   | -              | -     | <b>100.10</b>  |

### (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 in 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, 2020 | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|-------|
| <b>Non-current financial liabilities</b>  |         |         |         |       |
| Borrowings  | -       | -       | -       | -     |
| <b>Total Financial Liabilities</b>  | -       | -       | -       | -     |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 24 Fair Value Measurements (Contd..)

(i) Fair Value hierarchy (Contd..)

(₹ in Lacs)

| Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019 | Level 1  | Level 2  | Level 3      | Total        |
|---|----------|----------|--------------|--------------|
| <b>Non-current financial liabilities</b>  |          |          |              |              |
| Borrowings  | -        | -        | 21.12        | 21.12        |
| <b>Total Financial Liabilities</b>  | <b>-</b> | <b>-</b> | <b>21.12</b> | <b>21.12</b> |

The carrying value of trade receivables, cash and cash equivalents 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.

## 25 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.



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 25 Financial Risk Management (Contd..)

### (A) Credit Risk (Contd..)

#### (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, 2020 and March 31, 2019 is the carrying value of each class of financial assets as disclosed in note 24.

Trade receivables

Trade receivables were typically unsecured and were derived from revenue earned from customers. Credit risk was managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit.

### (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 |
|---|------------------|-------------------|------------------|-------|
| <b>March 31, 2020</b>                           |                  |                   |                  |       |
| Trade payables                                  | -                | -                 | 10.45            | 10.45 |
| <b>Total financial liabilities</b>              | -                | -                 | 10.45            | 10.45 |

(₹ in Lacs)

| Contractual maturities of financial liabilities | 6 months or less | 6 months -1 years | More than 1 year | Total  |
|---|------------------|-------------------|------------------|--------|
| <b>March 31, 2019</b>                           |                  |                   |                  |        |
| Borrowings                                      | -                | -                 | 21.12            | 21.12  |
| Trade payables                                  | 78.98            | -                 | -                | 78.98  |
| <b>Total financial liabilities</b>              | 78.98            | -                 | 21.12            | 100.10 |

# Notes forming part of Financial Statements

for the year ended March 31, 2020

## (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, 2020 (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, 2020 (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, 2020 (Previous year Nil).

## 26 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.

## 27 Deferred tax liabilities (net)

| Particulars                     | (₹ in Lacs)             |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Deferred tax liabilities</b> |                         |                         |
| Borrowings                      | -                       | 1.00                    |
| <b>Deferred tax assets</b>      |                         |                         |
| On brought forward losses       | -                       | 1.00                    |
| <b>Total</b>                    | -                       | -                       |



# Notes forming part of Financial Statements

for the year ended March 31, 2020

## 27 Deferred tax liabilities (net) (Contd..)

### Movement in deferred tax balances

(₹ in Lacs)

| Particulars                         | For Year Ended March 31, 2020 |                                       |                 |
|-------------------------------------|-------------------------------|---------------------------------------|-----------------|
|                                     | Opening Balance               | Charged/ (Credited) to Profit or loss | Closing Balance |
| <b>Deferred tax liabilities</b>     |                               |                                       |                 |
| On borrowings                       | 1.00                          | (1.00)                                | -               |
| <b>Total deferred tax liability</b> | <b>1.00</b>                   | <b>(1.00)</b>                         | <b>-</b>        |
| <b>Deferred tax assets</b>          |                               |                                       |                 |
| On brought forward losses           | 1.00                          | 1.00                                  | -               |
| <b>Total deferred tax assets</b>    | <b>1.00</b>                   | <b>1.00</b>                           | <b>-</b>        |

(₹ in Lacs)

| Particulars                         | For Year Ended March 31, 2019 |                                       |                 |
|-------------------------------------|-------------------------------|---------------------------------------|-----------------|
|                                     | Opening Balance               | Charged/ (Credited) to Profit or loss | Closing Balance |
| <b>Deferred tax liabilities</b>     |                               |                                       |                 |
| On borrowings                       | 1.00                          | -                                     | 1.00            |
| Depreciation of Fixed Assets        | 0.37                          | (0.37)                                | -               |
| <b>Total deferred tax liability</b> | <b>1.37</b>                   | <b>(0.37)</b>                         | <b>1.00</b>     |
| <b>Deferred tax assets</b>          |                               |                                       |                 |
| On brought forward losses           | 1.37                          | 0.37                                  | 1.00            |
| <b>Total deferred tax assets</b>    | <b>1.37</b>                   | <b>0.37</b>                           | <b>1.00</b>     |

**28** The COVID-19 pandemic and the resultant lockdown declared by the Government in March 2020 has no impact on the Company's operation.

**29** As at March 31, 2020 the Company has accumulated losses of ₹ 241.11 lacs. The management of the Company has decided to liquidate the entity and it does not have any other business plans. Accordingly, the financial statements have been prepared considering that the Company may not be able to continue in foreseeable future as a going concern and consequently assets have been stated at their net realisable value and liabilities at discharge value.

### Signatures to notes 1 to 29

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

Ali Akbar  
Partner  
Membership No: 117839

Place : Mumbai  
Date : July 22, 2020

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 : July 22, 2020

# Notice of the Annual General Meeting

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Wednesday, September 30, 2020 at 03:00 P.M. IST (Indian Standard Time) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400053, Maharashtra.

## ORDINARY BUSINESS:

1. To consider and adopt, (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the reports 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, 2020 and the report of Auditors thereon; and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolutions**:

(a) **"RESOLVED** that the Audited Statement of Profit and Loss for the financial year ended March 31, 2020, the Balance Sheet as on that date, the Report of Board of Directors and the Auditors' Report thereon as circulated to the Members be considered and adopted."

(b) **"RESOLVED** that the Audited Consolidated Financial Statements for the financial year ended March 31, 2020, and the Auditors' Report thereon as circulated to the Members be considered and adopted."

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 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Special Resolution**:

**"RESOLVED** that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Jeetendra Kapoor (DIN: 00005345), who retires by rotation at this meeting and, being eligible, offers himself for re-appointment, be and is hereby reappointed as a Director of the Company."

## SPECIAL BUSINESS:

3. **Continuation of Directorship of Mr. Arun Kumar Purwar (DIN: 00026383) as Non-Executive 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 Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the applicable provisions of the Companies Act, 2013, if any, read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for continuation of Mr. Arun Kumar Purwar (DIN: 00026383), as Non-Executive Independent Director of the Company who shall attain the age of 75 years on May 14, 2021, during his term as a Non-Executive Independent Director.

**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 hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to above resolution."

4. **Appointment of Dr. Archana Hingorani (DIN: 00028037) as Non-Executive Independent Director of the Company**

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

**"RESOLVED** that in accordance with the provisions of Section 149, 152, 161(1) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s), amendment(s) thereto or re-enactment thereof for the time being in force), Regulation 17 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (LODR) and other applicable regulations of LODR as amended from time to time), Dr. Archana Hingorani



(DIN:00028037) who was appointed as Additional Director (Non-Executive Independent) with effect from August 28, 2020 who holds office upto the date of this Annual General Meeting in terms of Section 160(1) of the Act and Article 117 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 Independent Director of the Company for a term of 5 consecutive

years with effect from August 28, 2020, 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, expedient or desirable to give effect to the aforementioned resolution including filing of necessary forms with Registrar of Companies and to issue appointment Letter for and on behalf of the Company."

**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](mailto:investor@balajitelefilms.com)  
**Website:** [www.balajitelefilms.com](http://www.balajitelefilms.com)

**By order of the Board of Directors**  
For **Balaji Telefilms Limited**

Sd/-

**Simmi Singh Bisht**  
Group Head Secretarial  
(Membership No. A23360)

**Place:** Mumbai

**Date:** July 22, 2020

**NOTES:**

1. In view of the massive outbreak of Covid-19 pandemic, social distancing is a norm to be followed and pursuant to the Ministry of Corporate Affairs ("MCA") General circulars dated April 8, 2020, April 13, 2020 and May 05, 2020 (hereinafter referred to as "**MCA Circulars**") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities and Exchange of India and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), physical attendance of the Members to the AGM venue is not required and hence the 26<sup>th</sup> AGM of the Company is being conducted through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"). The deemed venue for the AGM shall be the Registered Office of the Company.
2. 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.
3. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meeting in respect of the Directors seeking re-appointment at the AGM are provided in the Annexure to the Notice.
4. Since the AGM is being conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or Body Corporate can attend the 26<sup>th</sup> AGM through VC/ OAVM and cast their votes through e-voting.
5. Pursuant to Section 113 of the Companies Act, 2013, Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are 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 [vijay.yadav@avsassociates.co.in](mailto:vijay.yadav@avsassociates.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. The Notice of AGM and Annual Report are being sent only in electronic mode to Members whose e-mail address are registered with the Company or the Depository Participant(s).
  7. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.balajitelefilms.com](http://www.balajitelefilms.com) and on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive).
  9. Members seeking to inspect relevant documents referred to in the accompanying Notice and the Explanatory Statement, Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company is being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other statutory Registers are required to email to [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com).
  10. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. KFin Technologies Private Limited (KFinTech), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.
  11. SEBI has made it mandatory for effecting transfer of securities (except in case of transmission or transposition of securities) into dematerialised from April 01, 2019. In order to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.
  12. The Board of Directors, at their meeting held on July 22, 2020 has appointed Mr. Vijay Yadav, Practicing Company Secretary (Membership No. 39251), as scrutinizer for conducting the e-voting process in a fair and transparent manner.
  13. The Results shall be declared on or after the AGM of the Company. The Results declared shall be communicated to BSE Limited and National Stock Exchange of India Ltd. within 48 hours of conclusion of the AGM of the Company. The Results along with the Scrutinizer's Report shall be placed on the Company's website at [www.balajitelefilms.com](http://www.balajitelefilms.com) and on Registrar and Transfer Agent's website at [www.kfintech.com](http://www.kfintech.com).
  14. The resolution(s) shall be deemed to be passed on the date of the General Meeting, subject to receipt of sufficient votes.
  15. Pursuant to Section 108 of the Companies Act, 2013, 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 Tuesday, September 22, 2020, 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 on electronic voting system from any place other than the venue of the Meeting (remote e-voting). The remote e-voting period will commence from Saturday, September 26, 2020 (09.00 a.m. IST) and will end at on Tuesday, September 29, 2020 (05.00 p.m. IST). The remoting e-voting module shall be disabled for voting thereafter. Such remote e-voting facility is in addition to voting system that will be made available during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com>.
  16. 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, Tuesday, September 22, 2020. Any person who is in receipt of this notice but is not a Member as on the cut-off date, Tuesday, September 22, 2020 should treat this notice for information purpose only.

17. 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, Tuesday, September 22, 2020, may obtain the login ID and password by sending a request at [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com).
18. The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2011-12, from time to time, to the Investor Education and Protection Fund (IEPF) Authority established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on August 30, 2019 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: <https://ris.kfintech.com/services/IEPF/IEPFInfo.aspx?q=QQ8HMfJOuy4%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](http://www.iepf.gov.in).
19. 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 2019-20, 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, i.e. October 11, 2019. Details of shares transferred to the IEPF Authority are available on the website of the Company at [www.balajitelefilms.com](http://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](http://www.iepf.gov.in).
20. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all Equity Shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more on September 03, 2020 shall be transferred by the Company to

Investor Education and Protection Fund ("IEPF"). The Company has also written to the concerned Shareholders intimating them their particulars of the Equity Shares due for transfer. These details are also available on the Company's website at [www.balajitelefilms.com](http://www.balajitelefilms.com). No claim shall lie against the Company in respect of these Equity Shares post their transfer to IEPF. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned Members/Investors are advised to visit the web-link: <http://www.iepf.gov.in/IEPF/refund.html> or contact KFinTech for lodging claim for refund of shares and/or dividend from the IEPF Authority.

21. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 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 KFin Technologies Pvt. Ltd / 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.

### GENERAL INSTRUCTIONS:

1. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The transcript of the meeting, shall be made available as soon as possible on the website of the Company at [www.balajitelefilms.com](http://www.balajitelefilms.com)
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during the AGM will be provided by NSDL.
4. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with the MCA Circulars.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on September 26, 2020 at 09:00 A.M. and ends on September 29, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

- a) For Members who hold shares in demat account with NSDL.
- b) For Members who hold shares in demat account with CDSL.
- c) For Members holding shares in Physical Form.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

#### Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID is:

8 Character DP ID followed by 8 Digit Client ID  
For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.

16 Digit Beneficiary ID  
For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*.

EVEN Number followed by Folio Number registered with the company  
For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*



5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the

relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vijay.yadav@avsassociates.co.in](mailto:vijay.yadav@avsassociates.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or contact Mrs. Simmi Singh Bisht, Group Head Secretarial at [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com) or call on +91-022-40698000.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)
3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

#### INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop



connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

email address mentioning their name, DP ID and Client ID / folio number at company's email ID [investor@balajitelefims.com](mailto:investor@balajitelefims.com) at least three days prior to the date of AGM. The questions will be suitably replied by the company.

5. Members who would like to raise any queries/questions may send the same from their registered

**Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industrial Estate, New Link Road,  
Andheri (West), Mumbai - 400 053, Maharashtra  
CIN: L99999MH1994PLC082802  
Email: [investor@balajitelefims.com](mailto:investor@balajitelefims.com)  
Website: [www.balajitelefims.com](http://www.balajitelefims.com)

Place: Mumbai

Date: July 22, 2020

**By order of the Board of Directors**

For **Balaji Telefilms Limited**

Sd/-

**Simmi Singh Bisht**

Group Head Secretarial  
(Membership No. A23360)

## Explanatory Statement

As required by 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. 3 to 4 of the accompanying Notice:

### Item No. 3

Mr. Arun Kumar Purwar, Non-Executive Independent Director will attain the age of 75 years on May 14, 2021 and hence his continuation of Directorship as a Non-Executive Director w.e.f. May 14, 2021, requires the approval of Members by way of a special resolution, pursuant to Regulation 17(1A) of the Listing Regulations.

The Board based on the performance evaluation of Mr. Arun Kumar Purwar considers that given his background, experience and contributions made by him during his tenure, the continued association of Mr. Arun Kumar Purwar would be beneficial to the Company.

Further details of Mr. Arun Kumar Purwar have been given in the Annexure to this Notice.

The other relatives of Mr. Arun Kumar Purwar may be deemed to be interested in the resolution set out at Item No. 3 of the Notice to the extent of their shareholding, if any, in the Company.

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

The Board recommends the Resolution as set out in the Item No. 3 of the accompanying Notice for the approval by the Members of the Company.

### Item No 4:

The Board of Directors based on the recommendation of the Nomination & Remuneration Committee had appointed Dr. Archana Hingorani (DIN: 00028037) as an Additional Director (Non-Executive Independent) of the Company with effect from August 28, 2020. As per the provisions of Section 161(1) of the Companies Act, 2013 ('Act'), she holds office till the date of this Annual General Meeting and is eligible for appointment as an Independent Director for a term of 5 (five) consecutive

years. The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of an Independent Director.

Dr. Archana Hingorani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declaration of Independence from her and in the opinion of the Board she meets with the criteria of independence specified under Section 149(6) read with Schedule IV of the Act and under the Listing Regulation and is Independent of the management.

Further, brief profile and other details of Dr. Archana Hingorani forms part of the Annexure to the Notice. The Board considers that background and experience of Dr. Archana Hingorani will be beneficial to the Company and it is desirable to avail her services as an Independent Director.

She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of draft letter of appointment for Independent Directors setting out the terms and conditions of appointment is available for inspection by the Members on the website of the Company.

Dr. Archana Hingorani is interested in the resolution set out at Item No. 4 of the Notice with regard to her re-appointment. The relatives of her may be deemed to be interested in the resolution 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 this resolution.

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.



## 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]

| <b>Mr. Jeetendra Kapoor</b>  |  |
|--|--|
| Age  | 78 Years   |
| Qualification  | Graduate   |
| Experience   | 45+ years of experience in Film Industry. Please refer Company's website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a> 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, 2018 is liable to retire by rotation.  |
| Remuneration last drawn (including sitting fees, if any)                   | ₹ 80,16,149/-  |
| 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, 2020                           | 32,60,522 Equity Shares of Face value Rs. 2/- each   |
| Relationship with other Directors/Key Managerial Personnel                 | Spouse of Mrs. Shobha Kapoor, and Father of Ms. Ekta Kapoor and not related to any other Director/Key Managerial Personnel   |
| No. of Meetings of the Board attended during the financial year 2019-20    | 4  |
| Directorships of other Boards as on March 31, 2020                         | <ul style="list-style-type: none"> <li>Balaji Motion Pictures Limited</li> <li>Balaji Teleproducts Limited</li> <li>Shri Navnidhi Developers Private Limited</li> <li>Ekta K. Securities &amp; Investment Private Limited</li> <li>Perisos Media Private Limited</li> <li>Balaji Films &amp; Telly Investment Limited</li> </ul> |
| Membership/Chairmanship of Committees of other Boards as on March 31, 2020 | <b>Balaji Motion Pictures Limited</b> <ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Nomination and Remuneration Committee - Member</li> <li>Corporate Social Responsibility Committee - Chairman</li> </ul>   |

| <b>Mr. Arun Kumar Purwar</b>                             |  |
|--|--|
| Age  | 74 Years   |
| Qualification  | Post Graduate from Allahabad University  |
| Experience   | 35+ years of experience in Banking Industry. He is also associated with various Companies across diverse sectors. Please refer Company's website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a> for detailed profile. |
| Terms & Conditions of Appointment/ Re-appointment        | As per existing approved terms and conditions  |
| Remuneration last drawn (including sitting fees, if any) | ₹ 7,11,560/-   |
| Remuneration proposed to be paid                         | As per existing approved terms and conditions  |
| Date of first appointment on the Board                   | May 20, 2015   |

**Mr. Arun Kumar Purwar**

|  |  |
|--|--|
| Shareholding in the Company as on March 31, 2020                           | Mr. Purwar and his relatives holds 36,070 equity shares of Rs. 2/- in aggregate.   |
| 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 2019-20    | 4  |
| Directorships of other Boards as on March 31, 2020                         | <ul style="list-style-type: none"> <li>• Jindal Steel and Power Limited</li> <li>• Alkem Laboratories Limited</li> <li>• IIFL Finance Ltd (Formerly IIFL Holdings Limited)</li> <li>• Energy Infratech Private Limited</li> <li>• ONGC Tripura Power Company Limited</li> <li>• Mizuho Securities India Private Limited</li> <li>• Eroute Technologies Private Limited</li> <li>• IIFL Home Finance Ltd</li> </ul>   |
| Membership/Chairmanship of Committees of other Boards as on March 31, 2020 | <p><b>Jindal Steel and Power Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee-Member</li> <li>• Investment Committee-Chairman</li> <li>• Nomination and Remuneration Committee-Member</li> <li>• Risk Management Committee- Chairman</li> </ul> <p><b>IIFL Finance Ltd (Formerly IIFL Holdings Limited)</b></p> <ul style="list-style-type: none"> <li>• Risk Management Committee-Member</li> <li>• Nomination and Remuneration Committee-Member</li> <li>• Stakeholder Relationship Committee - Chairman</li> </ul> <p><b>ONGC Tripura Power Company Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee-Chairman</li> <li>• Nomination &amp; Remuneration Committee- Member</li> <li>• Corporate Social Responsibility Committee – Chairman</li> </ul> <p><b>Alkem Laboratories Limited</b></p> <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee-Chairman</li> <li>• Corporate Social Responsibility Committee – Member</li> </ul> <p><b>Eroute Technologies Private Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee- Chairman</li> </ul> |

**Dr. Archana Hingorani**

|   |  |
|---|--|
| Age   | 55 Years   |
| Qualification   | B.A (Economics), M.B.A, Ph.D. in Corporate Finance from the University of Pittsburgh, USA.                                 |
| Experience  | Please refer Company's website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a> 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.          |
| Remuneration last drawn (including sitting fees, if any)                | N.A.   |
| Remuneration proposed to be paid  | As per the resolution at Item No. 4 of the Notice convening this meeting read with explanatory statement thereto.          |
| Date of first appointment on the Board                                  | August 28, 2020  |
| Shareholding in the Company as on March 31, 2020                        | NIL  |
| Relationship with other Directors/Key Managerial Personnel              | N.A.   |
| No. of Meetings of the Board attended during the financial year 2019-20 | N.A.   |


**Dr. Archana Hingorani**

Directorships of other Boards as on March 31, 2020

- Alembic Pharmaceuticals Limited
- Grindwell Norton Limited
- 5Paisa Capital Limited
- DEN Networks Limited
- Sidbi Venture Capital Limited
- SBI Mutual Fund Trustee Company Private Limited

Membership/Chairmanship of Committees of other Boards as on March 31, 2020

**Grindwell Norton Limited**

- Audit Committee - Member
- Stakeholders Relationship Committee - Chairman

**5 Paisa Capital Limited**

- Audit Committee - Chairperson
- Stakeholders Relationship Committee - Member
- Nomination & Remuneration Committee - Member

**SIDBI Venture Capital Limited**

- Audit committee - Chairperson
- HR Committee - Member
- Nomination & Remuneration Committee - Chairperson

**DEN Networks Limited**

- Audit Committee - Member
- Stakeholders' Relationship Committee - Member
- Corporate Social Responsibility Committee - Member
- Nomination & Remuneration Committee - Member
- Risk Management Committee - Member

**Alembic Pharmaceuticals Limited**

- Audit Committee - Member

## This image shows a full page of blank handwriting practice paper. It features approximately 28 evenly spaced horizontal blue lines across the entire page, providing a guide for letter height and placement. The lines are consistent in color and thickness throughout.



Balaji  
Telefilms  
Limited

For more information about Balaji Telefilms  
Limited, please visit our website:

[www.balajitelefilms.com](http://www.balajitelefilms.com)



### Registered Office

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

Please visit our website: [www.balajitelefilms.com](http://www.balajitelefilms.com)