

# BALAJI

*Balaji Telefilms Ltd.*

## WE ARE WHERE OUR AUDIENCE IS

### CREATING SUSTAINED VALUE IN TELEVISION

32

Sculpting a wide range of TV programming to entertain varied audiences

### GEARING UP FOR ROBUST GROWTH IN MOVIES

44

Scaling higher by achieving the right balance of cost, creativity and profitability

### LEVERAGING OPPORTUNITIES IN DIGITAL

56

Capitalising on the high potential digital space globally



# WE ARE WHERE OUR AUDIENCE IS

**As global viewership continues to evolve, we have anticipated future trends and created new entertainment paradigms. Today, we straddle across all the three distinct platforms through which people consume entertainment –**  
**Television,  
Movies and  
Internet  
Video-On-Demand.**



We are content innovators, creators and producers of unmatched credentials and long-standing success. We operate as a vertically integrated studio model, which allows us to create, distribute and monetise content, not only in ways that are best aligned with viewer preferences, but in ways in which we can capture the maximum value stream. With a focus on chasing quality growth, we continue to create gripping content – content that is relevant to diverse sets of audiences and accessible across multiple platforms.

With geographical boundaries disappearing in the seamless world of the internet, we aim to make our content seamlessly available. Improvement in mobile broadband infrastructure, gradual reduction in cost of internet and increase in smartphone screen sizes is driving consumer preferences.

The Subscription Video on Demand (SVOD) market in India is on the cusp of a meteoric take-off. As Over The Top (OTT) video consumption continues to grow tremendously, we are leveraging our capabilities to create content across platforms. Our motive is vertical integration across the value chain by offering our own OTT services. We are making our delivery channels more closely aligned to the emerging needs and creating entertainment-on-the-go for our dynamic audiences.

So, while our Television business is our solid ground for stability, profitability and predictability; our Movie business is about quantum gusts of growth and a force of reckoning within the pinnacles of the entertainment industry. The launch of our newest vertical – ALT Digital Media Entertainment Limited, the digital media and Internet video-on-demand business – is part of our continual string of path-breaking developments.

Our digital business is all about igniting a surge in direct entertainment consumption, from which we can now capture the entire value stream, right from the earliest sparks of content ideation to the final point of the consumer across platforms. In time, we wish to emerge as one of the most recognised and most influential entertainment providers across conventional and new digital channels.



# What's Inside



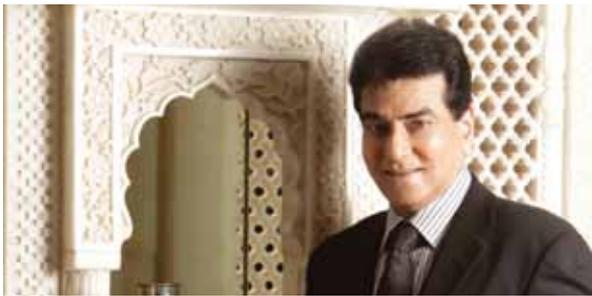
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# At a Glance

We are one of the leading entertainment houses in India with a diverse portfolio of assets in media and entertainment. Promoted by Mr. Jeetendra Kapoor, Mrs. Shobha Kapoor and Ms. Ekta Kapoor, we have demonstrated our ability to create high-quality content backed by a rich experience in entertainment and a proven ability in gauging viewer preferences.

We have created a benchmark in television programming and are one of the first companies to venture into the Hindi and Regional GEC (General Entertainment Channels). From being a pure-play TV content provider, we have evolved into an integrated player that produces content for the big screen and the digital screen. Through Balaji Motion Pictures Limited (BMPL), we are expanding our presence in motion pictures and are today regarded among the Top 5 studios in India for film production.

We continue to strengthen our creative and production skills and relationships, while constantly identifying new avenues and markets. Our foray into the digital space – through ALT Digital Media Entertainment Limited – reflects our strategic intent to extend our creative expertise by creating engaging content for digital audiences globally.

## OUR VALUES

### STORYTELLING

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

### PASSION

We go that extra mile because we love what we do.

### INTEGRITY

We are honest and ethical in all our dealings.

### COMPASSION

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

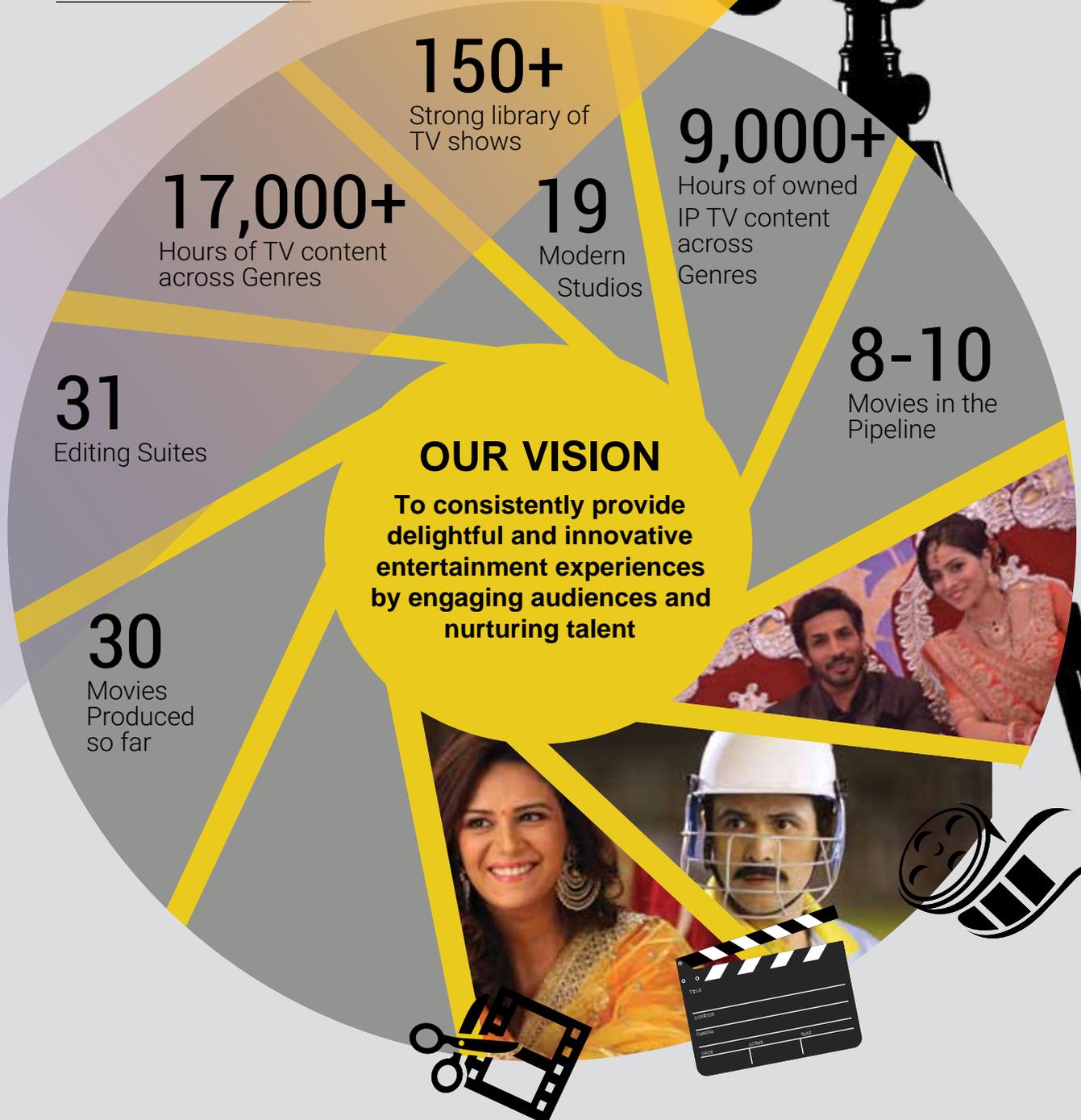
### EXCELLENCE

We push the bar and never settle for the second-best.





## AT A GLANCE



### OUR VISION

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

# Our Strategic Framework

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Through a healthy pipeline of TV shows, and movie releases and differentiated content being created by our digital media vertical, we strive to consistently deliver top-quality content to diverse audiences and mass viewers across the globe.

Through our new vertical in digital media, we will continue to reap the benefits of digitisation and increased demand for creative content for the small and big screen and capitalise on projected growth of the Indian Media & Entertainment (M&E) industry.

## Our Intrinsic Strengths that Deliver Value:

- ▶ A leading entertainment house in India since 1994
- ▶ Demonstrated ability to create high quality content
- ▶ Executed over 17,000 hours of television content in Hindi, Tamil, Telugu, Kannada, Malayalam and Bengali entertainment across genres
- ▶ Over 9,000 hours of owned IT television content in Hindi, Tamil, Telugu, Kannada and Malayalam entertainment across genres
- ▶ Owning 19 modern studios and 31 editing suites
- ▶ Strong presence in Hindi General Entertainment Channels (GECs) and Regional GECs across India
- ▶ Youngest entrant in motion pictures – Recognised amongst the Top 5 studios in film production in India
- ▶ Expanding presence in Motion Pictures across genres and budgets
- ▶ Leveraging Subscription Video on Demand (SVOD) and Over The Top (OTT) video consumption through our newly launched digital media vertical, ALT Digital Media Entertainment 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. Tusshar Kapoor**, Non-Executive & Non-Independent Director  
(DIN: 00005088)

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

**Mr. Ashutosh Khanna**, Independent Director  
(DIN: 03153990)

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

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

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

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

## Group Chief Executive Officer

**Mr. Sameer Nair**

## Group Chief Financial Officer

**Mr. Sanjay Dwivedi**

## Group Head Secretarial

**Mrs. Simmi Singh Bisht**

## Senior Management

**Mr. Ketan Gupta**, Chief Operating Officer (Television)

**Ms. Tanusri Dasgupta**, Creative Director (Television)

**Mr. Aman Gill**, Chief Executive Officer (Motion Pictures)

**Mr. Nachiket Pantvaidya**, Chief Executive Officer (ALT Digital)

**Mr. Sunil Nair**, Chief Operating Officer (ALT Digital)

**Mr. Tushar Hiranandani**, Creative Consultant (Motion Pictures)

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

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

**Mr. Ayan Roy Chowdhury**, General Counsel - Legal

**Ms. Coralie Ansari**, Group Head - HR

**Ms. Devika Mehra**, Creative Director (Brand EK)

## Registered Office

C13, Balaji House, Dalia Industrial Estate,  
Opposite Laxmi Industries,  
New Link Road, Andheri (West),  
Mumbai - 400 053.  
Tel: +91-22-4069 8000,  
Fax: +91-22-4069 8181/82  
E-mail : investor@balajitelefilms.com  
Website: www.balajitelefilms.com  
CIN: L99999MH1994PLC082802

## Statutory Auditors

Deloitte Haskins & Sells (LLP)

## Registrar & Share Transfer Agent

Karvy Computershare Private Limited, Unit:  
Balaji Telefilms Limited,  
Karvy Selenium Tower B, Plot No 31 & 32  
Gachibowli, Financial District, Nanakramguda,  
Serilingampally Hyderabad – 500 032  
Tel : +91 - 40 - 67161500 ,33211000  
Fax : +91 - 40 -23420814,23001153  
Toll Free no.: 1800-345-4001  
E-mail : einward.ris@karvy.com  
Website: www.karvy.com

## Bankers

Yes Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
Axis Bank Limited

# Revisiting an Exciting Year

## OUR TELEVISION BUSINESS

### TOP TV SHOWS

#### NAAGIN

**Highest rated show across GECs**

#### KUMKUM BHAGYA YEH HAI MOHABBATEIN PAVITRA BANDHAN

Amongst the **top 30 programs** on Hindi GECs

### OPERATIONAL PERFORMANCE

**Revenue Per Hour** during **FY2016** was **₹ 24.67 Lakhs**, as compared to **₹ 21.39 Lakhs** in the previous year

**Revenue** from **Commissioned Programmes** was

**₹ 24,724 Lakhs**, in comparison with **₹ 20,569 Lakhs** in FY2015

**Hours** for **Hindi Commissioned Programmes** stood at

**1,002 Hours**, compared to **962 Hours** in FY2015

### MARINATING FILMS PRIVATE LIMITED

**Licensed Box Cricket League** on **Colors**

**Licensed Box Cricket League Punjab's** regional rights to Xaam Media, to be **aired** on **9X Tashan**

**Television Style Awards** **aired** on **Colors**

### CHHAYABANI BALAJI ENTERTAINMENT PVT. LTD.

**Launched** a musical reality show **Phire Asher Gaan** on **Star Jalsa**

**Launched Sohagi Sindoor** on **Colors Bangla**

Working on a **daily fiction programming** for **Zee Bangla**

Working on a **web series** for **ALT Digital**

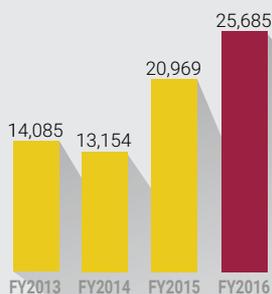
### EVENT MEDIA LLP

**Produced Star Box Office India Awards** and **other special shows**

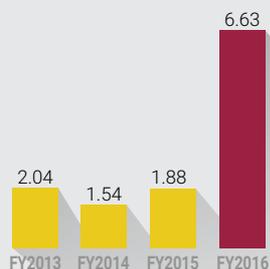
Working on **creating promotional** and other **entertainment-related events**

## Creditable Growth of BTL (Standalone)

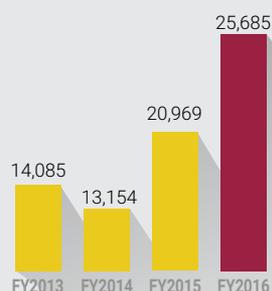
### Income From Operations (₹ Lakhs)



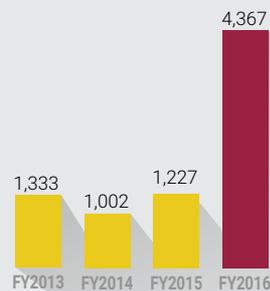
### Earnings Per Share (₹)



### Profit Before Tax (₹ Lakhs)



### Profit After Tax (₹ Lakhs)





## OUR MOVIES BUSINESS

**Released**  
Kya Kya Kool Hain Hum-3 in FY2016

**Released**  
Azhar, Uda Punjab, Great Grand Masti and in FY2017 (till date)

**Working** towards the **release** of A Flying Jatt, Half Girlfriend and Super Singh in 2017

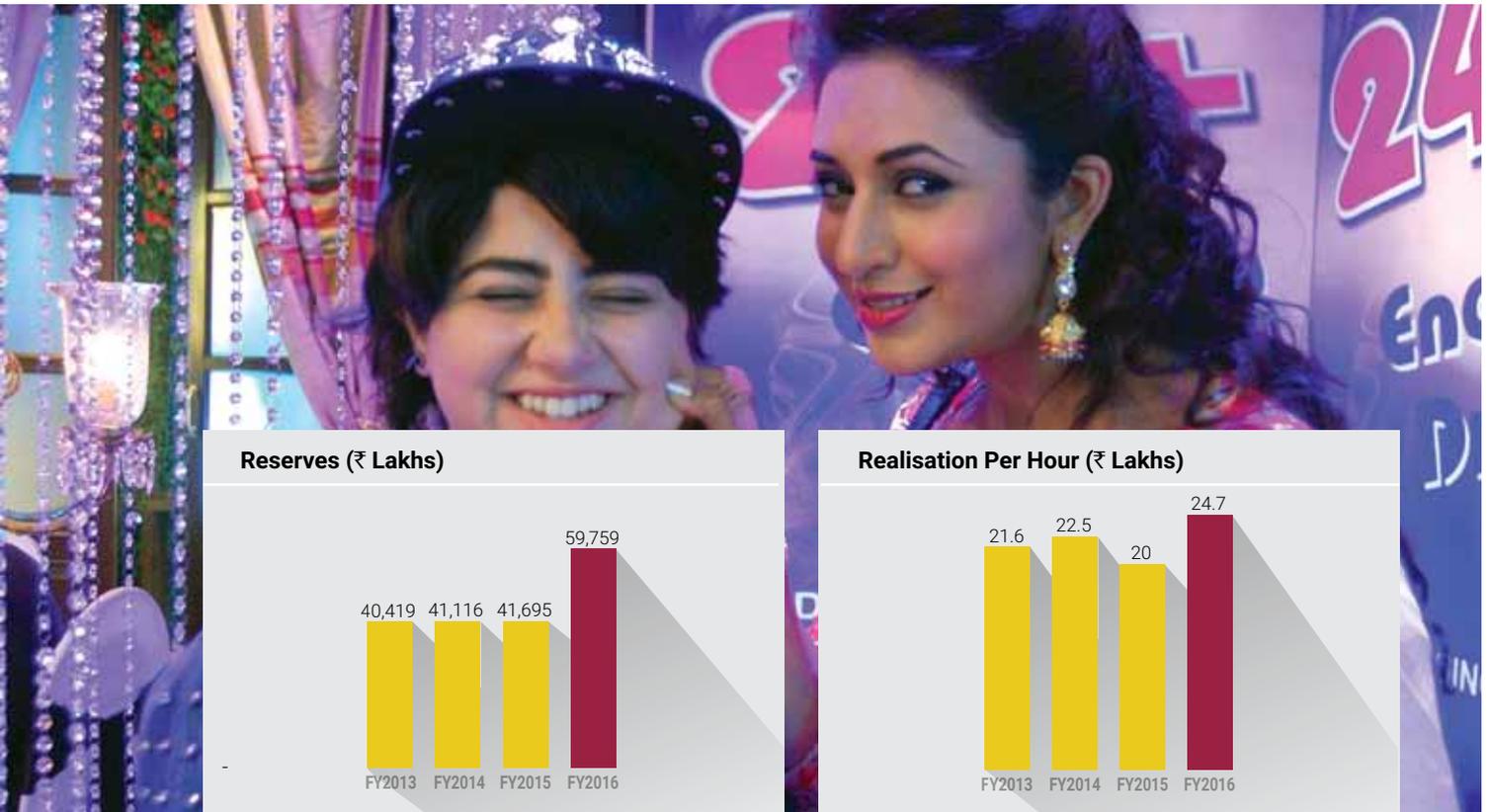
## OUR DIGITAL BUSINESS

**Launched**  
Working towards the launch of our digital platform **"ALT Balaji"** in FY2017, under **ALT Digital Media Entertainment Limited**

## BRAND EK

**Launched Brand EK - By Ekta Kapoor, a premium and affordable brand for apparels and accessories**

**Tied up** with **Best Deal TV** and **Snap Deal** to **launch the brand** on **TV** and **online space**



# Awards & Accolades

## Star Parivar

### AWARDS 2016

**Divyanka Tripathi (Ishita)**

Favourite Patni - **Yeh Hai Mohabattein**  
 Favourite Bahu - **Yeh Hai Mohabattein**  
 Favourite International Jodi - **Yeh Hai Mohabattein**  
 Favourite Jodi - **Yeh Hai Mohabattein**  
 Favourite Maa - **Yeh Hai Mohabattein**  
 Favourite Digital Sadasya (Female) - **Yeh Hai Mohabattein**

**Karan Patel (Raman)**

Favourite Pati - **Yeh Hai Mohabattein**  
 Favourite International Jodi - **Yeh Hai Mohabattein**  
 Favourite Jodi - **Yeh Hai Mohabattein**  
 Favourite Digital Sadasya (Male) - **Yeh Hai Mohabattein**

**Anita Hassanandani (Shagun)**

Most Stylish Sadasya (Female) - **Yeh Hai Mohabattein**



## Colors Golden Petal

### AWARDS SHOW 2016

**Naagin**

Best Show

**Sudha Chandran (Yamini)**

Power Packed Performance - **Naagin**

**Mouni Roy (Shivanya)**

Bet Personality Award - **Naagin**



## Big Star

### ENTERTAINMENT AWARDS 2016

**Yeh Hai Mohabattein**

BIG Star Most Entertaining Series TV Fiction

**Kumkum Bhagya**

BIG Star Most Entertaining Series TV Fiction



## Indian Telly

### AWARDS 2015

**Karan Patel (Raman)**

Actor in Lead Role  
**Yeh Hai Mohabattein**

**Sriti Jha (Pragya)**

Actress in Lead Role  
**Kumkum Bhagya**

**Radhika Madan (Ishani)**

Fresh New Face (Female)  
**Meri Aashiqui Tum Se Hi**

**Sriti Jha and Shabbir Ahluwalia (Pragya and Abhi)**

Best Jodi  
**Kumkum Bhagya**

**Divyanka Tripathi and Karan Patel (Ishita and Raman)**

Best Jodi  
**Yeh Hai Mohabattein**



## Zee Gold

### AWARDS 2016

<b>Karan Patel (Raman)</b>	Best Popular Actor - <b>Yeh Hai Mohabbatein</b>
<b>Divyanka Tripathi (Ishita)</b>	Best Popular Actress - <b>Yeh Hai Mohabbatein</b>
<b>Mouni Roy (Shivanya)</b>	Best Popular Actress - <b>Naagin</b>
<b>Arjun Bijlani (Ritik)</b>	Best Actor - <b>Naagin</b>
<b>Kumkum Bhagya</b>	Best Fiction
<b>Naagin</b>	Best Thriller
<b>Sriti Jha (Pragya)</b>	Face of the Year
<b>Raj Singh Arora (Mihir)</b>	Best Supporting Actor - <b>Yeh Hai Mohabbatein</b>
<b>Arijit Taneja (Purab)</b>	Best Supporting Actor - <b>Kumkum Bhagya</b>
<b>Sangram Singh (Ashok)</b>	Best Popular Actor (Negative Role) - <b>Yeh Hai Mohabbatein</b>
<b>Anita Hassanandani (Shagun)</b>	Best Popular Actress (Negative Role) - <b>Yeh Hai Mohabbatein</b>
<b>Adaa Khan (Sheesha)</b>	Best Actress (Negative)
<b>Kratika Sengar and Ssharad Malhotra</b>	Best Popular Jodi
<b>Divyanka Tripathi (Ishita)</b>	Popular Face of the Year



## Zee Rishtey

### AWARDS 2015

<b>Kumkum Bhagya</b>	Favourite Story
<b>Sriti Jha and Shabbir Ahluwalia (Pragya and Abhi)</b>	Favourite Jodi
<b>Kumkum Bhagya</b>	Favourite Kutumb

## 22nd Lions Gold

### AWARDS 2016

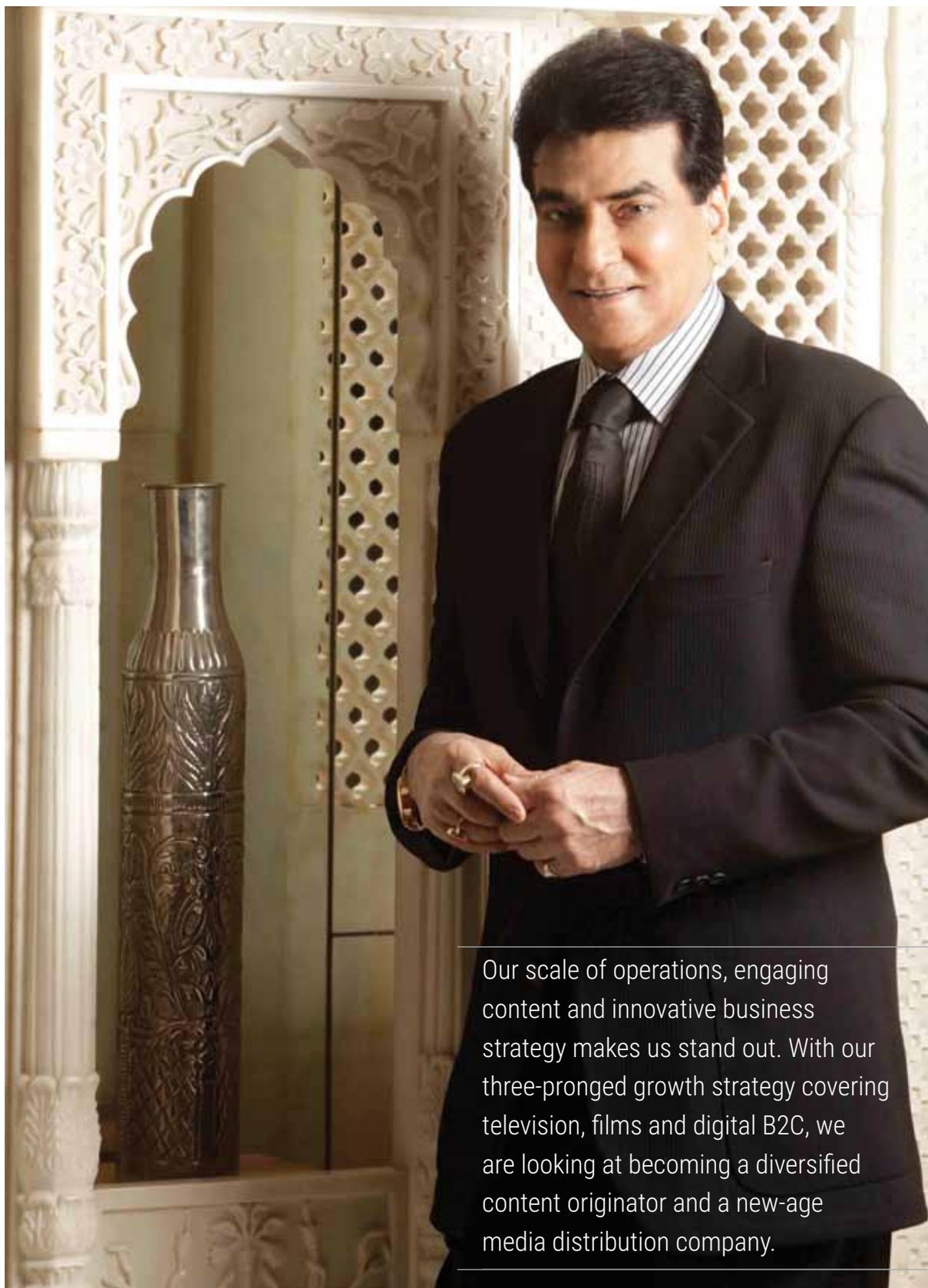
<b>Adaa Kha (Sheesha)</b>	Best Actress in Negative Role - <b>Naagin</b>
<b>Mona Singh (Preet)</b>	Best Actress (Critics) - <b>Pyar Ko Ho Jane Do</b>
<b>Iqbal Khan (Ishaan)</b>	Best Actor (Critics) - <b>Pyar Ko Ho Jane Do</b>
<b>Rithvik Dhanjani</b>	Best Anchor - <b>Nach Baliye 7</b>
<b>Pyar Ko Ho Jane Do</b>	Best Television Show

## TV Style

### AWARDS 2015

<b>Shabbir Ahluwalia</b>	Most Stylish Beta - <b>Kumkum Bhagya</b>
<b>Sriti Jha</b>	Most Stylish Beti - <b>Kumkum Bhagya</b>
<b>Shakti Arora and Radhika Madan</b>	Most Stylish Couple - <b>Meri Aashiqui Tumse Hi</b>
<b>Ronit Roy</b>	Style Icon of The Year (Male) - <b>Itna Karo Na Mujhe Pyaar</b>
<b>Paridhi Sharma</b>	Style Icon of The Year (Female) - <b>Jodha Akbar</b>
<b>Kumkum Bhagya</b>	Best Parivaar





Our scale of operations, engaging content and innovative business strategy makes us stand out. With our three-pronged growth strategy covering television, films and digital B2C, we are looking at becoming a diversified content originator and a new-age media distribution company.



# Chairman's Message

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Dear Shareholders,

Our 22 years of operations have taught us many lessons, but what remains sacrosanct at Balaji is our zest to cater to consumer preferences and audience behaviour, by aligning our creative capabilities and infrastructure. We continue to leverage our competitive strengths of enduring relationships with leading talent, diversified revenue streams and strategies to mitigate risks and promote cash flow generation. We continue to grow from strength to strength with the prime objective of making our audiences delighted and generating revenues for our stakeholders. We spent the year building our core competencies of content and expanded into areas where we have identified a profitable niche.

## Year in Brief

FY2016 was an important year in our history as we took our early steps into our digital foray. With ALT Digital, we are poised to establish a new business model that allows us to connect directly with our audiences in a way that we never have before. It will allow us to leverage our vast library of content, as well as new cutting edge exclusive stories and documentaries for capturing the maximum value possible. As the leading digital channels of the west have demonstrated, it will allow us to form a new equation with our audiences that can now view anything of their choice on demand and not at prescribed time-slots. It will also allow us to leverage the freedom that the internet allows us to connect with audiences anywhere in the world, opening up the potential to be directly connected with the global Indian diaspora. Fast forward ten years from now, FY2016 will be seen as the year in which our Company was reborn.

## Our Future Slate in TV & Movies

Even as our TV business continues to grow consistently, our movies vertical is gradually picking up speed. Several exciting movie projects are already in the pipeline over the next couple of years, which are in various stages of production. We plan to scale our movie business judiciously in the coming years, with several interesting initiatives underway. We are actively getting our slate ready for FY2017 and FY2018 for our movies business.

Besides top-rated shows on TV across different channels and genres, we aim to offer a diverse set of out-of-the-box products across all genres. Anyone consuming content, whether on TV, films, mobile, should choose Balaji as highest quality source – that's our ultimate aim. The driver to achieve this vision continues to be the same – superbly-innovative ideas appealing to mass sensibilities across medium.

## Moving Ahead

The next couple of years will see us growing the ALT Digital business, stabilising and growing the movie business and strengthening our TV business in the manner we are doing at present. With our three-pronged growth strategy covering television, films and digital B2C, we are looking at becoming a diversified content originator and a new-age media distribution company.

Through an experienced management and strong content creating capabilities, we continue to create consistent value for our shareholders. Our scale of operations, engaging content and innovative business strategy makes us stand out. We are building customised marketing forums and lining up innovative marketing initiatives to draw audiences and increase viewership.

In the backdrop of a more realistic global and confident Indian economy, I am sure that we have the projects and momentum for an exceptional future. When I review our journey so far and look at the road ahead, our achievements and milestones seem just the preparation for the next chapter in our story.

Once again, I take this opportunity to thank all our stakeholders for their continued support. We remain committed to maintain our leadership position in India's Media & Entertainment industry and further capitalise on growth opportunities coming our way.

Warm regards,

**Jeetendra Kapoor**  
Chairman



## Managing Director's Message

Our Valued Shareholders,

FY2016 was another successful and eventful year for the Company. We grew our businesses, increased our profitability and took forward some key strategic initiatives. Our business units delivered solid growth and improved their profits. This enabled us to improve our competitiveness and create value for our shareholders.

Mr. Sameer Nair, who joined us as the Group CEO, has ushered in several changes within the organisation. His entry in the Balaji Group has brought about a sea-change in reporting and responsibility. Processes have become more streamlined internally, resulting in better accountability within teams. He is a motivator and a good team leader accessible to everyone.

### Our Financial Performance

FY2016 was a good year as our TV business continued to do exceptionally well. We achieved our targeted financial performance in this vertical, successfully implemented our strategy and laid a strong foundation for the future. Our Revenues in the TV business grew 20% YoY at ₹ 2,473.27 million during the year under review. Our reported EBITDA grew 173% YoY at ₹ 347.85 million, while Profit After Tax grew 256% at ₹ 436.74 million. This is the result of a consolidation strategy and the tweaking of our business model we attempted three years ago.

Our cost efficiency measures and keeping costs under control helped us improve our margins. The results are already visible in the balance sheet. As compared to 962 hours of commissioned programming in FY2015, the year under review of FY2016 witnessed 1002 hours. New launches and healthy realisations from commissioned programming (₹ 2.47 million/hour in FY2016, compared to ₹ 2.09 million/hour in FY2015) improved profitability and enabled stable growth. Moving ahead, we will continue to focus on cost management to further enhance margins.

Our Movies business was marked by only a single release during the year. However, going forward, we expect the movies vertical to also post consistent revenues and profitability. We ramped up this business and made it better planned to emerge as one of the top five movie studios in India. The pipeline for FY2017 is strong and the movies are slated to be released in a more sequential

and organised manner, offering better visibility and consistent performance.

During the year, we raised ₹ 150 crore towards the setting up of our digital foray – ALT Digital. Some well-regarded investors have participated in this investment. We are very excited about the prospects of this business and are confident that it will deliver results soon. All in all, FY2016 was a year in which we took some bold decisions to milk our strength from the TV business to – firstly, re-pace the movies business and deliver consistent top and bottom line results for the future; and secondly, invest into the new-age digital distribution business that will drive the Company's future value.

### Leveraging our Creative Strengths

With rich experience in entertainment and a proven ability in gauging the pulse of the masses, we continued to do varied shows across genres, often as we have done earlier, becoming the No. 1 on the respective channels. In fact, with a TRP rating of 5.5, our hugely popular weekend show Naagin improved viewership on Colors. We continue to leverage our creative strengths to provide TV content catering to the audience's tastes. Our other shows, the likes of Kunkum Bhagya, Kasam Tere Pyar Ki and Ye Hai Mohabbatein, among others, are also liked by the audiences as they cut across language barriers and geographies. Going forward, we are working towards providing a diverse offering across all GECs and bridging the gap between rural and urban consumers.

In the movies business, we spent FY2016 in introspection, solid planning and in renegotiating of deals. During the year, we passed through a learning curve and focused our energies on understanding the science behind the art of making movies. We leveraged our franchise value by exploring a sequel and releasing the adult comedy Kya Kool Hain Hum-3 in January 2016. We are beefing up our slate by planning to release at least one movie every quarter. In FY2017 so far, we released three movies – the biopic Azhar, Uda Punjab and the comic caper Great Grand Masti. Three more are lined up for release in the immediate future – A Flying Jatt, Super Singh and Half Girlfriend. For FY2017 and FY2018, we have a slate of 4-5 movies across diverse concepts, genres and budgets. Our aim is to emerge as one of the top 3 movie production houses in India, with a strategic thrust on sequels, and exploring different models of production.



## Our Digital Foray

The internet in India is on the cusp of breakthrough growth with an audience of 319 million users and 100 million video consumers. Our new digital arm – ALT Digital – is an OTT SVOD (Over-The-Top Subscriber Video On-Demand) platform. With this, we aspire to be the Netflix equivalent of India. We are moving where the world is moving. We have identified our digital vertical to be a key driver of our business. We are creating original content for the platform, so it is not an aggregated, but original premium content play. We are creating urban and exclusive content in-house for the platform in English, Hindi and regional languages, driven by Balaji and possibility of co-production by other producers. With exclusive content and differentiated programming, ALT Digital is our route to tap the Indian audiences both in India and the vast Indian diaspora spread globally.

## New Leadership

We are delighted to have a new CEO Mr. Aman Gill for Balaji Motion Pictures Limited (BMPL). He has creditable skills and is known for his ability to balance creativity with commerce. His responsibilities span film development – creative, production, marketing, distribution and syndication of films with various studios. I am confident that he will further the formidable brand BMPL has built over the years and take it to greater heights.

Making concrete strategies to ensure we leverage our leadership and focus on a larger stage and grow our relevance. We are creating capabilities, infrastructure, content and platforms aligned to emerging consumer

preferences and audience behaviour, aligning our strategic priorities and tangible goals that will place us in a different orbit. Actions are geared towards not just thinking of what is, but thinking what can be. We originate content that is relevant to diverse audiences and available across multiple platforms. We are and continue to be astute content producers and innovators.

## Moving Ahead

Our goals remain intact as we continue to unlock shareholders value. With storytelling our key forte, our whole focus is to monetise our platforms and take Balaji to the next level of growth. In addition to our steady sailing TV business, we have built a healthy slate to release 4-5 movies a year. In addition to this, we have organisationally and commercially prepared ourselves to create about 200-300 hours of original programming for our ALT Balaji channel. This may seem small initially, when compared to over 1,000 hours that we make for TV every year. However, in this case the content will be superior in quality. Exclusively available through ALT Balaji, we will also exclusively own the IP for all this new class of programming.

I would like to thank all Balaji employees for their dedication and contribution to our business performance.

I especially thank you, our shareholders, for your continued trust and support.

**Shobha Kapoor**  
Managing Director



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The idea behind ALT Digital is to build a direct-to-consumer model through the net. It is about drama and programming for the upmarket, urban audiences. Liberated and liberal content for liberated viewing, that's where ALT Digital figures in.

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## Joint Managing Director's Message

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Dear Friends,

As one of India's pioneering media houses, Balaji Telefilms has always focused on content innovation. Our passion for entertainment continues to drive us to create exciting entertainment formats – spanning films, television and now for our digital audiences.

### Our TV and Movies Businesses

Through our movies and TV shows, we aim to constantly reinvent ourselves and deliver absorbing and market-relevant content. Our projects in TV are also refreshingly original and a result of creative expression, aimed at enhancing viewer experience through fresh and varied content. Our compelling content, creative marketing and resource strength enabled us to extend ourselves as a mature and determined organisation in the dynamic space of media and entertainment.

In TV, more channels are getting launched and there is a concomitant increase in the number of slots for new shows. Revenue realisation will take time for these since it takes time for a show to settle down and produce the required realisation per hour. We will operate our current shows on a steady slate for a year and add more shows, as we go along. We continue to stick to our conviction towards providing quality entertainment avenues for viewers through new and innovative concepts that appeal to viewers in terms of its narrative. With changing industry dynamics, we are aiming to capitalise our capabilities in making high-concept fiction and non-fiction shows.

I am particularly upbeat with our new CEO for Balaji Motion Pictures Limited, Mr. Aman Gill, who joined us in December 2015. I look forward to working with him in taking movies business to new heights of commercial success and achievements.

### ALT Digital—Our New Growth Driver

The advent of universal internet has fundamentally changed how audiences will eventually consume content. Our foray into the digital space is aligned to our strategic intent to tap into the growing digital video phenomenon. This is the place where we bring our unique story telling strengths to create compelling content and deliver it directly to audiences, who are always connected and seek

quality, original entertainment in new formats. The idea behind ALT Digital is to build a direct-to-consumer model through the net. It is about drama and programming for the upmarket, urban audiences. The Indian fiction scene is exploding with ideas and writers, but TV by its nature, limits the creative exploration possible. Liberated and liberal content for liberated viewing, that's where ALT Digital figures in.

### The Regional Landscape

We are aiming for a more involved and profitable play into the regional content space. Through tie-ups with local partners, we aim to launch more shows in Bengali and South Indian languages. We are gradually moving into regional content by tying up with locally operating partners as our entry strategy. We are also looking at using Hindi content for regional channels. Our partnership established with Chhayabani, a Kolkata-based production house, to form Chhayabani Balaji Entertainment Private Limited, is an example of our concerted move to strengthen our regional offering.

### Going Forward

We strongly believe that content creators who stay ahead of the curve and are most alive to challenges and opportunities are the ones that will reap the benefits, going forward. We recognise the power of a good idea. We understand that no amount of marketing effort can pull or sustain audiences, if the content is not right. Script is an essential part of all our movies and TV shows. For us, watching a TV show or film grow from a mere thought or an idea to being a successful one, will always be extremely fulfilling.

On behalf of the Board and the entire leadership team at Balaji, we thank all the shareholders for their support in our effort and commitment to be a part of our vision.

Best Wishes,

**Ekta Kapoor**

Joint Managing Director



## Group CEO's Message

Dear Shareholders,

I feel extraordinarily privileged to work for this great company with such talented people. Our management team and our employees do outstanding work every single day, while dealing with an extreme number of complex business issues. The way our people and our Company are able to address our challenges, while continuing to grow our businesses, fills me with pride.

### Year in Brief

Over the course of last year, our key vertical, the television business, maintained – and even strengthened – our leadership position and continued to gain market share, improve customer satisfaction and foster innovation. We continued to deliver on our many commitments – including expense discipline, controls and capital requirements. Our television business has seen considerable growth with a lot of new shows and newer projects. We had top-rated Hindi shows and the big success has been our show Naagin on Colors – the No 1 show in India during its run time. In a small way, it contributed to making Colors the No 1 channel in India. Our content strategy in TV will be to not only have daily shows, but have a mix of diversified shows, cutting across genres and formats.

Our Movies business has been slower this year with a single release, but we are quite bullish about the business and expect it to grow. A recalibration took place in the movies vertical, aimed at making the movies business better planned and a more predictable part of our business in terms of consistent revenues and profitability. We took our time to carefully build our movie pipeline and utilised the market opportunity provided by the market correction. Today, we have already started building up our pipeline for the years ahead FY2018 and FY2019 and attempt to produce 4-5 movies per year.

### Betting Big on Digital

IP is the trigger for scale. After winning over film and TV viewers, we are breaking new barriers for value creation by going directly to consumers. A key highlight of the year was the setting up of our subsidiary ALT Digital Media Entertainment Limited for our digital platform – ALT Digital, a Subscription Driven Video On-Demand

service. With ALT Digital, we are gradually transforming ourselves from participating only in mass entertainment to also having a stake in on-demand entertainment through digital platforms.

What we aim to build is a genuine B2C brand – after having been a B2B business for so many years. We are hoping to get in early and build a complementary channel to our television business. ALT Digital will help us tap into a world of on-the-go entertainment that is slowly opening up in the country, as telecom companies and speedier broadband connections change the way people keep themselves engaged.

This is a super exciting business and heralds to capture great value as it holds traction in years to come. As a creative production house, we felt the time was right to foray into digital, given the way the space has evolved over the past couple of years. More and more people are consuming content on the mobile and other smart devices, and gradually, people have started paying online. Digital is the way forward and the whole space is growing very rapidly. By FY2020, we hope to have our revenues split equally between TV, movies and digital. By 2025, I expect ALT Digital to be bigger than both our TV and Movies businesses.

We raised funds for the digital vertical through a preferential allotment. With this, we are well resourced to see the new vertical not only getting through, but we aim to be a market leader in this space too. We are currently focusing on getting our content strategy right, building the team and defining the right platform to launch the channel during FY2017.

### It's all about Networking

We are leveraging our competitive strengths of enduring relationships with leading talent, diversified revenue streams and strategies to mitigate risks and promote cash flow generation, experienced management, delivering strong content and creating consistent value for shareholders. Our scale of operations, financial capabilities, engaging content and innovative business strategy makes us stand out.

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As a creative production house, we felt the time was right to foray into digital, given the way the way the space has evolved over the past couple of years. More and more people are consuming content on the mobile and other smart devices, and gradually, people have started paying online.

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We are building customised marketing forums and lining up innovative marketing initiatives to draw audiences and increase viewership. We are creating capabilities, infrastructure, content and platforms aligned to emerging consumer preferences and audience behaviour, aligning our strategic priorities and tangible goals that will place us in a different orbit. Actions are geared towards not just thinking of what is, but thinking what can be.

## Fighting Piracy

An unpleasant episode was the online leak of our recent movies Uda Punjab and Great Grand Masti on multiple online platforms, ahead of their scheduled release. We are fighting online piracy hard and combatting the distribution of pirated video content and taking adequate measures to block the resource on the Internet.

## Moving Ahead

Balaji is very well placed. It knows the pulse of the audience. As we establish the digital platform, it will create value by redefining the terms of our intellectual property and exploiting new avenues of monetisation. Going on our own in digital will give us complete creative and pricing freedom.

Everyone at Balaji is fully committed to our strategy and targets, and we will continue to implement our strategy and deliver excellent performance.

Thanking You,

**Sameer Nair**  
Group CEO

# Our Board of Directors

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## 1. MR. JEETENDRA KAPOOR

Mr. Jeetendra Kapoor is our Promoter and Non-Executive Chairman of our Company. He is a celebrated movie star, starring in more than 200 movies in his 45 year career. He was 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.



## 2. MRS. SHOBHA KAPOOR

Mrs. Shobha Kapoor is our Promoter and Managing Director of our Company. She has been in charge of our 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



## 3. MS. EKTA KAPOOR

Ms. Ekta Kapoor is our Promoter and Joint Managing Director of our Company. She 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 third position among the '50 Most Influential Women' in the Indian marketing, advertising and media ecosystems by IMPACT magazine in 2015. She also featured in Top 50 powerful women in India by Fortune India in the year 2014 and 2015.



## 4. MR. TUSSHAR KAPOOR

Mr. Tusshar Kapoor is our Promoter and a Non-Executive Director in our Company and has been involved with our Company since August 2010. After his undergraduate degree from the University of Michigan, he has obtained a Bachelors degree in Business Administration from the esteemed University of Michigan in the United States. He has won a number of prestigious awards including the Filmfare Awards and Zee Cine Awards for being Best Male Debutant of the Year. He is a very popular actor in the comedy genre, with Golmaal and Kya Kool Hai Hum being among the more notable movie franchises in this genre in recent years.



## 5. MR. ASHUTOSH KHANNA

Mr. Ashutosh Khanna is an Independent Director of our Company. He works as Senior Partner with Korn/Ferry and specializes in the Consumer Industry. He has worked in the communication industry earlier and carries with him deep insights of multiple industries. He is a sought after speaker at industry and HR forums on his views for the future of the industry.



#### 6. MR. D. G. RAJAN

Mr. D. G. Rajan is an Independent Director of our Company. He is a Chartered Accountant by profession and is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He was earlier a Senior Partner at Lovelock & Lewes, 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, Dehra Dun. He was also President of the Management Consultants Association of India and Chairman of the Indian Paint Association - Southern Region. Presently, he is advisor, consultant and director/member of supervisory board of various other domestic and international groups.



#### 7. MR. D. K. VASAL

Mr. D. K. Vasal is an Independent Director of our Company. He holds a Bachelor Degree in Commerce and a Bachelor 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 DCB 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.



#### 8. MR. V. B. DALAL

Mr. V. B. Dalal is an Independent Director of our Company. He is a chartered accountant by profession and is a member of the Institute of Chartered Accountants of India. He has an academic experience of more than 10 years as part time lecturer in Accountancy, having worked with the Dahanukar College of Commerce and Economics affiliated to University of Mumbai. He is a director on the board and chairman of the audit committee of Maharashtra Polybutanes Limited and Oxides and Specialities 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.



#### 9. MR. ARUN KUMAR PURWAR

Mr. Arun Kumar Purwar is an Independent Director of our Company. He is the chairman of ILFS Renewable Energy. He also works as an Independent Director in companies across diverse sectors like power, solar energy, telecom, steel, engineering consultancy, pharma and financial services. He also acts as an advisor to Mizuho Securities, Japan. He was chairman of the State Bank of India ("SBI") from 2002 to 2006 and chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as managing director of State Bank of Patiala, chief executive officer of Tokyo 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.



#### 10. MR. PRADEEP KUMAR SARDA

Mr. Pradeep Kumar Sarada is an Independent Director of our Company. He is a commerce graduate. He is chairman of the Sarada 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.

# Management Discussion & Analysis FY2015-16

The Indian economy remained resilient and grew by 7.6% in FY2016, making it the world's fastest growing economy among the large economies. This was higher than 7.2% economic growth recorded in FY2015, buoyed by improved agricultural performance and growth in consumption.

## *Economic* OVERVIEW

### **GLOBAL ECONOMY**

Calendar Year 2015 (CY2015) has been challenging and difficult year for the global economy. Global growth is said to pick up after a number of weak years (global economic activity remained subdued in CY2015). Global growth, estimated at 3.1% in CY2015, is projected to improve to 3.4% in CY2016 and 3.7% in CY2017. The pick-up in global activity is projected to be more gradual, especially in the emerging markets and the developing economies. In its semi-annual World Economic Outlook, the International Monetary Fund (IMF) stated that the world economy is facing the threat of a synchronised slowdown and mounting risks including another bout of financial market turmoil, and a political backlash against globalisation.

Worldwide, demand remained weak and the recent volatility in financial markets highlighted an uncertain international outlook, especially in China. "The emerging economies are slowing down, apart from India which is "doing pretty well", Christine Lagarde, the chief of the International Monetary Fund stated. The pace of global GDP growth remained slow, driven by a collusion of multiple factors such as volatility and rebalancing in the Chinese economy. A drop in oil and other commodity prices, slowdown in emerging economies, and slow pick-up in major developed economies also contributed to the slow growth.

Source: International Monetary Fund's Semi-Annual World Economic Outlook



## INDIAN ECONOMY

The Indian economy remained resilient and grew by 7.6% in FY2016, making it the world's fastest growing economy among the large economies, according to the data released by the Central Statistics Organisation (CSO) of India. This was higher than 7.2% economic growth recorded in FY2015, buoyed by improved agricultural performance and growth in consumption. The economy outgrew most major economies on the back of strong domestic demand, coupled with a drop in crude and commodity prices. The CSO had estimated the Indian economy to record a five-year high growth rate of 7.6% on the back of improved performance in manufacturing and farm sectors.

The International Monetary Fund (IMF) retained its growth forecast for India in FY2017 at 7.5%, largely driven by private consumption even as weak exports and sluggish credit growth continue to weigh on the economy. India's growth momentum is expected to be underpinned by private consumption, which has benefited from lower energy prices and higher real incomes. Robust reforms, push for Make in India and a better external environment indicate a double-digit growth trajectory.

India climbed 12 notches on the World Bank's Ease of Doing Business indicator and is a "haven of stability amid a turbulent global economy". The Government has taken several steps to improve the country's economic environment – including simplifying approval procedures, repealing obsolete laws, putting in place a non-adversarial tax regime and addressing the issue of subsidy leakage. Foreign investment inflow into the country increased by 39% in 2015.

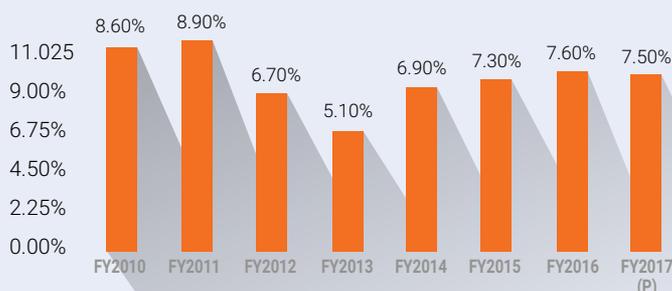
### Indian Economy – Growth Drivers

Strong macro-economic fundamentals, favourable business sentiments and a downward trend in interest rates are significant positives for the economy. According to the estimates of the Confederation of Indian Industry (CII), government infrastructure investments and increased investments from the private sector will boost GDP growth. India has benefited from lower oil prices and remains on a strong recovery path, being the fastest-growing large economy in the world. An incipient recovery of private

investment is expected to help broaden the recovery. Moreover, higher levels of public infrastructure investment and government measures to re-ignite investment projects should help crowd-in private investment.

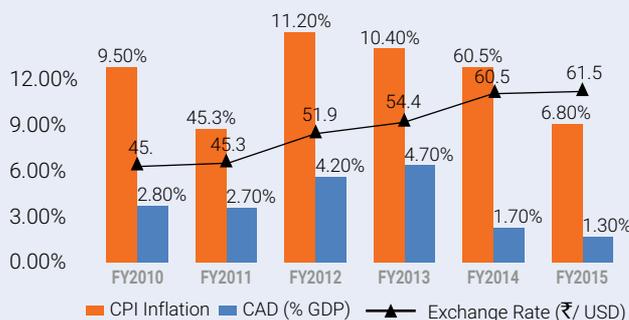
An integrated set of initiatives – including Make In India, Start-Up India, Mudra Yojana and Skill India – will help create a large number of jobs. A series of reforms is being initiated to help convert job seekers into job creators. The Government has launched the Start-Up India campaign, which will deepen, expand and support the innovation ecosystem in the country.

#### INDIA'S GDP GROWTH RATE – ACTUAL AND PROJECTED (YOY)



Source: Central Statistics Organisation

#### RECEDING INFLATION AND WEAKENING INDIAN RUPEE



Source: RBI Website

# Industry OVERVIEW

## INDIAN M&E INDUSTRY

Calendar Year 2015 (CY2015) was a mixed bag for the Indian Media & Entertainment (M&E) industry. Coming off the heady days of CY2014, when election spending and renewed hope drove a significant level of media spend, CY2015 was a year of settling in, rolling up one's sleeves and getting down to task. The M&E sector grew by 12.8% from ₹ 1,026 billion in CY2014 to ₹ 1,157 billion in CY2015. A healthy advertising environment, with around 15% growth – propelled several parts of the industry to unprecedented growth. Television again performed very well, led by the General Entertainment Channels (GEC).

CY2015 saw several new channel launches and also witnessed the industry's adoption of a brand new ratings system – Broadcast Audience Research Council (BARC). Digitisation of cable continued with its implementation challenges, but with Phase III substantially completed, significant progress is being made. Addressability still remains a key challenge even after digitisation, but the industry is hopeful that these challenges, too, will get addressed in time. The cable industry awoke to the potential of broadband and the year saw several companies restructure and raise funds from private equity or through listings.

The Media & Entertainment (M&E) industry is set to grow at a CAGR of 14.3% to ₹ 2,260 billion by CY2020, according to the KPMG-FICCI Media and Entertainment industry report 2016, titled 'The Future: now streaming'. According to the report, the growth of the M&E industry will be led by advertising revenue, which is expected

to grow to ₹ 994 billion at a CAGR of 15.9%. Growth for television advertising is projected at a CAGR of 15% between CY2015 and CY2020, while print media is expected to grow at 8.6%, according to the report. With an advertising growth rate of 17%, CY2015 was a phenomenal year for television. Some Hindi General Entertainment Channels may even have outperformed the industry with a growth rate of more than 20%. Although TV saw a spike in advertising, subscription revenue for the medium remained muted. Digital advertising, which continued its strong run with 38.2% growth over CY2014 – as a mounting Internet user base and data usage were supplemented by increased spend allocation by marketers – is likely to scale up to ₹ 255 billion by CY2020 and contribute to 25.7% of total advertising revenues, according to the FICCI Report.



### THE INDIAN MEDIA AND INDUSTRY: SIZE

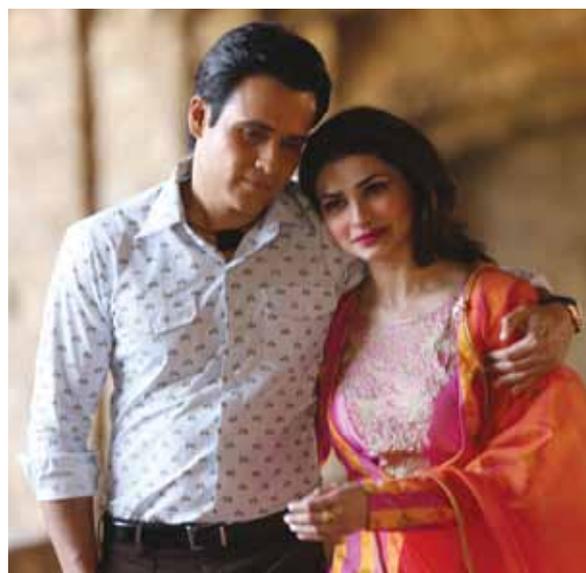
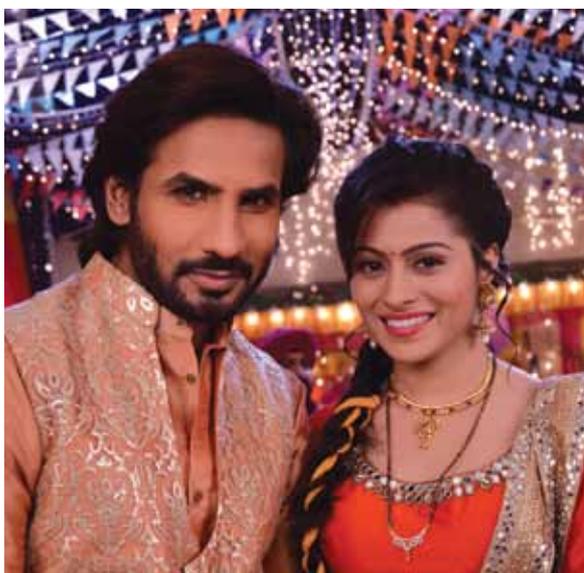
Overall Industry Size (₹ Billion)	2010	2011	2012	2013	2014	2015	Growth Over 2014 (%)	2020 (P)
TV	297	329	370.1	417.2	474.9	542.2	14.2	1,097.6
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6	412.5
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3	227.3
Radio	10	11.5	12.7	14.6	17.2	19.8	15.3	43.3
Music	8.6	9	10.6	9.6	9.8	10.8	10.2	20.6
OOH	16.5	17.8	18.2	19.3	22	24.4	10.9	45.2
Animation & VFX	23.7	31	35.3	39.7	44.9	51.1	13.8	108
Gaming	10	13	15.3	19.2	23.5	26.5	12.8	50.7
Digital advertising	10	15.4	21.7	30.1	43.5	60.1	38.2	255.2

Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2016

### ADVERTISING REVENUES: SIZE

Overall Industry Size (₹ Billion)	2010	2011	2012	2013	2014	2015	Growth in 2015 Over 2014 (in %)	2020 (P)
TV	103	116	124.8	135.9	154.9	181.3	17	364.5
Print	126	139.4	149.6	162.6	176.4	189.3	7.3	285.8
Radio	10	11.5	12.7	14.6	17.2	19.8	15.3	43.3
OOH	16.5	17.8	18.2	19.3	22	24.4	10.9	45.2
Digital Advertising	10	15.4	21.7	30.1	43.5	60.1	38.2	255.2

Source: KPMG India Analysis 2016



## UNDERLYING GROWTH DRIVERS FOR THE M&E INDUSTRY

### a. Growing prominence of e-commerce advertising

The e-commerce segment continued to aggressively chase market share by continuing to spend on customer acquisition. E-commerce advertising spends initially focused on digital platforms, but over the last couple of years, there has been significant increase in advertising spends across Television, Print and Radio.

However, most of these spends have been largely concentrated on national networks and have not percolated down to regional markets. It is expected that e-commerce will continue to be an active advertiser across platforms with spends being concentrated among the large e-commerce players and increasing focus on regional markets.

### b. Emerging shift in films in favour of Hollywood and regional content

The Films segment grew by 9.3% during CY2015, primarily driven by strong performance by Hollywood

and Regional content that offset another weak year for Bollywood. Regional content, on the other hand, has seen growing budgets, increased distribution and marketing spend allowing wider audiences to access the content.

### c. Over The Top (OTT) - Building for the Future

There is a significant level of interest in building out OTT platforms. However, their viability in the short term remains a concern. This is owing to the bandwidth constraints, high cost of customer acquisition, dependence on advertisement-led models and high cost of data access.

### d. Sports is looking beyond cricket for growth

Cricket continues to be the primary driver of viewership, with marquee properties such as IPL and World Cup, witnessing growth in both ad rates and sponsorships. However, the last couple of years have seen the launch of various sporting leagues across varied sports such as Kabaddi, Football and Tennis among others. Kabaddi in particular has seen strong audience and brand response prompting the league owners to make the tournament a bi-annual affair to leverage on its popularity. (Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2016)

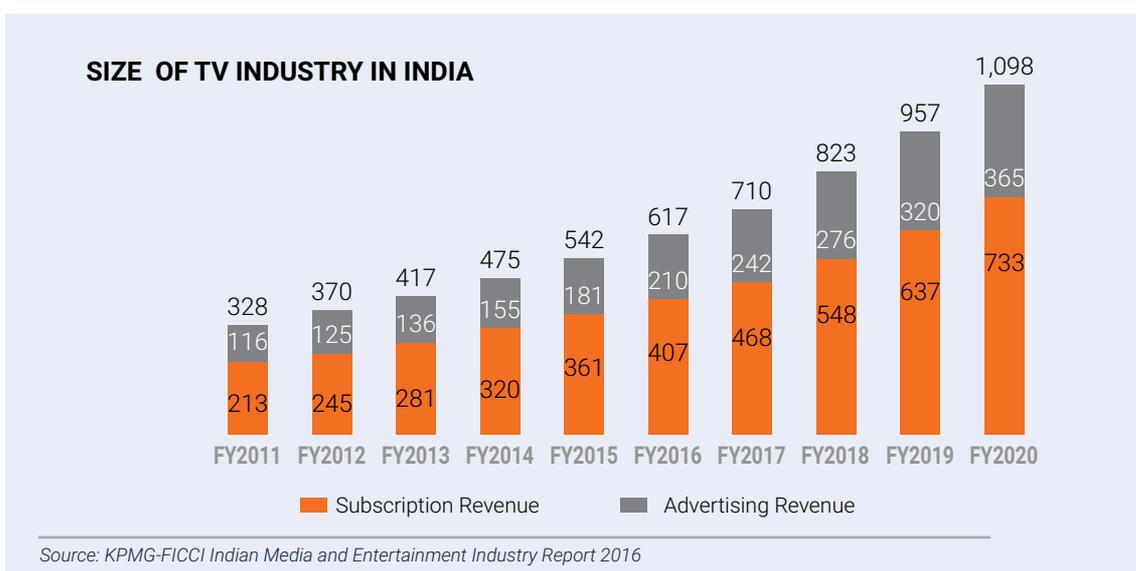
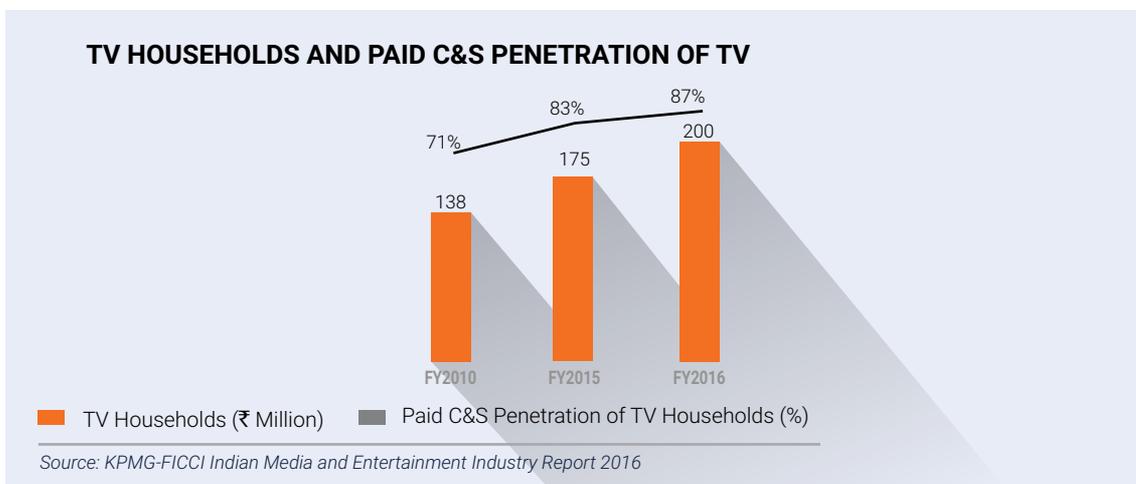




## INDIAN TELEVISION INDUSTRY

Television registered a 14.2% growth in CY2015 at ₹ 542 billion, led by a strong growth in advertising at 17% on the back of increased e-commerce spends and renewed spending by sectors such as Auto, Telecom and Mobile handsets, among others. Subscription revenue growth at 12.8% was slower due to delays in Phase 3 digitisation and further delays in availing the on-ground benefits of Phase 1 and 2. Television is expected to grow at a CAGR of 15.1% in the coming years, as advertising revenues will continue to show robust growth. However, delays in digitisation would mean that subscription growth would be slower than anticipated earlier.

The television industry is expected to grow at a CAGR of 15% to reach ₹ 1,098 billion by CY2020. Subscription revenue is estimated to grow at a CAGR of 15% on account of increased monetisation, while advertising revenue growth is also estimated to remain strong, growing at a CAGR of 15%. The number of TV households in India increased to 175 million in CY2015, implying a penetration of 62%. The number of Cable & Satellite (C&S) subscribers is estimated to have reached 160 million. Excluding DD Free Dish, the number of paid C&S subscribers was estimated at 145 million in CY2015, implying a paid C&S penetration of 83%. TV households are projected to increase to 200 million by 2020, with the paid C&S subscriber base expected to grow to 174 million by CY2020, representing 87% of the TV households.



Action hero film franchises, along with wide distribution and marketing, helped Hollywood in continuing its double-digit growth trajectory in India, clearly demonstrating the audience's appetite for differentiated content.

## INDIAN MOVIES INDUSTRY

During CY2015, the movies industry grew at 9.3% although the underlying fundamentals were mixed, with Hollywood and regional releases also contributing to growth. Films are expected to grow at an annual rate of 10.5% in the near term. Lack of screen density is a key constraint to sustained growth, especially for Bollywood content. While exhibitors recorded a significant growth in regional and Hollywood film collections, collection for Hindi films (Bollywood) was almost flat compared to previous years. On the other hand, strong regional content seemed to have gained acceptance even among the non-native language speaking audience, thereby improving the share of regional films in the overall revenue pie. Action hero film franchises, along with wide distribution and marketing, helped Hollywood in continuing its double-digit growth trajectory in India, clearly demonstrating the audience's appetite for differentiated content. (Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2016)

### Key Trends in The Movies Industry

#### a. Rationalising Spends

Cost consciousness led to a steady shift in the business model. Actors are increasingly accepting a revenue share instead of front-loading the entire fee, thereby enabling risk-sharing across the value chain. Studios are also experimenting with fresh talent, which comes onboard for a lower fee. On the marketing front, there have been active measures to curtail the marketing spend by rationalising spending on print media, reducing the number of promotional tours and shortening the duration of the campaigns.

#### b. Increasing Focus on Content Development

The year witnessed many films with a strong storyline (with or without A-listed actors) doing well. Few films having A-listed actors crashed at the box office, further strengthening the hypothesis that a good script is indispensable for a film's success. Consequentially, players have initiated several programmes to consciously focus on content development.





Some of the key initiatives are:

- ▶ Shift from acquisition of projects to in-house content development
- ▶ International alliances and mentoring for content development
- ▶ Strategic alliances with domestic players across the value chain
- ▶ Reduced dependence on star talent
- ▶ Development of ancillary revenue streams

### c. Optimising Marketing Costs

Many film production houses are taking steps to rationalise their marketing spends, such as:

- ▶ Shortening the duration of promotion campaigns
- ▶ Lower investment in print media
- ▶ Increasing focus on Social Media/Digital Marketing
- ▶ Integrated brand-tie ups to unlock synergies
- ▶ Use of newer platforms

## Opportunities for the Indian Movies Industry

- ▶ Improving domestic reach by increasing number of screens
- ▶ Retrofitting - Converting single screens to 2/3 screen multiplexes
- ▶ Single window clearance/simpler laws to start and exit the exhibition business

## DIGITISATION OF MEDIA

The on-demand audio and video content services are at the cusp of an inflection point in India. An entire ecosystem around such services has emerged including content providers, aggregators, distribution channels, technology platforms, advertising platforms, payment channels and marketing channels. While the current monetised value of the platform is small, the industry is investing in directing the viewing habits of consumers to legal platforms, away from illegal platforms. Digital revenues constitute less than 5% of the overall domestic theatricals market, but are observing double digit growth. Digital advertising will continue to grow at a high CAGR of 33.5% with a shift towards mobile and video advertising on the back of increase in mobile users and improved digital infrastructure, according to the KPMG-FICCI Indian Media and Entertainment Industry Report 2016. By CY2020, it is expected that digital advertising will be ₹ 255 billion and will contribute 25.7% of total advertising.

### a. Video On Demand (VOD) Platforms displacing Cable & Satellite

CY2015 was witness to the broadcast windows shifting for the first time. Eros International, which adopted a “digital first” strategy for its growth, started windowing premieres as part of its marketing initiatives for its VOD platform – Eros Now. It released ‘Tanu Weds Manu Returns’ on its VOD platform, much before its television premiere. A couple of its other films – ‘Badlapur’, ‘NH10’, ‘Shamitabh’, and ‘Happy Ending’ also premiered on the Eros Now platform before their satellite premiere.

## INDUSTRY PERFORMANCE AND PROJECTIONS

Revenues (₹ Billion)	2011	2012	2013	2014	2015	2016(P)	2017(P)	2018(P)	2019(P)	2020(P)	2014-15 (YoY Growth)	CAGR 2015- 2020
Domestic theatrical	68.8	85.1	93.4	93.5	101.4	115.8	125.7	136.1	147.6	159.9	8.5%	9.5%
Overseas theatrical	6.9	7.6	8.3	8.6	9.6	11.4	12.4	13.5	14.5	15.6	11.5%	10.9%
Cable and satellite rights	10.5	12.6	15.2	14.7	15.9	18.2	19.8	21.4	23.2	25.1	8.1%	9.5%
Home video	2.0	1.7	1.4	1.2	1.0	0.9	0.8	0.7	0.6	0.6	-14.0%	-12.2%
Ancillary revenue streams	4.7	5.4	7.0	8.4	10.2	12.5	15.4	18.3	21.9	26.1	22.3%	21.1%
<b>Total</b>	<b>92.9</b>	<b>112.4</b>	<b>126.3</b>	<b>126.4</b>	<b>138.2</b>	<b>168.7</b>	<b>174.1</b>	<b>190.0</b>	<b>207.8</b>	<b>227.3</b>	<b>9.3%</b>	<b>10.5%</b>

Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2016  
Note: P = Projected



**b. Entry of Subscription-based Video On Demand (SVOD)-only players in Over The Top (OTT) Films Landscape**

The Indian OTT landscape was dominated by the advertising-based, pay per view and freemium models. However, the entry of Netflix, which follows a subscription-only model, into the Indian market has added a new dimension. Netflix has been launched at a higher price with three packages – ₹ 500 (SD, one device), ₹ 650 (HD viewing, two devices) and ₹ 800 (UHD, four devices), targeting the high-end consumers. This is expected to segment the digital market and make way for the other SVOD players as well. A few other players such as HOOQ, Hungama Play, YuppTV have also launched subscription-based services.

With the entry of newer players in CY2015, there are our 12 major OTT players in the films space now - Hotstar, Spuul, Netflix, Muvizz, HOOQ, Eros Now, VOOT, Box TV, Sony LIV, YuppTV, Ditto TV, Ogle and Hungama Play, among others. While these players are expected to increase their investments, few more new arrivals are also expected soon - Amazon Prime, and "ALT Balaji" from Balaji Telefilms. As more players are acquiring content in India and globally, the syndication revenues for film libraries are expected to increase.

## INDUSTRY OUTLOOK

The Indian Media & Entertainment industry is on an impressive growth path. The revenue from advertising is expected to grow at a CAGR of 13% and will exceed ₹ 81,600 crore (US\$ 12.29 billion) by CY2019 from ₹ 41,400 crore (US\$ 6.24 billion) in CY2014. Internet access has surpassed the print segment as the second-largest segment contributing to the overall pie of the Media & Entertainment industry revenues. Television and print are expected to remain the largest contributors to the advertising pie in 2018 as well. Internet advertising will emerge as the third-largest segment, with a share of about 16% in the total Media & Entertainment advertising pie. The film segment which contributed ₹ 12,640 crore (US\$ 1.90 billion) in CY2014 is projected to grow steadily at a CAGR of 10% on the back of higher domestic and overseas box-office collections as well as cable and satellite rights.





Digital advertising is expected to lead the CAGR with 30.2%, followed by radio with 18.1%. Animation and VFX, and television are expected to register a CAGR of 16.3% and 15.5% respectively, followed by growth rates of gaming (14.3%), music (14.0%), films (10%) and OOH with 9.8% expected CAGR. Within TV, subscription revenues are expected to be three times more than

advertising revenues, by 2018. Growth in the regional reach of print and radio shall provide opportunities to further improve the advertisement revenue.

Moreover, technology has played an important role in changing the landscape of the Indian Media & Entertainment sector. The audience has become more experimental and open to new concepts, platforms and other sources of entertainment. The industry is inching closer towards digital as a potential revenue stream, which can disrupt the industry and alter the outlook. The industry should be able to leverage and monetise it aptly. Though this will present significant challenges to existing business models, there are also significant opportunities which can far outweigh the risks. However, to leverage these opportunities, the industry needs to invest for the future and be willing to look at the changes required in mindset and approach.

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# 10.5%

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Projected CAGR of Indian Media & Entertainment Industry  
(during CY2015-20)



# Company OVERVIEW

## OUR TELEVISION BUSINESS

Television programming will continue to remain our staple source of value creation. We've been widely credited for successfully assessing our audiences' tastes in the most relevant manner. We have captured the pulse of new-age watchers and live up to their viewing preferences. With rich experience in entertainment and a proven ability in gauging the pulse of masses, we want to enhance our revenue generation and reiterate our market leadership in the TV industry. Television programming continues to be our key area of focus. We are venturing into new serials under the Hindi GEC segment and the year ahead will see a bunch of new TV shows targeted at capturing the sensibilities of different audiences on the GEC and non-GEC segment.

### Creating a Wide Range of TV Programming

We have a strong track record of hit shows in Hindi. During the year, we tackled diverse genres – a reality show, created IP (through Box Cricket League) and also focused on televised events to create intellectual property. We aim to have a robust slate of 7-8 running shows at any given point in time. Some of our popular television shows aired during the year include Naagin, Jodha Akbar, Pavitra Bandhan Do Dilo Ka, Kumkum Bhagya, Ye Hai Mohabbatein, Meri Aashiqui Tum Se Hi and Kalash - Ek Vishwaas. With a past track record and a string of hit shows in Hindi and Regional television, we upped our production value and made a winning proposition on the small screen. Naagin emerged as the No 1 show of the year on Colors. With 62 episodes, it created a niche and popular slot for short-format series on weekend TV, with catchy elements such as characterisation, scripting, visual appeal and high-end technology. The fictional show, which went off air in June 2016, has been replaced with our thriller/horror show Kavach - Kaali Shaktiyon Se.

## Exploring New Genres

In addition to thriller/horror, we forayed into the comedy genre through our upcoming show "Mazaak Mazaak Mein" on Life OK, co-produced with Violet Pictures. The non-fiction reality comedy show, on the lines of the Great Indian Laughter Challenge, will have five teams competing with each other. We are working towards expanding the slate by adding shows through the co-production model, which helps leverage economies of scale and attain cost efficiency. There are two other shows planned on Star Plus – a daily fiction show (scheduled for launch in September 2016) and a historical show (scheduled for launch in October 2016). A horror show is also on the cards for Zee Telefilms.

## Moving Ahead

Having established ourselves well in the TV space, we constantly aim to deliver stable and sustainable growth by scaling higher and adding to the bottom line. We have an exciting and robust pipeline of shows to be aired in FY2017 across channels. With changing industry dynamics, we are aiming to capitalise our capabilities in making high-concept fiction and non-fiction shows. We are looking at expanding our regional shows in line with our business strategy. Having forayed into Bengali TV shows through our tie-up with Chhayabani Entertainment Private Limited, we are looking to add more shows on this platform.

### KEY REVENUE DRIVERS IN TV

- ▶ Improving realisation in commissioned programming
- ▶ Demand from satellite channels for premium TV shows
- ▶ India being the world's third-largest television market in terms of number of households



### OUR UPCOMING TV SHOWS IN FY2016-17

Name of the Show	TV Channel	Frequency of Broadcast	Expected Period of Launch
Mazaak Mazaak Mein	Life OK	Bi-weekly	July 2016
Bhramarakshas	Zee TV	Bi-weekly	August 2016
Chandragupt Mourya	Star Plus	Daily	October 2016
Pardes Mein Hai Meraa Dill	Star Plus	Daily	October 2016
Kavach - Kaali Shaktiyon Se	Colors	Bi-Weekly	June 2016

### TV SHOWS ON AIR DURING FY2016

Name of the Show	TV Channel	Release Date	Current Status/Running Till
Ye Hai Mohabbatein	Star Plus	December 2013	Active
Naagin	Colors	November 2015	Off Air
Kuch to Hai Tere Mere Darmiyaan	Star Plus	September 2015	Off Air
Pavitra Bandhan Do Dilo Ka	DD National	September 2013	Active
Kalash – Ek Vishwaas	Life OK	March 2015	Active
Kumkum Bhagya	Zee	April 2014	Active
Pyar Ko Ho Jaane Do	Sony	October 2015	Off Air
Ye Kahan Aa Gaye Hum	& TV	October 2015	Active
Meri Aashiqui Tum Se Hi	Colors	June 2014	Off Air
Kasam Tere Pyar Ki	Colors	March 2016	Active
Itna Karo Na Mujhe Pyaar	Sony	November 2014	Off Air
Gumraah-5	Channel V	March 2015	Off Air

## OUR TV Shows Aired DURING FY2016 AND FY2017

**PREMIERED:** March 2015  
**ANCHOR:** Karan Patel  
**GENRE:** Scripted Reality  
**EPISODES COMPLETED:** 67  
**CHANNEL:** Channel V

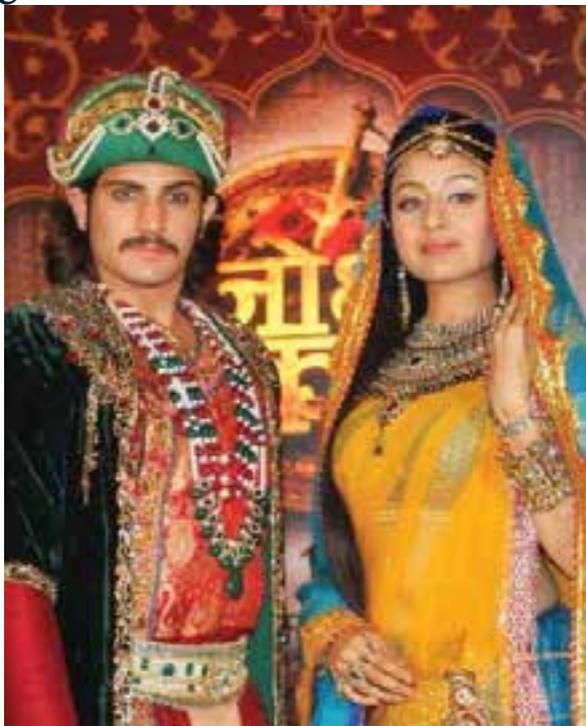
### SYNOPSIS

Gumrah is a youth based episodic show which highlights several issues the youth face owing to peer pressure, societal pressure or family pressure. Through every narrative the anchor interacts with the viewers and asks them to adapt a healthy approach to effectively tackle all their problems.

## Gumraah Season 5



## Jodha Akbar



**PREMIERED:** June 2013  
**ACTORS:** Rajat Tokas, Paridhi Sharma  
**GENRE:** Historical Love Story  
**EPISODES COMPLETED:** 566  
**CHANNEL:** Zee TV

### SYNOPSIS

Jodha Akbar is a 16th century love story about a political marriage of convenience between Mughal Emperor Akbar and the Rajput princess Jodha. Being hard-nosed, rough, tough and heartless, Akbar kept expanding his empire at the cost of other's lives, emotions and love. Whilst Jodha, the fiery Rajput princess and daughter of the King of Amer, was the one to value emotions. Once married, Akbar embarked on the journey of true love. Akbar's biggest challenge was in winning the love of Jodha, which was hidden deep below resentment and extreme prejudice.

## Itna Karo Na Mujhe Pyaar



**PREMIERED:** November 2014  
**ACTORS:** Ronit Roy, Pallavi Kulkarni  
**GENRE:** Romantic Drama  
**EPISODES COMPLETED:** 77  
**CHANNEL:** Sony

### SYNOPSIS

Itna Karo Na Mujhe Pyaar is a Hindi-language soap opera. The show is about the relationship challenges of a divorced couple Dr. Nachiket Khanna, a cardiac surgeon, and Ragini Patel, his independent wife. The show deals with how the husband and wife get reconnected due to their children.



## *Kalash - Ek Vishwaas*



**PREMIERED:** March 2015  
**ACTORS:** Krip Suri, Aparna Dixit, Neena Cheena  
**GENRE:** Drama  
**EPISODES COMPLETED:** 333  
 (till 30th June, 2016)

### **SYNOPSIS**

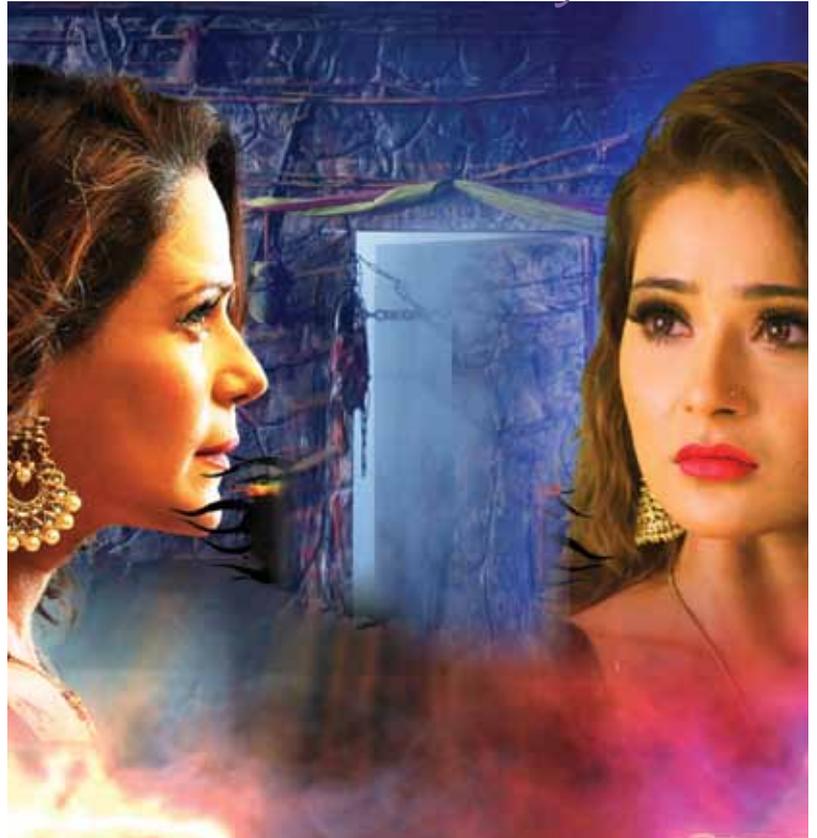
The story follows the basic premise that faith and belief in the mystic law and the power of the universe make all things possible. It shows the dual mindsets of people where female deities are revered and worshipped, while women in general are mistreated. The show also traces the traditional and regressive thought process prevalent in many so-called progressive households. It explores the universal concept of the fight between good and evil and what happens when a woman is tested against fire.

**PREMIERED:** June 2016  
**ACTORS:** Mona Singh, Vivek Dahiya  
**GENRE:** Thriller/Horror  
**EPISODES COMPLETED:** 5 (Upto 30th June, 2016)

### **SYNOPSIS**

"Kavach" is the story of Paridhi and Rajbir and their undying love for one another and how they protect their relationship from being sabotaged by Manjulika, Rajbir's former love who holds a dark secret of her own. Manjulika often tries to entice Rajbir but fails and then later dies under mysterious circumstances. It is later revealed that Manjulika is a witch and tries to possess Paridhi, in order to fulfil her undying love for Rajbir. The story focuses on how Paridhi and Rajbir ward off the evil spirit of Manjulika and save their family and marriage over a period of time.

## *Kavach-Kaali Shaktiyon Se*



## OUR TV Shows Aired DURING FY2016 AND FY2017

**PREMIERED:** April 2014  
**ACTORS:** Shabbir Ahluwalia,  
Sriti Jha  
**GENRE:** Romantic Drama  
**CHANNEL:** Zee TV  
**EPISODES COMPLETED:** 608  
(till June 30, 2016)

### SYNOPSIS

Kumkum Bhagya is about a women-centric Punjabi family based in Chembur. The underlying concept of the show is about how different people come together from different backgrounds and perspectives and yet adjust into each other's lives. The family's two daughters, Pragya and Bulbul, are poles apart and the story revolves around their love lives. Pragya likes Suresh who is a simple guy, whereas Bulbul dreams about Abhi. Being a rockstar, Abhi is obsessed with money and fame and does not believe in love. Pragya, on the other hand believes in love, and money doesn't matter much to her.

## Kumkum Bhagya



## Pavitra Bandhan Do Dilo Ka



**PREMIERED:** September 2013  
**ACTORS:** Yash Tonk,  
Hritu Dudani  
**GENRE:** Family Drama  
**CHANNEL:** DD National  
**EPISODES COMPLETED:** 677  
(till 30th June)

### SYNOPSIS

Pavitra Bandhan Do Dilo Ka is a metaphorical take on the story of a young and free-spirited woman whose destiny and circumstances pushes her into a situation, which is like a dark and endless night. She has to face the situation all alone and is constantly lightening up other people's lives. The TV show is a poignant and passionate tale of this young woman. It is not a love story but a story about love set in the backdrop of the beautiful landscapes of Bengal and the enriched Bengali culture.



## *Pyar Ko Ho Jaane Do*



**PREMIERED:** October 2015

**ACTORS:** Mona Singh,  
Iqbal Khan

**GENRE:** Romantic Drama

**CHANNEL:** Sony TV

**EPISODES COMPLETED:** 73

### **SYNOPSIS**

The story of a very well-to-do, modern Punjabi family, the Hoodas and the backbone of this loving family is Ishaan and his wife Preet. Though Ishaan is Mr Hooda's brother's son, he (Mr Hooda) and his wife accepted Ishaan with open arms when the latter lost his entire family, including his wife, in a tragedy. Ishaan goes on to marry Preet, who too has lost her family. Ishaan is the perfect son, the best brother, a doting father and an excellent friend. But underneath his perfect facade, lies a terrible truth that Ishaan has been hiding from everyone, the truth about his real identity. The truth is that Ishaan, in fact, is a spy from a neighbouring country Pakistan, Rizwaan Ahmed Khan, who is brainwashed into thinking that his parents were killed by his neighboring country's agents. The story focuses on how Ishaan and Preet conquer all odds and immortalise their love over time.

## *Ye Kahan Aa Gaye Hum*

**PREMIERED:** October 2015

**ACTORS:** Karan Kundra,  
Saanvi Talwar

**GENRE:** Romantic Drama

**CHANNEL:** &TV

**EPISODES COMPLETED:** 178  
(till 30th June, 2016)

### **SYNOPSIS**

The story focuses on Rahul Sabarwal, a musical sensation and a renowned rock star in India. His father, a yesteryear singer Raj Sabarwal is on a look out for a voice which will compliment Rahul's style of music and organises a nationwide talent hunt. Enter Manvi Chatterjee, a talented singer, who happens to be a daughter of well-known Bengali music teacher Kali Prasad Mukherjee. Manvi and Rahul have a strange first encounter and despite all odds Manvi goes on to win the music competition. Over the time, the story focuses on how Manvi and Rahul discover their love for one another, through their common passion for music.



## OUR TV Shows Aired DURING FY2016 AND FY2017

**PREMIERED:** December 2013  
**ACTORS:** Karan Patel,  
Divyanka Tripathi  
**GENRE:** Romantic Drama  
**CHANNEL:** Star Plus  
**EPISODES COMPLETED:** 839 (till 30th  
June, 2016)

### SYNOPSIS

Ye Hai Mohabbatein is a love story between a mother and a child who are related to each other through a unique bond and under weird circumstances. It is this bond that also brings Raman and Ishita into each other's lives. Ishita is a Tamilian girl who has been abandoned by her fiancé and would-be parents-in-law due to her inability to bear a child. Raman, a Punjabi, was once an affable person, but is now hardened by the cruel end of his marriage as his wife marries his boss, a much richer and suave person. His wife Shagun leaves behind 4-year old Roohi, but since she looks exactly like her mother, Raman neglects the child. Amidst the hilariously turbulent friction between the Punjabi and South Indian family, Ishita's motherly love blooms for Roohi due to which Ishita agrees to marry Raman. Raman agrees as he too is scared of losing his daughter in the custody to his wife. Through the test of time, Raman and Ishita not only share each other's pain, but love blossoms between them.

## Ye Hai Mohabbatein



## Kasam Tere Pyar Ki



**PREMIERED:** March 2016  
**ACTORS:** Kratika Sengar, Ssharad  
Malhotra  
**GENRE:** Romantic Drama  
**CHANNEL:** Colors  
**EPISODES COMPLETED:** 84 (till  
30th June, 2016)

### SYNOPSIS

Based in the backdrop of Punjab, the show traces the journey of Tanu and Rishi through different time phases. It focuses on how their loves survives against all trials and tribulations and how they eventually unite against all odds.

## Naagin



**PREMIERED:** June 2014  
**ACTORS:** Shakti Arora,  
 Radhika Madan  
**GENRE:** Romantic Drama  
**CHANNEL:** Colors  
**EPISODES COMPLETED:** 446

### SYNOPSIS

Meri Ashiqui Tum Se Hi is a story about Ranveer who loves Ishani Parekh since they were both kids. Ishani is the daughter of Parekh family where Ranveer worked as a driver, but she instead loved Chirag and was about to get married to him to fulfill her father's wish. After a leap of few years, Ranveer gains wealth and under some circumstances ends up marrying Ishani to save the Parekh family. Gradually, Ishani starts liking him. Suddenly, Chirag dies and the blame of his death falls on Ranveer. Ishani takes the blame on herself and ends up in jail. Once she is out of jail, she starts a new life with the Mehra family, whose son Shikhar also develops a liking for her, and proposes marriage to her.

## Kuch To Hai Tere Mere Darmiyaan



**PREMIERED:** November 2015  
**ACTORS:** Mouni Roy, Arjun Bijlani,  
 Aada Khan  
**GENRE:** Romance, Fiction, Drama  
**CHANNEL:** Colors  
**Episodes Completed:** 62

### SYNOPSIS

This story revolves around two Icchadari Naagins named Shivanya and Sessa. Shivanya's parents were taking care of Naagmani but were killed by Ankush and Yamini who wanted to possess it. Shivanya was never able to see the murders. Ankush and Yamini later have a son, Ritik. At the same time Shivanya enters the house as a maid and Ritik begins to love Shivanya. The story ultimately focuses on how Shivanya wins over Ritik with her love and avenges the death of her parents.

## Meri Ashiqui Tum Se Hi



**PREMIERED:** May 2015  
**ACTORS:** Gautam Gupta,  
 Asha Negi, Ali Goni  
**GENRE:** Romantic Drama  
**CHANNEL:** Star Plus  
**EPISODES COMPLETED:** 83

### SYNOPSIS

The story focuses on the lives of Madhavan, Raj and Koyal, who are best friends. Madhavan (Maddy) is the best student in the town, hardworking and caring. He is in love with Koyal and can do anything for her happiness. Raj is a flirt and dreams to be a movie star. Koyal is in love with Raj and does everything for him. The story traces the journey of Rahul, Koyal and Maddy and how they discover true love and friendship through upheavals and experiences of their own.

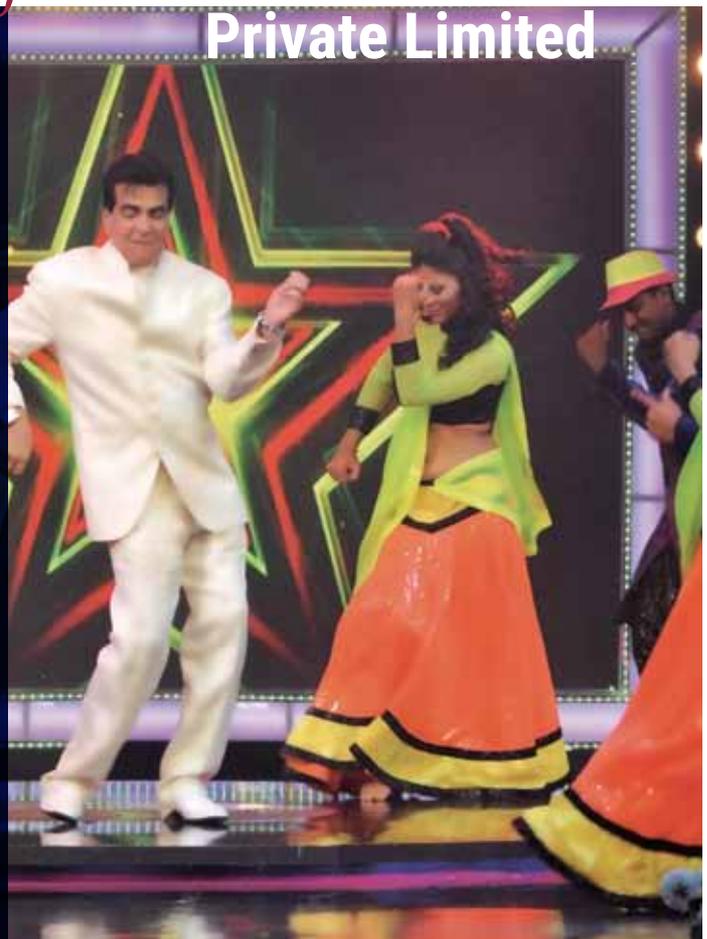
## OUR OTHER GROWTH PILLARS IN TV BUSINESS

Our business strategy to set up newer ventures in the TV business through collaborative deals with strategic partners paid off successfully during the year. Through the three growth pillars, we continued to leverage our creative strengths, captivate audiences and make programming more relevant through short-format shows, high concept and non-fiction shows.

### *Chhayabani Balaji Entertainment Private Limited*

We always believe that growth is collaborative in a super-dynamic industry. Our subsidiary Chhayabani Balaji Entertainment Private Limited (CBEPL), in partnership with Kolkata-based Chhayabani Private Limited, promoted the best of creative talent by exploring new formats of television content.

The subsidiary leverages Balaji's competitive strengths to create exciting entertainment across the media and Chhayabani's glorious heritage of producing extremely notable films in Bengal, and therefore, the synergies are extremely strong. This collaboration brings together two different media houses, with distinctive strengths to create exciting content, while also attracting high-quality talent. Chhayabani continues to be the preferred partner for Balaji, given its cinematic excellence and passion to produce quality entertainment products. The subsidiary delivered two TV shows during the year – a musical show Phire Asher Gaan, a non-fiction show for Star Bangla; and Sohagi Sindur, a Bengali fiction daily on Colors Bangla. We are collaborating with Zee Bangla for a daily fiction programming with travel love stories. We moved a step ahead and are creating a 13-episode Bengali web-series for Balaji's upcoming digital channel ALT. We are open to a programming mix of diverge genres, new concepts and innovative formats including daily soaps, short format series, reality shows or weekend shows. We are also looking at leveraging our content in Hindi in the regional space and strengthening our regional offering.





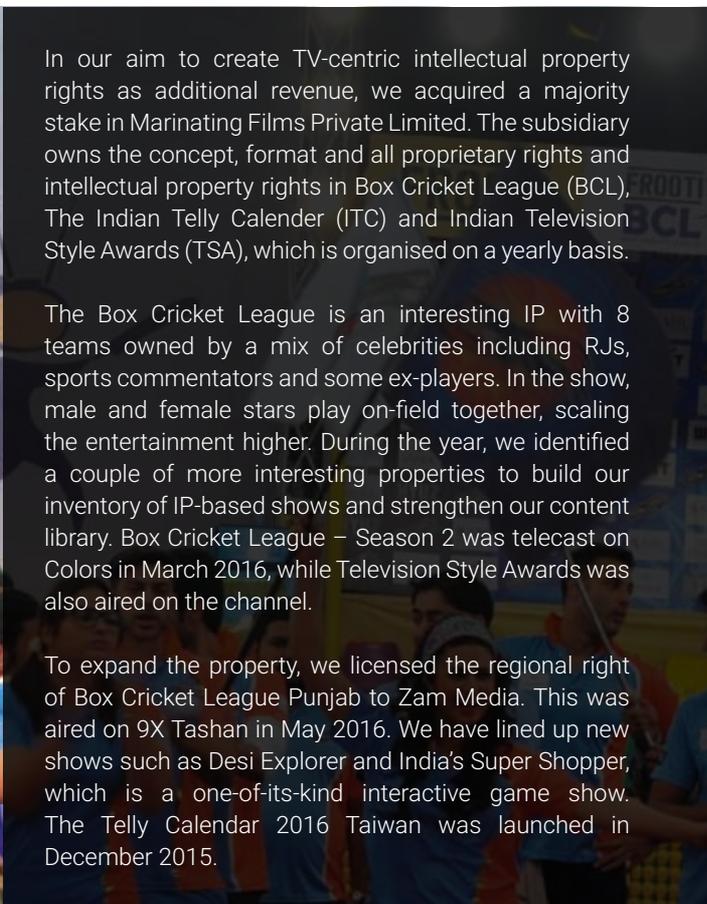
## Marinating Films

### Private Limited

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

The Box Cricket League is an interesting IP with 8 teams owned by a mix of celebrities including RJs, sports commentators and some ex-players. In the show, male and female stars play on-field together, scaling the entertainment higher. During the year, we identified a couple of more interesting properties to build our inventory of IP-based shows and strengthen our content library. Box Cricket League – Season 2 was telecast on Colors in March 2016, while Television Style Awards was also aired on the channel.

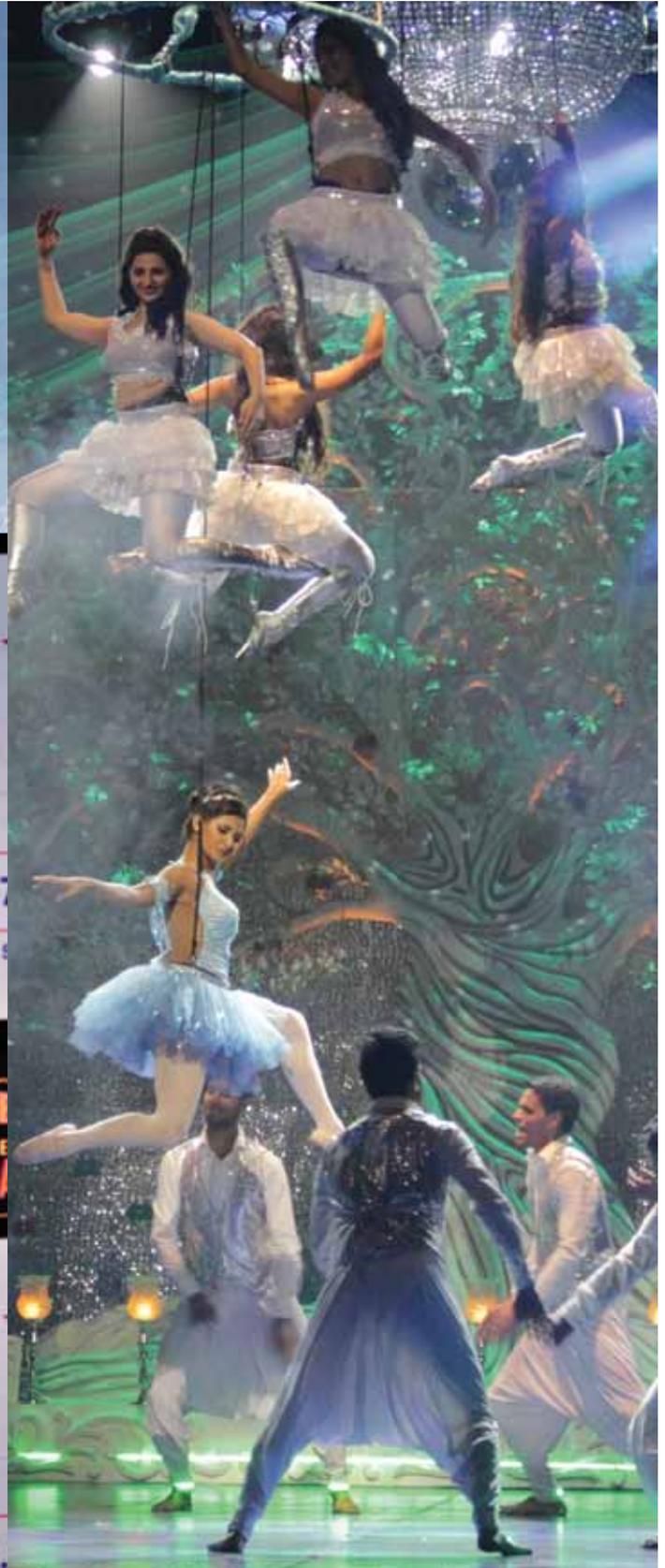
To expand the property, we licensed the regional right of Box Cricket League Punjab to Zam Media. This was aired on 9X Tashan in May 2016. We have lined up new shows such as Desi Explorer and India's Super Shopper, which is a one-of-its-kind interactive game show. The Telly Calendar 2016 Taiwan was launched in December 2015.



## Event Media LLP

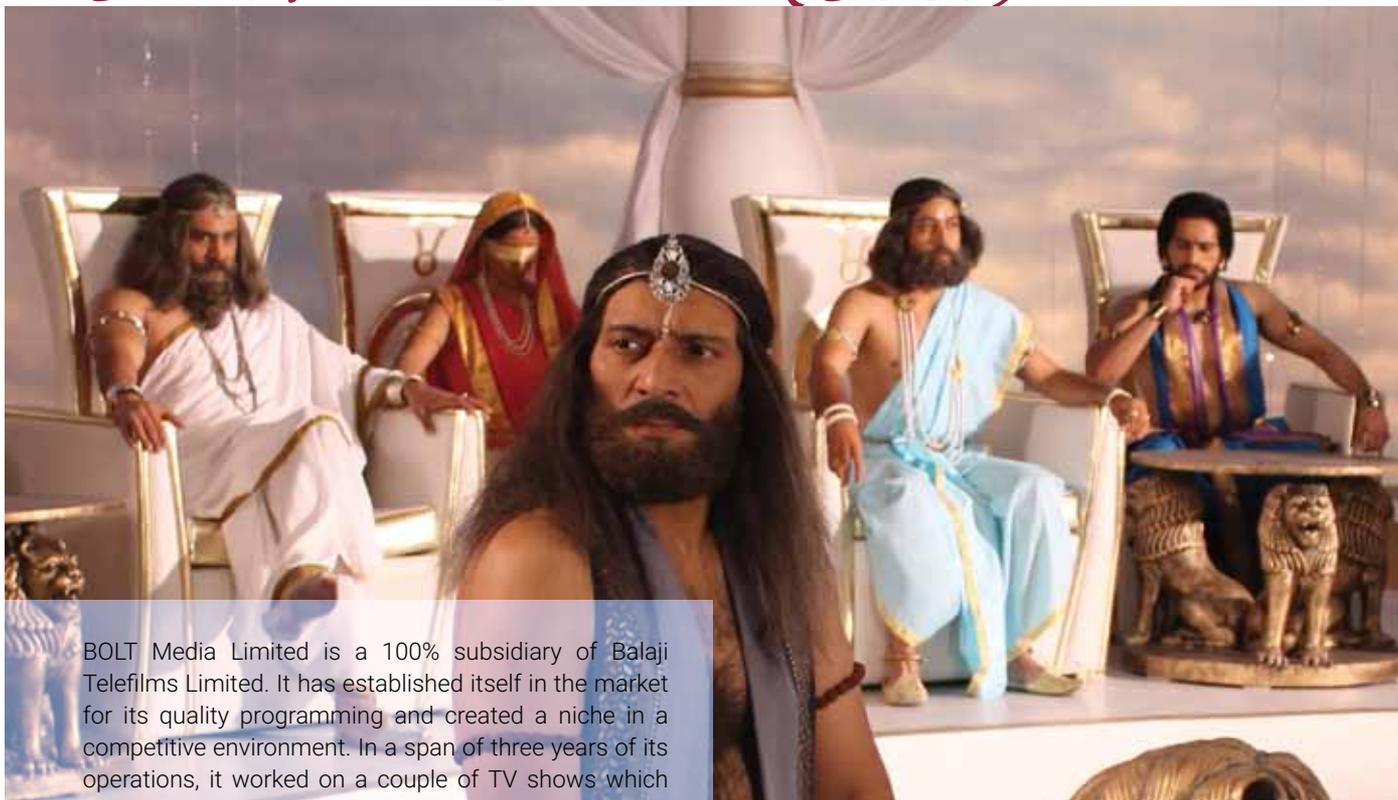
Event Media LLP, a Limited Liability Partnership (LLP) between Balaji Telefilms Limited (BTL) and Select Media Holdings Private Limited, is a sunrise venture which enables BTL to make a foray into the allied segment of event management. It facilitates BTL in creating new IPs and monetising a growing market.

Event Media LLP aspires to create new intellectual property or value addition through Films & TV Awards, promotional events and other such events related to the entertainment industry. BTL and Event Media LLP have produced Star Box Office India Awards. In addition to this, it produced and broadcasted special shows on Valentine's Day and Mother's Day. Several other event ideas are being negotiated with leading General Entertainment Channels (GECs).





## *Bolt Media Limited (BOLT)*



BOLT Media Limited is a 100% subsidiary of Balaji Telefilms Limited. It has established itself in the market for its quality programming and created a niche in a competitive environment. In a span of three years of its operations, it worked on a couple of TV shows which were well-appreciated by the audiences. It is looking at second season of some of the shows. Two TV shows created earlier were aired by broadcasters on EPIC channel. One of these was a 10-series epic documentary Rakht, while Dharma Kshetra was a 26-series neo-mythological courtroom drama. Besides short-format shows, the subsidiary also created a TV series aimed at youth-based entertainment. It also produces TV commercials and web-based advertisements for several corporates. Its earlier TV shows – Ye Jawaani Tara Riri, a 78-part series for a bi-weekly show on Channel V, and Love by Chance, an episodic romcom on Bindaas TV, have been well received by the audiences.



Among its other key achievements over the years, it created a special 100-part web series “Kelloggs Wale Guptajiki Family”. Aired in March 2015, the show garnered rave reviews hitting 5 million views in a month. The show displayed recipes where Kelloggs was used as a key ingredient. It also created a two-part documentary series for the National Geographic channel based on the 1990s. Besides archival footage on the 1990s, eminent personalities such as P. Chidambaram, Ram Gopal Verma, Rajdeep Sardesai, Diya Mirza, Pankaj Kapoor, Shekhar Suman, Uday Shankar, among others, provided a retrospective landmark, social and political view on the said decade.



## OUR MOVIES BUSINESS

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Our Movies slate has been well-architected with a combination of modest budget, high-concept movies as well as high-profile big star-cast films. We have achieved the right balance of cost, creativity and profitability in production of movies. With creative ingenuity of spotting powerful content, we aim to make our Movies business a powerhouse, given our capability to generate good content. We are geared to scale higher and graduate to the next level by optimising our creative strengths.



By leveraging the Balaji Motion Pictures and ALT Entertainment banners, and a unique combination of creative abilities of Ms. Ekta Kapoor and commercial vision of Mrs. Shobha Kapoor, we aim to make varied genres of movies. We are in the process of building franchises, creating characters, focusing on our genre potential and have a strategic thrust on sequels. We released Kya Kya Kool Hain Hum-3, Azhar, Uda Punjab and Great Grand Masti since the last annual report. A Flying Jatt, Half Girlfriend and Super Singh are slated to release in CY2017.



## Continued Focus on Cost Efficiency

Cost rationalisation and maintaining economies of scale continues to be our key mantra at BMPL. Our efforts are focused on cost optimisation as well as smart and effective cost analysis. Our robust pipeline of movies ensures the overhead costs are amortised into 4-5 projects. We are working towards releasing at least one movie per quarter to stabilise our top line and turn to profit. We aim at reducing production costs to an optimum level, maximising use of existing sets and integrating with co-producers.

## Optimising the Non-Theatre Business

We moved to the next level of building the movies business by clocking pre-sales in several innovative and structured packaging deals. Our focus on increasing non-theatre revenues through pre-sales of rights, prior to theatre sales, continues unabated. Profit sharing models with directors and actors helps us to de-risk our revenues and increase profits. To optimise the risk-return trade-off, we pre-sell distribution and satellite subscription rights of movies. We constantly aim to pre-license competitive deals for cable, satellite licensing and music rights and assure returns. In a game-changing and pioneering deal, we pre-sold non-theatre rights of our forthcoming movie Half Girlfriend before

we even started the movie shoot. In a packaged deal with Zee Group, we sold the audio, overseas and satellite rights of A Flying Jatt and Half Girlfriend. With the digital space growing exponentially, we are constantly tapping the digital space – Netflix, Amazon, Hungama, ViewClip and Spuul – to optimise our movie content and earn incremental revenues.

## Moving Forward

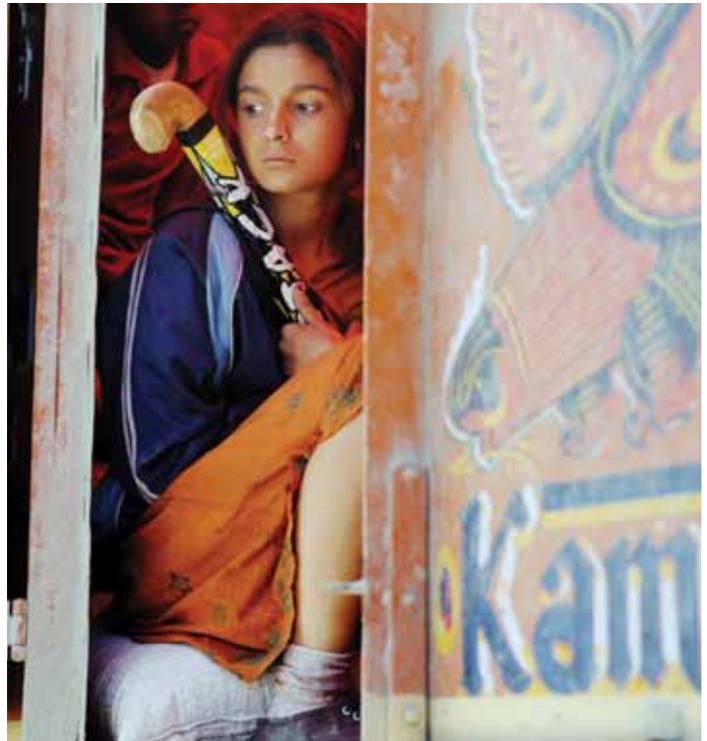
Our movies business is projected to provide a precipitous upside, given our projects in the pipeline. We have a robust slate of movies in various stages of production. Going forward, we aim to build our film slate more rapidly and build on our string of successes. To achieve this, we are working towards a more diversified slate of small, medium and big-budget films catering to different genres. Besides our own production, we will continue to leverage our relationships in the industry with leading producers and directors.



## REVOLUTIONISING THE *Art of Marketing* OUR MOVIES

We consistently deliver value through our distribution and marketing capabilities and maintaining a leadership position in the TV & Movies space. One of the main reasons why our movies attain box-office success is that they are sold effectively to the audiences. We continue to be in a good space in the movies business by making use of the right marketing, branding and distribution power. We continue to tap innovative and unique marketing strategies for effective monetisation of our movie assets.

Starting up to a few months before the release of a movie, we start an all-out publicity blitz by running trailers and internet marketing campaigns in order to create perceptions and build a relationship with the audience. The trailers are meticulously edited and audience-tested to give them a taste of the upcoming release, while leaving them wanting for more. We also create valuable internet experiences to source and exponentially grow our audience. We create and outline a content strategy that incorporates audio, video and text, based on the movie, story and genre.





## A PEEK INTO SOME OF OUR *Key Marketing Strategies:*

### Kya Kool Hain Hum-3:

While the third installment of this specific franchise was being released after a 3-and-a-half-year hiatus, we gave the genre a massive comeback. From announcing the advent of a new genre, to using the digital medium effectively, we further innovated the existing reality show platform - 'Bigg Boss'. From grabbing eyeballs to shocking people, the genre made a comeback and the campaign resulted in the film opening to a whopping number, against stiff competition.



### Azhar:

Azhar was announced a year prior to its release, on the IPL finale, by means of a controversial, hard-hitting teaser which created much anticipation and excitement around the subject well in advance. The release date, too, was strategically announced to coincide with one of the biggest cricket spectacles in the country - the IPL. Instead of a biography, we projected it as the 'life & times', of one of India's most successful captains. We widened the film's appeal by targeting cricket-lovers and cine-goers alike. A large part of the campaign was around the references to 'real cricketers/models'.



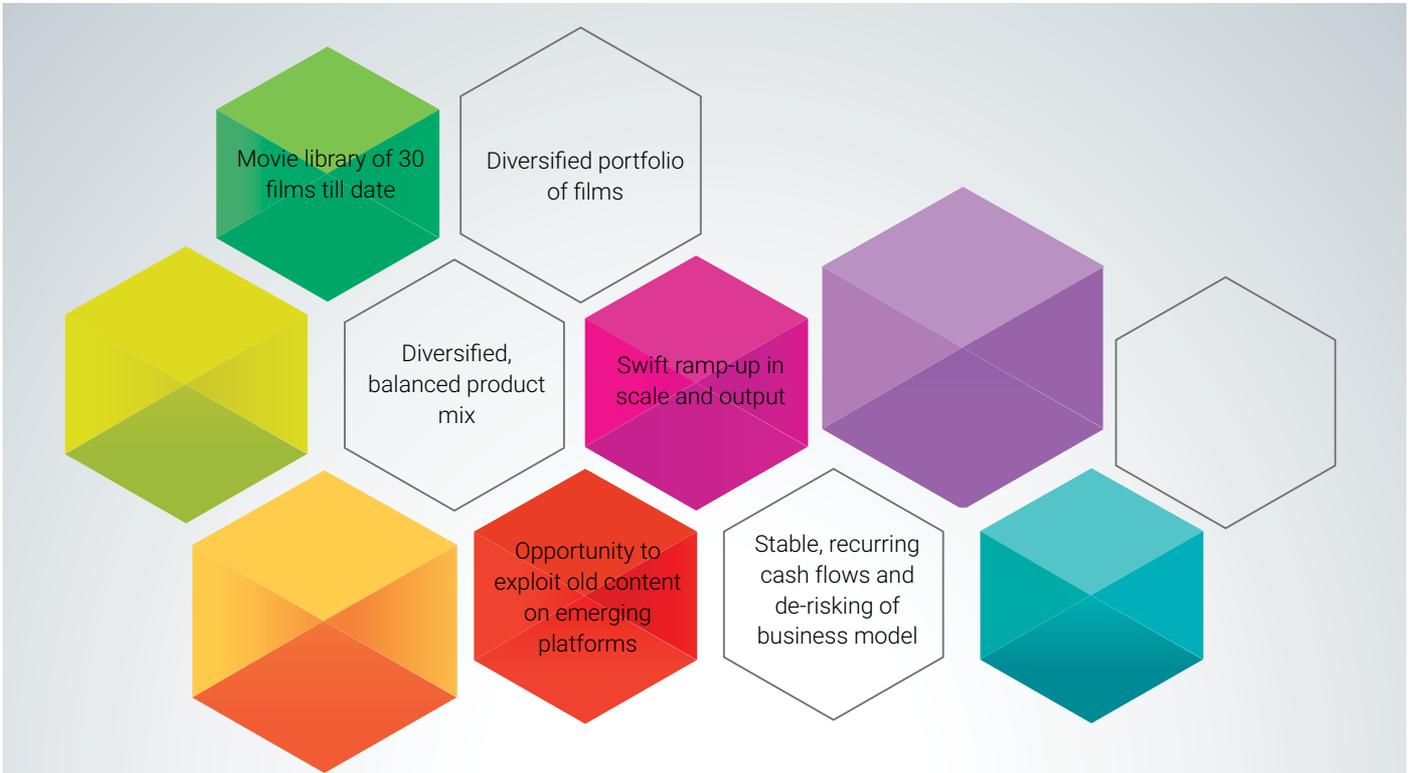
### Udta Punjab:

With a stellar cast and an edgy product, we proclaimed the film as 'The Cult film for the Youth', positioning it as a new-age multi-starrer with a strong message. The catchy tagline - 'Drugs Di Maa Di', became a slogan for the youth. We pushed the plot of 4 lives - one connection = Udta Punjab. We leveraged the movie songs by showcasing them at locations that the TG relate to and find 'cool'. We tied up with rock cafes to propel the 'rockstar' appeal of the film.



## OUR STRATEGIC *Advantages* IN MOVIES:

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## WHAT IS *Driving our* MOVIES BUSINESS:

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Theatre performance improving, due to strong content driven by increasing number of multiplex theatres and rising average ticket prices

Audiences' acceptance of newer genre movies and ability to spend for better cinematic experience

Rebates offered for film shoots by several countries lead to lower production cost

Film catalogue monetised through television syndication deals by providing digital content for DTH satellite, music, IPTV and Video on Demand and Internet channels





**OUR VALUE Drivers**  
**IN MOVIES:**



## OUR *Movie Releases* IN FY2016 AND FY2017

**RELEASE:** January 2016  
**GENRE:** Adult Comedy  
**ACTORS:** Tusshar, Aftab Shivdasani, Mandana Karimi, Krushna Abhishek  
**PRODUCED BY:** Balaji Motion Pictures  
**DIRECTOR:** Umesh Ghadge

### SYNOPSIS

Kyaa Kool Hai Hum and Kyaa Super Kool Hain Hum, released in 2005 and 2012, respectively, were trendsetters at the box office. The story revolves around two money-hungry friends, Kanhaiya and Rocky, who get into the international- adult film industry. They are in a quandary when Kanhaiya's lady-love Shalu wants to meet his family to take their relationship further. The challenge is to convince Shalu's religious father and suspicious Bua that he has a cultured and perfect Indian family. They are left with no choice, but to use the other adult film stars to pose as his fake family. The comic angle heightens when the boys maneuver Shalu and her family into believing fake identities, resulting in misunderstandings, strange hook-ups and chaos. The attempts of the characters to transform under parental pressure, from horny to homely keeps the audiences in splits.

## *Kyaa Kool Hai Hum 3*

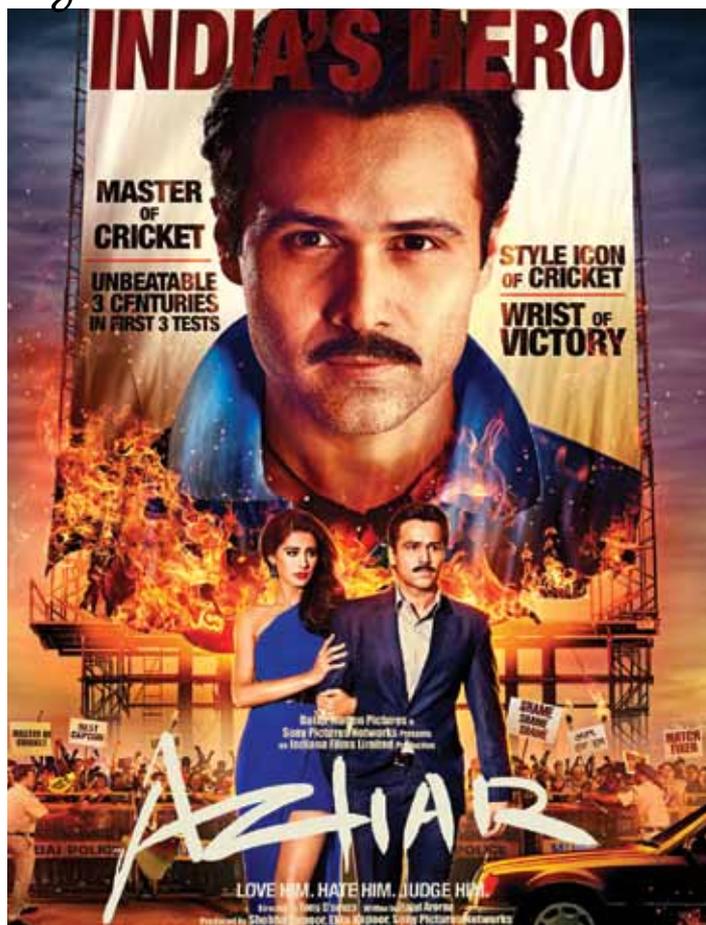




## OUR Movie Releases IN FY2016 AND FY2017



### Azhar



**RELEASE:** May 2016

**GENRE:** Drama

**ACTORS:** Emraan Hashmi, Nargis Fakhri, Prachi Desai, Lara Dutta

**PRODUCED BY:** Balaji Motion Pictures

**DIRECTOR:** Tony D'Souza

#### SYNOPSIS

'Azhar' is a rhetoric journey of a once celebrated hero (Mohammad Azharuddin) and the contradiction of his questioned highs and self-sustained lows. In a country where cricket is no lesser than a religion that unites, 'Azhar' is given an additional responsibility of being the youngest captain to lead the Indian side. His dream and religion has always been cricket. So much so, that in spite of marrying a beautiful girl like Naureen, his heart always belonged to the game. A publicly perfect life and the contrast of his will competing with all the challenges are the film's key highlights. His personal life escalated to a flamboyant nature as his second wife (Sangeeta Bijlani) introduces him to the world as a sudden 'up-collared' attention lover. There is more trouble brewing when the match fixing scandal breaks.

## OUR *Movie Releases* IN FY2016 AND FY2017

### *Udta Punjab*



**RELEASE:** June 2016

**GENRE:** Drama

**ACTORS:** Shahid Kapoor, Kareena Kapoor Khan, Alia Bhatt, Diljit Dosanjh

**PRODUCER:** Balaji Motion Pictures and Phantom Films

**DIRECTOR:** AbhishekChaubey

#### **SYNOPSIS**

Udta Punjab tells the story of substance abuse in Punjab. The movie revolves around a Rock star, a migrant labourer, a doctor and an inspector who are interlinked through one common factor. This intense drama around the four actors with power packed action and phenomenal music promises to entertain the audience as they leave the theatre with a strong social message.





## OUR *Movie Releases* IN FY2016 AND FY2017

### *Great Grand Masti*



**RELEASE:** July 2016  
**GENRE:** Adult Comedy  
**ACTORS:** Riteish Deshmukh, Aftab Shivdasani, Vivek Oberoi, Urvashi Rautela, Puja Banerjee, Shraddha Das, Misti  
**PRODUCER:** Balaji Motion Pictures, Ashok Thakeria, Adhikari Brothers & Anand Pandit  
**DIRECTOR:** Indra Kumar

#### **SYNOPSIS**

Amar, Prem and Meet are frustrated with their typical mundane married life. And their only solace is their old days of "Masti" which they keep trying to relive by making various excuses to their wives. In a desperate effort to bring back some Masti in their life, they decide to make a boy's trip to Amar's ancestral property. Once here, the boys encounter a village belle 'Ragini', and are besotted by her, only to realize that she's a 'virgin ghost'. The boys are faced with the most unusual predicament as the girl of their dreams, is actually their worst nightmare. Let the adventure begin!



## OUR *Movie Releases* IN FY2016 AND FY2017

RELEASE: August 2016

GENRE: Super Hero,  
Fantasy, Action

ACTORS: Tiger Shroff, Jacqueline  
Fernandez, Nathan Jones

PRODUCER: Balaji Motion Pictures

DIRECTOR: Remo D'Souza

### SYNOPSIS

A Flying Jatt is a humorous and enduring tale of a reluctant super hero who is afraid of heights! He gets his powers from a Holy Tree.

He both loves and fears his mother and in spite of having super hero powers still has real life problems like buying vegetables and cleaning the ceiling fans for his mom. His alter ego is Aman who is a martial arts teacher at a local school.

His nemesis is Raka who gets his strength from man-made pollution. The more the people pollute, the stronger he becomes. The story also traces the journey of how Flying Jatt overcomes his own fears in order to take stock and protect the world



## *A Flying Jatt*





## MOVIES *To Be Released* IN FY2017

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### *Half Girlfriend*

**RELEASE:** April 2017  
**GENRE:** Drama  
**ACTOR:** Arjun Kapoor,  
Shraddha Kapoor  
**PRODUCER:** Balaji Motion  
Pictures  
**DIRECTOR:** Mohit Suri

#### **SYNOPSIS**

Half Girlfriend is a coming of age romance, based on the novel of the same name. Directed by Mohit Suri the story revolves around a Bihari boy Madhav Jha (Arjun Kapoor), who falls in love with an upper class Delhi girl Riya Somani (Shraddha Kapoor). On the outside, the two of them have a little or nothing in common. But love blossoms in the most unexpected, unconventional way, as vernacular Madhav woos a high-profile Riya. The movie deals with the linguistic struggles between them, and most importantly, sets out to define the 'grey' area of relationships. This unique love story between a Desi boy and a modern uptown girl, packed with phenomenal music, promises to be greatest love story on celluloid.

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### *Super Singh*

**RELEASE:** August 2017  
**GENRE:** Super Hero,  
Fantasy, Action  
**ACTOR:** Diljit Dosanjh  
**PRODUCER:** Balaji Motion  
Pictures  
**DIRECTOR:** Anurag Singh

#### **SYNOPSIS**

Diljit is a 22 year old, lovable, affable, carefree Sikh village boy from Punjab, now living in Canada. A 3rd year college student, he tries to fit into the western way of life while also trying to occasionally please his 'Punjabi Mummy'. Diljit is besotted by the white blonde bombshell Catherine, while his neighbour and best friend Baani is the quintessential girl next door in love with him. A seemingly regular guy, with a seemingly regular life is snapped out of his world, when one day, he is bestowed with superpowers. As the name suggests, Super Singh is the only superhero who can bring happiness in the most unconventional way.



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

### *Our Digital* BUSINESS



Adding our third pillar of growth, we incorporated our wholly-owned subsidiary ALT Digital Media Entertainment Limited (ALT Digital), a truly global video streaming platform that will allow users to watch high quality content on screens across devices. ALT Digital will be the creator of original, made-for-the-web content. Through the digital vertical, we aim to create IP ownership and exploit new avenues of monetisation. We are working towards building a strong and valuable B2C brand that will take Balaji to its next level of growth.

### CATERING TO A GLOBAL AUDIENCE

The Internet in India is at the cusp of big things – 319 million users and 100 million video consumers, according to KPMG-FICCI's Indian Media & Entertainment Industry Report 2016. Improvement in mobile broadband infrastructure, gradual reduction in the cost of internet and increase in smartphone screen sizes are driving consumers to shift their viewer preferences, according to the KPMG-FICCI Report "The Future: Now Streaming".

Watching TV and other content on laptops and smartphones based on individual choices has been a key trigger for increasing adoption and usage of OTT services. The OTT video services market in India is primarily driven by changing preferences of viewers towards watching content as per their convenience and individual choices.



## AIMING AT CONSISTENT CONSUMER INTERFACE

With the shift to digital happening, we made a strategic foray into B2C digital content business segment during the year. With digital being the future, we are scaling higher by building a direct-to-consumer model through the internet. We floated our subsidiary, ALT Digital Media Entertainment Limited, to handle the digital content business and churn our original shows for web and mobile users. ALT Digital will effectively be well placed to benefit from the impending exponential growth.

The paid Video-on-Demand service will be our key market differentiator aimed at bringing about a cultural shift in how video is consumed. An amount of ₹ 150 crore has been raised through a preferential allotment by Balaji Telefilms Limited exclusively for ALT Digital. Our OTT video platform aims to tap into the rising demand, with more number of people buying smartphones and accessing the internet. Our motive is to capitalise the Balaji legacy and its unmatched content creating abilities in order to leverage the digital space. ALT Digital will operate predominantly on the Subscriber Video on Demand (SVOD) model, which is a pay per view model (followed by the likes of Netflix). Our motive behind the new vertical is to capitalise on the high-potential digital space in India and monetise the incredible potential of original, premium, on-demand entertainment.

## BUILDING A B2C BRAND

Slated for launch during FY2016-17, ALT Digital will be Balaji's first large-scale consumer facing brand. It will enable Balaji to step into the consumer business – into the futuristic digital space by leveraging its core creative expertise. Through ALT Digital, we aim to build a strong and valuable B2C brand. Our aim is to take Balaji to its next level of growth by owning all the IP value for the programming we create. Our motive is to create value for the Group by redefining the terms of Intellectual Property (IP) ownership and exploiting new avenues of monetisation.

The platform will be a tech play that will enable Balaji to cater to the digital content consumer and creatively expand from what we specialise in. It will create differentiated, original digital content for 32 different interfaces spanning mobiles, computers, laptops, tablets, smartphones, game stations, or use an HDMI cable to mirror the high resolution content on Internet-ready TV sets. The content will be available across 9 different speed profiles. We have set up a strong team of highly talented professionals for the digital vertical. The move reflects the Group's strategic intent to expand our entertainment expertise by creating enjoyable and engaging content for a universal audience – those in India and overseas.





## DEVELOPING ORIGINAL, OUT-OF-THE-BOX CONTENT

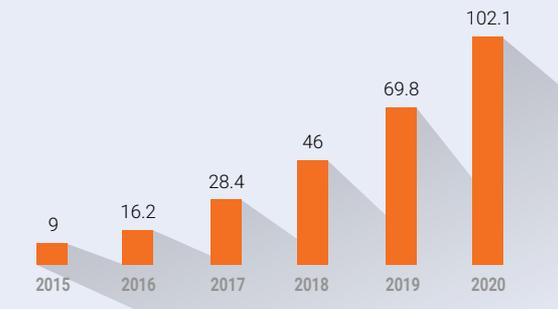
With the Video on Demand market in India being at the cusp of a take-off, it will present all-new original, exclusive and fresh content across genres – available only on ALT Digital – targeted towards urban Indians and Indian Diaspora. With 250 hours of original programming and 32 series for the upmarket and urban audiences, we aim to have a consistent consumer interface. The content will be available on subscription-based and premium advertisement supported models aimed towards domestic and global Indian audiences. In addition to developing our own platform, we are also in advanced discussions to seek synergistic associations and partnerships with leading Technology and Video Distribution platforms.

The content will be initially created in English and Hindi. Later, we plan to add regional content too (Tamil, Bengali and Telugu) to be able to cater to a wider spectrum of the audience. The digital platform will have a multiple genre play – thriller, comedy, dramatic love stories, kids programming, and will tackle subjects not seen on television. In addition to creating content in-house across age groups, we are signing up with creative outfits, including online video producers, for co-branded content to be broadcast on ALT Digital. The app is Beta ready and also enables the consumer to download content on the device.

**DIGITAL ADVERTISEMENT SPENDS IN INDIA - ACTUAL AND PROJECTED (₹ Billion)**



**MOBILE ADVERTISEMENT SPENDS IN INDIA-ACTUAL AND PROJECTED (₹ Billion)**



### ALT DIGITAL: AN OVERVIEW

<b>Technology</b>	<ul style="list-style-type: none"> <li>▶ Global 'best of breed' technology to ride on imminent explosion of Internet bandwidth in India</li> <li>▶ Streaming and offline viewing options</li> <li>▶ Delivered over multiple screens</li> </ul>
<b>Content Strategy</b>	<ul style="list-style-type: none"> <li>▶ Edgy, large variety and volume of original content</li> <li>▶ Created especially for OTT platform</li> </ul>
<b>Revenue Model</b>	<ul style="list-style-type: none"> <li>▶ Primary source: Subscription based freemium approach</li> <li>▶ Secondary source: Advertisements, licensing and sponsorship</li> </ul>
<b>Target Group</b>	<ul style="list-style-type: none"> <li>▶ Smartphone internet users and Youth</li> <li>▶ Affluent Indians living in urban and semi-urban cities across the world, with broadband connectivity</li> </ul>
<b>Marketing &amp; Distribution</b>	<ul style="list-style-type: none"> <li>▶ Marketing to be primarily focused on marketable content, digital marketing and PR</li> <li>▶ Multiplier effect to come from distribution deals with partners</li> </ul>

## THE ALT DIGITAL STRATEGY



### The SVOD Opportunity in India

An average mobile web user consumes about 6.2 hours of media daily. This includes 102 minutes of mobile media and 79 minutes of desktop PC-based media consumption. Of total time spent on digital media, about 21% of surfing time is spent on audio and video entertainment.

Source: A Deloitte Report, 2015

15 million

OTT Subscribers in India in FY2015

105 million

Projected OTT Subscribers in India by FY2020

55%

Share of 4G-enabled Smartphones in India

50 million

Estimated Smartphone Users in India

Of total time spent on digital media, about

**21% of surfing time is spent on audio and video entertainment.**

Brand EK, the signature label of Ekta Kapoor comprising Indian ethnic wear and exquisite jewelry, has turned a year old. We have made a mark in the world of fashion through the fashion brand. Available in the online space and also through TV shopping networks, the brand caters to Indian audiences across the globe and aims at capturing an even wider universe.

## *Brand EK* **MAKING OUR MARK IN THE FASHION WORLD**

With the launch of Brand EK, Ekta Kapoor has redefined fashion with a range of ensembles on the TV shows. The label is an endeavor to leverage an existing potential opportunity within the ever-popular fashion theme. With the fashion brand, Ekta is helping the modern Indian woman find the route to express her thoughts and beliefs. Brand EK promotes women's wear with quality ethnic wear at competitive prices. We cater to the upper and higher middle-class audience who want to buy what they see on television, inspired by what the TV characters wear.

Launched in March 2015 at Television Style Awards and supplied to customers through its exclusive television partner Best Deal TV, the brand has made a foray into



BY EKTA KAPOOR



the e-commerce space. It has struck an exclusive deal with e-commerce giant Snap Deal on a license basis. A natural progression for the brand is to explore the retail route. The Company is exploring tie-ups with multi-brand outlets with a pan-India presence to make the merchandise available at retail stores.

A line comprising ethnic wear, mainly sarees and jewelry, will be followed by indo-western trends and accessories in the near future. Some more categories that will get launched in the near future are: Kurtas, Kaftans, Suits and various other indo-western ensembles.

To further promote the brand, the Company launched its website "EK by Ekt Kapoor" for online sales to improve customer reach and visibility. Promoting the latest trends in fashion, the website directs visitors to Snapdeal's website, thereby developing customer base. It leverages social media (Twitter, Facebook and Instagram) to increase brand visibility and improve customer awareness. The Company is in the process of associating with a retail partner to further grow the brand.

## CATEGORIES LAUNCHED:

Saris  
Jewellery  
Anarkali Suits  
Lehengas

We will continue to leverage our creative abilities and produce well-appreciated content, while keeping an eye on maintaining efficient cost structures. With a fresh and young team equipped with diverse capabilities, we are evaluating our opportunities in the distant space. We want to expand our wings in three verticals – TV, Movies and Digital – with an ultimate aim on Return on Investment (RoI).

## MANAGEMENT OUTLOOK



Our larger aim is to emerge as the one of the largest and most influential entertainment providers in TV, Movies and the Digital platform. Towards this aim, we are growing our stature further, sustaining industry leadership in TV; reinforcing our leadership position in Movies; and building new platforms for growth in the Digital space - thereby creating a borderless and seamless world of entertainment.

To achieve this, we will continue to deliver high quality content covering the entire value chain. We will leverage our expertise across facets, target the audiences and make a digitally connected society. We will strengthen our existing platforms and building new ones, gauging viewer preferences. We will continue to align our content offerings, making a borderless and seamless world of entertainment, targeting growth in viewership and content consumption.

Value creation for our shareholders is our perennial motto. Moving a step ahead, we arranged a visit of our shareholders to the Klick Nixon Studio at Chandivali, Mumbai during the year. Over 100 shareholders were taken around the sets of our TV shows.

We continue to make concrete strategies to ensure we leverage our leadership market position. We continue to create capabilities, infrastructure, content and platforms aligned to emerging consumer preferences and audience behaviour. We are aligning our strategic priorities and tangible goals that will place us in a different orbit. Actions are geared towards not just thinking of what is, but thinking what can be. We are content producers and innovators. We create content that is relevant to diverse audiences and available across multiple platforms.



### Our Key Business Enablers for Future Growth:

- ▶ Creating newer show formats for television content
- ▶ Creating original and diverse show content to retain leadership
- ▶ Exploring opportunities across channels, languages
- ▶ Creating movies across budgets, leveraging our brand, scale and presence
- ▶ Building our marketing and distribution capabilities
- ▶ Creating a diverse movie slate to capture audiences across genres
- ▶ Leveraging opportunities in regional markets by expanding network
- ▶ Capitalising on growth opportunities in the SVOD and OTT space



Under Risk Management, our key achievement during the year has been the templatisation of contract agreements, which reduces the turnaround time and ensure the delivery is faster. With this, nearly 80% of the contracts are standardised.

## RISK MANAGEMENT & INTERNAL CONTROLS



Being a content driven entity, we are strengthening our Intellectual Property to ensure cost optimisation at all levels. We have implemented the compliance tool by Ernst & Young (E&Y) to strengthen the compliance requirements at different levels. A key achievement has been the templatisation of contracting agreements, which reduces the turnaround time and ensure the delivery is faster. With this, nearly 80% of the contracts are standardised. Another move has been the reduced dependence on external lawyers, whereby all legal notices are replied by the internal team.

We continue to have a readily available database of our IP, such as scripts, dialogues, clips and other content from our movies. This will be leveraged to earn incremental revenues and improve profitability. We are also implementing the software to track litigations and monitor them easily. We are planning cloud-based software which will help us retain our rights by creating a script bank to streamline the process of script writing.

Our focus is to enhance operational efficiencies and optimum effectiveness at every level. Statutory and regulatory control and transparency of all financial



disclosures and the compliance tool is being well adhered to. An important thing that has been plaguing the film industry for long is video piracy. We are making repeated attempts to curb piracy as the threat to the future of films intensifies. Piracy of content produced is being handled with stricter controls and procedures. The Whistle Blower policy, Anti Sexual Harassment policy and the IT policy are being strictly followed, with internal committees being put in place for each of these. As a major initiative, we are streamlining our processes and automating the agreement process by putting in place a contract management process.

As part of an integrated system, we are creating a deck for the production activity for BMPL, putting forth all the rights on intellectual property (IP) for theatrical, digital and satellite rights. However, delays or cost overruns in movies can impact the completion, production and release of our films. In addition to this, the unorganised nature of the media & entertainment industry can impact our revenues, although industry corporatisation, better planning and execution can help us mitigate our risks.



We are driven by principles of empowerment as we believe in inculcating a winning attitude among our employees by encouraging learning, selfdevelopment and by building effective leadership. A well-structured career path is created for each employee within the organisation with a progression and succession plan made for each of them.

## HUMAN RESOURCES



We have strong strategic planning and decision making skills achieved through a highly capable and committed leadership team that is geared to build the finest and most unique properties across India. Over the years, we have rapidly expanded our intellectual capacity to handle our diverse businesses, aimed at becoming one of the largest entertainment studios of India. From an HR perspective, our emphasis is always on attracting the right talent to help the organisation achieve its vision.

We, at Balaji Telefilms Limited (BTL), are strong believers of developing and retaining talent by treating our employees with dignity, honesty and respect. We have a continued philosophy of hiring high performance individuals. To accomplish our goals, we are always on the look-out for talented, creative, ambitious individuals, driven by a passion to excel. We hire some of the most talented and experienced individuals in their respective fields.

Being a performance driven company, we have introduced several performance-driven tools. We are driven by principles of empowerment as we believe in inculcating a winning attitude among our employees by encouraging learning, self-development and by building effective leadership. A well-structured career path is created for each employee within the organisation with a progression and succession plan made for each of them.



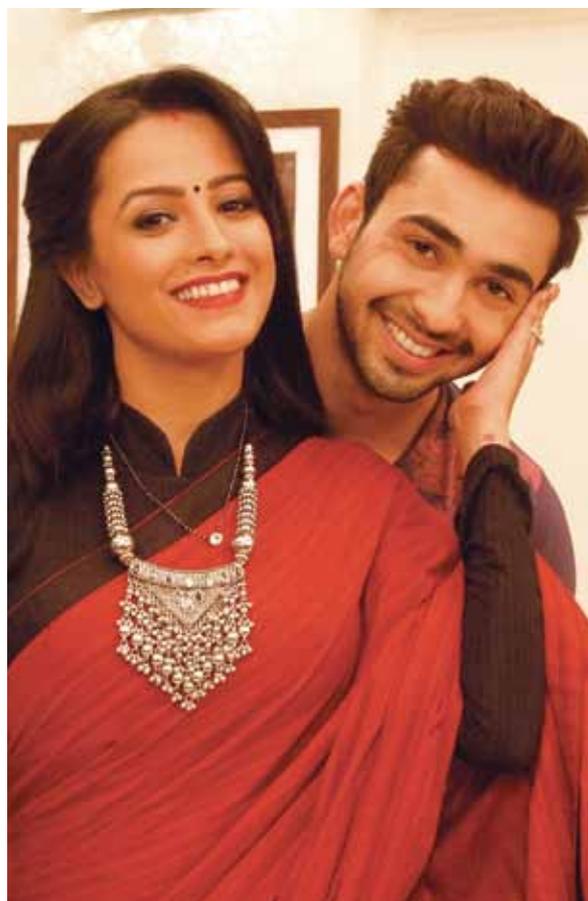
## Rewards & Recognition

Our key aim is to help our employees realise their true potential. We also work towards recognising and rewarding each individual and team achievements. In addition to Performance Management System (PMS), we have a system of “On Spot Rewards” and quarterly performance. The requisite motivation is offered to the “High Flyers” in the form of meetings with the senior management. We endeavour to become market leaders by deploying the right talent and unleashing their innovative potential.

## Our Tent Poles in HR

The three key tent poles from an HR perspective are – People, Processes and Culture – and we have aligned our business strategy based on these tent poles. Our prime focus areas are as follows: one, to rake in high performing employees through a structured recruitment process with effective learning & development and training programs; two, provide access points to employees; three, create employee engagement and wellness activities. An example of this is the “Balaji Cricket League”, a one-day event, which was organised internally on the lines of Box Cricket League to encourage interaction within different teams. Eight teams from different departments participated in the cricket game.

Our constant aim is to retain our employees by offering them a growth-filled environment and providing them with appropriate working conditions to enable them work effectively. We look for internal replacement in case of attrition by exploring “cross pollination” within teams. We keep the learning factor high by offering the employees stimulating work assignments, a great working environment and professional management.



## CAUTIONARY STATEMENT

This document contains statements about expected future events, financial and operating results of Balaji Telefilms Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management’s discussion and analysis of Balaji Telefilms Limited’s Annual Report, 2015-16.

# Directors' Report

Balaji Telefilms Limited

Your Directors take pleasure in presenting the 22<sup>nd</sup> Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2016.

## COMPANY PERFORMANCE:

### FINANCIAL HIGHLIGHTS:

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

Particulars	(₹ In Lacs)	
	2015-16	2014-15
Income from operations	25,684.93	20,969.22
Less: Total expenditure	22,206.37	19,694.89
<b>Operating profit</b>	<b>3,478.56</b>	<b>1,274.33</b>
Less: Interest	-	27.93
Less: Depreciation	871.58	761.46
<b>Operating Profit after interest and depreciation</b>	<b>2,606.97</b>	<b>484.94</b>
Add:- Other income	3,365.34	1,020.91
Profit before tax	5,972.31	1,505.85
Less: Provision for taxation	1,604.87	278.60
<b>Net profit after tax</b>	<b>4,367.44</b>	<b>1,227.25</b>
Balance brought forward from previous year	21,775.89	21,319.61
Adjustment of Depreciation on account of transitional provision of Schedule II of Companies Act 2013	-	177.33
<b>Appropriations:</b>		
Disposable profits	26,143.33	22,369.53
Less: Interim dividend	911.17	-
Less: Proposed dividend	-	391.26
Less:- Corporate dividend tax	185.49	79.65
Less: Transfer to general reserve	-	122.72
<b>Balance carried to balance sheet</b>	<b>25,046.67</b>	<b>21,775.89</b>

### RESULTS OF OPERATIONS:

During the year under review, the Standalone Revenue from operations of the Company is ₹ 25,684.93 lacs an increase of 22% over the previous year's ₹ 20,969.22 lacs. As per the Consolidated Accounts, the total revenue from operations has decreased by 16% from ₹ 34,648.77 lacs to ₹ 29,275.52 lacs during the year. Your Company had a standalone growth with a Net profit after tax of ₹ 4,367.44 lacs during the year as compared to net profit of ₹ 1,227.25 lacs of previous year. A detailed discussion on the business performance is presented in the Management Discussion and Analysis Section of the Annual Report.

### APPROPRIATIONS:

#### DIVIDEND:

Your Directors have not recommended any final dividend on the equity shares for the financial year ended March 31, 2016. Your Directors have however during the year under review declared an interim dividend at 60% i.e. ₹ 1.20 per equity share of the Company.

#### TRANSFER TO RESERVES:

Your Directors does not propose any amount of transfer to the General Reserve and an amount of ₹ 25,046.67 lacs is proposed to be retained in the statement of profit and loss account.

**BORROWINGS:**

The Company does not have any borrowings.

**SHARE CAPITAL:**

During the Financial year 2015-2016 the Company has issued 10,720,000 shares on preferential basis. The shares are subject to lock-in of 1 year as per SEBI (ICDR) guidelines. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2016, the paid up Equity Share Capital of the Company is ₹ 15,18,60,886 of the total paid up share capital of the Company, 40.92% is held by Promoters and Promoter Group, all in dematerialized form. The balance i.e. 59.08% of the total paid up share capital of the Company is held by persons other than Promoters and Promoter Group out of which majority is in dematerialized form.

**PUBLIC DEPOSITS:**

During the year under review, your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

**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, 2016 your Company has following Subsidiaries:

**1. BALAJI MOTION PICTURES LIMITED (BMPL):**

Balaji Motion Pictures Limited (BMPL) is the movie production arm of Balaji Telefilms Limited (BTL), one of India's leading integrated media conglomerate. This wholly-owned subsidiary is engaged in film production and distribution of mostly Hindi movies, leveraging the creative abilities of Ms. Ekta Kapoor and the commercial vision of Mrs. Shobha Kapoor.

During the year, we leveraged our franchise value by exploring a sequel and releasing the sex comedy Kya Kool Hain Hum-3 in January 2016. In FY2017 so far, we released three movies – the biopic Azhar, Uda Punjab and the comic caper Great Grand Masti. Three more are lined up for release in the immediate future – A Flying Jatt, Super Singh, Half Girlfriend. We are beefing up our slate by planning to release at least one movie every quarter. We building franchises, creating characters, focusing on our genre potential and have a strategic thrust on sequels. For FY2017 and FY2018, we have 4-6 movies across diverse concepts, genres and budgets. The aim of BMPL is to emerge as one of the top 3 movie production houses in India, with a strategic thrust on sequels, and exploring different models of production. Besides our own production, BMPL will continue to leverage our relationships through the co-production model.

**2. BOLT MEDIA LIMITED (BOLT):**

BOLT Media Limited is a 100% subsidiary of Balaji Telefilms Limited. It has established itself in the market for its quality programming and created a niche in a competitive environment. In a span of three years of its operations, it worked on a couple of TV shows which were well-appreciated by the audiences. It is looking at second season of some of the shows. Two TV shows created earlier were aired by broadcasters on EPIC channel. One of these was a 10-series epic documentary Rakht, while Dharma Kshetra was a 26-series neo-mythological courtroom drama. Besides short-format shows, the subsidiary also created a TV series aimed at youth-based entertainment. It also produces TV commercials and web-based advertisements for several corporates. Its earlier TV shows – Ye Jawaani Tara Riri, a 78-part series for a bi-weekly show on Channel V, and Love by Chance, an episodic romcom on Bindaas TV, have been well received by the audiences.

Among its other key achievements over the years, it created a special 100-part web series “Kelloggs Wale Guptajiki Family”. Aired in March 2015, the show garnered rave reviews hitting 5 million views in a month. The show displayed recipes where Kelloggs was used as a key ingredient. It also created a two-part documentary series for the National Geographic channel based on the 1990s. Besides archival footage on the 1990s, eminent personalities such as P. Chidambaram, Ram Gopal Verma, Rajdeep Sardesai, Diya Mirza, Pankaj Kapoor, Shekhar Suman, Uday Shankar, among others, provided a retrospective landmark, social and political view on the said decade.

# Directors' Report (Contd.)

### **3. MARINATING FILMS PRIVATE LIMITED (MFPL):**

Marinating Films Private Limited is a subsidiary of BTL. It owns the concept, format and all proprietary rights and intellectual property rights in Box Cricket League (BCL), The Indian Telly Calender (ITC) and Indian Television Style Awards (TSA), organised on a yearly basis. The Box Cricket League is an interesting IP with 8 teams owned by a mix of celebrities including RJs, sports commentators and some ex-players. In the show, male and female stars play on-field together, scaling the entertainment higher.

During FY2016, the BTL arm identified some interesting properties to build its inventory of IP-based shows and strengthen the content library. Box Cricket League – Season 2 was telecast on Colors in March 2016, while Television Style Awards was also aired on the channel. To expand the property, we also licensed the regional right of Box Cricket League, Punjab to Zam Media, which was aired on 9X Tashan during May 2016. Telly Calendar 2016 Taiwan was executed and launched in December 2015. New shows have been lined up, which include Desi Explorer and India's Super Shopper, one-of-its-kind interactive game show.

### **4. CHHAYABANI BALAJI ENTERTAINMENT PVT. LIMITED (CBEPL):**

Chhayabani Balaji Entertainment Private Limited (CBEPL) is a subsidiary of Balaji Telefilms Limited (BTL), in partnership with Kolkata-based Chhayabani Private Limited. We created and produced two TV shows during the year – a musical show Phire Asher Gaan, a non-fiction show for Star Bangla; and Sohagi Sindur, a Bengali fiction daily on Colors Bangla. We are also collaborating with Zee Bangla for a daily fiction programming with travel love stories. In addition to this, we are also creating a 13-episode Bengali web-series for Balaji's upcoming digital channel ALT.

CBBEPL leverages BTL's competitive strengths to produce entertainment across the media and Chhayabani's glorious heritage of producing extremely notable films in Bengal. The collaboration has brought together two different media houses, with distinctive strengths to create exciting content, while also attracting high-quality talent. Chhayabani continues to be the preferred partner for Balaji, given its cinematic excellence and passion to produce quality entertainment products. Moving ahead, we are open to a programming mix of diverge genres, new concepts and innovative formats, including daily soaps, short format series, reality shows or weekend shows. There are also plans to launch several shows in Bengali and the South Indian languages through local tie-ups. We are also looking at leveraging our content in Hindi in the regional space and strengthening our regional offering.

### **5. ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALT DIGITAL):**

The Company's digital content business is housed under ALT Digital Media Entertainment Ltd (ALT Digital), which was incorporated as a wholly-owned subsidiary in August, 2015. Through the subsidiary, we have made a strategic foray into the B2C digital content business segment to monetise the incredible potential of original, premium, on-demand entertainment. To launch and expand the digital media unit, BTL raised ₹ 150 crore by issuing preference shares to global investors. The unit will operate an over-the-top (OTT) platform that will offer subscription-based video on-demand services. It has been floated with an aim to churn out original shows for web and mobile users. The move reflects BTL's strategic intent to expand its entertainment expertise by creating enjoyable and engaging content for digital audiences, targeted towards urban Indians and the Indian Diaspora. The digital channel – ALT Digital – is slated for launch in October, 2016. ALT will create highly differentiated, original digital content for the entire ecosystem spanning mobiles, computers, tablets, smart TVs and game stations. It will present all-new original, exclusive and fresh content across genres, available only on ALT Digital, and developed solely for the digital consumer.

### **EVENT MEDIA LLP :**

Events Media LLP is a Limited Liability Partnership (LLP) between Balaji Telefilms Limited (BTL) and Select Media Holdings Private Limited. It is a sunrise venture which enables BTL to make a foray into the allied segment of event management and also facilitates in creation of new IPs and monetising the growing market. Events Media LLP aspires to create new intellectual property or enable value addition through Films & TV Awards, promotional events and other such events related to the entertainment industry. During the year under review, BTL and Events Media LLP produced Star Box Office India Awards. It also produced and broadcasted special shows on Valentine's Day and Mother's Day. In addition to this, several other event ideas are currently being negotiated with leading General Entertainment Channels (GECs).

### **AUDITED FINANCIAL STATEMENTS OF THE SUBSIDIARIES :**

The Audited Financial Statements, the Auditors Report thereon and the Board Report with applicable annexure for the year ended March 31, 2016 for the Subsidiary Companies are annexed along with the Annual Report.

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



The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Policy, as approved by the Board, is uploaded on the Company's website.

### **CONSOLIDATED FINANCIAL STATEMENTS:**

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

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

No material events have occurred between the end of Financial Year 2015-2016 and the date of this report, which have effect over the financial position of the Company.

### **DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company Mr. Jeetendra Kapoor, Director of the company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

### **DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

### **MANAGEMENT :**

During the year under review, there has been no change in Directors & Key Managerial Personnel of the Company.

### **AUDITORS :**

#### **STATUTORY AUDIT :**

M/s Deloitte Haskins & Sells LLP, Chartered Accountants Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Further, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have furnished a certificate to the effect that their re-appointment, if made, would be in accordance with the conditions prescribed under section 139 of the Companies Act, 2013 and they are not disqualified for re-appointment as per section 141 of the said Act.

#### **COST AUDIT :**

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

#### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s K.C. Nevatia & Associates as Secretarial Auditors of the Company.

# Directors' Report (Contd.)

The Secretarial Audit Report is appended as Annexure II to this report.

## **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

### Statutory Auditor's Report-

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

### Secretarial Auditor's Report-

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company and accordingly a sum of ₹ 31.79 lacs being 2% of the average net profits of the Company made during the three immediately preceding financial years were required to be spent by the Company during financial year 2015-16 as per its Corporate Social Responsibility Policy. However, the Company has spent an aggregate amount of ₹ 26.47 lacs on its Corporate Social Responsibility activities during the said financial year. Thus the amount of deficit in spending on CSR activities comes to ₹ 5.32 lacs.

## **BOARD EXPLANATION-**

During the year, apart from the above mentioned CSR Expenditure amount your company has also spent a sum of ₹ 4,76,750 on victims of Nepal earthquake, which is not included in the above mentioned expenditure. Your Company is in process of investing in more suitable projects for CSR Activities.

## **COMMITTEES OF THE BOARD:**

Currently, the Board has the following Committees:

- a) Audit Committee.
- b) Nomination and Remuneration Committee.
- c) Stakeholder Relationship Committee.
- d) Risk Management Committee.
- e) Internal Complaints Committee.
- f) Corporate Social Responsibility Committee.

A detailed note on the Board and its Committees is provided under the Corporate Governance Section in this Annual Report.

## **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT 9 is appended as Annexure III to this report.

## **INTERNAL CONTROLS 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 and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

## **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 Composition of Corporate Social Responsibility Committee is as follows:

Chairman:	Mr. Jeetendra Kapoor - Non-Independent Director.
Members:	Mrs. Shobha Kapoor- Non-Independent Director.
	Mr. D.G. Rajan- Independent Director.
	Mr. Ashutosh Khanna - Independent Director.



The Annual Report on CSR activities is annexed herewith as Annexure IV.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

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

### **CONSERVATION OF ENERGY:**

#### **ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY:**

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

### **TECHNOLOGY ABSORPTION:**

The Company's research and development initiative mainly consists of ideation of new subjects for 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 its 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 is ₹ 8.77 lacs (Previous Year: ₹ 35.61 lacs) and the foreign exchange outgo is Nil (Previous Year ₹ 6.45 lacs) as given in Point 23.9 & 23.10 in notes forming part of the financial statements.

### **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.

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

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

### **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 (b) to this Report.

### **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 regulation together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are provided separately in the Annual Report.

# Directors' Report (Contd.)

## **MEETINGS OF THE BOARD:**

During the year under review, seven (7) meetings of the Board of Directors were held the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

## **NOMINATION & REMUNERATION POLICY:**

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection & appointment of Directors, Senior Management and their remuneration. The Nomination & Remuneration Policy is attached along with the Corporate Governance Report of the Company that forms part of the Annual Report.

## **BUSINESS RISK MANAGEMENT:**

The Company has in place a Risk Management Policy, pursuant to 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. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Senior Management of the Company is responsible for coordinating with the various heads of Departments with respect to risk identification, assessment, analysis and mitigation.

## **RELATED PARTY TRANSACTIONS:**

All related party transactions of the Company are placed before the Audit Committee and also the Board for approval. Transactions with the related parties are disclosed in Note No. 23.8 in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of Contracts or Arrangements made with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure VI to the Board's Report.

## **MECHANISM FOR EVALUATING BOARD MEMBERS:**

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

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

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

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

## **BOARD EVALUATION:**

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

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

**SEXUAL HARASSMENT:**

The Company has in place an Anti Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

During the year 2015-16, no sexual harassment complaint has been registered with the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of loans, guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your 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, 2016, 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 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, 2016 had been prepared on a 'going concern' basis; and
- 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:**

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

**For & on behalf of the Board of Directors,**

**Place: Mumbai**  
**Date: May 17, 2016**

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

# Annexures to the Board Report

## ANNEXURE I- STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

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

(₹ in Lacs)

Name of the Subsidiary	FY ended	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit & Loss before tax	Provision for tax	Profit & Loss after tax	% of Shareholding
M/s Balaji Motion Pictures Limited	March 31, 2016	N.A	3,000.00	(7,758.41)	18,861.71	23,620.12	-	2,298.11	(3,214.11)	-	(3,214.11)	100%
M/s ALT Digital Media Entertainment Limited	March 31, 2016	N.A	15,005.00	(793.14)	14,419.34	207.48	13,000.00	-	(793.14)	-	(793.14)	100%
M/s Bolt Media Limited	March 31, 2016	N.A	5.00	(179.31)	130.95	305.26	-	75.45	(51.53)	-	(51.53)	100%
M/s Marinating Films Private Limited	March 31, 2016	N.A	346.00	(169.60)	730.28	553.88	100.00	891.41	(17.66)	-	(17.66)	51%
M/s Chhayabani Balaji Entertainment Private Limited	March 31, 2016	N.A	105.00	(8.10)	372.35	275.45	-	178.08	(8.10)	-	(8.10)	50%

For & on behalf of the Board of Directors,

Place: Mumbai  
Date: May 17, 2016

Sd/-  
Jeetendra Kapoor  
Chairman  
(DIN: 00005345)



## ANNEXURE II

### Form No. MR-3 SECRETARIAL AUDIT REPORT

For the Company's Financial Year from 1st April, 2015 to 31st March, 2016

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

To,  
The Members,  
**Balaji Telefilms Limited**  
Mumbai

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 conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of **Balaji Telefilms Limited'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 March 31, 2016, 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 March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified and came into force;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
4. 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 Requirement) Regulations, 2009;
  - d. Listing Agreement with Stock Exchanges in force upto 30th November, 2015;
  - e. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement ) Regulations, 2015;
5. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948
8. Equal Remuneration Act, 1976
9. Indian Contract Act, 1872
10. Income Tax Act, 1961 (Our checking to the extent of Tax Deducted at Source under various Section, payments made and T.D.S. Returns filed).
11. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed.
12. Indian Stamp Act, 1899

## Annexures to the Board Report (Contd.)

13. Maharashtra Stamp Act, 1958
14. Industrial Dispute Act, 1947
15. Maternity Benefits Act, 1961
16. Minimum Wages Act, 1948
17. Negotiable Instruments Act, 1881
18. Payment of Bonus Act, 1965
19. Payment of Gratuity Act, 1972
20. Payment of Wages Act, 1936
21. Contract Labour (Regulations & Abolition) Act, 1970
22. The Maharashtra Shops and Establishment Act, 1948.
23. The Copyright Act, 1957
24. Trade Marks Act, 1999
25. Indian Registration Act, 1908
26. Limitation Act, 1963
27. The Cinematograph Act, 1952

### Remarks:

1. The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company and accordingly a sum of ₹ 31.79 lacs being 2% of the average net profits of the Company made during the three immediately preceding financial years were required to be spent by the Company during the financial year 2015-16 as per its Corporate Social Responsibility Policy. However, the Company has spent an aggregate amount of ₹ 26.47 lacs on its Corporate Social Responsibility activities during the said financial year. Thus the amount of deficit in spending on CSR activities comes to ₹ 5.32 lacs.

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 Listing Agreements entered into by the Company with BSE Limited (Bombay Stock Exchange) and National Stock Exchange of India Limited in force upto 30th November, 2015.
- (iii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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

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 and Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.



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, there were no instances of:

- (i) Redemption / buy-back of securities.
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

The Company has issued Equity Shares on a Preferential Allotment/Private Placement basis during the financial year under review in compliance with applicable provisions of Companies Act, 2013, relevant rules made thereunder, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 and The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

**For K. C. Nevatia & Associates  
Company Secretaries**

**K. C. Nevatia  
Proprietor  
FCS No.: 3963  
C P No.: 2348**

**Place: Mumbai  
Date: 17th May, 2016**

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

# Annexures to the Board Report (Contd.)

To,  
The Members  
**Balaji Telefilms Limited**  
**Mumbai**

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 as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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 K. C. Nevatia & Associates**  
**Company Secretaries**

**K. C. Nevatia**  
**Proprietor**  
**FCS No.: 3963**  
**C P No.: 2348**

**Place: Mumbai**  
**Date: 17th May, 2016**



**ANNEXURE III  
FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

**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	M/s Balaji Telefilms Limited.
4.	Category/Sub-category of the Company	Company Limited by Shares.
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. Tel:- 91-022-4069000, Fax: + 91-022-40698181 Email:- investor@balajitelefilms.com Website: www.balajitelefilms.com
6.	Whether listed company	Listed Company.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: +91-40-67161510-1512, Fax: +91-40-23001153 Email: mailmanager@karvy.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Media & Entertainment	591	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Name and address of the Company	CIN/GLN	Holding/Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Motion Pictures Limited	U22300MH2007PLC168515	Subsidiary Company	100%	2 (87)
Bolt Media Limited	U74900MH2012PLC237999	Subsidiary Company	100%	2 (87)
ALT Digital Media Entertainment Limited	U74999MH2015PLC266206	Subsidiary Company	100%	2 (87)
Marinating Films Private Limited.	U74120MH2011PTC220971	Subsidiary Company	51%	2 (87)
Chhayabani Balaji Entertainment Private Limited	U22190MH2015PTC261948	Subsidiary Company	50%	2 (87)

## Annexures to the Board Report (contd.)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as on 31-March-2016				% Change during the year (a-b)
	Demat	Physical	Total	% of Total Shares (a)	Demat	Physical	Total	% of Total Shares (b)	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	27992938	0	27992938	42.93	31070026	0	31070026	40.92	2.01
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub total (A) (1)</b>	27992938	0	27992938	42.93	31070026	0	31070026	40.92	2.01
<b>[2] Foreign</b>									
a) Individuals (NRIs/Foreign Individuals]	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
f) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub total (A)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholding of Promoters A= A(1) + A(2)</b>	27992938	0	27992938	42.93	31070026	0	31070026	40.92	2.01
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI	1034672	0	1034672	1.59	1471121	0	1471121	1.94	(0.35)
b) Banks / FI	480728	0	480728	0.74	406644	0	406644	0.54	0.20
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	107000	0	107000	0.16	15033789	0	15033789	19.80	(19.64)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	1622400	0	1622400	2.49	16911554	0	16911554	22.27	(19.78)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.	6827803	0	6827803	10.47	10737973	0	10737973	14.14	(3.67)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	6546660	7366	6554026	10.05	5826140	7366	5833506	7.68	2.37
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3362240	0	3362240	5.16	9033384	0	9033384	11.90	(6.74)
c) Others (specify)									
HUF	1277563	0	1277563	1.96	1581107	0	1581107	2.08	(0.12)
Foreign Corporate Bodies	16948194	0	16948194	25.99	0	0	0	0.00	25.99
Directors	300	0	300	0.00	300	0	300	0.00	0.00
Clearing Members	121058	0	121058	0.19	95058	0	95058	0.13	0.06
Non Resident Indians	503771	0	503771	0.77	667485	0	667485	0.88	(0.11)
Trusts	150	0	150	0.00	50	0	50	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>35587739</b>	<b>7366</b>	<b>35595105</b>	<b>54.58</b>	<b>27941497</b>	<b>7366</b>	<b>27948863</b>	<b>36.81</b>	<b>17.78</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>37210139</b>	<b>7366</b>	<b>37217505</b>	<b>57.07</b>	<b>44853051</b>	<b>7366</b>	<b>44860417</b>	<b>59.08</b>	<b>(2.01)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>65203077</b>	<b>7366</b>	<b>65210443</b>	<b>100.00</b>	<b>75923077</b>	<b>7366</b>	<b>75930443</b>	<b>100.00</b>	<b>0.00</b>

**B. Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	3260522	5.00	0	3260522	4.29	0	0.71
2	Mrs. Shobha Kapoor	9129462	14.00	0	10034883	13.22	0	0.78
3	Ms. Ekta Kapoor	13572704	20.81	0	15744371	20.74	0	0.07
4	Mr. Tusshar Kapoor	2030250	3.11	0	2030250	2.67	0	0.44
<b>TOTAL</b>		<b>27992938</b>	<b>42.93</b>	<b>0</b>	<b>31070026</b>	<b>40.92</b>	<b>0</b>	<b>2</b>

## Annexures to the Board Report (Contd.)

### C. Change in Promoters' Shareholding

S. No.	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Jeetendra Kapoor				
	At the beginning of the year	3260522	5		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc);				
	At the End of the year			3260522	4.29
2	Mrs. Shobha Kapoor				
	At the beginning of the year	9129462	14		
	Brought shares as on August 7, 2015	853000		9982462	
	Brought shares as on March 4, 2016	52421		10034883	13.22
	At the end of the year			10034883	13.22
3	Ms. Ekta Kapoor				
	At the beginning of the year	13572704	20.81		
	Brought shares as on August 7, 2015	1990000	3.05	15537704	23.86
	Brought shares as on March 4, 2016	102245	0.16	15639949	24.02
	Brought shares as on March 11, 2016	79422	0.12	15719371	24.14
	At the end of the year			15744371	20.74
4	Mr. Tusshar Kapoor				
	At the beginning of the year	2030250	3.11		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc);	-	-		
	At the end of the year			2030250	3.11



#### D. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Asian Broadcasting FZ LLC				
	At the beginning of the year	16948194	25.99		
	Sold at July 17, 2015	16948194	25.99	0	0
	At the end of the year	0	0		
2	Reliance Capital Trustee Co Ltd A/C Reliance Media And Entertainment Fund				
	At the beginning of the year	190007	0.29		
	Purchased on September 4, 2015	160000	0.25	350007	0.54
	At the end of the year	350007	0.54		
3	Reliance Capital Trustee Co. Ltd-A/C Reliance Capital Builder Fund - SR A				
	At the beginning of the year	844665	1.30		
	Purchased on August 28, 2015	19000	0.29	863665	1.32
	At the end of the year	863665	1.32		
4	M/s Phillip Finance & Investment Services India Private Limited				
	At the beginning of the year	791538	1.21		
	Sold at April 17, 2015	991	-	790547	1.12
	Sold at July 17, 2015	333645	0.51	456902	0.70
	Sold at August 8, 2015	137568	0.21	319334	0.49
	Purchased at August 14, 2015	81180	0.12	400514	0.61
	Sold at August 21, 2015	50000	0.08	350514	0.54
	Purchased on August 28, 2015	43363	0.06	393877	0.60
	Sold on September 11, 2015	43054	0.06	350823	0.54
	Sold on December 11, 2015	179096	0.27	171727	0.26
	Sold on January 1, 2016	25000	0.04	146727	0.22
	Sold on January 8, 2016	60000	0.92	86727	0.13
	Sold on January 15, 2016	25000	0.09	61727	0.09
	Sold on February 5, 2016	61727	0.09	0	0
	At the end of the Year	0	0		
5	Mr. Nimesh Arvind Doshi				
	At the beginning of the year	620000	0.95		
	Sold on February 5, 2016	190126	0.29	429874	0.66
	Sold on February 2, 2016	429874	0.66	0	
	At the end of the year	0	0		
6	Mr. Rajkumar Harlaka				
	At the beginning of the year	549000	0.84		
	Purchased on May 22, 2015	500000	0.77	1049000	1.60
	Sold on January 29, 2016	19318	0.03	1029682	1.57
	Sold on February 5, 2016	157227	0.24	872455	1.33
	At the end of the year			872455	1.15
7	M/s Shreehari Shares and Stock Brokers Private Limited				
	At the beginning of the year	500000	0.77	-	-
	Sold on May 22, 2015	500000	0.77	0	0
	At the end of the year	-	0	0	0
8	Bothra Financial Services				
	At the beginning of the year	496000	0.76		
	Sold on April 10, 2015	271000	0.42	225000	0.34
	Sold on April 17, 2015	225000	0.34	-	-
	Purchased on July 24, 2015	500	-	500	-
	At the end of the year	500	-	-	-

## Annexures to the Board Report (Contd.)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	Jewels Advisory Services LLP				
	At the beginning of the year	469265	0.72	-	-
	Sold on August 21, 2015	169265	0.26	300000	0.46
	Sold on August 28, 2015	200000	0.31	100000	0.15
	Sold on September 25, 2015	100000	0.15	-	-
	At the end of the year	-	-	-	-
10	Setu Securities Pvt .Ltd.				
	At the beginning of the year	123000	0.19	-	-
	Sold on April 10, 2015	123000	0.19	-	-
	At the end of the year	0	0	-	-
11	Life Insurance Corporation of India				
	At the beginning of the year	394372	0.60		
	At the end of the year	394372	0.60	394372	0.60

### E. Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. D.G. Rajan- Director	300	0.00	300	0.00
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc);	-	-	-	-
	At the end of the year	300	0.00	300	0.00
2	Mr. Sameer Nair- Group Chief Executive Officer	276729	0.42	-	-
	At the beginning of the year				
	Bought shares on August 8, 2015	416000	0.64	692,729	1.06
	At the end of the year			692,729	0.91

### V) INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:

The Company has not availed any loan during the year and it is a debt-free Company.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</b>				



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Shobha Kapoor	Ms. Ekta Kapoor	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,03,50,000	44,34,486	1,47,84,486
	(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 (Provision) - as 1.06% of profit - others, specify...	28,82,723	28,82,723	57,65,446
5	Others- *Employer's Contribution to Provident Fund. • Other Allowances	6,62,400	3,11,610	9,74,010
<b>TOTAL (A)</b>		<b>1,38,95,123</b>	<b>**76,28,819</b>	<b>2,15,23,942</b>
<b>Ceiling as per the Act (per annum)</b>		20023047	20023047	40046094

\* Employer's Contribution to Provident Fund is not included in the ceiling for remuneration.

\*\* Remuneration paid from November 10, 2015 to March 31, 2016.

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. D.G.Rajan	Mr. Ashutosh Khanna	Mr. D.K. Vasal	Mr. V.B.Dalal	Mr. Arun Kumar Purwar	Mr. Pradeep Sarda	
1	<b>Independent Directors</b>							
	Fee for attending board committee meetings	7,00,000	7,00,000	8,00,000	8,00,000	7,50,000	4,00,000	41,50,000
	Commission	2,30,618	2,30,618	2,30,618	2,30,618	2,30,618	2,30,618	13,83,708
	Others, please specify	-	-	-	-	-	-	-
	<b>TOTAL (1)</b>	<b>9,30,618</b>	<b>9,30,618</b>	<b>10,30,618</b>	<b>10,30,618</b>	<b>9,80,618</b>	<b>6,30,618</b>	<b>55,33,708</b>
2	<b>Other Non-Executive Directors</b>							
	Fee for attending board committee meetings	7,50,000	5,50,000	-	-	-	-	-
	Commission	9,22,472	2,30,618	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>TOTAL (2)</b>	<b>16,72,472</b>	<b>7,80,618</b>	-	-	-	-	<b>24,53,090</b>
	<b>TOTAL (B)=(1+2)</b>	<b>26,03,090</b>	<b>17,11,236</b>	<b>10,30,618</b>	<b>10,30,618</b>	<b>9,80,618</b>	<b>6,30,618</b>	<b>79,86,798</b>
	<b>TOTAL MANAGERIAL REMUNERATION</b>	-	-	-	-	-	-	<b>104,39,888</b>
	<b>Overall Ceiling as per the Act</b>	-	-	-	-	-	-	<b>40,04,609</b>

Note: The sitting fees paid to Independent Directors and Non- Executive Directors for attending meetings of the Board or committees thereof as shown above does not form part of Managerial Remuneration as per the provisions of Sec 197(2) of the Companies Act 2013.

## Annexures to the Board Report (Contd.)

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

S. No.	Particulars of remuneration	Key managerial personnel			Total
		Mr. Sameer Nair- Group CEO	Mr. Sanjay Dwivedi- Group CFO	Mrs. Simmi Singh Bisht- Group Head Secretarial	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,19,06,381	68,76,030	11,60,639	4,99,43,050
	(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	-	-	-	-
	others, specify	-	-	-	-
5	Other- Variable	-	-	-	-
6	Others, please specify- Provident Fund and other allowances	16,69,752	8,17,770	4,04,252	28,91,774
<b>TOTAL</b>		<b>4,35,76,133</b>	<b>76,93,800</b>	<b>15,64,891</b>	<b>5,28,34,824</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

Type	Section of The Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company (penalty/ punishment/ compounding)					
B. Directors (Penalty/ Punishment/ Compounding)			Nil		
C. Other Officers In Default (Penalty/ Punishment/Compounding)					

For & on behalf of the Board of Directors,

Place: Mumbai,  
Date: May 17, 2016

Sd/-  
Jeetendra Kapoor  
Chairman  
(DIN: 00005345)



## ANNEXURE IV - CSR REPORT

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 weblink to the CSR policy and projects or programs	
	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company website <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>	
2	The Composition of the CSR Committee	Mr. Jeetendra Kapoor- Chairman Mrs. Shobha Kapoor- Member Mr. D.G. Rajan- Member Mr. Ashutosh Khanna- Member
3	Average Net Profit of the Company for last three financial years	₹ 1589.61 Lac
4	Prescribed CSR Expenditure (2% of the average net profit of the Company for last three financial years)	₹ 31.79 Lac
5	Details of CSR Spent during the financial year	
	a) Total amount to be spent for the financial year.	₹ 26.47 Lacs
	b) Amount unspent, if any.	₹ 5.32 lacs
	c) Manner in which the amount spent during the financial year as detailed below:	Refer Annexure A
6	Reasons for not spending 2% of the average net profit of the last three financial years:	The shortfall in the spend during the year 2015-16, was due to lack of suitable projects within the Company's Corporate Social Responsibility Policy.

## ANNEXURE A

Sr. No.	CSR project or activity identified	Sector in which the project is covered.	Projects of Programs (1) Local Area or other. (2) State and Districts where projects or programs was undertaken.	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	K L Raheja Hospital	Health	Local Area	-	Direct expenditure on health care through project.	₹ 50,000	Direct
2.	ASKR Trust	Education	Local area	-	Direct expenditure on education of poor children through project.	₹ 1,578,385	Direct
3.	Old age home	Providing help to old age people	Local Area	-	Direct expenditure on old senior citizen	₹ 1,019,000	Direct

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sd/-  
**Sameer Nair**  
Group Chief Executive Officer

Sd/-  
**Jeetendra Kapoor**  
Chairman-CSR Committee

# Annexures to the Board Report (Contd.)

## ANNEXURE V- PARTICULARS OF EMPLOYEES

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

#### Remuneration to Managing Directors

Name of the Director	Title	*Remuneration in Fiscal Year 2016	Remuneration in Fiscal Year 2015	No. of Stock options /RSUs granted in fiscal 2016	% increase of remuneration in 2016 as compared to 2015	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 2016)	Net Profit (fiscal 2016)
Mrs. Shobha Kapoor	Managing Director	1,38,95,213	1,19,35,000	Nil	16.00%	34:1	34:1	1:209	1:31
Ms. Ekta Kapoor	Joint Managing Director	76,28,819	Nil	Nil	Nil	19:1	19:1	1:381	1:57

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

#### Remuneration paid to Independent Directors:

Name of the Director	Remuneration in Fiscal 2016	Remuneration in Fiscal 2015	Number of Stock Option/PSUs granted in Fiscal 2016	% increase of remuneration (2016 over 2015)
Mr. D.G. Rajan	700,000	180,000	Nil	289%
Mr. Ashutosh Khanna	700,000	165,000	Nil	297%
Mr. D.K. Vasal	800,000	180,000	Nil	344%
Mr. V.B. Dalal	800,000	150,000	Nil	233%
Mr. Pradeep Sarda	400,000	80,000	Nil	400%
Mr. Arun Kumar Purwar	750,000	-	Nil	100%



**Remuneration of other KMP:**

Name of the KMP	Title	Remuneration in Fiscal Year 2016	Remuneration in Fiscal Year 2015	No. of Stock options /RSUs granted in fiscal 2015	% increase of remuneration in 2016 as compared to 2015	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 2016)	Net Profit (fiscal 2016)
Mr. Sameer Nair	Group CEO	4,35,76,133	28,209,748#	-	-	106:1	106:1	1:67	1:10
Mr. Sanjay Dwivedi	Group CFO	76,93,800	5,603,202	-	37%	19:1	19:1	1:378	1:57
Mrs. Simmi Singh Bisht	Group Head – Secretarial	15,10,891	1,356,101	-	11%	4:1	4:1	1:1856	1:279

# Previous year 2015, remuneration is only for past year, since joined from 15<sup>th</sup> July, 2014.

Our Market Capitalization is ₹ 83,523.49 lacs as on March 31, 2016 as compared to ₹ 42,941.08 lacs as on March 31, 2015. The Price Earning Ratio as on March 31, 2016 was 16.59 as compared to 35.03 as on March 31, 2015.

The key parameters of any variable component of remuneration availed by the Directors- Not applicable.

Mr. Sameer Nair, Group CEO receives remuneration in excess of the highest paid Director i.e. Mrs. Shobha Kapoor, Managing Director and the ratio of remuneration is 3:1.

Percentage increase over/decrease in the market quotations of the Shares of the Company as compared to the rate at which the Company came out with the last public offer in the year: - The Company had come out with initial public offer (IPO) in 2000. As on October 3, 2000 Share of ₹ 10 each were split into Shares of ₹ 2 each. An amount of ₹ 100 invested in the said IPO would be worth ₹ 10,950 as on March 31, 2016. This is excluding the dividend accrued thereon.

The average percentage increase made in the salaries of employees other than managerial remuneration in the last financial year i.e. 2015-16 was 7% whereas there has been no change in the managerial remuneration for the previous financial year.

The number of permanent employees on the role of the Company is 71.

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

## Annexures to the Board Report (contd.)

### b) Information as per Rule 5(2) and Rule 5(3) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) The following details are given hereunder in respect of employees employed throughout the year and were in receipt of not less ₹ 60 Lakhs p.a.

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 alongwith his spouse or dependent children not less than 2% of the Equity Shares of the Company	Whether such employee is a relative of any Director or Manager and if yes name of the Director or Manager
Mrs. Shobha Kapoor	Managing Director	Graduate	67	21	November 10, 1994	1,38,95,123	Nil	Yes	Yes. She is wife of Mr. Jeetendra Kapoor, Mother of Ms. Ekta Kapoor and Mr. Tusshar Kapoor.
Ms. Ekta Kapoor	Joint Managing-Director	Graduate	41	21	November 10, 1994	*76,28,819	Nil	Yes	Yes. She is daughter of Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor and sister of Mr. Tusshar Kapoor.
Mr. Sameer Nair	Group CEO	B.A. in Economics, Diploma in Hotel Management	51	29	July 15, 2014.	4,35,76,133	CEO of Star Network, CEO of NDTV Imagine.	No	No
Mr. Sanjay Dwivedi	Group CFO	Chartered Accountant	46	20	January 25, 2013	76,93,800	Senior Management positions at Nimbus Communications Ltd., Entertainment Network India Limited (Radio Mirchi)	No	No

\* Remuneration paid from November 10, 2015

- (ii) There were no employees employed for a part of the year and were in receipt of not less ₹ 5 Lakhs per month
- (iii) Mr. Sameer Nair- Group CEO of the Company, employed throughout the year, was in receipt of remuneration of ₹ 4,35,76,133 in the financial year 2015- 2016, which is in excess of that drawn by the Managing Director and holds by himself 0.91% of the equity shares of the company.-

**For & on behalf of the Board of Directors,**

**Place: Mumbai,  
Date: May 17, 2016**

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

**ANNEXURE VI: - PARTICULARS OF CONTRACT/ARRANGEMENTS MADE WITH RELATED PARTIES**

[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- AOC-2]

**Details of Contracts or Arrangements or transactions not at arms length basis:**

There were no contract or arrangements or transactions entered in to during the year ended March 31, 2016 which were not at arm's length basis.

**Details of Contracts or Arrangements or transactions at arms length basis:**

The detail of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

				(₹ in Lacs)
<u>Name of Related Party</u>	<u>Nature of Relationship</u>	<u>Duration of Contract</u>	<u>Salient Terms</u>	<u>Amount</u>
Shobha Kapoor	Managing Director	Leave and License	-	1327.41
Jeetendra Kapoor	Chairman	Leave and License	-	32.96
Ekta Kapoor	Joint Managing Director	Leave and License	-	187.95
Tusshar Kapoor	Director	Leave and License	-	12.38

**For & on behalf of the Board of Directors,**

**Place: Mumbai,  
Date: May 17, 2016**

**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 protection. Integrity, transparency, accountability and compliance with laws are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

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

## **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

- ▶ Ensure that quantity, quality and frequency of financial and managerial information, which management shares with the Board, places the Board Members fully in control of the Company's affairs.
- ▶ Ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability.
- ▶ Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- ▶ Ensure that the Board, the employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company through ethical business conduct.
- ▶ Ensure that the Board continues in its pursuit of achieving its objectives through the adoption and monitoring of Corporate strategies and prudent business plans.

## **CODE OF CONDUCT:**

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

## **PREVENTION OF INSIDER TRADING:**

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

## **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.

## **FAMILARIZATION PROGRAMME OF DIRECTORS:**

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

## **MECHANISM FOR EVALUATING BOARD MEMBERS:**

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



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

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

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

### **POLICY ON PREVENTION & PROHIBITION OF SEXUAL HARASSMENT AT WORKPLACE:**

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

### **BOARD OF DIRECTORS:**

The Board is comprised of experienced professionals drawn from diverse fields. The composition of the Board complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As on March 31, 2016 the Board comprised of ten members, of whom two are Executive Directors, two Non-Executive Non-Independent Directors and 6 Independent Directors. Presently more than half of the strength of the Board of Directors comprises of Independent Directors.

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

During the year under review, Seven (7) meetings of the Board of Directors were held, the dates being May 20, July 8, August 13, November 9 in 2015 and on February 4, March 5 and March 19 in 2016. The maximum time gap between any two meetings was not more than one hundred twenty days. None of the Directors of the Company held committee membership of more than ten committees or committee chairmanships of more than five committees across all companies in which the person is a Director.

The names and categories of the Directors on the Board, their attendance at Balaji Telefilms Limited's Board Meetings during the year 2015-16 and at last Annual General Meeting and also the number of Directorship and Committee Membership/Chairmanship held by them in various companies are given below:

Name of the Director	Attendance Particulars		No. of <sup>1</sup> Other Directorships and <sup>2</sup> Committee Membership/Chairmanship			No of shares held as on March 31, 2016
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships	
Mr. Jeetendra Kapoor (P, N, NI)	7	Present	4	3	1	3260522
Mrs. Shobha Kapoor (P, E, NI)	7	Present	5	1	0	10034883
Ms. Ekta Kapoor (P, E, NI)	6	Present	5	1	0	15744371
Mr. Tusshar Kapoor (PN, NI)	5	Present	4	0	0	2030250
Mr. Pradeep Sarda (N,I)	2	Present	2	3	0	NIL
Mr. D. G. Rajan (N,I)	6	Present	4	5	4	300
Mr. Ashutosh Khanna (N,I)	6	Present	1	0	0	NIL
Mr. D.K. Vasal (N,I)	7	Present	3	4	0	NIL
Mr. V.B. Dalal (N,I)	7	Present	4	3	0	NIL
Mr. Arun Kumar Purwar (N,I)	7	Present	9	6	3	NIL

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

1. Excludes Directorships in Private Limited Companies, Foreign Companies, Companies registered under section 8 of Companies Act, 2013.

2. As required under Regulation 27 of the Regulations, disclosure includes Membership or Chairmanship of Audit Committee and the Stakeholder' Relationship Committee in Indian Public Companies (Listed and Unlisted). Committee Membership also includes Chairmanship.

# Corporate Governance Report (Contd.)

## AUDIT COMMITTEE:

### TERMS OF REFERENCE

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The terms and composition of the Audit Committee are as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013.

The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment, remuneration and terms of appointment of external 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.

In addition to the above, the Audit Committee also reviews the following-

- ▶ Matters to be included in the Director's Responsibility Statement.
- ▶ Changes, if any, in the accounting policies.
- ▶ Major accounting estimates and significant adjustments in financial statement.
- ▶ Compliance with listing and other legal requirements concerning financial statements.
- ▶ Disclosures in financial statement including related party transactions.
- ▶ Management's Discussions and Analysis of Company's operations.
- ▶ Valuation of undertakings or assets of the Company, wherever it is necessary.
- ▶ Periodical review of Internal Audit Reports.
- ▶ Letters of Statutory Auditors to management on internal control weakness, if any.
- ▶ Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- ▶ Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of statutory auditors considering their independence and effectiveness, and recommend the audit fees.

### COMPOSITION

The composition of the Audit Committee is as follows:

Chairman	: Mr. D. G. Rajan - Independent Director
Members	Mr. Jeetendra Kapoor - Non-Independent Director
	Mr. D.K. Vasal - Independent Director
	Mr. V.B. Dalal- Independent Director
	Mr. Pradeep Sarda - Independent Director

### MEETINGS AND ATTENDANCE

During the year under review, four (4) meetings of the Audit Committee were held, the dates being May 19, August 13, November 9 in 2015 and on February 4 in 2016. The details of the attendance there at are as follows:

<b>Name of the Members</b>	<b>No. of Meetings attended</b>
Mr. D. G. Rajan	4
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	2
Mr. D.K. Vasal	4
Mr. V.B. Dalal	4

The Statutory Auditors and Internal Auditors of the Company are invitees to the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on "Limited Review" of the quarterly and half yearly accounts, 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, positives, attributes & independence of a Director and to recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

## COMPOSITION

The composition of the Nomination and Remuneration Committee is as follows:

Chairman	: Mr. Ashutosh Khanna- Independent Director
Members	Mr. Jeetendra Kapoor- Non - Independent Director
	Mr. Pradeep Sarda - Independent Director
	Mr. D.K. Vasal - Independent Director

## MEETINGS AND ATTENDANCE

During the year under review, four (4) meetings of the Nomination & Remuneration Committee were held, the dates being May 20, August 13, November 9 in 2015 & February 4 in 2016. The details of the attendance there at are as follows:

Name of the Members	No. of Meetings attended
Mr. Ashutosh Khanna- Chairman	4
Mr. Jeetendra Kapoor- Member	4
Mr. Pradeep Sarda- Member	3
Mr. D.K.Vasal – Member	4

## Nomination & Remuneration Policy and Details of Remuneration Paid

A copy of the Nomination & Remuneration Policy of the Company along with the evaluation criteria for Independent Directors and the Board is annexed to this report (Annexure I).

### Details of the remuneration paid to the Directors of the Company for the year ended March 31, 2016:

Name	Designation	Remuneration for the year 2015-2016					*Employer's Contribution to Provident Fund	Total
		Salary	Other Allowances	Sitting Fees	Commission (Provision)			
Mrs. Shobha Kapoor	Managing Director	1,03,50,000	15,000	-	28,82,723	6,62,400	1,39,10,123	
Ms. Ekta Kapoor	Joint Managing Director	45,17,944	15,000	-	28,82,723	2,87,300	77,02,967	
Mr. Jeetendra Kapoor	Chairman	-	-	7,50,000	9,22,472	-	16,72,472	
Mr. Tusshar Kapoor	Director	-	-	5,50,000	2,30,618	-	780,618	
Mr. Pradeep Sarda	Independent Director	-	-	4,00,000	2,30,618	-	630,618	
Mr. D. G. Rajan	Independent Director	-	-	7,00,000	2,30,618	-	930,618	
Mr. Ashutosh Khanna	Independent Director	-	-	7,00,000	2,30,618	-	930,618	
Mr. D.K. Vasal	Independent Director	-	-	8,00,000	2,30,618	-	10,30,618	
Mr. V.B. Dalal	Independent Director	-	-	8,00,000	2,30,618	-	10,30,618	
Mr. Arun Kumar Purwar	Independent Director	-	-	7,50,000	2,30,618	-	980,618	

\* Employer Contribution to Provident Fund is not included in the Computation of the ceiling on managerial remuneration.

# Corporate Governance Report (Contd.)

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

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

### TERMS OF REFERENCE

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

### COMPOSITION

The composition of the Stakeholders Relationship Committee is as follows:

Chairman	: Mr. Jeetendra Kapoor – Non- Independent Director
Members	Mrs. Shobha Kapoor – Non- Independent Director
	Ms. Ekta Kapoor – Non- Independent Director
	Mr. D.K. Vasal – Independent Director.

### MEETINGS AND ATTENDANCE

During the year under review, four (4) meetings of the Stakeholder Relationship Committee were held, the dates being May 19, August 13 and November 9 in 2015 and February 4 in 2016. The details of the attendance there at are as follows:

Name of the Members	No. of Meetings attended
Mr. Jeetendra Kapoor	4
Mrs. Shobha Kapoor	4
Ms. Ekta Kapoor	4
Mr. D.K. Vasal	4

### Stakeholder's Complaints during the financial year 2015-16

Sl. No.	Nature of Complaint	Opening Bal.	Received	Disposed	Pending
1.	Non receipt of dividend	0	15	15	0
2.	Non receipt of Annual Report	0	46	46	0
<b>TOTAL</b>		<b>0</b>	<b>61</b>	<b>61</b>	<b>0</b>

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### TERMS OF REFERENCE

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on May 15, 2014 had constituted a Corporate Social Responsibility (CSR) Committee consisting of majority of Independent Directors. 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, and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.



## COMPOSITION

The composition of the Corporate Social Responsibility Committee is as follows:

Chairman	: Mr. Jeetendra Kapoor – Non-Independent Director
Members	: Mrs. Shobha Kapoor – Non-Independent Director Mr. D. G. Rajan – Independent Director Mr. Ashutosh Khanna – Independent Director.

## MEETINGS AND ATTENDANCE

During the year under review, four (4) meetings of the Corporate Social Responsibility Committee were held, the dates being May 20, August 13 and November 9 in 2015 and February 4 in 2016. The details of the attendance there at are as follows:

Name of the Members	No. of Meetings attended
Mr. Jeetendra Kapoor	4
Mrs. Shobha Kapoor	4
Mr. D.G. Rajan	4
Mr. Ashutosh Khanna	4

## INTERNAL COMPLAINTS COMMITTEE:

### TERMS OF REFERENCE

The Board of Directors in its Board meeting held on January 24, 2014, constituted the Internal Complaints Committee of the Company to deal with all complaints and allegations of sexual harassment at work place. Subsequently, due to resignation of most of the members of the then existing Internal Complaints Committee, the Board of Directors in its meeting held on October 30, 2014 reconstituted the Internal Complaints Committee of the Company.

### COMPOSITION

The current composition of Internal Complaints Committee is as follows:

Sr. No.	Name of the Members	Position in Committee	Designation
1	Mrs. Coralie Ansari	Presiding Officer	Group Head - HR
2	Mr. Sameer Nair	Internal Member	Group CEO
3	Mr. Sanjay Dwivedi	Internal Member	Group CFO
4	Mrs. Simmi Singh Bisht	Internal Member	Group Head- Secretarial
5	Mr. Ayan Roy Chowdhury	Internal Member	General Counsel- Legal
6	Ms. Neha Kedia	External Member	Vice President- Complykaro

## RISK MANAGEMENT COMMITTEE

### TERMS OF REFERENCE

In terms of Clause 49 II (VI) of the Listing Agreement, the Board of Directors at its meeting held on October 30, 2014, formulated a Risk Management Committee. However as per Listing Regulations, Company is not required to maintain Risk Management Committee so the Board of Directors in its meeting held on May 17, 2016 has dissolved the Committee.

### MEETING OF INDEPENDENT DIRECTORS OF THE COMPANY:

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 :

# Corporate Governance Report (Contd.)

- ▶ 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.

Meeting of Independent Directors of the Company was held on May 20, 2015 and February 5, 2016.

## SUBSIDIARY COMPANIES:

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

The Company has formulated a policy for determining 'Material' Subsidiaries' and the same has been uploaded on the website of the Company and the weblink for the same is <http://www.balajitelefilms.com/policy-determining-material-subsiary.php>.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings of the Company.

Copies of the Minutes of the Board & Committee Meetings and of the Subsidiary Company are individually given to all the Directors and are tabled at the subsequent Board Meetings.

## V. GENERAL BODY MEETINGS:

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

<b>Annual General Meeting</b>	<b>Day, Date</b>	<b>Time</b>	<b>Venue</b>
19 <sup>th</sup> Meeting	Monday, July 29, 2013	4:00 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
20 <sup>th</sup> Meeting	Saturday, August 30, 2014	3.00 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
21 <sup>st</sup> Meeting	Monday, August 31, 2015	3:00 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

## SPECIAL RESOLUTIONS

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

### F.Y. 2012 – 2013: NIL

### F.Y. 2013-14: (AGM)

1. Alteration of Article 150 of the Articles of Association of the Company relating to Director liable to retire by rotation pursuant to the provisions of Section 14 of the Companies Act, 2013.

### F.Y. 2014-15 (AGM)

Following Special Resolutions were passed:

1. Reappointment of Mrs. Shobha Kapoor (DIN 00005124) as Managing Director of the Company
2. Reappointment of Ms. Ekta Kapoor (DIN 00005093) as Joint Managing Director of the Company:
3. Further Issue of Securities

No Special Resolution was passed through postal ballot



## VI. DISCLOSURES:

### 1. RELATED PARTIES TRANSACTIONS

None of the transactions with any of the related parties were in conflict with interest of the Company. Transactions with the related parties are disclosed in Note No. 23.8 in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

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

In accordance with the Listing Regulations, the Company has approved a policy on Related Party Transactions which has been uploaded on the website of the Company [www.balajitelefilms.com](http://www.balajitelefilms.com)

### 2. COMPLIANCES BY THE COMPANY

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

### 3. 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 or ethics policy. The Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No whistle-blower has been denied access to the Audit Committee of the Board of Directors of the Company.

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

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

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

When escalating the matter, whistle-blower should provide complete details of the complaint and the reason for dissatisfaction

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

- Hotline – 1800 103 2931
- Website – [www.speak-up.info/balaji](http://www.speak-up.info/balaji)
- E-mail address – [balaji@intouch-india.com](mailto:balaji@intouch-india.com)

There were no complaints received during the financial year 2015-16.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Listing Regulations.

# Corporate Governance Report (contd.)

## 5. DISCLOSURE OF ACCOUNTING TREATMENT:

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

## 6. DISCLOSURE ON RISK MANAGEMENT:

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

## 7. CODE OF CONDUCT:

The Company has laid down a code of conduct for the Directors and Senior Management of the Company and a code of conduct for Independent Directors. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Group Chief Executive Officer of the Company, is annexed to this Report (Annexure II). Declaration from Independent Directors affirming Compliance with the Code of Conduct has also been received by the Company.

## 8. CEO & CFO CERTIFICATION:

As required under Regulation 17(8) of the Listing Regulations, a Certificate from Mr. Sameer Nair, Group CEO and Mr. Sanjay Dwivedi, Group CFO of the Company, on the financial statements of the Company is annexed to this Report (Annexure III).

## 9. AUDITORS CERTIFICATE:

The auditors' certificate on compliance of Listing Regulations relating to Corporate Governance is annexed to this Report (Annexure IV).

## 10. NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS:

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

## 11. REVIEW OF DIRECTORS' RESPONSIBILITY STATEMENT:

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2016 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## 12. DETAILS OF COMPLIANCE WITH DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 READ WITH SCHEDULE II PART E OF THE LISTING REGULATIONS:

The status of compliance with non-mandatory recommendations under Regulation 27 of the Listing Regulations is provided below:

- Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO.
- Modified opinion in Audit Report: The Company's financial statement for the year ended on 31<sup>st</sup> March, 2016 does not contain any modified opinion.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director & CEO.
- Reporting of Internal Auditor: The Internal Auditor submits his reports directly to the Audit Committee.

## VIII. MEANS OF COMMUNICATION:

The Company believes that all stakeholders should have access to adequate information, regarding the Company's position to enable them to accurately assess its future potential. In accordance with the applicable Guidelines / Listing Regulations 2015, all information which could have a material bearing on Balaji Telefilms Limited's share price is released at the earliest.

The Unaudited Quarterly/Half Yearly Financial Results are announced within forty five days of the close of the quarter. The Annual Audited Financial Results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are sent to BSE & NSE where the Company's securities are listed, immediately after these are approved by the Board. The financial results are published in Business Standard (All India) and Mumbai Lakshdweep (regional daily) within forty eight hours after they are approved by the Board.



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

The Annual Report of the Company, the Quarterly/Half Yearly and the Annual results and the press releases of the Company are also placed on the Company's website [www.balajitelefilms.com](http://www.balajitelefilms.com). Presentations made to the institutional investors and analysts are also displayed on the Company's website.

### IX. GENERAL SHAREHOLDER INFORMATION:

- |   |  |  |
|---|--|--|
| 1 | Date, time and venue of the Annual General Meeting:  | August 31, 2016 at 3:00 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.  |
| 2 | Whether any Special Resolution is proposed to be conducted through Postal Ballot:  | No   |
| 3 | Listing on Stock Exchanges:  | <ol style="list-style-type: none"> <li>1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax:+91-22-22721919/3027 (Stock Code – 532382)</li> <li>2. National Stock Exchange of India Limited, Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91-22-26598235/36 Fax: +91-22-26598237/38 (Stock Code – BALAJITELE)</li> </ol> |
|   | ISIN   | INE794B01026   |
| 4 | Listing Fees   | Paid for both the above Stock Exchanges  |
| 5 | Listing on Stock Exchanges outside India   | Not applicable   |
| 6 | Registered Office of Company   | C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000, Fax: +91-22-40698181/82 Web site: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>  |
| 7 | Share transfers in physical, communication regarding share certificates, dividends, change in address etc. may be addressed to | Karvy Computershare Private Limited (Company's Registrar and Transfer Agents) Unit: Balaji Telefilms Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel: +91-40-67161510-1512, Fax: +91-40-23001153 Email: <a href="mailto:mailmanager@karvy.com">mailmanager@karvy.com</a>  |
| 8 | Share Transfer System  | Shares sent for physical transfer are registered and returned within fifteen days from the date of receipt, if the documents are clear in all respects. The Stakeholders Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2015-2016 and no share transfer pending as on March 31, 2016.   |

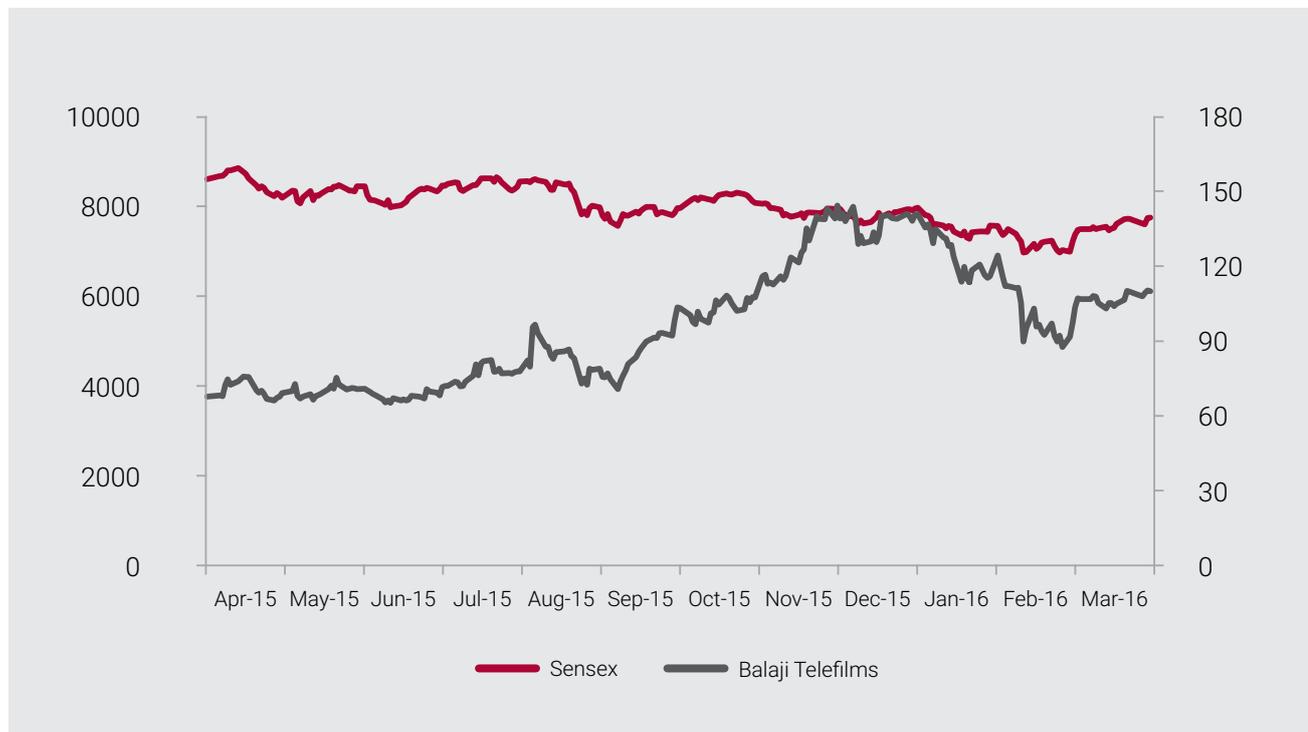
## Corporate Governance Report (Contd.)

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

The Company's shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, since November 22, 2000. The monthly high and low quotations as well as the volume of shares traded during the year 2015-16 are as below:

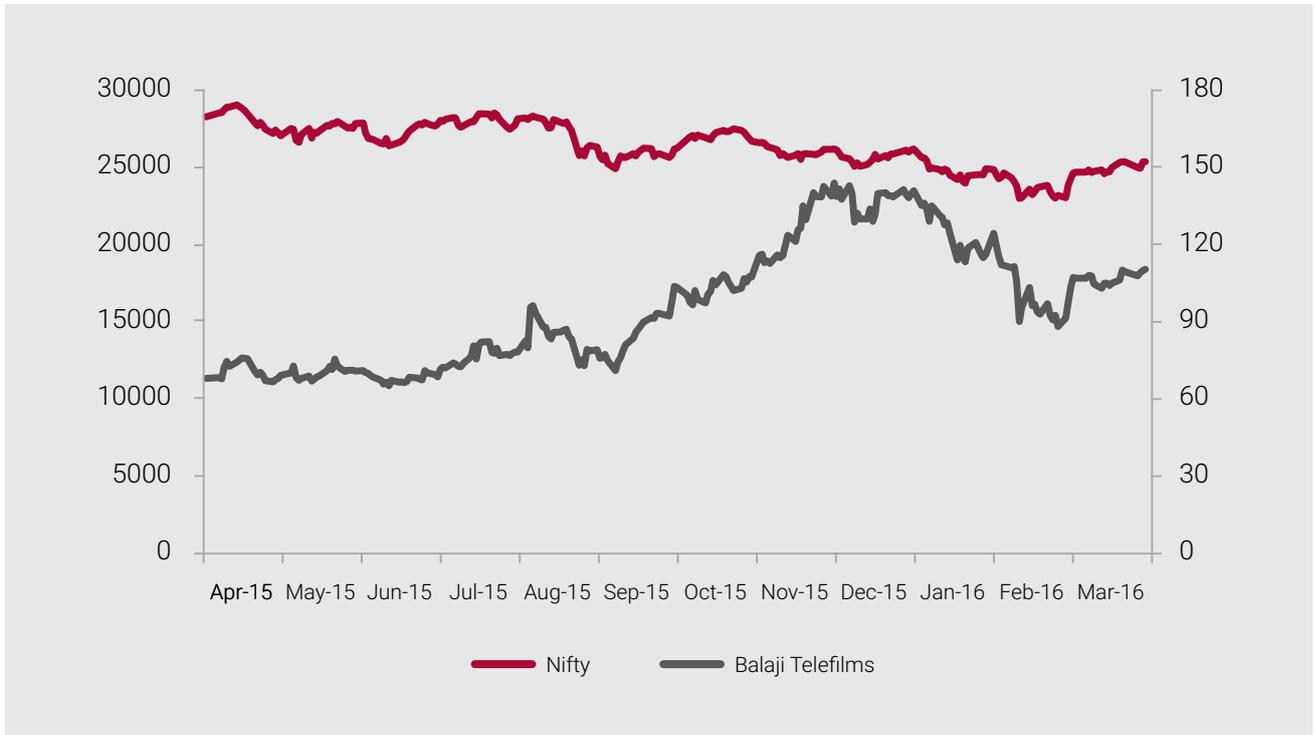
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	78.65	65.5	11,91,456	78.50	65.1	44,35,774
May	76.7	66	7,27,819	76.7	65.8	30,47,417
June	72.9	63.9	3,05,881	72.9	64.10	16,00,416
July	84.4	68.5	3,30,4436	84.35	68.40	96,78,589
August	105	68.7	60,44,512	104.40	69.50	1,99,75,843
September	104.9	70.3	26,97,090	104.9	70.15	76,94,017
October	112.2	95.6	26,45,707	111.70	95.85	61,97,811
November	150.4	105	31,79,915	149.90	105.10	91,86,978
December	148.1	125.1	21,57,742	148	125.1	52,61,466
January	144.8	110.4	17,55,192	144.40	110.05	58,53,387
February	125	84	20,01,540	125.05	83.30	79,86,499
March	113.1	91.3	18,52,166	113.25	91	45,80,059

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





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



NSE Index (Nifty) not indicated for comparison.

**FACT SHEET**

Items	2015-16	2014-15
Earnings per share (₹)	6.63	1.88
EPS – Fully diluted (₹)	6.63	1.88
Dividend per share (₹)	1.20	0.60
Number of shares	75930443	6,52,10,443
Share price data (₹)		
High	113.1	92.85
Low	91.3	45.70
Closing	107.10	65.85

10. Investor Service – Complaints Received During the year ended March 31, 2016

Nature of Complaints	Received	Disposed
Non Receipt of Dividend	15	15
Non Receipt of Annual Report	46	46

The Company has disposed all of the investor grievances. There are no complaints pending as on March 31, 2016.

# Corporate Governance Report (Contd.)

## 11. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2016

Description	Cases	Shares	% Equity
Banks	1	3868	0.01
Clearing Members	139	507994	0.67
Directors	1	300	0.00
Foreign Institutional Investor	4	3612199	4.76
Foreign Portfolio Investors	8	11367000	14.97
H U F	359	1550759	2.04
Indian Financial Institutions	2	403076	0.53
Bodies Corporates	482	10471225	13.79
Mutual Funds	3	1471121	1.94
NBFC	2	10800	0.01
Non Resident Indians	293	631039	0.83
Company Promoters	5	31070026	40.92
Resident Individuals	16131	14830986	19.53
Trusts	1	50	0.00
<b>Grand Total:</b>	<b>17431</b>	<b>75930443</b>	<b>100.00</b>

## 12. Distribution of shareholding as on March 31, 2016

Number of Share	No. of Share Holders	% of Total Shareholders	Total Shares	Amount	% Holding
Upto 1 - 5000	17068	97.96	4077978	6323652.00	5.37
5001 - 10000	125	0.72	958703	1832304.00	1.26
10001 - 20000	81	0.46	1259091	1917406.00	1.66
20001 - 30000	40	0.23	998306	1131336.00	1.31
30001 - 40000	15	0.09	546847	1386846.00	0.72
40001 - 50000	9	0.05	410241	1156590.00	0.54
50001 - 100000	24	0.14	1759713	2754198.00	2.32
100001 and above	62	0.36	65919564	135358554	86.82
<b>TOTAL:</b>	<b>17431</b>	<b>100.00</b>	<b>75930443</b>	<b>151860886</b>	<b>100.00</b>

## 13. Shares under Lock-in

In accordance with SEBI Guidelines, currently no Equity Shares held by promoters are subject to lock-in. The 10,720,000 shares issued by the Company through private placement are subject to Lock-in period of 1 year in accordance with the SEBI (ICDR) guidelines.

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

The Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments as on March 31, 2016.

## 15. Dematerialisation of Equity Shares

The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2016 about 99.99% comprising 759,23,077 Equity Shares were in the dematerialised form.



16. Financial Calendar (tentative and subject to change):

<b>Particulars</b>	<b>Date</b>
Annual General Meeting	August, 2016
Financial reporting for 1 <sup>st</sup> quarter ending 30 <sup>th</sup> June, 2016	First week of August, 2016
Financial reporting for 2 <sup>nd</sup> quarter ending 30 <sup>th</sup> September, 2016	First week of November, 2016
Financial reporting for 3 <sup>rd</sup> quarter ending 31 <sup>st</sup> December, 2016	First week of February, 2017
Financial reporting for the year ending 31 <sup>st</sup> March, 2017 (audited)	May, 2017
Annual General Meeting for year ending 31 <sup>st</sup> March, 2017	August, 2017

17. Plant Locations:

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

18. Investors' Correspondence

Investors' correspondence may be addressed to:

**Mrs. Simmi Singh Bisht**

Group Head - Secretarial,  
Balaji Telefilms Limited  
C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai – 400 053.  
Tel: +91-22-40698000, Fax: +91-22-40698181/82  
Email: investor@balajitelefilms.com

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

**Mr. Sanjay Dwivedi**

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

19. Insider Trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed code of conduct.

20. Secretarial Audit (Reconciliation of Share Capital Report)

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

# Corporate Governance Report (Contd.)

## ANNEXURE I

### NOMINATION AND REMUNERATION POLICY OF BALAJI TELEFILMS LTD. & ITS SUBSIDIARY COMPANIES

#### INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing regulations as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

#### OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- ▶ To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- ▶ To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the media industry.
- ▶ To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- ▶ To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- ▶ To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on October 30, 2015.

#### EFFECTIVE DATE:

This policy shall be effective from 1<sup>st</sup> April, 2015.

#### CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board has changed the nomenclature of Remuneration Committee constituted on January 30, 2013 by renaming it as Nomination and Remuneration Committee on May 15, 2014. The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Ashutosh Khanna- Chairman
2. Mr. Jeetendra Kapoor- Member
3. Mr. Pradeep Sarda- Member
4. Mr. D.K Vasal- Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### Definitions:

- ▶ Board means Board of Directors of the Company.
- ▶ Directors means Directors of the Company.
- ▶ Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- ▶ Company means Balaji Telefilms Limited and its Subsidiaries.
- ▶ Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- ▶ Key Managerial Personnel (KMP) in relation to a Company means.



- (i) The Chief Executive Officer of the Company or the Managing Director or the Manager;
  - (ii) The Company Secretary;
  - (iii) The Whole-Time Director;
  - (iv) The Chief Financial Officer and;
  - (v) Such other officer as may be prescribed.
- ▶ Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have them meaning respectively assigned to them therein.

**Applicability:**

The Policy is applicable to

- ▶ Directors (Executive and Non Executive)
- ▶ Key Managerial Personnel
- ▶ Senior Management Personnel

**General:**

- ▶ This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- ▶ The key features of this Company's policy shall be included in the Board's Report.

**PART – A****MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:****THE COMMITTEE SHALL:**

- ▶ Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ▶ Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- ▶ Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**PART-B****POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT****APPOINTMENT CRITERIA AND QUALIFICATIONS:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

# Corporate Governance Report (Contd.)

## **TERM/TENURE:**

### 1. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### 2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1<sup>st</sup> October, 2015 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

## **EVALUATION:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## **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.

## **BOARD DIVERSITY:**

The Board of the Company may consciously be drawn in a manner that at least one director from each of the following field is on the Board of the Company.

Human Resource,

Banking and finance,

Legal and general administration,

Any other field as may be decided by the Nomination and Remuneration Committee of the Company.

## **PART-C**

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

#### **GENERAL:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.



2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:**

#### **1. Fixed pay:**

The Whole - time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### **2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **3. Provisions for excess remuneration:**

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTOR:**

#### **1. Remuneration/Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

#### **2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **3. Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### **4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

### **AMENDMENT**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding unless the same is duly approved and notified by the Committee and Board of Directors of the Company.

# Corporate Governance Report (Contd.)

## ANNEXURE II

### CEO DECLARATION

To,  
**The Members of Balaji Telefilms Limited**

Declaration by the Chief Executive Officer under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Sameer Nair, Group CEO of Balaji Telefilms Limited hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2016.

Mumbai, 17th May, 2016

**Sameer Nair**  
Group CEO

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## ANNEXURE III

### CEO AND CFO CERTIFICATION

We, Sameer Nair, Group Chief Executive Officer and Sanjay Dwivedi, Group Chief Financial Officer of Balaji Telefilms Limited, do hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2016 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai, May 17, 2016

**Sameer Nair**  
Group CEO

**Sanjay Dwivedi**  
Group CFO



## ANNEXURE IV

### INDEPENDENT AUDITOR'S CERTIFICATE

#### TO THE MEMBERS OF BALAJI TELEFILMS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Balaji Telefilms Limited (the Company), for the year ended on March 31, 2016 as stipulated in:
  - ▶ Clause 49 (excluding clause 49(VII) (E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
  - ▶ Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 01, 2015.
  - ▶ Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
  - ▶ Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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 Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

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

Place: Mumbai,  
Dated: May 17, 2016

# Independent Auditors' Report

## Report on the Standalone Financial Statements

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

## Management's Responsibility for the Standalone Financial Statements

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

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

## Auditor's Responsibility

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

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

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

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

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

## Opinion

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23.1, 23.2 and 23.3 to the financial statements;
    - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Mumbai, Dated: May 17, 2016

# Annexure A To The Independent Auditors' Report

## **RE: BALAJI TELEFILMS LIMITED**

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

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

We have audited the internal financial controls over financial reporting of Balaji Telefilms Limited (the Company) as of March 31, 2016 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**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A. B. Jani**

Partner  
(Membership No. 46488)

Mumbai, Dated: May 17, 2016

# Annexure B To The Independent Auditors' Report

## RE: BALAJI TELEFILMS LIMITED

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- (ii) As explained to us, the nature of the inventories of the Company are such that clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans aggregating Rs. 23,150.98 lacs to its three wholly owned subsidiaries and to one subsidiary body corporate amounting to Rs. 87.46 lacs covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b) The principal and interest amounts are repayable on demand. Interest is overdue as at the year-end.
  - c) In respect of the interest overdue for a period of more than ninety days as at the year-end aggregating Rs. 827.65 lacs, as explained to us, the management has taken reasonable steps for recovery of the same.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:



(Rupees in Lakhs)

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	CST	11,687.79	1.4.2000 to 31.3.2004	Department of Sales Tax
Chapter V of The Finance Act, 1994	Service Tax	2,944.09	1.4.2006 to 31.3.2010	Office of the Commissioner of Service Tax

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks, financial institutions and debenture holders. Hence reporting under clause (viii) of the Order is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.
- In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Mumbai, Dated: May 17, 2016

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	₹ in Lacs	
		As at March 31, 2016	As at March 31, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,518.61	1,304.21
(b) Reserves and surplus	4	59,758.98	41,694.61
		<b>61,277.59</b>	<b>42,998.82</b>
<b>2 Current liabilities</b>			
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises; and			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	23.5	4,684.22	3,183.04
(b) Other current liabilities	5	643.98	17.37
(c) Short-term provisions	6	463.10	791.89
		5,791.30	3,992.30
<b>TOTAL</b>		<b>67,068.89</b>	<b>46,991.12</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		2,886.33	2,295.50
(ii) Capital work-in-progress		-	21.77
		2,886.33	2,317.27
(b) Non-current investments	8	21,713.89	6,656.39
(c) Deferred tax assets (net)	23.14	690.47	569.34
(d) Long-term loans and advances	9	2,692.55	2,427.43
(d) Other non-current assets	10	36.90	41.55
		<b>28,020.14</b>	<b>12,011.98</b>
<b>2 Current assets</b>			
(a) Current investments	11	3,958.77	14,511.48
(b) Inventories	12	1,158.89	508.86
(c) Trade receivables	13	7,617.21	5,901.70
(d) Cash and cash equivalents	14	398.16	646.05
(e) Short-term loans and advances	15	24,596.60	12,200.87
(f) Other current assets	16	1,319.12	1,210.18
		39,048.75	34,979.14
<b>TOTAL</b>		<b>67,068.89</b>	<b>46,991.12</b>
<b>See accompanying notes forming part of financial statements</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

# Statement of Profit and Loss

for the year ended March 31, 2016



Particulars	Note No.	₹ in Lacs	
		For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>1 Revenue</b>			
Revenue from Operations	17	25,684.93	20,969.22
<b>2 Other income</b>	18	3,365.34	1,020.91
<b>3 Total Revenue (1+2)</b>		<b>29,050.27</b>	<b>21,990.13</b>
<b>4 Expenses</b>			
(a) Cost of Production of television serials	19	18,352.85	16,680.47
(b) Employee benefits expense	20	1,277.02	906.33
(c) Finance costs	21	-	27.93
(d) Depreciation and amortization expense (Refer Note 23.20)	7	871.58	761.46
(e) Other expenses	22	2,576.51	2,108.09
<b>Total Expenses</b>		<b>23,077.96</b>	<b>20,484.28</b>
<b>5 Profit before tax (3-4)</b>		5,972.31	1,505.85
<b>6 Tax expense:</b>			
(a) Current tax		1,699.00	510.00
(b) Deferred tax		(121.13)	(231.40)
(c) Short provision for tax in respect for earlier years		27.00	-
		1,604.87	278.60
<b>7 Profit for the year (5-6)</b>		<b>4,367.44</b>	<b>1,227.25</b>
<b>8 Earnings per share (of ₹ 2/- each):</b>			
Basic and diluted earnings per share	23.13	6.63	1.88
<b>See accompanying notes forming part of the financial statements</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

# Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	5,972.31	1,505.85
<b>Adjustments for:</b>		
Depreciation	871.58	761.46
Advances written off	-	46.17
Provision for doubtful debts (net)	-	14.95
Loss on discard of fixed assets(net)	3.13	-
Dividend / Profit on sale of long term investments (non-trade) (net)	(2,068.76)	(875.51)
Provision for dimunition of investment	-	465.81
Provision for earlier years written back (net)	(267.95)	(33.00)
Provision for doubtful debt written back	-	(12.00)
Interest income on Fixed Deposits	(2.46)	(3.74)
Interest income on Loan to subsidiary	(1,171.51)	(12.46)
<b>Operating (loss) / profit before working capital changes</b>	<b>(2,635.97)</b>	<b>351.68</b>
<b>Adjustments for:</b>		
Increase in trade and other receivable	(1,862.02)	(2,857.11)
Decrease / (Increase) in inventories	(650.03)	143.23
Increase in trade payables and other payables	2,395.75	710.03
Cash from operations	(116.30)	(2,003.85)
Income-tax refund / (paid)	(1,874.54)	(1.91)
<b>Net Cash Flow from / (Used In) Operating Activities (A)</b>	<b>1,345.50</b>	<b>(148.22)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,443.78)	(1,310.02)
Purchase of current investments	-	(6,125.00)
Sale of current investments	12,621.47	8,679.88
Investment in fully paid-up Preference shares	(50.00)	(345.00)
Investment in fully paid-up Equity shares	(15,007.50)	-
Investment in Trust / Limited Liability Partnership	-	(0.51)
Investment in Subsidiary	-	(100.00)
Loans given to subsidiary	(13,792.93)	(5,721.61)
Loans repaid by subsidiary	2,254.71	6,580.85
Loans repaid by subsidiary Body corporate	375.84	711.63
Loans given to subsidiary Body corporate	(29.19)	(1,149.75)
Bank Balance not considered as cash and cash equivalents (Refer Note 14)	(7.40)	(5.65)
Interest income	37.56	10.33
<b>Net Cash (Used In) / From Investing Activities (B)</b>	<b>(15,041.22)</b>	<b>1,225.15</b>



₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	15,008.00	-
Dividend paid (net of movement of unpaid dividend account)	(1,382.08)	(393.08)
Corporate dividend tax paid	(185.49)	(79.65)
<b>Net Cash Flow from / (Used In) Financing Activities (A)</b>	<b>13,440.43</b>	<b>(472.73)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(255.29)</b>	<b>604.19</b>
Cash and cash equivalents at the beginning of the year	640.40	36.21
Cash and cash equivalents at the end of the year	<b>385.11</b>	<b>640.40</b>
<b>See accompanying notes forming part of financial statements</b>		

**Note:**

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>(ii) Cash and cash equivalents at the end of the year as per cashflow statement</b>		
	385.11	640.40
- Unpaid dividend accounts	13.05	5.65
- Fixed deposits kept in lien against bank guarantee	-	-
<b>Cash and cash equivalents at the end of the year as per Note 14</b>	<b>398.16</b>	<b>646.05</b>

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

# Notes

forming part of the financial statements

## **NOTE 1 CORPORATE INFORMATION**

Balaji Telefilms Limited 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.

## **NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of accounting and preparation of financial statements**

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

### **Use of Estimates**

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

### **Fixed assets**

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

### **Depreciation / Amortisation**

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

### **Impairment loss**

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

### **Investments**

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

### **Inventories**

Inventory comprise of television serials which are at lower of cost and net realisable value. Cost is determined on the basis of average cost.

### **Revenue recognition**

Revenue is recognized as and when the relevant episodes of the programmes (television serials) are telecast on broadcasting channels. Revenue (income) is recognized when no significant uncertainty as to its determination or realization exists.

### **Employee benefits**

a) Post employment benefits and other long term benefits

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

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



b) Short Term Employee Benefits:

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

**Foreign currency transactions**

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

**Borrowing costs**

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

**Operating leases**

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

**Taxes on income**

Tax expense comprises of current tax and deferred tax.

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

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

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

**Provisions and Contingencies**

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

## Notes (Contd.)

forming part of the financial statements

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Authorised		
1,30,000,000 (Previous year 85,00,000) Equity shares of ₹ 2/- each	2,600.00	1,700.00
	<b>2,600.00</b>	<b>1,700.00</b>
(b) Issued, Subscribed and fully paid-up		
75,930,443(Previous year 65,210,443) Equity shares of ₹ 2/- each	1,518.61	1,304.21
<b>TOTAL</b>	<b>1,518.61</b>	<b>1,304.21</b>

#### Notes :

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

Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	-	-	16,948,194	25.99
Ekta Kapoor	15,744,371	20.74	13,572,704	20.81
Shobha Kapoor	10,034,883	13.22	9,129,462	14.00
Jeetendra Kapoor	-	-	3,260,522	5.00

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs
Equity shares outstanding at the beginning of the year	65,210,443	1,304.21	65,210,443	1,304.21
Add: Issue of Equity Shares during the year	10,720,000	214.40	-	-
Equity shares outstanding at the end of the year	75,930,443	1,518.61	65,210,443	1,304.21

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

### NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Securities premium account		
As per last Balance Sheet	14,785.61	14,785.61
Add: On issue of equity shares	14,793.60	-
	29,579.21	14,785.61
(b) General reserve		
As per last Balance Sheet	5,133.10	5,010.38
Add: Transferred from surplus in Statement of Profit and Loss	-	122.72
	5,133.10	5,133.10
(c) Surplus in Statement of Profit and Loss		
Opening balance	21,775.89	21,319.61
Less : Depreciation on account of transitional provisions of Schedule II of the Companies Act, 2013 (Refer Note 23.20)	-	177.33
Add: Profit for the year	4,367.44	1,227.25
Less : Proposed dividends NIL (previous year@ ₹ 0.60) per Equity share	-	391.26
Less : Interim Dividend @ ₹ 1.20 per Equity share	911.17	-
Tax on dividend	185.49	79.65
Transferred to General reserve	-	122.72
Closing balance	25,046.67	21,775.89
<b>TOTAL</b>	<b>59,758.98</b>	<b>41,694.61</b>



**NOTE 5 OTHER CURRENT LIABILITIES**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Unpaid dividends (Refer Note below)	12.96	5.65
(b) Other payables		
(i) Statutory liabilities	186.02	11.72
(ii) Advances from customers	445.00	-
<b>TOTAL</b>	<b>643.98</b>	<b>17.37</b>

**Note**

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

**NOTE 6 SHORT-TERM PROVISIONS**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 1921.95 lacs (as at March 31, 2015 ₹ 848.07 lacs))	463.10	320.98
(ii) Provision for proposed dividend on Equity shares	-	391.26
(iii) Provision for tax on proposed dividend	-	79.65
<b>TOTAL</b>	<b>463.10</b>	<b>791.89</b>

# Notes (Contd.)

forming part of the financial statements

## NOTE 7 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 01, 2015	Additions	Deductions	As at March 31, 2016	Upto March 31, 2015	For the Year	On Adjustments (Refer Note 23.20)	Upto March 31, 2016	As at March 31, 2016
<b>Tangible assets</b>									
Buildings (refer note a below)	472.57	-	-	472.57	80.98	7.92	-	88.90	383.67
	(469.36)	(3.21)	(-)	(472.57)	(73.09)	(7.89)	(-)	(80.98)	(391.59)
Plant and machinery - Computers	632.61	1.59	-	634.20	629.52	3.20	-	632.72	1.48
	(632.61)	(-)	(-)	(632.61)	(569.08)	(17.69)	(-)	(629.52)	(3.09)
Plant and machinery - Others	2,235.41	107.53	5.23	2,337.71	1,699.98	117.56	1.92	1,815.62	522.09
	(2,201.37)	(34.04)	(-)	(2,235.41)	(1,517.34)	(182.06)	(-)	(1,699.98)	(535.43)
Computers	401.51	17.90	-	419.41	393.91	6.30	-	400.21	19.20
	(397.34)	(4.17)	(-)	(401.51)	(359.59)	(8.02)	(-)	(393.91)	(7.60)
Studios and sets	5,881.29	1,089.37	-	6,970.66	4,932.53	567.44	-	5,499.97	1,470.69
	(4,734.13)	(1,147.16)	(-)	(5,881.29)	(4,641.15)	(291.38)	(-)	(4,932.53)	(948.76)
Vehicles	812.29	218.00	-	1,030.29	570.99	105.71	-	676.70	353.59
	(811.96)	(0.33)	(-)	(812.29)	(419.84)	(139.96)	(-)	(570.99)	(241.30)
Furniture and fixtures	305.51	21.91	-	327.42	254.46	20.43	-	274.89	52.53
	(303.85)	(1.66)	(-)	(305.51)	(175.07)	(57.29)	(-)	(254.46)	(51.05)
Office equipments	385.22	5.82	-	391.04	312.54	32.69	-	345.23	45.81
	(333.56)	(51.66)	(-)	(385.22)	(115.98)	(44.28)	(-)	(312.54)	(72.68)
Electrical fittings	91.68	3.60	-	95.28	47.68	10.33	-	58.01	37.27
	(89.68)	(2.00)	(-)	(91.68)	(27.54)	(12.89)	(-)	(47.68)	(44.00)
Lease Hold Improvements	386.41	-	-	386.41	386.41	-	-	386.41	-
	(386.41)	(-)	(-)	(386.41)	(386.36)	(-)	(-)	(386.41)	(-)
<b>TOTAL</b>	<b>11,604.50</b>	<b>1,465.72</b>	<b>5.23</b>	<b>13,064.99</b>	<b>9,309.00</b>	<b>871.58</b>	<b>1.92</b>	<b>10,178.66</b>	<b>2,886.33</b>
	<b>(10,360.27)</b>	<b>(1,244.23)</b>	<b>(-)</b>	<b>(11,604.50)</b>	<b>(8,285.04)</b>	<b>(761.46)</b>	<b>(-)</b>	<b>(9,309.00)</b>	<b>(2,295.50)</b>

### 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.
- Figures in brackets denote previous year figures



**NOTE 8 NON-CURRENT INVESTMENTS (UNQUOTED)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Non-trade) (At cost):		
(1) Investment in fully paid-up Equity shares (Refer Note 23.6)		
(i) Wholly owned subsidiaries :		
30,000,000 (Previous year 30,000,000) Equity shares of ₹10/- each in Balaji Motion Pictures Limited	3,000.00	3,000.00
50,000 (Previous year 50,000) Equity shares of ₹10/- each in Bolt Media Limited	5.00	5.00
150,050,000 (Previous year Nil) Equity shares of ₹10/- each in Alt Digital Media Entertainment Limited	15,005.00	-
(ii) Subsidiaries :		
(a) 5,100 (Previous year 5,100) Equity Shares of ₹10/- each in Marinating Films Private Limited (Refer Note 23.6)	100.00	100.00
(b) Investment in Limited Liability Partnership (Refer Note 23.17) Event Media LLP	0.51	0.51
(c) 25,000(Previous year Nil) Equity Shares of ₹10/- each in Chhayabani Balaji Entertainment Private Limited	2.50	-
(2) Investment in optionally convertible debentures (OCDs) of (Refer Note 23.21) :		
(i) Aristo Learning Private Limited		
Series A 3,000 (Previous year 3,000) Debentures of ₹100 each	3.00	3.00
Series B 62,810 (Previous year 62,810) Debentures of ₹100 each	62.81	62.81
	65.81	65.81
Less : Provision for dimunition in value of investments	65.81	65.81
(ii) Second School Learning Private Limited	-	-
Series A 1,000 (Previous year 1,000) Debentures of ₹100 each	1.00	1.00
Series B 399,000 (Previous year 399,000) Debentures of ₹100 each	399.00	399.00
	400.00	400.00
Less : Provision for dimunition in value of investments	400.00	400.00
(3) Investment in fully paid-up Preference shares		
Subsidiary :		
3,450,000 (Previous Year 3,450,000) Preference shares of ₹10/- each in Marinating Films Private Limited (Refer Note 23.6)	345.00	345.00
Subsidiary :		
50,000(Previous Year Nil) Preference shares of ₹10/- each in Chhayabani Balaji Entertainment Private limited (Refer Note )	50.00	-
(4) Investment in Associate (Refer Note 23.17)		
(i) IPB Capital Advisors LLP	0.50	0.50
(5) Investment in Indus Balaji Investor Trust (Refer Note 23.2)		
(i) 3,200,000 (Previous year 3,200,000) Class A units of ₹100 each	3,200.00	3,200.00
(ii) 5,000 (Previous year 5,000) Class B units of ₹100 each	5.00	5.00
	3,205.00	3,205.00
(6) Investment in Limited Liability Partnership (Refer Note 23.17)		
(i) Indus Balaji Education Capital Advisors LLP	0.38	0.38
<b>TOTAL</b>	<b>21,713.89</b>	<b>6,656.39</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 9 LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Secured, considered good		
(a) Security Deposits (Refer note below)		
Considered good	715.40	740.94
Considered doubtful	50.92	50.92
	766.32	791.86
Less: Provision	50.92	50.92
	715.40	740.94
(b) Advance tax (Net of provisions ₹ 1,243.24 lacs (Previous year ₹ 733.24 lacs) and MAT credit utilised ₹ Nil (Previous year ₹ 70 lacs))	1,977.15	1,686.49
<b>TOTAL</b>	<b>2,692.55</b>	<b>2,427.43</b>

#### Note:

Security Deposits include deposits given to three of the Directors for the properties taken on lease from them (also refer note 23.8 (b))

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Amount outstanding as at the year-end	640.00	640.00
Maximum amount outstanding at any time during the year for the above deposits.	640.00	640.00

### NOTE 10 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Fixed deposits with banks under lien	28.57	35.68
(b) Interest accrued on fixed deposits with banks under lien	8.33	5.87
<b>TOTAL</b>	<b>36.90</b>	<b>41.55</b>

### NOTE 11 CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Non trade) (at lower of cost and fair value) :		
Investment in mutual funds (Refer note below)	3,958.77	14,511.48
<b>TOTAL</b>	<b>3,958.77</b>	<b>14,511.48</b>



₹ in Lacs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>IN UNITS OF MUTUAL FUNDS</b>					
Kotak Gilt (Investment Regular)- Growth	10	-	765,716.33	-	300.00
Kotak Floater Long Term- Growth	10	-	5,127,994.75	-	1,000.00
Reliance Regular Savings Fund - Debt Plan-Growth Plan	10	5,320,960.78	6,540,746.68	902.17	1,100.00
SBI Magnum Income Fund- Regular Plan- Growth	10	-	1,731,667.70	-	500.00
SBI Magnum Income Fund -FR Savings Plus Bond-Regular Plan-Growth	10	-	2,607,915.55	-	500.00
Templeton India Short term Income Retail Plan Growth	1000	4,198.63	34,180.18	100.00	800.00
Templeton India Ultra Short Bond -Super Institutional	10	-	10,174,261.14	-	1,025.49
UTI Short Term Income Fund Institutional - Growth Option	10	-	6,850,451.70	-	1,000.00
UTI Floating Rate Fund-STP-Regular Plan	10	-	31,117.03	-	618.81
UTI-BOND Fund-Growth	10	-	834,680.86	-	300.16
Birla Sunlife Floating Rate Fund	10	-	408,288.81	-	600.00
Birla Sunlife Income Plus	10	-	1,433,761.59	-	774.67
Birla Sunlife-Short Term Opportunities Fund	10	-	2,520,351.84	-	500.00
HDFC Income Fund- Growth	10	-	465,483.31	-	125.00
HDFC High Interest Fund -Dynamic Plan-Growth	10	-	2,212,477.05	-	900.00
HDFC FMP 371D July 2013-Series 26- Regular-Growth	10	4,000,000.00	4,000,000.00	400.00	400.00
ICICI Prudential Gilt Fund Investment Plan PF Option	10	-	1,131,827.93	-	245.00
ICICI Prudential Gilt Fund Treasury-Regular Plan-Growth	10	-	1,723,311.93	-	500.00
ICICI Prudential Income-Regular Plan- Growth	10	-	769,546.48	-	287.68
ICICI Prudential Ultra Short Term -Regular Plan-Daily Dividend	10	-	4,225,750.18	-	430.28
ICICI Prudential Regular Savings Fund-Regular Plan-Growth	10	-	1,601,281.03	-	200.00
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	10	930,273.29	1,445,000.00	97.43	151.34
ICICI Prudential Fmp Series 68-369 Days Plan I Regular Plan Cumulative	10	4,000,000.00	4,000,000.00	400.00	400.00
ICICI Prudential Flexible Income Regular Plan DDRI	100	-	692,911.22	-	732.66
ICICI Prudential Flexible Income Regular Plan Daily Dividend I	100	-	617,768.25	-	653.20
IDFC Dynamic Bond Fund Growth -Regular Plan	10	1,401,217.66	2,806,807.69	200.00	400.00
IDFC Dynamic Bond Fund	10	1,405,590.03	-	200.00	-
Kotak Liquid Scheme Plan A	1000	26,465.94	-	811.44	-
ICICI Liquid Plan - Growth	100	348,986.18	-	780.54	-
IDFC Super Saver Income Fund-Investment Plan-Growth	10	231,296.33	231,296.33	67.19	67.19
<b>TOTAL</b>				<b>3,958.77</b>	<b>14,511.48</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 12 INVENTORIES

(At lower of cost and net realisable value)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Television serials	1,158.89	508.86
<b>TOTAL</b>	<b>1,158.89</b>	<b>508.86</b>

### NOTE 13 TRADE RECEIVABLES (UNSECURED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	38.05	44.81
Considered doubtful	174.75	174.75
	212.80	219.56
Less: Provision	174.75	174.75
	38.05	44.81
Other Trade receivables		
Considered good	7,579.16	5,856.89
<b>TOTAL</b>	<b>7,617.21</b>	<b>5,901.70</b>

### NOTE 14 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Cash on hand	20.83	27.94
(b) Balances with banks		
(i) In current accounts	364.28	612.46
(ii) In earmarked accounts		
- Unpaid dividend accounts	13.05	5.65
<b>TOTAL</b>	<b>398.16</b>	<b>646.05</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	385.11	640.40

### NOTE 15 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Loans and advances to subsidiary companies (Refer Note 23.6 and 23.7)	23,238.44	10,997.24
(b) Loans and advances to employees	3.53	41.37
(c) Prepaid expenses	73.24	291.60
(d) Balances with government authorities (VAT, service tax etc)	232.76	336.68
(e) Advance to vendors	811.16	533.98
(f) Contractually recoverable expenses	237.47	-
<b>TOTAL</b>	<b>24,596.60</b>	<b>12,200.87</b>



**Note**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Maximum amount outstanding for loans and advances given to subsidiaries at any time during the year	24,808.25	12,800.79

**NOTE 16 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Unbilled revenue (net)	1,319.12	1,210.18
<b>TOTAL</b>	<b>1,319.12</b>	<b>1,210.18</b>

**NOTE 17 REVENUE FROM OPERATIONS**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Sale of services		
Commissioned Sales	24,723.89	20,569.87
Internet Sales	8.77	6.36
(b) Other operating revenues		
Excess Provision of earlier years written back	226.70	33.00
Sale of movie rights / concepts	68.17	154.31
Facilities / equipment hire Income	102.43	125.68
Recovery of Uplinking charges	402.99	-
Service income	114.38	68.00
Provision for doubtful debts/ advances written back	-	12.00
Reimbursement of Expenses	37.60	-
<b>TOTAL</b>	<b>25,684.93</b>	<b>20,969.22</b>

**NOTE 18 OTHER INCOME**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Interest income		
On fixed deposits with banks	2.46	3.74
On Income-tax Refund	-	128.87
On loan given/capital contribution to subsidiary company and subsidiary body corporate	1,171.51	12.46
(b) Profit on sale of current investments (non-trade) (net)	2,035.03	682.24
(c) Dividend on current investments	33.73	193.27
(d) Insurance claim received	81.35	0.33
(e) Excess Provision of earlier years written back	41.26	-
<b>TOTAL</b>	<b>3,365.34</b>	<b>1,020.91</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 19 COST OF PRODUCTION OF TELEVISION SERIALS

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening stock of television serials / tapes	508.86	652.09
Add: Cost of production		
Purchase of costumes and dresses	406.74	198.63
Purchase of tapes	11.48	15.32
Artists, Directors and other technicians	11,545.29	9,037.83
Shooting and location expenses (Refer Note 23.15)	6,066.79	4,543.47
Telecasting fees / purchase of rights	5.00	8.70
Uplinking charges	39.06	480.96
Set properties and equipment hire charges	1,281.65	828.59
Other production expenses	1,994.61	1,716.51
	21,350.62	16,830.01
Less: Reimbursement of expenses	2,347.74	292.77
	19,511.74	17,189.33
Less: Closing stock of television serials	1,158.89	508.86
<b>TOTAL</b>	<b>18,352.85</b>	<b>16,680.47</b>

### NOTE 20 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	1,164.40	829.54
Contributions to Provident and Other Funds	51.37	40.38
Gratuity	10.20	-
Staff welfare expenses	51.05	36.41
<b>TOTAL</b>	<b>1,277.02</b>	<b>906.33</b>

### NOTE 21 FINANCE COSTS

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on delayed payment of taxes etc.	-	27.93
<b>TOTAL</b>	<b>-</b>	<b>27.93</b>



**NOTE 22 OTHER EXPENSES**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel	85.45	92.50
Rent including lease rentals (Refer Note 23.15)	80.26	75.68
Repairs and maintenance - Machinery	-	24.47
Repairs and maintenance - Others	58.20	120.32
Insurance	83.64	59.97
Rates and taxes	93.01	85.35
Communication expenses	26.32	21.21
Legal and professional charges	1,647.18	734.56
Security and housekeeping expenses	30.67	16.42
Business promotion expenses	12.57	22.18
Travelling and conveyance Expenses	65.13	58.16
Donations and contributions	11.82	28.38
Expenditure on Corporate social responsibility activities	31.24	21.33
Advances written off	-	46.17
Provision for doubtful debts and advances	-	14.95
Provision for diminition of investment (Refer Note 23.21)	-	465.81
Software expenses	25.63	16.33
Directors sitting fees	54.50	10.00
Commission to Directors	83.02	31.05
Marketing Expenses	12.31	4.19
Licensee Fees	21.04	-
Loss of fixed assets written off	3.13	-
Miscellaneous expenses *	151.39	159.06
<b>TOTAL</b>	<b>2,576.51</b>	<b>2,108.09</b>

\* Miscellaneous expenses include membership and subscriptions, water charges, printing and stationery etc.

## Notes (Contd.)

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

	As at March 31, 2016	As at March 31, 2015
₹ in Lacs		
<b>23.1 Contingent liabilities (to the extent not provided for)</b>		
<b>Contingent Liabilities</b>		
a) In respect of the demands (including interest) raised by Prasar Bharti Broadcasting Corporation of India (Corporation), the Company has arrived at a one-time settlement with the Corporation by making a payment of ₹ 200.00 lacs as telecast fees which has been accounted for as an expense in the previous year. As per the terms of the settlement, the balance outstanding of ₹ 557.20 lacs would be settled by way of supply of various old regional television content. The Company has submitted the required content to the Corporation. The Company has got confirmations about successful review of tapes by various Kendra's of Corporation, for all the tapes submitted to them. The Company has intimated this to the Corporation through a letter with confirmations as supporting documents, discharging its complete obligation with the Corporation as required under the one time settlement as agreed in the MOU. As a result, the Company does not expect any charge in the financial statements on the said matter.	557.20	557.20
b) The Company in earlier years had received notices of demand from the Department of Sales Tax, Government of Maharashtra, aggregating to ₹ 17,107.87 lacs (including interest and penalty) pertaining to the years 2000 to 2004. The Company had appealed against the said orders with the Deputy Commissioner (Appeals) and the same is pending adjudication. Further in the financial year 2013-14, the sales tax authorities have levied an additional sales tax demand (including penalty and interest) under the Bombay Sales Tax Act aggregating of ₹ 515.44 lacs and under Works Contract Tax Act aggregating to ₹ 85.50 lacs for the year 2004-05. The Company had contested these additional claims by filing appeals with the respective appellate authorities. Further, the Company has also been assessed for the financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2012-13 under the above statutes where the matters contained in the aforesaid demand orders have been accepted by the authorities and have been adjudicated in favour of the Company. The Company, till date, has received favourable orders from the Deputy Commissioner of Sales Tax (Appeals) pertaining to the financial years 2000-01 and 2001-02 setting aside the demand amount contested of ₹ 20,73.90 lacs and ₹ 39,47.12 lacs respectively.	11,687.79	17,708.81
c) The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal to the Commissioner of Service Tax, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company, wherein the demand amount was ₹ 6,348 lacs. 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. On the same matter as aforesaid, the Company had received a Show Cause Notice (SCN) for the period April 2008 to March 2010 and April 2010 to April 2011 aggregating to ₹ 2,897 lacs and ₹ 46 lacs respectively. The Company, in earlier years, with respect to the SCN's submitted the replies to the Commissioner of Service tax on the same lines of the matter which was adjudicated in the Company's favour. The copy of the favourable CESTAT order has been submitted with Commissioner and SCN's are pending for adjudication as at the year-end.	2,943.00	9,245.00
<b>23.2 Commitments (to the extent not provided for)</b>		
<b>Commitments :</b>		
Future commitments towards capital contribution in Indus Balaji Investor Trust	<b>800.00</b>	<b>800.00</b>



**NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**23.3** On April 30, 2013 the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. Pursuant to the notices under Section 153A of Income-tax Act, 1961 the assessments for all the relevant assessment years were completed by the Department during the quarter ended June 30, 2015. Consequently, the Company has computed the differential tax liability aggregating to ₹ 27 lacs for these years and accounted for the same in the quarter ended June 30, 2015. Further, the Company has filed applications for rectification of two Assessment Orders which had discrepancies, which is pending with the Department.

**23.4 Auditors Remuneration**

	For the year ended March 31, 2016	For the year ended March 31, 2015
For Statutory Audit	12.00	19.00
For Tax Audit	-	1.00
For Taxation matters	-	2.50
For Other services-certification etc.	27.50	9.30
Reimbursement of expenses	-	0.85
For service tax	9.06	4.04
<b>TOTAL</b>	<b>48.56</b>	<b>36.69</b>

₹ in Lacs

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

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

**23.6** The Company has investments in subsidiaries namely Balaji Motion Pictures Limited (BMPL), Bolt Media Ltd (BML), ALT Digital Media Entertainment Limited (ALT), Chhayabani Balaji Entertainment Private Limited (CBEPL), Marinating Films Private Limited (MFPL) and Event Media LLP (EMLLP) aggregating to ₹ 18,508.01 lacs (Previous year ₹ 3,450.51 lacs). Further, the Company has also given loans and advances aggregating to ₹ 23,238.44 lacs (Previous year ₹ 10,997.24 lacs) to BMPL, ALT, BML and EMLLP. As per the latest audited balance sheet of BMPL, BML, ALT, MFPL and EMLLP for the year ended March 31, 2016, the accumulated losses have fully eroded the net-worth of the respective companies. However, no provision for diminution in the value of the investments is considered necessary as the investments are strategic long-term investments and the diminution in the value is temporary in nature.

**23.7 Regulation-34 (3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015**

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

Name of the party	Relationship	₹ in Lacs	
		Amount outstanding as at March 31, 2016	Maximum balance outstanding during the year
Balaji Motion Pictures Limited	100% Subsidiary	22,821.05 (9,981.75)	22,821.05 (10,965.37)
Bolt Media Limited	100% Subsidiary	290.74 (577.36)	596.99 (685.67)
Event Media LLP	Subsidiary Body Corporate	87.46 (438.12)	451.73 (1,149.75)
ALT Digital Media Entertainment Limited	100% Subsidiary	39.19 (-)	938.48 (-)

Note: Figures in bracket relate to the previous year.

## Notes (Contd.)

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### 23.8 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Motion Pictures Limited	Subsidiary Company (control exist)
Marinating Films Private Ltd	Subsidiary Company (control exist)
Bolt Media Limited	Subsidiary Company (control exist)
ALT Digital Media Entertainment Limited	Subsidiary Company (control exist)
Chhayabani Balaji Entertainment Private Limited	Subsidiary Company (control exist)
Event Media LLP	Subsidiary Body Corporate
IPB Capital Advisors LLP	Associate
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Sameer Nair	Key management person
Balaji Films & Telly Investments Limited	Key management person having significant influence

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

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Subsidiary Body Corporate	Associate	₹ in Lacs
							Total
<b>Loans given</b>							
Balaji Motion Pictures Limited	12,800.97	-	-	-	-	-	12,800.97
	(5,187.23)	(-)	(-)	(-)	(-)	(-)	(5,187.23)
Bolt Media Ltd	10.31	-	-	-	-	-	10.31
	(534.38)	(-)	(-)	(-)	(-)	(-)	(534.38)
Event Media LLP	-	-	-	-	29.19	-	29.19
	(-)	(-)	(-)	(-)	(1,149.75)	(-)	(1,149.75)
ALT Digital Media Entertainment Limited	981.65	-	-	-	-	-	981.65
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Loans Recovered/ Adjusted</b>							
Balaji Motion Pictures Limited	941.69	-	-	-	-	-	941.69
	(6,170.85)	(-)	(-)	(-)	(-)	(-)	(6,170.85)
Bolt Media Ltd	355.00	-	-	-	-	-	355.00
	(410.00)	(-)	(-)	(-)	(-)	(-)	(410.00)
Event Media LLP	-	-	-	-	375.84	-	375.84
	(-)	(-)	(-)	(-)	(711.63)	(-)	(711.63)
ALT Digital Media Entertainment Limited	958.02	-	-	-	-	-	958.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Directors sitting fees</b>							
Mr. Jeetendra Kapoor	-	7.50	-	-	-	-	7.50
	(-)	(1.80)	(-)	(-)	(-)	(-)	(1.80)
Mr. Tusshar Kapoor	-	5.50	-	-	-	-	5.50
	(-)	(0.65)	(-)	(-)	(-)	(-)	(0.65)
<b>Sale of Rights</b>							
Balaji Motion Pictures Limited	-	-	-	-	-	-	-
	(62.00)	(-)	(-)	(-)	(-)	(-)	(62.00)
<b>Facilities / equipment hire Income</b>							
Balaji Motion Pictures Limited	-	-	-	-	-	-	-
	(4.68)	(-)	(-)	(-)	(-)	(-)	(4.68)



## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

₹ in Lacs

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Subsidiary Body Corporate	Associate	Total
<b>Intellectual property rights purchased</b>							
Marinating Films Private Limited	-	-	-	-	-	-	-
	(5.00)	(-)		(-)	(-)	(-)	(5.00)
<b>Rent paid</b>							
Mr. Jeetendra Kapoor	-	32.96	-	-	-	-	32.96
	(-)	(31.10)	(-)	(-)	(-)	(-)	(31.10)
Mrs. Shobha Kapoor	-	1,327.41	-	-	-	-	1,327.41
	(-)	(1,246.49)	(-)	(-)	(-)	(-)	(1,246.49)
Mr. Tusshar Kapoor	-	12.38	-	-	-	-	12.38
	(-)	(11.69)	(-)	(-)	(-)	(-)	(11.69)
Ms. Ekta Kapoor	-	187.95	-	-	-	-	187.95
	(-)	(133.03)	(-)	(-)	(-)	(-)	(133.03)
<b>Location Hire</b>							
Balaji Films & Telly Investments Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(41.00)	(-)	(-)	(41.00)
<b>Interest Income on Loan Given</b>							
Event Media LLP	-	-	-	-	33.55	-	33.55
	(-)	(-)	(-)	(-)	(12.46)	(-)	(12.46)
Balaji Motion Pictures Limited	1,062.03	-	-	-	-	-	1,062.03
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
ALT Digital Media Entertainment Limited	16.21	-	-	-	-	-	16.21
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Bolt Media Ltd	59.72	-	-	-	-	-	59.72
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Remuneration</b>							
Mrs. Shobha Kapoor	-	110.12	-	-	-	-	110.12
	(-)	(110.12)	(-)	(-)	(-)	(-)	(110.12)
Ms Ekta Kapoor	-	48.05	-	-	-	-	48.05
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Sameer Nair	-	435.70	-	-	-	-	435.70
	(-)	(282.09)	(-)	(-)	(-)	(-)	(282.09)
<b>Dividend paid</b>							
Mrs. Shobha Kapoor	-	120.41	-	-	-	-	120.41
	(-)	(36.51)	(-)	(-)	(-)	(-)	(36.51)
Ms. Ekta Kapoor	-	188.63	-	-	-	-	188.63
	(-)	(54.29)	(-)	(-)	(-)	(-)	(54.29)
Mr. Jeetendra Kapoor	-	39.12	-	-	-	-	39.12
	(-)	(13.04)	(-)	(-)	(-)	(-)	(13.04)
Mr. Tusshar Kapoor	-	24.36	-	-	-	-	24.36
	(-)	(8.12)	(-)	(-)	(-)	(-)	(8.12)
Mr. Sameer Nair	-	8.31	-	-	-	-	8.31
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Ramesh Sippy	-	-	-	-	-	-	-
	(-)	(-)	(0.01)	(-)	(-)	(-)	(0.01)
<b>Commission to Directors</b>							
Mrs. Shobha Kapoor	-	28.83	-	-	-	-	28.83
	(-)	(16.00)	(-)	(-)	(-)	(-)	(16.00)
Ms. Ekta Kapoor	-	28.83	-	-	-	-	28.83
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Jeetendra Kapoor	-	9.22	-	-	-	-	9.22
	(-)	(12.04)	(-)	(-)	(-)	(-)	(12.04)
Mr. Tusshar Kapoor	-	2.31	-	-	-	-	2.31
	(-)	(0.50)	(-)	(-)	(-)	(-)	(0.50)

## Notes (Contd.)

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Subsidiary Body Corporate	Associate	₹ in Lacs
							Total
<b>Investment made</b>							
Event Media LLP	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(0.51)	(-)	(0.51)
Marinating Films Private Limited	-	-	-	-	-	-	-
	(345.00)	(-)	-	(-)	(-)	(-)	(345.00)
Chhayabani Balaji Entertainment Limited	52.50	-	-	-	-	-	52.50
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
ALT Digital Media entertainment Limited	15,005.00	-	-	-	-	-	15,005.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

#### C. Closing balances as at March 31, 2016.

##### Amount receivable as at March 31, 2016

Mrs. Shobha Kapoor *	-	340.00	-	-	-	-	340.00
	(-)	(340.00)	(-)	(-)	(-)	(-)	(340.00)
Mr. Jeetendra Kapoor *	-	200.00	-	-	-	-	200.00
	(-)	(200.00)	(-)	(-)	(-)	(-)	(200.00)
Mr. Tusshar Kapoor *	-	100.00	-	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Balaji Motion Pictures Limited	22,821.05	-	-	-	-	-	22,821.05
	(10,040.65)	(-)	(-)	(-)	(-)	(-)	(10,040.65)
Bolt Media Ltd	290.74	-	-	-	-	-	290.74
	(577.36)	(-)	(-)	(-)	(-)	(-)	(577.36)
Event Media LLP	-	-	-	-	87.46	-	87.46
	(-)	(-)	(-)	(-)	(438.12)	(-)	(438.12)
ALT Digital Media Entertainment Limited	39.19	-	-	-	-	-	39.19
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

##### Amount payable as at March 31, 2016

Balaji Motion Pictures Limited	1.00	-	-	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(-)	(-)	(1.00)
Balaji Films & Telly Investments Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Marinating Films Private Limited	-	-	-	-	-	-	-
	(0.25)	(-)	(-)	(-)	(-)	(-)	(0.25)

##### Commission to Directors payable as at March 31, 2016

Mrs. Shobha Kapoor	-	28.83	-	-	-	-	28.83
	(-)	(16.00)	(-)	(-)	(-)	(-)	(16.00)
Ms. Ekta Kapoor	-	28.83	-	-	-	-	28.83
	(-)	-	(-)	(-)	(-)	(-)	-
Mr. Jeetendra Kapoor	-	9.22	-	-	-	-	9.22
	(-)	(12.04)	(-)	(-)	(-)	(-)	(12.04)
Mr. Tusshar Kapoor	-	2.31	-	-	-	-	2.31
	(-)	(0.50)	(-)	(-)	(-)	(-)	(0.50)

##### Expenses incurred

Chhayabani Balaji Entertainment Limited	3.01	-	-	-	-	-	3.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)



**NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

₹ in Lacs

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Subsidiary Body Corporate	Associate	Total
<b>Investment as on March 31, 2016</b>							
Balaji Motion Pictures Limited	3,000.00	-	-	-	-	-	3,000.00
	(3,000.00)	(-)	(-)	(-)	(-)	(-)	(3,000.00)
Bolt Media Ltd	5.00	-	-	-	-	-	5.00
	(5.00)	(-)	(-)	(-)	(-)	(-)	(5.00)
Marinating Films Private Limited	445.00	-	-	-	-	-	445.00
	(445.00)	(-)	(-)	(-)	(-)	(-)	(445.00)
ALT Digital Media Entertainment Limited	15,005.00	-	-	-	-	-	15,005.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Chhayabani Balaji Entertainment Limited	52.50	-	-	-	-	-	52.50
	-	(-)	(-)	(-)	(-)	(-)	(-)
Event Media LLP	-	-	-	-	0.51	-	0.51
	(-)	(-)	(-)	(-)	(0.51)	(-)	(0.51)
IPB Capital Advisors LLP	-	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(-)	(0.50)	(0.50)

\* - Deposit for leased property

**Note**

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

**23.9 Income in foreign currency**

₹ in Lacs

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Sales of Concept	-	29.25
Sales of services	8.77	6.36

**23.10 Expenditure in foreign currency**

₹ in Lacs

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Travelling expenses	-	6.45

**23.11 Amounts remitted in foreign currency during the year on account of dividend.**

₹ in Lacs

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Amount of dividend remitted in foreign currency (₹ in Lacs)	-	67.79
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency) (Number)	-	1.00
Total number of shares held by them on which dividend was due (Number)	-	16,948,194
Year to which dividend relates	2014-15	2013-14

## Notes (Contd.)

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### 23.12 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 ₹ 51.28 lacs (previous year ₹ 39.61 lacs).

##### b) Defined Benefit Plans

#### I Reconciliation of asset / (liability) recognized in the Balance Sheet (under pre-paid expenses , Refer Note 15)

	As at 31 March, 2016	As at 31 March, 2015
Fair Value of plan assets as at the end of the year	67.79	69.18
Present Value of Obligation as at the end of the year	(36.57)	(27.77)
Net assets / (liability) in the Balance Sheet	31.22	41.42

₹ in Lacs

#### II Movement in net liability recognized in the Balance Sheet

	As at 31 March, 2016	As at 31 March, 2015
Net (assets) as at the beginning of the year	(41.42)	(38.95)
Net expense recognized in the statement of profit and loss account	10.20	3.15
Contribution during the year	-	(5.62)
Net (assets) as at the end of the year	31.22	(41.42)

₹ in Lacs

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

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Current Service Cost	7.56	4.57
Interest Cost	2.23	1.80
Expected Return on Plan assets	(5.56)	(5.07)
Actuarial (gains)/losses	5.96	1.86
Expense charged to the Statement Profit and Loss	10.19	3.15

₹ in Lacs

#### IV Return on Plan Assets

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Expected return on plan assets	5.56	5.07
Actuarial (losses)/gains	(5.88)	0.17
Actual return on plan assets	(0.32)	5.24

₹ in Lacs

#### V Reconciliation of defined benefits commitments

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Commitments at beginning of the year	27.77	19.37
Current Service Cost	7.56	4.57
Interest Cost	2.22	1.80
Actuarial (gains)/losses	0.09	2.03
Benefits paid	(1.07)	-
Settlement cost	-	-
Commitments at year end	36.57	27.77

₹ in Lacs



**NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)**

**VI Reconciliation of plan assets**

	<b>For the Year ended March 31, 2016</b>	<b>For the Year ended March 31, 2015</b>
Fair Value of plan assets at beginning of the year	69.18	58.32
Expected return on plan assets	5.56	5.07
Actuarial gains/(losses)	(5.88)	0.17
Employer contribution	-	5.62
Benefits paid	(1.07)	0.00
Fair Value of plan assets at year end	67.79	69.18

**VII Experience Adjustment**

	<b>For the Year 2015-2016</b>	<b>For the year 2014-2015</b>	<b>For the year 2013-2014</b>	<b>For the year 2012-2013</b>	<b>For the year 2011-2012</b>
On Plan liability losses/(gains)	2.74	(2.33)	6.38	(37.97)	(3.30)
On Plan assets (losses)/ gains	(5.88)	0.17	(0.35)	0.30	0.19

**VIII Actuarial Assumptions**

	<b>For the Year ended March 31, 2016</b>	<b>For the Year ended March 31, 2015</b>
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	8.07%	8.03%
Expected Rate of return on Plan assets (per annum)	8.07%	8.03%
Rate of escalation in Salary(per annum)	5.00%	5.00%

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

**Composition of plan assets**

	<b>For the Year ended March 31, 2016</b>	<b>For the Year ended March 31, 2015</b>
Insurer managed funds	100%	100%

**23.13 Earning per share**

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

	<b>For the Year ended March 31, 2016</b>	<b>For the Year ended March 31, 2015</b>
(a) Profit / (Loss) for the year attributable to equity share holders (₹ in Lacs)	4,367.44	1,227.25
(b) Weighted average number of equity shares outstanding during the year (Nos.)	6,58,54,815	65,210,443
(c) Earnings per share - Basic and diluted (₹)	6.63	1.88
(d) Nominal value of shares (₹)	2	2

## Notes (Contd.)

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### 23.14 Components Of Deferred Tax Assets / (Liabilities)

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Depreciation on fixed assets	451.16	348.63
Provision for Diminution of investment	161.22	151.13
Provision for doubtful debts and advances	78.10	69.59
Deferred tax asset/ (liability)-net	690.48	569.35

₹ in Lacs

#### 23.15 Lease Transactions

Amount of lease rentals charged to the Statement of profit and loss in respect of operating leases is ₹ 1,594.85 Lacs (previous year ₹ 1,572.02 Lacs).

#### 23.16 Segment Information

The Company is primarily engaged in the business of production of television content, which, in the context of Accounting Standard 17 on 'Segment Reporting', constitutes a single reportable segment.

#### 23.17 Details relating to investment in Limited Liability Partnership (LLP)

Name of the LLP	As at March 31, 2016			As at March 31, 2015		
	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.500	50.00%	Balaji Telefilms Limited	0.500	50.00%
	IP Capital Advisors LLP	0.490	49.00%	IP Capital Advisors LLP	0.490	49.00%
	IPM Capital Advisors LLP	0.010	1.00%	IPM Capital Advisors LLP	0.010	1.00%
		<b>1.000</b>	<b>100%</b>		<b>1.000</b>	<b>100%</b>
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.375	18.75%	Balaji Telefilms Limited	0.375	18.75%
	IP Capital Advisors LLP	0.375	18.75%	IP Capital Advisors LLP	0.375	18.75%
	IPX Capital Advisors LLP	0.250	12.50%	IPX Capital Advisors LLP	0.250	12.50%
	Mohit Ralhan	0.500	25.00%	Mohit Ralhan	0.500	25.00%
	IPM Capital Advisors LLP	0.500	25.00%	IPM Capital Advisors LLP	0.500	25.00%
		<b>2.000</b>	<b>100%</b>		<b>2.000</b>	<b>100%</b>
Event Medial LLP	Balaji Telefilms Limited	0.510	51.00%	Balaji Telefilms Limited	0.510	51.00%
	Select Media Holdings LLP	0.490	49.00%	Select Media Holdings LLP	0.490	49.00%
		<b>1.000</b>	<b>100%</b>	-	<b>1.000</b>	<b>100%</b>

₹ in Lacs



**NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)**

**23.18** The company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses

**23.19 Particulars of loans given and investments made as required by clause (4) of Section 186 of the Companies Act, 2013**

Name	Nature	As at March 31, 2016 (₹ in lacs)	As at March 31, 2015 (₹ in lacs)	Period	Rate of interest	Purpose
BMPL (Wholly owned subsidiary)	Loan	22,821.05	10,040.65	Repayable on Demand	8%	General corporate purpose
Bolt (Wholly owned subsidiary)		290.74	577.36		8%	
ALT (Wholly owned subsidiary)		39.19	-		8%	
Event Media LLP		87.46	438.12		12%	
Non-current investments (Refer note 8)	Investment	21,713.89	6,656.39		Not Applicable	
Current investments (Refer note 11)		3,958.77	14,511.48			

**23.20** During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 177.33 lacs (net of deferred tax credit of ₹ 85.17 lacs) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 157.60 lacs and profit after tax for the year is lower by ₹ 106.47 consequent to the change in the useful life of the assets.

**23.21** The Company has investments in Optionally Convertible Debentures in Aristo Learning Private Limited and Second School Learning Private Limited aggregating ₹ 465.81 lacs. These investments are strategic and non-current (long-term) in nature. However, considering the financial position of the respective investee companies, the Company, out of abundant caution, has during the previous year provided for these investments considering the diminution in their respective values.

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

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

# Independent Auditors' Report

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Balaji Telefilms Limited (the Holding Company) and its subsidiaries (collectively referred to as the Group) and its associate which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

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 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 as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matters

The consolidated financial statements include the Group's share of net profit of ₹ 3.09 lacs for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of the associate, whose financial statements have not been audited by us. 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 matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account 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 prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in 'Annexure A', which is based on the auditors' reports of the Holding company and subsidiary companies except in respect one subsidiary, since it is incorporated before the internal financial controls over financial reporting became applicable and in respect of one subsidiary body corporate and an associate body corporate, since they are not considered as company as defined in the Companies Act, 2013 . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and its subsidiary companies internal financial controls over financial reporting
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 of pending litigations on the consolidated financial position of the Group. Refer Note 23.1, 23.2 and 23.3 to the consolidated financial statements;
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - 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 company.

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

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

Mumbai, Dated: May 17, 2016

# Annexure A To The Independent Auditors' Report

## **RE: BALAJI TELEFILMS LIMITED**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Balaji Telefilms Limited (hereinafter referred to as the Holding Company) and its subsidiary companies as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Mumbai, Dated: May 17, 2016

**A. B. Jani**

Partner  
(Membership No. 46488)

# Consolidated Balance Sheet

as at March 31, 2016

₹ in Lacs

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,518.61	1,304.21
(b) Reserves and surplus	4	50,850.96	36,873.44
		52,369.57	38,177.65
<b>2 Minority Interest</b>		48.45	-
<b>3 Non current liabilities</b>			
(a) Long term Provisions	5	3.70	-
<b>4 Current liabilities</b>			
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises; and	24.5	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.		5,769.35	3,716.88
(b) Other current liabilities	6	1,306.49	272.04
(c) Short-term provisions	7	463.10	794.50
		7,591.09	4,783.42
<b>TOTAL</b>		<b>59,960.66</b>	<b>42,961.07</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		3,249.96	2,698.36
(ii) Capital work-in-progress		228.38	21.77
		3,478.34	2,720.13
(b) Goodwill on Consolidation		146.91	146.91
(c) Non-current investments	9	3,208.97	3,204.82
(d) Deferred tax assets (net)		690.47	569.34
(e) Long-term loans and advances	10	7,818.44	6,394.34
(f) Other non-current assets	11	36.90	41.55
		15,380.03	13,077.09
<b>2 Current assets</b>			
(a) Current investments	12	17,058.77	14,511.48
(b) Inventories	13	11,930.98	3,024.55
(c) Trade receivables	14	8,131.82	6,699.82
(d) Cash and cash equivalents	15	1,728.91	1,096.61
(e) Short-term loans and advances	16	4,410.48	3,341.34
(f) Other current assets	17	1,319.67	1,210.18
		44,580.63	29,883.98
<b>TOTAL</b>		<b>59,960.66</b>	<b>42,961.07</b>
<b>See accompanying notes forming part of financial statements.</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)  
Place : Mumbai  
Date : May 17, 2016

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2016



Particulars	Note No.	₹ in Lacs	
		For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>1 REVENUE</b>			
Revenue from Operations	18	29,275.52	34,648.77
<b>2 Other income</b>	19	2,225.70	1,103.33
<b>3 Total Revenue (1+2)</b>		<b>31,501.22</b>	<b>35,752.10</b>
<b>4 Expenses</b>			
(a) Cost of Production	20	22,700.67	29,653.24
(b) Employee benefit expenses	21	2,017.26	1,523.05
(c) Finance costs	22	0.91	33.78
(d) Depreciation and amortization expense (Refer Note 24.18)	8	940.69	827.35
(e) Other expenses	23	3,963.38	2,866.28
Total Expenses		<b>29,622.91</b>	<b>34,903.70</b>
<b>5 Profit before tax (3-4)</b>		<b>1,878.31</b>	<b>848.40</b>
<b>6 Tax expense:</b>			
(a) Current tax		1,699.00	517.17
(b) Deferred tax		(121.13)	(231.40)
(c) Short provision for tax in respect for earlier years		27.00	-
		1,604.87	285.77
<b>7 Profit for the year before share of Profit/(Loss) of Associates and Minority Interest (5-6)</b>		<b>273.44</b>	<b>562.63</b>
<b>8 Add: Share of profit/(loss) of associates</b>		3.09	(1.06)
<b>9 Add: Profit before minority interest (7+8)</b>		276.53	561.57
<b>10 Add: Minority share in Loss</b>		4.06	-
<b>11 Profit for the year (9+10)</b>		<b>280.59</b>	<b>561.57</b>
<b>12 Earnings per share (of ₹ 2/- each): (refer note 24.12)</b>			
Basic and diluted earnings per share		0.43	0.86
<b>See accompanying notes forming part of the financial statements</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)  
Place : Mumbai  
Date : May 17, 2016

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

# Consolidated Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and share in associates	1,878.31	848.40
Adjustments for:		
Depreciation	940.69	827.35
Advances written off	0.17	188.68
Credit balances written back	-	(6.70)
Bad debts written off	53.78	1.90
Provision for doubtful debts and advances	8.49	14.95
Loss on sale / discard of fixed assets(net)	3.13	11.72
Provision on dimunition on investment	-	465.81
Dividend / Profit on sale of long term investments (non-trade) (net)	(2,068.76)	(875.51)
Excess provision for gratuity written back	(2.91)	-
Provision for earlier years written back (net)	(318.58)	(39.63)
Provision for doubtful debt written back	-	(12.00)
Interest income on Fixed Deposits	(4.12)	(16.29)
<b>Operating (loss) /profit before working capital changes</b>	<b>(1,388.09)</b>	<b>560.29</b>
<b>Adjustments for:</b>		
(Increase) in trade and other receivable	(3,750.55)	(4,931.88)
Decrease / (Increase) in inventories	(8,906.43)	4,229.30
Increase in trade payables and other payables	3,332.31	(768.31)
	(9,324.67)	(1,470.89)
Cash used in operations	(8,834.45)	(62.20)
Income-tax (paid) / refund received	(1,846.73)	(122.44)
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(10,681.18)</b>	<b>(184.64)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,702.03)	(1,477.99)
Acquisition of Subsidiary	-	(100.00)
Purchase of investments	(13,100.00)	(6,125.00)
Sale of investments	12,621.47	8,679.88
Bank Balance not considered as cash and cash equivalents (Refer Note 15)	(40.78)	(5.65)
Interest income	1.11	10.42
<b>NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)</b>	<b>(2,220.23)</b>	<b>981.66</b>



₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Preference shares	50.00	-
Dividend paid	(1,382.08)	(393.08)
Issue of equity shares	15,010.50	-
Corporate dividend tax paid	(185.49)	(79.65)
<b>NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)</b>	<b>13,492.93</b>	<b>(472.73)</b>
<b>Net increase in cash and cash equivalents</b>	<b>591.52</b>	<b>324.28</b>
<b>Cash Acquired on Acquisition</b>	<b>-</b>	<b>39.21</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,090.96</b>	<b>727.47</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,682.48</b>	<b>1,090.96</b>

**Note:**

(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 15).

₹ in Lacs

	For the year ended March 31, 2016	For the year ended March 31, 2015
(ii) Cash and cash equivalents at the end of the year as per cashflow statement	1,682.48	1,090.96
- Unpaid dividend accounts	13.05	5.65
- Fixed deposits kept in lien against bank guarantee	33.38	-
<b>Cash and cash equivalents at the end of the year as per Note 15</b>	<b>1,728.91</b>	<b>1,096.61</b>

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

Place : Mumbai  
Date : May 17, 2016

**Sameer Nair**  
(Chief Executive Officer)

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Simmi Singh Bisht**  
(Group Head - Secretarial)  
Place : Mumbai  
Date : May 17, 2016

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

# Notes

forming part of the consolidated financial statements

## **NOTE 1 CORPORATE INFORMATION**

Balaji Telefilms Limited (BTL) 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.

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

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

Incorporated on October 1, 2014, under the provisions of the Limited Liability Partnership Act 2008, Event Media LLP (The LLP) is a Limited Liability Partnership owned 51% by Balaji Telefilms Limited and 49% by Select Media Holdings LLP. It is involved in organizing and/or managing events relating to film and television industry.

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 film and television industry. The Company is a subsidiary of Balaji Telefilms Limited.

ALT Digital Media Entertainment Limited was incorporated on July 1, 2015 under the Companies Act, 2013. The Company is in the B2C digital content business and will operate a subscription based video on demand (SVOD) over the top (OTT) platform.

Incorporated on February 16, 2015, Chhayabani Balaji Entertainment Private Limited is a subsidiary of Balaji Telefilms Limited and is involved in production of non-fiction/fiction/reality/factual television shows.

## **NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of accounting and preparation of financial statements**

The accompanying Consolidated Financial Statements of the Balaji Telefilms Limited (BTL/Parent Company/ Company), Balaji Motion Pictures Limited, Bolt Media Limited, Marinating Films Private Limited, ALT Digital Media Entertainment Limited, Chhayabani Balaji Entertainment Private Limited and Event Media LLP (Subsidiaries) as aforesaid (hereinafter together referred as "the group"), have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013.

### **Principles of Consolidation**

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

The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transaction and other events in similar circumstances. The excess of cost to the Parent Company of its investments in subsidiaries over the Parent's portion of equity at the date on which investment in the subsidiary is made, is recognized as "Goodwill (on consolidation)".

### **Use of Estimates**

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

### **Fixed assets**

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

### **Depreciation / Amortisation**

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for studios and sets which are depreciated as per managements' estimate of their useful life of 3 years.

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

**Impairment loss**

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

**Investments**

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

**Inventories**

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

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

**Revenue recognition**

- a) In respect of commission programmes, revenue is recognised as and when the relevant episodes of the programmes (television serials) are telecast on broadcasting channels.
- b) In respect of films produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films.
- c) In respect of Events, Revenue is recognised as and when the relevant event is delivered and technical clearance is received from the broadcasting channels.

Revenue (income) is recognised when no significant uncertainty as to its determination or realisation exists.

**Employee benefits**

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

**Foreign currency transactions**

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

**Borrowing costs**

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

## Notes (Contd.)

forming part of the consolidated financial statements

### Operating leases

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

### Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

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

### Provisions and Contingencies

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

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Authorised 1,30,000,000 (Previous year 85,00,000) Equity shares of ₹ 2/- each	2,600.00	1,700.00
	<b>2,600.00</b>	<b>1,700.00</b>
(b) Issued, Subscribed and fully paid-up 75,930,443(Previous year 65,210,443) Equity shares of ₹ 2/- each	1,518.61	1,304.21
<b>TOTAL</b>	<b>1,518.61</b>	<b>1,304.21</b>

#### Notes :

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

Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	-	-	16,948,194	25.99
Ekta Kapoor	15,744,371	20.74	13,572,704	20.81
Shobha Kapoor	10,034,883	13.22	9,129,462	14.00
Jeetendra Kapoor	-	-	3,260,522	5.00

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs
Equity shares outstanding at the beginning of the year	65,210,443	1,304.21	65,210,443	1,304.21
Add: Issue of Equity Shares during the year	10,720,000	214.40	-	-
Equity shares outstanding at the end of the year	75,930,443	1,518.61	65,210,443	1,304.21

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



**NOTE 4 RESERVES AND SURPLUS**

₹ in Lacs

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(a) Securities premium account		
As per last Balance Sheet	14,785.61	14,785.61
Add: On issue of equity shares	14,793.60	-
	29,579.21	14,785.61
(b) General reserve		
As per last Balance Sheet	5133.10	5,010.38
Add : Transferred from surplus in Statement of Profit and Loss	-	122.72
	5,133.10	5,133.10
(c) Surplus in Statement of Profit and Loss		
Opening balance	16,954.73	17,165.76
Less : Depreciation on accounting of transitional provisions of Schedule II of the Companies Act, 2013 (ref note 23.20)	-	178.97
Add : Profit/(Loss) for the year	280.59	561.57
Less : Interim Dividend @ ₹ 1.20 per Equity share (previous year Nil)	911.17	-
Dividends proposed to be distributed to equity shareholders current year Nil (previous year ₹ 0.60 per share))	-	391.26
Tax on dividend	185.49	79.65
Transferred to General reserve	-	122.72
Closing balance	16,138.66	16,954.73
<b>TOTAL</b>	<b>50,850.96</b>	<b>36,873.44</b>

**NOTE 5 LONG-TERM PROVISIONS**

₹ in Lacs

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
Provision for Employee benefits		
(i) Provision for gratuity	3.70	-
<b>TOTAL</b>	<b>3.70</b>	<b>-</b>

**NOTE 6 OTHER CURRENT LIABILITIES**

₹ in Lacs

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(a) Unpaid dividends (Refer Note below)	12.96	5.65
(b) Interest on loan	0.09	0.03
(c) Other payables		
(i) Statutory liabilities	286.95	61.90
(ii) Advances from customers	1,006.49	204.46
<b>TOTAL</b>	<b>1,306.49</b>	<b>272.04</b>

**Note**

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

**NOTE 7 SHORT-TERM PROVISIONS**

₹ in Lacs

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
Provision for Employee benefits		
(i) Provision for gratuity	-	2.61
Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 1921.95 lacs (as at March 31, 2015 ₹ 848.07 lacs))	463.10	320.98
(ii) Provision for proposed equity dividend	-	391.26
(iii) Provision for tax on proposed dividend	-	79.65
<b>TOTAL</b>	<b>463.10</b>	<b>794.50</b>

# Notes (Contd.)

forming part of the consolidated financial statements

## NOTE 8 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION AD				NET BLOCK	
	As at April 1, 2015	Additions on acquisition	Deductions	As at March 31, 2016	As at April 1, 2015	Additions on acquisition	For the Year Deductions	On Adjustments (Refer Note 24.18)	Upto March 31, 2016	As at March 31, 2016
<b>Tangible assets</b>										
Buildings (refer note a below)	472.57	-	-	472.57	80.98	-	7.92	-	88.90	383.67
Plant and machinery - Computers	(469.36)	(3.21)	(-)	(472.57)	(73.09)	(-)	(7.89)	(-)	(80.98)	(391.59)
Plant and machinery - Others	654.11	4.61	-	658.72	648.18	-	4.80	-	652.98	5.74
	(649.61)	(4.50)	(-)	(654.11)	(585.12)	(-)	(19.51)	(43.55)	(648.18)	(5.93)
	2,450.80	108.77	-	2,554.34	1,720.39	-	133.92	1.92	1,852.39	701.95
	(2,270.56)	(180.24)	(6.98)	(2,450.80)	(1,523.52)	(1.33)	(196.29)	(0.58)	(1,720.39)	(730.41)
Computers	424.50	27.86	-	452.36	407.52	-	14.09	-	421.61	30.75
	(418.27)	(6.23)	(-)	(424.50)	(366.16)	(-)	(14.22)	(27.14)	(407.52)	(16.98)
Studios and sets	5,903.79	1,089.37	-	6,993.16	4,955.03	-	567.44	-	5,522.47	1,470.69
	(4,756.63)	(1,147.16)	(-)	(5,903.79)	(4,663.65)	(-)	(291.38)	(-)	(4,955.03)	(948.76)
Vehicles	967.81	218.00	-	1,185.81	581.57	-	125.17	-	706.74	479.07
	(813.48)	(154.33)	(-)	(967.81)	(419.98)	(-)	(150.40)	(11.19)	(581.57)	(386.24)
Furniture and fixtures	313.36	23.65	-	337.01	255.40	-	21.40	-	276.80	60.21
	(311.70)	(1.66)	(6.49)	(313.36)	(175.15)	(1.23)	(58.15)	(22.10)	(255.40)	(57.96)
Office equipments	428.74	12.66	-	441.40	323.71	-	42.61	-	366.32	75.08
	(373.05)	(55.69)	(1.01)	(428.74)	(17.53)	(0.20)	(53.90)	(0.20)	(323.71)	(105.03)
Electrical fittings	91.68	3.81	-	95.49	47.68	-	10.35	-	58.03	37.46
	(89.68)	(2.00)	(-)	(91.68)	(27.54)	(-)	(12.89)	(7.25)	(47.68)	(44.00)
Lease Hold Improvements	454.70	6.87	-	461.57	443.24	-	12.99	-	456.23	5.34
	(454.70)	(-)	(-)	(454.70)	(420.47)	(-)	(22.72)	(0.05)	(443.24)	(11.46)
<b>TOTAL</b>	<b>12,162.06</b>	<b>1,495.60</b>	<b>5.23</b>	<b>13,652.43</b>	<b>9,463.70</b>	<b>-</b>	<b>940.69</b>	<b>1.92</b>	<b>10,402.47</b>	<b>3,249.96</b>
	<b>(10,607.04)</b>	<b>(1,555.02)</b>	<b>(14.48)</b>	<b>(12,162.06)</b>	<b>(8,372.21)</b>	<b>(2.76)</b>	<b>(827.35)</b>	<b>(2.76)</b>	<b>(9,463.70)</b>	<b>(2,698.36)</b>
Capital Work-in-Progress										228.38

### Notes

- Building includes ₹ 220.86 lacs (previous year ₹ 220.86 lacs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹ 0.01 lac received under Bye-law of the society.
- Figures in brackets denote previous year figures



**NOTE 9 NON-CURRENT INVESTMENTS**

Particulars	₹ in Lacs	
	As at March 31, 2016 Unquoted	As at March 31, 2015 Unquoted
(At cost): (non-trade)		
(a) Investment in optionally convertible debentures (OCDs) of (Refer Note 24.19) :		
(i) Aristo Learning Private Limited		
Series A 3,000 (Previous year 3,000) Debentures of ₹100 each	3.00	3.00
Series B 62,810 (Previous year 62,810) Debentures of ₹100 each	62.81	62.81
	65.81	65.81
Less : Provision for dimunition in value of investments	65.81	65.81
(ii) Second School Learning Private Limited		
Series A 1,000 (Previous year 1,000) Debentures of ₹100 each	1.00	1.00
Series B 399,000 (Previous year 399,000) Debentures of ₹100 each	399.00	399.00
	400.00	400.00
Less : Provision for dimunition in value of investments	400.00	400.00
(b) Investment in Associate		
(i) IPB Capital Advisors LLP	0.50	0.50
Add : Share in profit / (loss) of associate	3.09	(1.06)
	3.59	(0.56)
(c) Investment in Indus Balaji Investor Trust (Refer Note 24.1 B)		
(i) 3,200,000 (Previous year 3,200,000) Class A units of ₹100 each	3,200.00	3,200.00
(ii) 5,000 (Previous year 5,000) Class B units of ₹100 each	5.00	5.00
	3,205.00	3,205.00
(D) Investment in Limited Liability Partnership		
(i) Indus Balaji Education Capital Advisors LLP	0.38	0.38
<b>TOTAL</b>	<b>3,208.97</b>	<b>3,204.82</b>

**NOTE 10 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Security Deposits (Refer Note below)		
Considered good	938.40	942.94
Considered doubtful	50.92	50.92
	989.32	993.86
Less: Provision	50.92	50.92
	938.40	942.94
(b) Advance to vendors	3,909.22	2,835.56
(c) Advance income - tax (Net of provisions ₹ 1,352.35 lacs (As at March 31,2015, ₹ 1,365.90 lacs))	2,970.82	2,615.84
<b>TOTAL</b>	<b>7,818.44</b>	<b>6,394.34</b>

**Note:**

Security Deposit include deposits given to Directors for the properties taken on lease from them (also refer note 24.7b)

## Notes (Contd.)

forming part of the consolidated financial statements

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Directors	840.00	840.00
Maximum amount outstanding at any time during the year for the above deposits.	840.00	840.00

### NOTE 11 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>Secured, considered good</b>		
(a) Fixed deposits with banks under lien	28.57	35.68
(b) Interest accrued on fixed deposits with banks under lien	8.33	5.87
<b>TOTAL</b>	<b>36.90</b>	<b>41.55</b>

### NOTE 12 CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Non trade) (at lower of cost and fair value)	17,058.77	14,511.48
Investment in mutual funds (Refer note below)		
<b>TOTAL</b>	<b>17,058.77</b>	<b>14,511.48</b>

#### Note:

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>IN UNITS OF MUTUAL FUNDS</b>					
Reliance Liquid Fund - Treasury Plan - Growth Plan	1,000	29,895.12	-	1,100.00	-
Birla Sun Life Cash Plus - Growth - Regular Plan	100	618,897.24	-	1,500.00	-
ICICI Prudential Liquid Plan - Growth	100	492,176.63	-	1,100.00	-
SBI Premier Liquid Fund - Regular Plan - Growth	1,000	46,392.87	-	1,100.00	-
UTI-Liquid Cash Plan- Institutional - Growth	1,000	44,494.11	-	1,100.00	-
Reliance Banking & PSU Debt Fund - Growth Plan	10	13,943,630.55	-	1,500.00	-
ICICI Prudential Flexible Income Growth	100	526,252.82	-	1,500.00	-
Birla Sun Life Savings Fund - Growth - Regular Plan	100	514,011.97	-	1,500.00	-
Kotak Floater Short Term - Growth	1,000	60,595.85	-	1,500.00	-
HDFC Liquid Fund - Growth	1,000	36,914.70	-	1,100.00	-
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	1,000	6,053.10	-	100.00	-
Kotak Gilt (Investment Regular)- Growth	10	-	765,716.33	-	300.00
Kotak Floater Long Term- Growth	10	-	5,127,994.75	-	1,000.00
Reliance Regular Savings Fund - Debt Plan-Growth Plan	10	5,320,960.78	-	902.17	-
Templeton India Short term Income Retail Plan Growth	1000	4,198.63	-	100.00	-
Templeton India Ultra Short Bond -Super Institutional	10	-	6,540,746.68	-	1,100.00
UTI Floating Rate Fund-STP-Regular Plan	10	-	1,731,667.70	-	500.00
UTI-BOND Fund-Growth	10	-	2,607,915.55	-	500.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	10	-	34,180.18	-	800.00



₹ in Lacs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
HDFC Short Term Plan - Growth	10	-	10,174,261.14	-	1,025.49
HDFC FMP 370D November 2011 (3) - Growth - Series XIX	10	-	6,850,451.70	-	1,000.00
HDFC FMP 370D January 2012 (2) - Growth - Series XIX	10	-	31,117.03	-	618.81
HDFC FMP 92D March 2012 (3) - Growth - Series XXI	10	-	834,680.86	-	300.16
Birla Sunlife-Short Term Opportunities Fund	10	-	408,288.81	-	600.00
ICICI Prudential Blended Plan B - Institutional Growth Option II	10	-	1,433,761.59	-	774.67
ICICI Prudential Medium Term Plan Premium Plus Growth	10	-	2,520,351.84	-	500.00
HDFC High Interest Fund -Dynamic Plan-Growth	10	-	465,483.31	-	125.00
HDFC FMP 371D July 2013-Series 26- Regular-Growth	10	4,000,000.00	2,212,477.05	400.00	900.00
ICICI Prudential FMP Series 62 - 1 Year Plan A - Cumulative	10	-	4,000,000.00	-	400.00
ICICI Prudential Gilt Fund Investment Plan PF Option	10	-	1,131,827.93	-	245.00
ICICI Prudential Gilt Fund Treasury -Regular Plan-Growth	10	-	1,723,311.93	-	500.00
ICICI Prudential Income-Regular Plan- Growth	10	-	769,546.48	-	287.68
ICICI Prudential Ultra Short Term -Regular Plan-Daily Dividend	10	-	4,225,750.18	-	430.28
ICICI Prudential Regular Savings Fund-Regular Plan-Growth	10	-	1,601,281.03	-	200.00
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	10	930,273.29	1,445,000.00	97.43	151.34
ICICI Prudential Fmp Series 68-369 Days Plan I Regular Plan Cumulative	10	4,000,000.00	4,000,000.00	400.00	400.00
IDFC Dynamic Bond Fund Growth -Regular Plan	10	1,401,217.66	692,911.22	200.00	732.66
IDFC Dynamic Bond Fund	100	1,405,590.03	617,768.25	200.00	653.20
Kotak Liquid Scheme Plan A	10	26,465.94	-	811.44	-
ICICI Liquid Plan - Growth	10	348,986.18	2,806,807.69	780.54	400.00
IDFC Super Saver Income Fund-Investment Plan-Growth	10	231,296.33	231,296.33	67.19	67.19
<b>TOTAL</b>				<b>17,058.77</b>	<b>14,511.48</b>

**NOTE 13 INVENTORIES**

(At lower of cost and net realisable value)

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
a) Serials	1,354.49	518.54
b) Events	60.42	267.51
c) Films	10,516.07	2,238.50
<b>TOTAL</b>	<b>11,930.98</b>	<b>3,024.55</b>

## Notes (Contd.)

forming part of the consolidated financial statements

### NOTE 14 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Considered good	151.49	196.99
Considered doubtful	183.24	174.75
	334.73	371.74
Less: Provision	183.24	174.75
	151.49	196.99
Other Trade receivables		
Secured, considered good	7,980.33	6,502.82
<b>TOTAL</b>	<b>8,131.82</b>	<b>6,699.81</b>

### NOTE 15 CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Cash on hand	23.16	44.14
(b) Balances with banks		
(i) In current accounts	1,659.32	1,046.28
(ii) In deposit accounts	-	0.54
(iii) In earmarked accounts		
- Unpaid dividend accounts	13.05	5.65
- Fixed deposits kept in lien against bank guarantee	33.38	-
<b>TOTAL</b>	<b>1,728.91</b>	<b>1,096.61</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	1,682.48	1,090.96

### NOTE 16 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Loans and advances to employees	3.53	41.50
(b) Prepaid expenses	92.40	309.17
(c) Balances with government authorities (VAT, service tax etc.)	1,566.84	789.69
(d) Advance to vendors	2,283.33	2,165.93
(e) Recoverable from co-producer	193.41	-
(f) Contractually recoverable expenses	237.47	-
(g) Security Deposit	33.50	35.05
<b>TOTAL</b>	<b>4,410.48</b>	<b>3,341.34</b>



**NOTE 17 OTHER CURRENT ASSETS**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Unbilled revenue	1,319.12	1,210.18
Interest accrued on fixed deposits with banks- under lien	0.55	-
<b>TOTAL</b>	<b>1,319.67</b>	<b>1,210.18</b>

**NOTE 18 REVENUE FROM OPERATIONS**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>(a) Sale of services</b>		
Commissioned Sales	24,966.53	23,336.05
Internet Sales	8.77	6.36
Sale of film rights	2,248.99	10,919.28
Service Income- Organising managing events	1,055.22	3.75
<b>(b) Other operating revenues</b>		
Sundry Credit balance written back	32.55	-
Excess provision for earlier years written back	237.89	33.00
Recovery of Uplinking charges	402.99	-
Recovery of advances written-off	-	57.02
Facilities hire charges	102.43	121.00
Service income	114.38	68.00
Sale of movie rights / concepts	68.17	92.31
Reimbursement of Expenses	37.60	-
Provision for doubtful debts / advances written back	-	12.00
<b>TOTAL</b>	<b>29,275.52</b>	<b>34,648.77</b>

**NOTE 19 OTHER INCOME**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>(a) Interest income</b>		
On fixed deposits with banks	4.12	3.83
On Income tax Refund	5.80	152.69
On Loan given to related party	-	56.27
<b>(b) Profit on sale of current investments (non-trade) (net)</b>	<b>2,035.03</b>	<b>682.24</b>
<b>(c) Dividend on current investments</b>	<b>33.73</b>	<b>193.27</b>
<b>(d) Excess Provision for earlier years written back (net)</b>	<b>48.15</b>	<b>13.33</b>
<b>(e) Excess Provision for Gratuity written back</b>	<b>2.91</b>	<b>-</b>
<b>(f) Foreign Exchange Gain (Net)</b>	<b>0.39</b>	<b>1.37</b>
<b>(g) Insurance Claim received</b>	<b>95.57</b>	<b>0.33</b>
<b>TOTAL</b>	<b>2,225.70</b>	<b>1,103.33</b>

## Notes (Contd.)

forming part of the consolidated financial statements

### NOTE 20 COST OF PRODUCTION OF TELEVISION SERIALS / FILMS

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening stock of television serials / tapes / films	3,024.54	7,002.13
Add: Stock of Events taken over on acquisition	-	251.73
	3,024.54	7,253.86
<b>Add: Cost of production</b>		
Acquisition Cost	387.97	124.48
Purchase of costumes and dresses	591.68	285.08
Purchase of tapes / raw stock / negative	60.82	114.18
Artists, Directors and other technicians fees	14,470.59	11,826.01
Shooting and location expenses (Refer Note 24.14)	7,380.27	5,693.75
Telecasting fees / Purchase rights	5.00	8.70
Uplinking charges	39.06	480.96
Food and refreshments	-	32.06
Set properties and equipment hire charges	2,132.40	1,381.36
Insurance	64.09	14.65
Line Production cost	5,184.72	1,105.05
Marketing and Distribution Expense	957.31	2,136.74
Other production expenses	2,702.96	2,513.67
	33,976.87	25,716.69
Less: Reimbursement of Expenses	2,369.76	292.77
	34,631.65	32,677.78
Less: Closing stock of television serials / films/ Events	11,930.98	3,024.54
<b>TOTAL</b>	<b>22,700.67</b>	<b>29,653.24</b>

### NOTE 21 EMPLOYEE BENEFIT EXPENSE

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	1,863.88	1,412.69
Contributions to Provident and Other Funds	84.46	67.20
Gratuity	10.20	-
Staff welfare expenses	58.72	43.16
<b>TOTAL</b>	<b>2,017.26</b>	<b>1,523.05</b>

### NOTE 22 FINANCE COSTS

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on delayed payment of taxes etc.	0.85	33.75
Interest on Capital	0.06	0.03
<b>TOTAL</b>	<b>0.91</b>	<b>33.78</b>



**NOTE 23 OTHER EXPENSES**

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel	97.18	103.09
License and Hosting fees	57.99	-
Rent including lease rentals (Refer Note 24.14)	166.04	167.40
Repairs and maintenance - Machinery	13.69	30.07
Repairs and maintenance - Others	84.39	145.17
Insurance	83.64	58.23
Rates and taxes	376.74	84.95
Communication expenses	34.11	24.63
Legal and Professional charges	2,255.64	1,087.06
Security and housekeeping expenses	31.59	16.42
Business promotion expenses	57.16	50.96
Travelling & Conveyance Expenses	131.87	59.48
Pre-incorporation expenses	9.24	-
Donations and contributions	11.82	28.79
Expenditure on Corporate social responsibility activities	31.24	21.33
Loss on Fixed Assets sold/scrapped/written off	3.13	11.72
Provision for doubtful debts and advances	8.49	14.95
Provision for diminition of investment (Refer Note 24.19)	-	465.81
Marketing Expenses	12.31	4.62
Bad debts written off	53.78	1.90
Advances written off	0.17	188.68
Software expenses	25.63	16.33
Directors sitting fees	76.60	15.15
Commission to Directors	83.02	31.05
Foreign exchange loss (net)	0.14	-
Miscellaneous expenses *	257.77	238.49
<b>Total</b>	<b>3,963.38</b>	<b>2,866.28</b>

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

## Notes (Contd.)

forming part of the consolidated financial statements

### 24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

	As at March 31, 2016	As at March 31, 2015
₹ in Lacs		
<b>24.1 Contingent liabilities (to the extent not provided for)</b>		
<b>A Contingent Liabilities</b>		
a) In respect of the demands (including interest) raised by Prasar Bharti Broadcasting Corporation of India (Corporation), the Company has arrived at a one-time settlement with the Corporation by making a payment of ₹ 200.00 lacs as telecast fees which has been accounted for as an expense in the previous year. As per the terms of the settlement, the balance outstanding of ₹ 557.20 lacs would be settled by way of supply of various old regional television content. The Company has submitted the required content to the Corporation. The Company has got confirmations about successful review of tapes by various Kendra's of Corporation, for all the tapes submitted to them. The Company has intimated this to the Corporation through a letter with confirmations as supporting documents, discharging its complete obligation with the Corporation as required under the one time settlement as agreed in the MOU. As a result, the Company does not expect any charge in the financial statements on the said matter.	557.20	557.20
b) The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal to the Commissioner of Service Tax, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company, wherein the demand amount was ₹ 6,348 lacs. 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. On the same matter as aforesaid, the Company had received a Show Cause Notice (SCN) for the period April 2008 to March 2010 and April 2010 to April 2011 aggregating to ₹ 2,897 lacs and ₹ 46 lacs respectively. The Company, in earlier years, with respect to the SCN's submitted the replies to the Commissioner of Service tax on the same lines of the matter which was adjudicated in the Company's favour. The copy of the favourable CESTAT order has been submitted with Commissioner and SCN's are pending for adjudication as at the year-end.	11,687.79	17,708.81
c) The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal to the Commissioner of Service Tax, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company, wherein the demand amount was ₹ 63.48 Crs. The Commissioner has further filed an appeal against the said order with the Customs, Excise & Service Tax Appellate Tribunal. As per the notice of hearing received by us, the matter has been listed for hearing in the tribunal on June 3, 2015. On the same matter, a Show Cause Notice (SCN) for the period April 2008 to March 2010 has been issued with demand amount of ₹ 28.97 Crs. SCN is pending for adjudication with the Commissioner of Service Tax. Company has also received Show Cause Notice from the Office of the Commissioner of service Tax pertaining to service tax for the year 2010 to March 2011 for discharging service tax on export sales made to a customer. Liability in this case is ₹ 0.46 Crs. Company has prepared and submitted reply to the Commissioner of Service tax in the matter, on the same lines as done in earlier years.	2,943.00	9,245.00
<b>B Commitments :</b>		
Future commitments towards capital contribution in Indus Balaji Investor Trust	800.00	800.00



**24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**24.2** On April 30, 2013 the Income-tax Department visited the premises of the Company and BMPL and initiated proceedings under Section 132 of the Income-tax Act, 1961. Pursuant to the notices under Section 153A of Income-tax Act, 1961 the assessments for all the relevant assessment years were completed by the Department during the quarter ended June 30, 2015. Consequently, the Company has computed the differential tax liability aggregating to ₹ 27 lacs for these years and accounted for the same in the quarter ended June 30, 2015. Further, the Company and BMPL has filed applications for rectification of two Assessment Orders which had discrepancies, which is pending with the Department.

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

**24.4** Payment to Auditors

	For the year ended March 31, 2016	For the year ended March 31, 2015
For Statutory Audit	35.00	34.95
For Tax Audit	-	2.50
For Taxation matters	-	5.00
For other services - certification etc.	44.05	10.30
Reimbursement of expenses	0.06	1.12
For Service Tax	11.47	6.66
<b>TOTAL</b>	<b>90.58</b>	<b>60.53</b>

₹ in Lacs

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

**24.6 Details of subsidiary and associate included in Consolidated Financial Statements**

Name	Relationship	Country of incorporation	% of ownership interest and voting power
Balaji Motion Pictures Limited	Subsidiary	India	100%
Bolt Media Ltd	Subsidiary	India	100%
ALT Digital Entertainment Limited	Subsidiary	India	100%
Marinating Films Private Limited	Subsidiary	India	51%
Event Media LLP	Subsidiary	India	51%
Chhyabani Balaji Entertainment Private Limited	Subsidiary	India	51%
IPB Capital Advisors LLP	Associate	India	50%

## Notes (Contd.)

forming part of the consolidated financial statements

### 24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### 24.7 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Motion Pictures Limited	Subsidiary Company (control exist)
Marinating Films Pvt Ltd	Subsidiary Company (control exist)
Bolt Media Limited	Subsidiary Company (control exist)
ALT Digital Entertainment Limited	Subsidiary Company (control exist)
Chhyabani Balaji Entertainment Private Limited	Subsidiary Company (control exist)
Event Media LLP	Subsidiary Body Corporate
IPB Capital Advisors LLP	Associate
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Sameer Nair (from July 15, 2014)	Key management person
M/s. J K Developers	Sole proprietary firm of a Key management person
Balaji Films & Telly Investments Limited	Key management person having significant influence

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

Nature of Transactions	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Company owned by relative of Key Management Person	Sole proprietary firm of Key Management Person	Associate	₹ in Lacs
							Total
<b>Directors sitting fees</b>							
Mr. Jeetendra Kapoor	9.75	-	-	-	-	-	9.75
	(2.65)	(-)	(-)	(-)	(-)	(-)	(2.65)
Mr. Tusshar Kapoor	7.25	-	-	-	-	-	7.25
	(0.90)	(-)	(-)	(-)	(-)	(-)	(0.90)
<b>Directors commission</b>							
Mr. Jeetendra Kapoor	9.22	-	-	-	-	-	9.22
	(16.00)	(-)	(-)	(-)	(-)	(-)	(16.00)
Mrs. Shobha Kapoor	28.83	-	-	-	-	-	28.83
	(12.04)	(-)	(-)	(-)	(-)	(-)	(12.04)
Mr. Tusshar Kapoor	2.31	-	-	-	-	-	2.31
	(0.50)	(-)	(-)	(-)	(-)	(-)	(0.50)
Ms. Ekta Kapoor	28.83	-	-	-	-	-	28.83
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Rent paid</b>							
Mr. Jeetendra Kapoor	49.44	-	-	-	-	-	49.44
	(46.65)	(-)	(-)	(-)	(-)	(-)	(46.65)
Mrs. Shobha Kapoor	1,327.41	-	-	-	-	-	1,327.41
	(1,246.49)	(-)	(-)	(-)	(-)	(-)	(1,246.49)
Mr. Tusshar Kapoor	12.38	-	-	-	-	-	12.38
	(11.69)	(-)	(-)	(-)	(-)	(-)	(11.69)
Ms. Ekta Kapoor	201.98	-	-	-	-	-	201.98
	(146.27)	(-)	(-)	(-)	(-)	(-)	(146.27)
<b>Location Hire</b>							
Balaji Films & Telly Investments Limited	-	-	-	-	-	-	-
	(-)	(-)	(41.00)	(-)	(-)	(-)	(41.00)
<b>Remuneration</b>							
Mrs. Shobha Kapoor	110.12	-	-	-	-	-	110.12
	(110.12)	(-)	(-)	(-)	(-)	(-)	(110.12)
Ms. Ekta Kapoor	126.64	-	-	-	-	-	126.64
	(124.35)	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Sameer Nair	435.70	-	-	-	-	-	435.70
	(282.09)	(-)	(-)	(-)	(-)	(-)	(282.09)



**24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

₹ in Lacs

Nature of Transactions	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Company owned by relative of Key Management Person	Sole proprietary firm of Key Management Person	Associate	Total
<b>Capital advances returned</b>							
M/s J.K. Developers	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(400.00)	(-)	(400.00)
<b>Interest received on capital advances</b>							
M/s J.K. Developers	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(56.27)	(-)	(56.27)
<b>Purchase of rights</b>							
Balaji Films & Telly Investments Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(101.00)	(-)	(-)	(101.00)
<b>Artist fees</b>							
Mr. Tusshar Kapoor	50.00	-	-	-	-	-	50.00
	(50.00)	(-)	(-)	(-)	(-)	(-)	(50.00)
<b>Dividend paid</b>							
Mrs. Shobha Kapoor	120.41	-	-	-	-	-	120.41
	(36.51)	(-)	(-)	(-)	(-)	(-)	(36.51)
Ms. Ekta Kapoor	188.63	-	-	-	-	-	188.63
	(54.29)	(-)	(-)	(-)	(-)	(-)	(54.29)
Mr. Jeetendra Kapoor	39.12	-	-	-	-	-	39.12
	(13.04)	(-)	(-)	(-)	(-)	(-)	(13.04)
Mr. Tusshar Kapoor	24.36	-	-	-	-	-	24.36
	(8.12)	(-)	(-)	(-)	(-)	(-)	(8.12)
Mr. Sameer Nair	8.31	-	-	-	-	-	8.31
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

**(c) Closing balances as at March 31, 2016**

**Amount receivable as at**

**March 31, 2016**

Mrs. Shobha Kapoor *	340.00	-	-	-	-	-	340.00
	(340.00)	(-)	(-)	(-)	(-)	(-)	(340.00)
Mr. Jeetendra Kapoor *	300.00	-	-	-	-	-	300.00
	(300.00)	(-)	(-)	(-)	(-)	(-)	(300.00)
Mr. Tusshar Kapoor *	100.00	-	-	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(-)	(-)	(100.00)

**Amount payable as at**

**March 31, 2016**

Mr. Jeetendra Kapoor	9.22	-	-	-	-	-	9.22
	(16.00)	(-)	(-)	(-)	(-)	(-)	(16.00)
Mrs. Shobha Kapoor	28.83	-	-	-	-	-	28.83
	(12.04)	(-)	(-)	(-)	(-)	(-)	(12.04)
Mr. Tusshar Kapoor	2.31	-	-	-	-	-	2.31
	(0.50)	(-)	(-)	(-)	(-)	(-)	(0.50)
Ms. Ekta Kapoor	28.83	-	-	-	-	-	28.83
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

**Investment as on**

**March 31, 2016**

IPB Capital Advisors LLP	-	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(-)	(0.50)	(0.50)

\* - 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.

## Notes (Contd.)

forming part of the consolidated financial statements

### 24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### 24.8 Income in foreign currency

	For the Year ended March 31, 2016	₹ in Lacs For the Year ended March 31, 2015
Sale of Film Rights	129.07	813.63
Sales of Concept	-	29.25
Sales of services	8.77	6.36

#### 24.9 Expenditure in foreign currency

	For the Year ended March 31, 2016	₹ in Lacs For the Year ended March 31, 2015
Line production charges	2,628.97	155.96
Software Consultancy Fees	228.38	-
License fee and hosting fee	36.95	-
Artists, Directors and other technician fees	74.87	36.16
Shooting and location expenses	-	285.34
Set properties and equipment hire charges	-	225.10
Other production expenses	34.00	58.79
Travelling and conveyance expenses	79.19	41.43

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

	For the Year ended March 31, 2016	₹ in Lacs For the Year ended March 31, 2015
Amount of dividend remitted in foreign currency (₹ in Lacs)	-	67.79
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	-	1.00
Total number of shares held by them on which dividend was due (Number)	-	16948194
Year to which dividend relates		2013-14

#### 24.11 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 ₹84.19 Lacs (previous year ₹ 68.63 Lacs)

##### b) Defined Benefit Plans

#### I. Reconciliation of asset / (liability) recognized in the Balance Sheet

	As at 31 March, 2016	₹ in Lacs As at 31 March, 2015
Fair Value of plan assets as at the end of the year	84.62	84.71
Present Value of Obligation as at the end of the year	(45.80)	(34.91)
Net assets in the Balance Sheet	38.82	49.81



**24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

II. Movement in net liability recognized in the Balance Sheet

	As at 31 March, 2016	As at 31 March, 2015
Net (assets) as at the beginning of the year	(49.81)	(42.68)
Net expense recognized in the Statement of Profit and Loss	3.59	(1.51)
Contribution during the year	-	(5.62)
Net (assets) as at the end of the year	(46.22)	(49.81)

₹ in Lacs

III. Expense Recognized in the profit and loss account

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Current Service Cost	5.53	9.43
Interest Cost	1.34	0.29
Expected Return on Plan assets	(4.31)	(3.83)
Actuarial (gains)	1.02	(7.38)
Expense charged to the Statement Profit and Loss	3.58	(1.50)

₹ in Lacs

IV. Return on Plan Assets

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Expected return on plan assets	6.82	6.31
Actuarial (gains)	(5.84)	(2.05)
Actual return on plan assets	0.98	8.36

₹ in Lacs

V. Reconciliation of defined benefits commitments

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Commitments at beginning of the year	34.91	29.88
Current Service Cost	5.53	9.43
Interest Cost	3.11	2.77
Actuarial (gains)	(3.61)	(7.17)
Benefits paid	(1.07)	-
Settlement cost	-	-
Commitments at year end	38.87	34.91

₹ in Lacs

VI. Reconciliation of plan assets

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Fair Value of plan assets at beginning of the year	86.55	72.57
Expected return on plan assets	6.82	6.31
Actuarial gains/(losses)	(5.84)	2.05
Employer contribution	-	5.62
Benefits paid	(1.07)	-
Fair Value of plan assets at year end	86.46	86.55

₹ in Lacs

## Notes (Contd.)

forming part of the consolidated financial statements

### 24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### VII. Experience Adjustment

	₹ in Lacs				
	For the Year 2015-2016	For the year 2014-2015	For the year 2013-2014	For the year 2012-2013	For the year 2011-2012
On Plan liability (gains) / losses	1.59	(12.59)	0.54	(37.79)	(3.61)
On Plan assets gains / (losses)	(5.84)	0.21	0.02	0.45	0.43

#### VIII. Actuarial Assumptions

	₹ in Lacs	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.80%	8.03%
Expected Rate of return on Plan assets (per annum)	7.80%	8.03%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate	2.00%	2.00%

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

#### Composition of plan assets

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

#### 24.12 Earning per share

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

	₹ in Lacs	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
(a) Profit for the year attributable to equity share holders (₹ in Lacs)	280.59	561.57
(b) Weighted average number of equity shares outstanding during the year (Nos.)	65,854,815	65,210,443
(c) Earnings per share - Basic and diluted (₹)	0.43	0.86
(d) Nominal value of shares (₹)	2	2

#### 24.13 Components of Deferred tax Assets / (Liabilities)

	₹ in Lacs	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Difference between the books and tax written down values of fixed assets	451.16	348.63
Provision for Diminution of investment	161.22	151.13
Disallowance under the Income Tax Act, 1961	78.10	69.59
<b>Deferred tax asset/ (liability)-net TOTAL</b>	<b>690.48</b>	<b>569.35</b>



**24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**24.14 Lease Transactions**

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

Particulars	₹ in Lacs
	<b>As on March 31, 2016</b>
Amount due within 1 year	13.63
<b>TOTAL</b>	<b>13.63</b>

Amount of lease rentals charged to the statement of profit and loss in respect of operating leases is ₹ 1667.04 lacs (previous year ₹ 1655.12 lacs)

**24.15 Segment Information**

(A) Information about primary segments

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

- (a) Commissioned Programmes : Income from sale of television serials to channels
- (b) Feature Films : Income from business of production and / or distribution of motion pictures and films

	Commissioned Programmes		Feature Films		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	26,021.75	23,344.79	2,248.99	10,919.28	28,270.74	34,264.07
Add: Inter Segment sale	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>26,021.75</b>	<b>23,344.79</b>	<b>2,248.99</b>	<b>10,919.28</b>	<b>28,270.74</b>	<b>34,264.07</b>
Segment result	4,452.15	3,095.86	(1,341.14)	(623.70)	3,111.01	2,472.16
Unallocable expenses (net)					(4,463.18)	(3,113.76)
Operating Income	972.24	327.67	32.55	57.02	1,004.79	384.69
Other Income	2,209.13	1,008.45	16.57	97.28	2,225.70	1,105.73
<b>Profit before tax</b>	<b>7,633.52</b>	<b>4,431.98</b>	<b>(1,292.03)</b>	<b>(469.40)</b>	<b>1,878.31</b>	<b>848.82</b>
Tax expense	-	-	-	-	(1,604.87)	(286.17)
<b>Profit for the year</b>	<b>7,633.52</b>	<b>4,431.98</b>	<b>(1,292.03)</b>	<b>(469.40)</b>	<b>273.44</b>	<b>562.65</b>
Segment assets	15,181.84	11,189.10	18,861.71	8,934.37	34,043.55	20,123.47
Unallocable assets					25,917.11	22,938.06
<b>TOTAL ASSETS</b>					<b>59,960.66</b>	<b>43,061.53</b>
Segment liabilities	5,283.10	3,335.89	740.17	555.81	6,023.27	3,891.70
Unallocated liabilities					1,567.83	992.45
<b>TOTAL LIABILITIES</b>					<b>7,591.10</b>	<b>4,884.15</b>
<b>Other Information</b>						
Capital expenditure (allocable)	1,165.00	1,250.79	2.00	304.23	1,167.00	1,555.02
Capital expenditure (unallocable)					292.59	-
Depreciation / Amortisation (allocable)	696.12	345.22	62.94	63.62	759.06	408.84
Depreciation / Amortisation (unallocable)					181.63	418.50

## Notes (Contd.)

forming part of the consolidated financial statements

### 24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### 24.16 Details relating to investment in Limited Liability Partnership (LLP)

₹ in Lacs

Name of the LLP	As at March 31, 2016			As at March 31, 2015		
	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.500	50.00%	Balaji Telefilms Limited	0.500	50.00%
	IP Capital Advisors LLP	0.490	49.00%	IP Capital Advisors LLP	0.490	49.00%
	IPM Capital Advisors LLP	0.010	1.00%	IPM Capital Advisors LLP	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%	Balaji Telefilms Limited	0.375	18.75%
	IP Capital Advisors LLP	0.375	18.75%	IP Capital Advisors LLP	0.375	18.75%
	IPX Capital Advisors LLP	0.250	12.50%	IPX Capital Advisors LLP	0.250	12.50%
	Mohit Ralhan	0.500	25.00%	Mohit Ralhan	0.500	25.00%
	IPM Capital Advisors LLP	0.500	25.00%	IPM Capital Advisors LLP	0.500	25.00%
		<b>2.000</b>	<b>100.00%</b>		<b>2.000</b>	<b>100%</b>
Event Media LLP	Balaji Telefilms Limited	0.510	51.00%	Balaji Telefilms Limited	0.510	51.00%
	Select Media Holding LLP	0.490	49.00%	Select Media Holding LLP	0.490	49.00%
		<b>2.000</b>	<b>100.00%</b>		<b>2.000</b>	<b>100.00%</b>

**24.17** The company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses

**24.18** During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the group revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the group has fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 178.97 lacs (net of deferred tax credit of ₹ 85.17 lacs) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 171.00 lacs and profit after tax for the year is lower by ₹ 119.87 consequent to the change in the useful life of the assets.

**24.19** The Company has investments in Optionally Convertible Debentures in Aristo Learning Private Limited and Second School Learning Private Limited aggregating ₹ 465.81 lacs. These investments are strategic and non-current (long-term) in nature. However, considering the current financial position of the respective investee companies, the Company, out of abundant caution, has, during the current year provided for these investments considering the diminution in their respective values.



**24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**24.20** 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

			Share of profit or loss	
	As % of consolidated net assets	Amount (₹ Lacs)	As % of consolidated profit or loss	Amount (₹ Lacs)
Subsidiaries				
Balaji Motion Pictures Limited	-14.81%	(7,758.41)	-1145.49%	(3,214.11)
Bolt Media Limited	-0.34%	(179.31)	-18.36%	(51.53)
Event Media LLP	-0.11%	(54.99)	-3.71%	(10.40)
Marinating Films Private Limited	-0.32%	(169.60)	-6.29%	(17.66)
ALT Digital Media Entertainment Limited	-1.51%	(793.14)	-282.67%	(793.14)
Chhayabani Balaji Entertainment Private Limited	-0.01%	(4.06)	-1.45%	(4.06)
Associates				
IBP Capital Advisors	NA	NA	1.10%	3.09

**24.21**

Particulars	₹ in Lacs
	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account	150.04
<b>TOTAL</b>	<b>150.04</b>

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

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 17, 2016

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

**Sameer Nair**  
(Chief Executive Officer)

**Simmi Singh Bisht**  
(Group Head - Secretarial)  
Place : Mumbai  
Date : May 17, 2016

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

**D.G.Rajan**  
(Director)  
DIN: 00303060

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

**Ekta Kapoor**  
(Joint Managing Director)  
DIN: 00005093

# Directors' Report

Balaji Motion Pictures Limited

Your Directors take pleasure in presenting the 10<sup>th</sup> Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2016.

## FINANCIAL RESULTS:

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

Particulars	₹ In Lacs	
	2015-16	2014-15
<b>Income</b>		
Turnover	2,281.54	10,976.30
Other income	16.57	97.28
<b>TOTAL</b>	<b>2,298.11</b>	<b>11,073.58</b>
<b>Expenditure</b>	<b>4,387.24</b>	<b>11,544.84</b>
<b>(Loss) before depreciation, interest &amp; tax</b>	<b>(2,089.13)</b>	<b>(471.26)</b>
Finance costs	1062.03	1.21
Depreciation and amortization	62.94	63.62
<b>(Loss) before tax</b>	<b>(3,214.11)</b>	<b>(536.09)</b>
Provision for taxation	-	-
<b>(Loss) after tax</b>	<b>(3,214.11)</b>	<b>(536.09)</b>
Balance brought forward from previous year	(4,544.30)	(4,006.57)
Depreciation on account of transitional provisions of Schedule II of Companies Act 2013	-	(1.64)
<b>TOTAL</b>	<b>(7,758.41)</b>	<b>(4,544.30)</b>
Balance carried to the balance sheet	(7,758.41)	(4,544.30)

## OPERATIONS AND BUSINESS PERFORMANCE:

Balaji Motion Pictures Limited (BMPL) achieved a turnover of ₹ 2,298.11 lacs as against ₹ 11,073.58 lacs achieved during the previous fiscal. In the current financial year, BMPL has reported loss of ₹ 3,214.11 lacs as against loss of ₹ 536.09 lacs in the previous fiscal.

## BORROWINGS:

The Company has borrowed ₹ 21,840.96 lacs of loan from its Parent Company Balaji Telefilms Limited.

## 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.

## DIVIDEND:

In view of the loss, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

## PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Companies (Acceptance of Deposit) Rules, 2014.

## SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2016 was ₹ 30,00,00,000. During the year under review, the Company has not issued any shares. The Company has neither issued any shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2016, the Company is a wholly owned subsidiary of Balaji Telefilms Limited.

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

No material events have occurred between end of the current financial year 2015-16 and the date of this report which have effect over the financial position of the Company.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The provisions of section 135 of the Act and the Rules made there under relating to Corporate Social Responsibility are not applicable to Company.

**DIRECTORS:**

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Jeetendra Kapoor, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act.

**BOARD EVALUATION:**

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

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

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

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

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

**MANAGEMENT:**

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

**APPOINTMENT:**

<b>Name</b>	<b>Designation</b>	<b>Effective Date</b>
Mr. Aman Deep Gill	Chief Executive Officer	December 12, 2015
Ms. Ritu Verma	Company Secretary	December 1, 2015

**RESIGNATION:**

<b>Name</b>	<b>Designation</b>	<b>Effective Date</b>
Mr. Shubodeep Pal	Chief Executive Officer	October 29, 2015
Ms. Harshada Eklahare	Company Secretary	November 25, 2015

**MEETINGS OF THE BOARD:**

During the year under review, Four (4) meetings of the Board of Directors were held on May 20, 2015, August 13, 2015, November 9, 2015 & February 4, 2016. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

**AUDITORS:**

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

## Directors' Report (Contd.)

Further, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have furnished a certificate to the effect that their reappointment, if made, would be within the prescribed limits under section 139 of the Act and they are not disqualified for re appointment as per section 141 of the said Act.

### **COST AUDIT:**

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

### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s K.C. Nevatia & Associates as Secretarial Auditors of the Company.

The Secretarial Audit Report is appended as Annexure I to this report.

### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

### **COMMITTEES OF THE BOARD:**

Currently, the Board has the following Committees:

- a) Audit Committee.
- b) Nomination and Remuneration Committee.

### **AUDIT COMMITTEE:**

The current composition of Audit Committee is as follows:

Chairman	:	Mr. D. G. Rajan - Independent Director.
Members		Mr. Jeetendra Kapoor - Non-Independent Director Mr. Pradeep Sarda - Independent Director Mr. D.K. Vasal - Independent Director Mr. V.B. Dalal - Independent Director

All the recommendations made by the Audit Committee during the year were accepted by the Board.

### **NOMINATION AND REMUNERATION COMMITTEE:**

The current composition of Nomination and Remuneration Committee is as follows:

Chairman	:	Mr. Ashutosh Khanna- Independent Director
Members		Mr. Jeetendra Kapoor – Non–Independent Director Mr. Pradeep Sarda - Independent Director Mr. D.K. Vasal - Independent Director

**CONSERVATION OF ENERGY:**

Our operations are not energy intensive. However, your Company is taking all necessary steps for conservation of Energy.

**TECHNOLOGY ABSORPTION:**

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

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Earning in foreign exchange was ₹ 129.07 lacs (Previous year ₹ 813.63 lacs). Expenditure in foreign exchange was ₹ 2,797.72 lacs (Previous year ₹ 796.32 lacs).

**INTERNAL FINANCIAL CONTROLS:**

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 and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

**BUSINESS RISK MANAGEMENT:**

The Company has in place a Risk Management Policy, pursuant to Section 134 of the Act. The Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Internal Audit Department is responsible for coordinating with the various head of departments with respect to risk identification, assessment, analysis and mitigation.

**WOMEN EMPOWERMENT AND ANTI SEXUAL HARASSMENT INITIATIVE:**

The Company has in place an Anti Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

During the year 2015-16, no sexual harassment complaint has been registered with the Company.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT- 9 is appended as Annexure II to this Report.

**RELATED PARTY TRANSACTIONS:**

All related party transactions of the Company are placed before the Audit Committee and also with the Board for approval. Transactions with the related parties are disclosed in Note No. 20.4 (a) in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

# Directors' Report (Contd.)

## **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.

## **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) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure III to this Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of Contracts or Arrangements made with related parties referred to in Section 188 (1) of the Act in the prescribed Form AOC-2, is appended as Annexure IV to this Report.

## **VARIATIONS IN NETWORTH OF THE COMPANY:**

The networth of the Company as on March 31, 2016 is ₹ (4,758.41) lacs as compared to networth of ₹ (1,544.30) lacs as on March 31, 2015.

## **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.

## **NOMINATION & REMUNERATION POLICY:**

The Company has put in place Governance Guidelines on Board's Effectiveness, a Remuneration Policy for Directors, Key Managerial Personnel and other employees is formulated and the criteria for determining qualifications, positive attributes and independence of directors is in place.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a. In the preparation of the annual accounts for the financial year ended March 31, 2016, 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 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 Act 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, 2016 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; and
- 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:**

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

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

**Place : Mumbai  
Date : May 17, 2016**

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

**ANNEXURE I****Form No. MR-3****SECRETARIAL AUDIT REPORT****For the Company's Financial Year from 1st April, 2015 to 31st March, 2016****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel)]**

To,  
The Members,  
Balaji Motion Pictures Limited  
Mumbai

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

Based on our verification of Balaji Motion Pictures Limited'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 March 31, 2016, 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 March 31, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified and came into force.
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, were not attracted to the Company during the financial year under report.
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
4. Employees Provident Fund and Miscellaneous Provisions Act, 1952
5. Employees State Insurance Act, 1948
6. Equal Remuneration Act, 1976
7. Indian Contract Act, 1872
8. Income Tax Act, 1961 (our checking to the extent of Tax Deducted at Source under various Sections, payments made and T.D.S. Returns filed).
9. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed.
10. Indian Stamp Act, 1899
11. Maharashtra Stamp Act, 1958
12. Industrial Dispute Act, 1947
13. Maternity Benefits Act, 1961
14. Minimum Wages Act, 1948
15. Negotiable Instruments Act, 1881
16. Payment of Bonus Act, 1965
17. Payment of Gratuity Act, 1972
18. Payment of Wages Act, 1936
19. Contract Labour (Regulations & Abolition) Act, 1970
20. Shops and Establishment Act.
21. The Copyright Act, 1957

## Directors' Report (Contd.)

22. Trade Marks Act, 1999
23. Indian Registration Act, 1908
24. Limitation Act, 1963
25. The Cinematograph Act, 1952

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

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

The Company is not a Listed Company and therefore Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable to it.

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. No change in the composition of the Board of Directors of the Company has taken place during the Financial Year under review.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

For **K. C. Nevatia & Associates**  
Company Secretaries

**K. C. Nevatia**  
Proprietor

Place: Mumbai  
Date: May 17, 2016

FCS No.: 3963  
C P No.: 2348

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



To,  
The Members  
Balaji Motion Pictures Limited  
Mumbai

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 as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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 **K. C. Nevatia & Associates**  
Company Secretaries

**K. C. Nevatia**  
Proprietor

Place: Mumbai  
Date: May 17, 2016

FCS No.: 3963  
C P No.: 2348

# Directors' Report (Contd.)

## ANNEXURE II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON MARCH 31, 2016

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

### I. REGISTRATION & OTHER DETAILS:

1. CIN	U22300MH2007PLC168515
2. Registration Date	09/03/2007
3. Name of the Company	M/s Balaji Motion Pictures Limited.
4. Category/Sub-category of the Company	Company Limited by Shares.
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. Tel: +91-022-40698000, Fax: +91-022-40698181 Email:-investor@balajitelefilms.com Website:- www.balajitelefilms.com
6. Whether listed company	Unlisted Company.
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

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

S. 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
M/s Balaji Telefilms Limited	L99999MH1994PLC082802.	Holding Company	100	2 (46)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	3,00,00,000	3,00,00,000	100	0	3,00,00,000	3,00,00,000	100	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total (A) (1)</b>	<b>0</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>	<b>100</b>	<b>0</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>	<b>100</b>	<b>Nil</b>
<b>[2] Foreign</b>									
a) Individuals (NRIs/Foreign Individuals]									
b) Other Individuals									
c) Bodies Corporate									
d) Institutions									
e) Qualified Foreign Investor									



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Others									
<b>Sub total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Shareholding of Promoters</b>	<b>0</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>	<b>100</b>	<b>0</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>	<b>100</b>	<b>Nil</b>
<b>A= A(1) + A(2)</b>									
<b>B. Public Shareholding</b>									
1. Institutions									
a) VMutual Funds/UTI									
b) Banks / FI									
c) Central Govt									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
HUF									
Foreign									
Corporate Bodies									
Directors									
Clearing Members									
Non Resident Indians									
Trusts									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>	<b>100</b>	<b>0</b>	<b>3,00,00,000</b>	<b>3,00,00,000</b>	<b>100</b>	<b>Nil</b>

**B. Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	M/s Balaji Telefilms Limited	2,99,99,994	99.99	-	2,99,99,994	99.99	-	-
2	Mr. Jeetendra Kapoor jointly with M/s Balaji Telefilms Limited	1	-	-	1	-	-	-
3	Mrs. Shobha Kapoor jointly with M/s Balaji Telefilms Limited	1	-	-	1	-	-	-

## Directors' Report (Contd.)

4	Ms. Ekta Kapoor jointly with M/s Balaji Telefilms Limited.	1	-	1	-	-
5	Mr. Tushar Kapoor jointly With M/s Balaji Telefilms Limited.	1	-	1	-	-
6	Mr. Deepoo Vaswani jointly with M/s Balaji Telefilms Limited.	1	-	1	-	-
7	Mr. Ramesh Sippy jointly with M/s Balaji Telefilms Limited.	1	-	1	-	-
<b>TOTAL</b>		<b>3,00,00,000</b>	<b>100</b>	<b>0 3,00,00,000</b>	<b>100</b>	<b>0 0</b>

### C Change in Promoters' Shareholding:

There is no change in the Shareholding of Promoters between the period April 1, 2015 to March 31, 2016.

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

NIL

### D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

It is a Wholly-owned Subsidiary of Balaji Telefilm Limited

S. No.	For Each of the Top 10 Shareholders Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

None

### E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

### V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.

The Company has not availed any loan except from its holding company during the year.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		9,981.75		9981.75
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
<b>TOTAL (i+ii+iii)</b>		<b>9,981.75</b>		<b>9981.75</b>
<b>Change in Indebtedness during the financial year</b>				
Addition		12,800.90		12,800.90
Reduction		941.69		941.69
<b>Net Change</b>		<b>11,859.21</b>		<b>11859.21</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		21,840.96		21,840.96
ii) Interest due but not paid		980.09		980.09
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</b>		<b>22821.05</b>		<b>22821.05</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ekta Kapoor	Tusshar Kapoor	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	69,98,875	-	<b>69,98,875</b>
	(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, - Sitting Fee - others, specify	-	1,75,000	<b>1,75,000</b>
6	*Others:- other allowances	4,83,990	-	<b>4,83,990</b>
	<b>TOTAL</b>	<b>74,82,865</b>	<b>1,75,000</b>	<b>76,57,865</b>
	Ceiling as per Central Government Approval			<b>1,20,00,000 p.a upto 09/11/2015</b>

\*Company's contribution to Provident Fund and other allowances is not included in the ceiling for remuneration.

**B. Remuneration to other directors**

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		D.G.Rajan	Ashutosh Khanna	D.K. Vasal	V.B.Dalal	Pradeep Sarda	
<b>1</b>	<b>Independent Directors</b>						
	Fee for attending board committee meetings	2,50,000	2,50,000	2,50,000	2,50,000	1,50,000	<b>11,50,000</b>
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>TOTAL (1)</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>11,50,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings	2,25,000	-	-	-	-	<b>2,25,000</b>
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>TOTAL (2)</b>	<b>2,25,000</b>	-	-	-	-	<b>225,000</b>
	<b>TOTAL (B)=(1+2)</b>	<b>4,75,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>13,75,000</b>
	Total Managerial Remuneration						<b>92,33,717</b>
	Overall Ceiling as per the Act						<b>*Not applicable</b>

\*The above mentioned Directors have been paid only sitting fee for attending meetings of Board or Committee thereof which does not form part of managerial remuneration as per the provisions of section 197(2) of the Companies Act,2013.

## Directors' Report (Contd.)

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		*Mr. Amandeep Gill (Chief Executive Officer)	*Mr. Shubhodip Pal (CEO)	**Ms. Harshada Eklahare (Company Secretary)	**Ms. Ritu Verma (Company Secretary)
1	GROSS SALARY				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,05,888	71,07,539	2,27,417	84,892
	(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 Others, specify...	-	-	-	-
5	Others, please specify- Other allowances	3,63,536	3,41,698	11,350	4,076
	<b>TOTAL</b>	<b>53,69,424</b>	<b>74,49,237</b>	<b>2,38,767</b>	<b>88,968</b>

\*Salary paid to Mr. Shubhodip pal from period April 1, 2015 to October 29, 2015 and Salary paid to Mr. Aman Deep Gill from December 12, 2015 and March 31, 2016

\*\*Salary paid to Ms. Harshada Eklahare from the period April 1, 2015 to November 25, 2015 and Salary paid to Ms. Ritu Verma from December 1, 2015 to March 31, 2016

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

Type	Section of The Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty/Punishment Compounding)					
B. DIRECTORS (Penalty/ Punishment /Compounding)			NIL		
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

For and on behalf of the Board of Directors,

Place: Mumbai  
Date: May 17, 2016

Sd/-  
Jeetendra Kapoor  
Chairman  
(DIN: 00005345)



**ANNEXURE III- PARTICULARS OF EMPLOYEES**

**a) Information as per Rule 5(2) and Rule 5(3) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

(i) The following details are given hereunder in respect of employees employed throughout the year and were in receipt of not less ₹ 60 Lakhs p.a.

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 alongwith his spouse or dependent children not less than 2% of the Equity Shares of the Company	Whether such employee is a relative of any Director or Manager and if yes name of the Director or Manager.
Ms. Ekta Kapoor	Managing Director	Graduate	41	21	March 9, 2007	74,82,868	NIL	No	Yes. She is daughter of Mr Jeetendra Kapoor and Mrs Shobha Kapoor and she is sister of Mr Tusshar Kapoor

(ii) The following details are given hereunder in respect of employees employed for a part of the year and were in receipt of not less ₹ 5 Lakhs per month

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 alongwith his spouse or dependent children not less than 2% of the Equity Shares of the Company	Whether such employee is a relative of any Director or Manager and if yes name of the Director or Manager.
Amandeep Gill	Chief Executive Officer	Bachelors of Arts from University of British Columbia	35	13	12-Dec-15	53,69,424	1.Junglee Pictures Ltd Chief Content Officer – Motion Pictures.		

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

**Place: Mumbai  
Date: May 17, 2016**

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

# Directors' Report (Contd.)

## ANNEXURE VI

### PARTICULARS OF CONTRACT/ARRANGEMENTS MADE WITH RELATED PARTIES [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- AOC-2]

#### DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARMS LENGTH BASIS:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

#### DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARMS LENGTH BASIS:

The detail of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 is as follows:

<b>Name of Related Party</b>	<b>Nature of Relationship</b>	<b>Duration of Contract</b>	<b>Salient Terms</b>	<b>Amount. (₹ in Lacs)</b>
Mr. Jeetendra Kapoor	Chairman	Three years	Rent agreement	16.48
Ms. Ekta Kapoor	Managing Director	Three years	Rent agreement	14.03

For and on behalf of the Board of Directors,

Place: Mumbai  
Date: May 17, 2016

Sd/-  
Jeetendra Kapoor  
Chairman  
(DIN: 00005345)



## Report on the Financial Statements

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

## Management's Responsibility for the Financial Statements

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

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

## Auditor's Responsibility-

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

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

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

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

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

## Opinion

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20.1 to the financial statements;
    - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

## For Deloitte Haskins & Sells LLP

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

## A. B. Jani

Partner  
(Membership No. 46488)

Place: Mumbai,  
Dated: May 17, 2016

# Annexure A to the Independent Auditors' Report

## **RE: BALAJI MOTION PICTURES LIMITED**

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

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

# Annexure B to the Independent Auditors' Report



## RE: BALAJI MOTION PICTURES LIMITED

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the order is not applicable.
- (ii) As explained to us, the nature of the inventories of the Company are such that clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments. Therefore, clause (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, clause (v) of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks, financial institutions and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

### For Deloitte Haskins & Sells LLP

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)  
Place: Mumbai  
Dated: May 17, 2016

### A. B. Jani

Partner  
(Membership No. 46488)

# Balance Sheet

as at March 31, 2016

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

See accompanying notes forming part of the financial statements.

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Managing Director)  
(DIN: 00005093)

Place : Mumbai  
Date : May 17, 2016

**D.G.Rajan**  
(Director)  
(DIN: 00303060)

**Sameer Nair**  
(Group Chief Executive Officer)

**Ritu Verma**  
(Company Secretary)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

# Statement of Profit and Loss

for the year ended March 31, 2016



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

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 17, 2016

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

**D.G.Rajan**  
(Director)  
(DIN: 00303060)

**Ritu Verma**  
(Company Secretary)

Place : Mumbai  
Date : May 17, 2016

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

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

**Ekta Kapoor**  
(Managing Director)  
(DIN: 00005093)

# Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

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

## Note:

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

₹ in Lacs

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>(ii) Cash and cash equivalents at the end of the year as per cashflow statement</b>	26.18	252.85
- Fixed deposits kept in lien against bank guarantee	33.38	-
<b>Cash and cash equivalents at the end of the year as per Note 11</b>	<b>59.56</b>	<b>252.85</b>

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**Ekta Kapoor**  
(Managing Director)  
(DIN: 00005093)

Place : Mumbai  
Date : May 17, 2016

**D.G.Rajan**  
(Director)  
(DIN: 00303060)

**Sameer Nair**  
(Group Chief Executive Officer)

**Ritu Verma**  
(Company Secretary)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

**NOTE 1 CORPORATE INFORMATION**

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

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****Basis of accounting and preparation of financial statements**

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

**Use of Estimates**

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

**Fixed assets**

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

**Depreciation / Amortisation**

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

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

**Impairment loss**

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

**Inventories**

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

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

**Revenue recognition**

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

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

**Employee benefits**

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

## Notes (Contd.)

forming part of the financial statements

### Foreign currency transactions

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

### Borrowing costs

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

### Operating leases

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

### Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

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

### Provisions and Contingencies

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

## NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>Authorised</b>		
35,000,000 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>		
30,000,000 Equity shares of ₹10/ each	3,000.00	3,000.00
(All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)		
<b>TOTAL</b>	<b>3,000.00</b>	<b>3,000.00</b>

#### Notes :

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

## NOTE 4 RESERVES AND SURPLUS

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



**NOTE 5 SHORT-TERM BORROWINGS**

₹ in Lacs

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Loans and advances from Holding Company (Unsecured) (Refer note 20.4(b))	21,840.96	9,981.75
<b>TOTAL</b>	<b>21,840.96</b>	<b>9,981.75</b>

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

**NOTE 6 OTHER CURRENT LIABILITIES**

₹ in Lacs

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

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

**NOTE 7 FIXED ASSETS**

₹ in Lacs

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

**Note:**

Figures in brackets denote previous year figures

## Notes (Contd.)

forming part of the financial statements

### NOTE 8 LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

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

Note: Security Deposits includes:

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

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

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

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

### NOTE 9 INVENTORIES (AT LOWER OF COST & NET REALISABLE VALUE)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Films	10,516.07	2,238.50
<b>TOTAL</b>	<b>10,516.07</b>	<b>2,238.50</b>

### NOTE 10 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

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

### NOTE 11 CASH AND CASH EQUIVALENTS

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



**NOTE 12 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)**

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

**NOTE 13 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Interest accrued on fixed deposits with banks	0.55	-
<b>TOTAL</b>	<b>0.55</b>	<b>-</b>

**NOTE 14 REVENUE FROM OPERATIONS**

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>Sale of Services</b>	<b>2,248.99</b>	<b>10,919.28</b>
Sale of Film rights		
<b>Other Operating Income</b>		
Sundry Credit balances written back	32.55	-
Recovery of advances written-off	-	57.02
<b>TOTAL</b>	<b>2,281.54</b>	<b>10,976.30</b>

**NOTE 15 OTHER INCOME**

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

## Notes (Contd.)

forming part of the financial statements

### NOTE 16 COST OF FILM PRODUCED / ACQUIRED / DISTRIBUTED

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

### NOTE 17 EMPLOYEE BENEFITS EXPENSE

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

### NOTE 18 FINANCE COST

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



**NOTE 19 OTHER EXPENSES**

₹ in Lacs

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

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

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

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

**20.2 Auditors Remuneration**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
For Statutory Audit	7.00	9.70
For Tax Audit	-	1.00
For expenses	-	-
For Taxation matters	-	2.50
For Other services - certification etc.	10.30	-
Reimbursement of expenses	0.70	0.27
For Service tax	2.61	1.66
<b>TOTAL</b>	<b>20.61</b>	<b>15.13</b>

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

## Notes (Contd.)

forming part of the financial statements

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

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

#### 20.4 Related Party Transactions

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

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

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

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Key Management Person having significant influence	Company owned by Relative of Key Management Person	Sole proprietary firm of a Key management person	₹ in Lacs
							Total
<b>Loan Received</b>							
Balaji Telefilms Limited	12,800.90	-	-	-	-	-	12,800.90
	(5,187.23)	(-)	(-)	(-)	(-)	(-)	(5,187.23)
<b>Loan Repaid</b>							
Balaji Telefilms Limited	941.69	-	-	-	-	-	941.69
	(6,170.85)	(-)	(-)	(-)	(-)	(-)	(6,170.85)
<b>Interest accrued</b>							
Balaji Telefilms Limited	980.09	-	-	-	-	-	980.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Rent Paid</b>							
Mr. Jeetendra Kapoor	-	16.48	-	-	-	-	16.48
	(-)	(15.55)	(-)	(-)	(-)	(-)	(15.55)
Ms. Ekta Kapoor	-	14.03	-	-	-	-	14.03
	(-)	(13.24)	(-)	(-)	(-)	(-)	(13.24)
<b>Equipment Hire charges</b>							
Balaji Telefilms Limited	-	-	-	-	-	-	-
	(4.68)	(-)	(-)	(-)	(-)	(-)	(4.68)
<b>Capital Advances returned</b>							
M/s. J K Developers	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(400.00)	(400.00)
<b>Interest received on capital advances</b>							
M/s. J K Developers	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(56.27)	(56.27)
<b>Purchase of rights</b>							
Balaji Telefilms Limited	-	-	-	-	-	-	-
	(62.00)	(-)	(-)	(-)	(-)	(-)	(62.00)



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

₹ in Lacs

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Key Management Person having significant influence	Company owned by Relative of Key Management Person	Sole proprietary firm of a Key management person	Total
Balaji Films & Telly Investments Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(101.00)	(-)	(101.00)
<b>Directors sitting fees</b>							
Mr. Jeetendra Kapoor	-	2.25	-	-	-	-	2.25
	(-)	(0.85)	(-)	(-)	(-)	(-)	(0.85)
Mr. Tusshar Kapoor	-	1.75	-	-	-	-	1.75
	(-)	(0.25)	(-)	(-)	(-)	(-)	(0.25)
<b>Remuneration</b>							
Ms. Ekta Kapoor	-	74.82	-	-	-	-	74.82
	(-)	(124.35)	(-)	(-)	(-)	(-)	(124.35)
<b>Artist fees</b>							
Mr. Tusshar Kapoor	-	50.00	-	-	-	-	50.00
	(-)	(50.00)	(-)	(-)	(-)	(-)	(50.00)
<b>Legal and Professional charges</b>							
Mr. Ramesh Sippy	-	-	-	-	-	-	-
	(-)	(-)	(1.20)	(-)	(-)	(-)	(1.20)
<b>Sale of film rights</b>							
Raksha Entertainment Pvt Ltd	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(31.39)	(-)	(31.39)
<b>(c) Closing balances as at March 31, 2016</b>							
<b>Loan payable As at March 31, 2016</b>							
Balaji Telefilms Limited	21,840.96	-	-	-	-	-	21,840.96
	(9,981.75)	(-)	(-)	(-)	(-)	(-)	(9,981.75)
<b>Interest accrued and due As at March 31, 2016</b>							
Balaji Telefilms Limited	980.09	-	-	-	-	-	980.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Amount payable As at March 31, 2016</b>							
Balaji Telefilms Limited	58.90	-	-	-	-	-	58.90
	(58.90)	(-)	(-)	(-)	(-)	(-)	(58.90)
<b>Amount receivable As at March 31, 2016</b>							
Mr. Jeetendra Kapoor*	-	100.00	-	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Ms. Ekta Kapoor*	-	100.00	-	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Balaji Telefilms Limited	1.00	-	-	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(-)	(-)	(1.00)
Raksha Entertainment Pvt Ltd	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(9.76)	(-)	(9.76)

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

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

\* - Deposit for leased property

## Notes (Contd.)

forming part of the financial statements

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

#### 20.5 Earnings in foreign currency

	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Sale of Film Rights	129.07	813.63

₹ in Lacs

#### 20.6 Expenditure in foreign currency

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

₹ in Lacs

#### 20.7 Employee Benefits

##### a) Defined Contribution Plans

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

##### b) Defined Benefit Plans

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

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

₹ in Lacs

#### II Movement in net liability recognized in the Balance Sheet

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

₹ in Lacs



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

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

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

IV Return on Plan Assets

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

V Reconciliation of defined benefits commitments

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

VI Reconciliation of plan assets

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

## Notes (Contd.)

forming part of the financial statements

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

#### VII Experience Adjustment

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

#### VIII Actuarial Assumptions

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

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

#### Composition of plan assets

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

#### 20.8 Earning per share

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

	₹ in Lacs	
	For the Year ended March 31, 2016	For the Year ended March 31, 2015
(a) (Loss) for the year attributable to equity share holders (₹ in Lacs)"	(3,214.11)	(536.10)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	30,000,000	30,000,000
(c) Earnings per share - Basic and diluted (₹)	(10.71)	(1.79)
(d) Nominal value of shares (₹)	10	10

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

#### 20.10 Lease Transactions

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

**NOTE 20 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)****20.11 Segment Information****(A) Information about primary segments**

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

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

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

- 20.12** The Company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses.
- 20.13** The accumulated losses of ₹ 7,758.41 Lacs as at March 31, 2016 have fully eroded the networth of the Company. The financial statement of the Company have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the holding Company (Refer Note 20.4 (b)) as sanctioned by the Board and its future profitability. The Company has identified the Film Business as its strategic growth area for the group and has various projects currently under production/development and the management is fully confident about the long-term profitability of its movie businesses which has a long gestation period in terms of setting up various in-house functions for optimal utilization of resources, scalability and its monetization.
- 20.14** On April 30, 2013 the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. Pursuant to the notices under Section 153A of Income-tax Act, 1961 the assessments for all the relevant assessment years were completed by the Department during the quarter ended June 30, 2015. Further, the Company has filed applications for rectification of two Assessment Orders which had discrepancies, which is pending with the Department.
- 20.15** During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 1.64 lacs against the opening balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 13.40 lacs and loss after tax for the year is higher by ₹ 13.40 lacs consequent to the change in the useful life of the assets.
- 20.16** The figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 17, 2016

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

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

**Ekta Kapoor**  
(Managing Director)  
(DIN: 00005093)

**D.G.Rajan**  
(Director)  
(DIN: 00303060)

**Sameer Nair**  
(Group Chief Executive Officer)

**Ritu Verma**  
(Company Secretary)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 17, 2016

# Directors' Report

Bolt Media Limited

Your Directors have pleasure in presenting their 4<sup>th</sup> Directors' Report of the Company together with the Audited Accounts of the Company for the year ended March 31, 2016.

## FINANCIAL RESULTS:

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

Particulars	₹ In Lacs)	
	2015-16	2014-15
<b>Income from operations</b>	<b>75.45</b>	<b>1,462.86</b>
<b>Total expenditure</b>	<b>64.96</b>	<b>1,438.59</b>
<b>Operating Profit/(Loss)</b>	<b>10.49</b>	<b>24.27</b>
Finance Costs	59.72	-
Depreciation	2.30	2.21
<b>(Loss) for the Year/Period before tax</b>	<b>(51.53)</b>	<b>22.07</b>
Provision for tax	-	4.45
<b>Profit/(Loss) for the Year after tax</b>	<b>(51.53)</b>	<b>17.62</b>
<b>Profit/(Loss) brought forward from previous period</b>	<b>(127.78)</b>	<b>(1,45.40)</b>
<b>Profit/(Loss) carried to the Balance Sheet</b>	<b>(179.31)</b>	<b>(1,27.78)</b>

## OPERATIONS AND BUSINESS PERFORMANCE:

During the year under review, the Company made a net loss of ₹ 51.53 lacs as compared to a net profit of ₹ 17.62 lacs in the previous year.

## DIVIDEND:

In view of the loss, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

## BORROWINGS:

The Company has inter-company borrowings from its parent company Balaji Telefilms Limited. Amount outstanding as on March 31, 2016 is ₹ 232.14 lacs as compared to ₹ 576.83 lacs in previous year.

## 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.

## PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

## SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2016 was ₹ 5,00,000. During the year, the Company has neither issued any shares, including any shares with differential voting rights nor granted stock options or sweat equity as on March 31, 2016. The Company is a wholly owned subsidiary of Balaji Telefilms Limited.

## DIRECTORS:

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Jeetender Kapoor, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

## DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

## AUDITORS:

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors will retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.



M/s Deloitte Haskins & Sells LLP, Chartered Accountants have furnished a certificate to the effect that their re-appointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013 and they are not disqualified for re-appointment as per section 141 of the said Act.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. Hence the Company is not required to give information as required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014. However, all possible efforts are being made to conserve and optimize the use of energy, wherever possible.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

There are no foreign exchange earnings or outgo during the year under review.

**MEETINGS OF THE BOARD:**

During the year under review, Four (4) meetings of the Board of Directors were held on May 20, 2015, August 13, 2015, November 9, 2015 & February 4, 2016. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT 9 is annexed to this Report as Annexure I.

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

No material events have occurred between end of the current financial year 2015-16 and the date of this report, which have effect over the financial position of the Company.

**RELATED PARTY TRANSACTIONS:**

All related party transactions of the Company are placed before the Board for approval. Transactions with the related parties are disclosed in Note No. 20.3 in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

There are no material contracts or arrangement or transactions during the year ended March 31, 2016

**BUSINESS RISK MANAGEMENT:**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**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

## Directors' Report (Contd.)

### VARIATIONS IN NETWORTH OF THE COMPANY:

The networth of the Company as on March 31, 2016 is ₹ (174.31) lacs as compared to networth of ₹ (122.78) lacs as on March 31, 2015.

### PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your 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, 2016, 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 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, 2016 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; and
- 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:

Your Directors wish to thank all the employees for their dedicated services.

**Place: Mumbai**  
**Date: May 16, 2016**

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

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



## ANNEXURE I

### FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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	U74900MH2012PLC237999
2. Registration Date	19/11/2012
3. Name of the Company	M/s BOLT MEDIA LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares.
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. Tel: +91-022-40698000, Fax: +91-022-40698181 Email:-investor@balajitelefilms.com Website:- www.balajitelefilms.com
6. Whether listed company	Unlisted Company.
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

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

S. 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
M/s Balaji Telefilms Limited	L99999MH1994PLC082802.	Holding Company	100	2 (46)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as on 31-March-2016				% 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	0.012	0	6	6	0.012	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	49,994	49,994	99.988	0	49,994	49,994	99.988	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total (A) (1)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>

# Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Foreign									
a) Individuals (NRIs/Foreign Individuals]									
b) Other Individuals									
c) Bodies Corporate									
d) Institutions					NIL				
e) Qualified Foreign Investor									
f) Others									
<b>Sub total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Shareholding of Promoters A= A(1) + A(2)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI									
b) Banks / FI									
c) Central Govt									
e) Venture Capital Funds					NIL				
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Non-Institutions									
a) Bodies Corp.									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)					NIL				
HUF									
Foreign Corporate Bodies									
Directors									
Clearing Members									
Non Resident Indians									
Trusts									
<b>Sub-total (B)(2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>0</b>



**B. Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	M/s Balaji Telefilms Limited	49,994	99.988	-	49,994	99.99	-	0
2	Mr. Jeetendra Kapoor jointly with M/s Balaji Telefilms Limited	1	0.002	-	1	0.002	-	0
3	Mrs. Shobha Kapoor jointly with M/s Balaji Telefilms Limited	1	0.002	-	1	0.002	-	0
4	Ms. Ekta Kapoor jointly with M/s Balaji Telefilms Limited.	1	0.002	-	1	0.002	-	0
5	Mr. Tushar Kapoor jointly With M/s Balaji Telefilms Limited.	1	0.002	-	1	0.002	-	0
6	Mr. Deepoo Vaswani jointly with M/s Balaji Telefilms Limited.	1	0.002	-	1	0.002	-	0
7	Mr. Ramesh Sippy jointly with M/s Balaji Telefilms Limited.	1	0.002	-	1	0.002	-	0
<b>TOTAL</b>		<b>50000</b>	<b>100</b>	<b>-</b>	<b>50000</b>	<b>100</b>	<b>-</b>	<b>0</b>

**C. Change in Promoters' Shareholding**

There is no change in the Shareholding of Promoters between the period April 1, 2015 to March 31, 2016.

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

**D. 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 its Holding Company 'Balaji Telefilms Limited'.

S. No.	For Each of the Top 10 Shareholders Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

**E. Shareholding of Directors and Key Managerial Personnel: NIL**

**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.**

## Directors' Report (Contd.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid		576.83		576.83
iii) Interest accrued but not due		0		-
		0		-
<b>TOTAL (i+ii+iii)</b>		<b>576.83</b>		<b>576.83</b>
<b>Change in Indebtedness during the financial year</b>				
Addition		10.31		10.31
Reduction		355.00		355.00
<b>Net Change</b>		<b>(344.69)</b>		<b>(344.69)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		232.14		232.14
ii) Interest due but not paid		58.60		58.60
iii) Interest accrued but not due		0		-
<b>TOTAL (i+ii+iii)</b>		<b>290.74</b>		<b>290.74</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 a Managing Director, Whole-Time Director and/or Manager.

S. No.	Particulars of Remuneration	Total Amount
1	Gross salary	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission -as % of profit -Others, specify	
5	Others, please specify	
	<b>TOTAL (A)</b>	
	Ceiling as per the Act	Not applicable *

\* Since none of the Managing Director, Executive Director or Manager is paid any remuneration, the ceiling on the remuneration under section 197 read with schedule V to the Companies Act, 2013 is not applicable

#### B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	<b>Independent Directors</b>	<b>D. G. Rajan</b>	
	Fee for attending board committee meetings	85,000	85,000
	Commission	-	-
	Others, please specify	-	-
	<b>TOTAL (1)</b>	<b>85,000</b>	<b>85,000</b>



<b>2 Other Non-Executive Directors</b>		
Fee for attending board committee meetings	-	-
Commission	-	-
Others, please specify	-	-
<b>TOTAL (2)</b>	-	-
<b>TOTAL (B)=(1+2)</b>	<b>85,000</b>	<b>85,000</b>
Total Managerial Remuneration	<b>85,000</b>	<b>85,000</b>
Overall Ceiling as per the Act		Not applicable*

\* The above mentioned Director have been paid only sitting fee for attending meetings of Board or Committee thereof which does not form part of managerial remuneration as per the provisions of section 197(2) of the Companies Act,2013.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

The Company is not required to appoint Key Managerial Personnel.

S. No.	Particulars of Remuneration	Key Managerial Personnel	TOTAL
1	GROSS SALARY	N.A	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock option		
3	Sweat equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
<b>TOTAL</b>		-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty/Punishment Compounding)			NIL		
B. DIRECTORS (Penalty/ Punishment /Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

For and on behalf of the Board of Directors,

Sd/-  
Jeetendra Kapoor  
Chairman  
(DIN: 00005345)

Place: Mumbai  
Date: May 16, 2016

# Independent Auditor's Report

## TO THE MEMBERS OF BOLT MEDIA LIMITED

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

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

### Auditor's Responsibility-

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

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

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

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

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

### Opinion

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

### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations on its financial position in its financial statements.
    - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Mumbai, Dated: May 16, 2016

# Annexure A to the Independent Auditors' Report

## **RE: BOLT MEDIA LIMITED**

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

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

#### **For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

#### **A. B. Jani**

Partner  
(Membership No. 46488)

Place: Mumbai  
Dated: May 16, 2016

# Annexure B to the Independent Auditors' Report



## RE: BOLT MEDIA LIMITED

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable .
- (ii) As explained to us, the nature of the inventories of the Company are such that clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans and provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, clause (v) of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks, financial institutions and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration. Therefore, clause (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

### For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

### A. B. Jani

Partner

(Membership No. 46488)

Place: Mumbai,

Dated: May 16, 2016

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	₹ in Lacs	
		As at March 31, 2016	As at March 31, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	5.00	5.00
(b) Reserves and surplus	4	(179.31)	(127.78)
		(174.31)	(122.78)
<b>2 Current liabilities</b>			
(a) Short-term borrowings	5	232.14	576.83
(b) Trade payables			
total outstanding dues of micro and small enterprises	20.2	-	-
total outstanding dues of creditors of other than micro and small enterprises		14.52	76.18
(c) Other current liabilities	6	58.60	1.01
(d) Short-term Provisions	7	-	2.61
		305.26	656.63
<b>TOTAL</b>		<b>130.95</b>	<b>533.85</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible assets	8	2.25	4.55
(b) Long-term loans and advances	9	63.17	73.54
		65.42	78.09
<b>2 Current assets</b>			
(a) Inventories	10	-	9.68
(b) Trade receivables	11	35.12	337.19
(c) Cash and cash equivalents	12	26.85	88.72
(d) Short-term loans and advances	13	3.56	20.17
		65.53	455.76
<b>TOTAL</b>		<b>130.95</b>	<b>533.85</b>
<b>See accompanying notes forming part of the financial statements.</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**D.G.Rajan**  
(Director)  
(DIN: 00303060)

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Statement of Profit and Loss

for the year ended March 31, 2016



Particulars	Note No.	₹ in Lacs	
		For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>1</b> Revenue from Operations	14	64.56	1,462.86
<b>2</b> Other income	15	10.89	-
<b>3 Total Revenue (1+2)</b>		<b>75.45</b>	<b>1,462.86</b>
<b>4 Expenses</b>			
(a) Cost of production	16	50.38	1,307.62
(b) Employee benefits expense	17	-	89.65
(c) Finance costs	18	59.72	-
(d) Depreciation expense	8	2.30	2.21
(e) Other expenses	19	14.58	41.31
<b>TOTAL EXPENSES</b>		<b>126.98</b>	<b>1,440.79</b>
<b>5 (Loss)/Profit before tax (3-4)</b>		<b>(51.53)</b>	<b>22.07</b>
<b>6 Tax expense:</b>			
(a) Current Tax		-	4.45
<b>7 (Loss)/Profit for the year (5-6)</b>		<b>(51.53)</b>	<b>17.62</b>
<b>8 Earnings per Equity Share (of ₹ 10/- each):</b>	20.5		
Basic and diluted earnings per share		(103.05)	35.23

See accompanying notes forming part of the financial statements.

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
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**Shobha Kapoor**  
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(DIN: 00303060)

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax for the year	(51.53)	22.07
Adjustments for:		
Depreciation	2.30	2.21
Excess provision for gratuity written back	(2.61)	
Excess provision for earlier years written back	(6.89)	
Advances written off	0.17	
Provision for bad and doubtful debts	8.49	
Finance Cost	59.72	-
Operating profit before working capital changes	<b>9.65</b>	<b>2.21</b>
Decrease/(Increase) in trade and other receivables	310.03	(290.80)
Decrease in inventories	9.68	468.59
Decrease in trade and other payables	(56.91)	(202.61)
	272.45	(24.82)
Income-tax refund received/(paid)	10.37	10.37
	(46.54)	(69.15)
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>282.82</b>	<b>(47.08)</b>
<b>B. CASH FLOW (USED IN) INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(6.03)
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>	-	(6.03)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	10.31	534.38
Repayment of short-term borrowings	(355.00)	(410.00)
<b>NET CASH (USED IN)/FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(344.69)</b>	<b>124.38</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(61.87)</b>	<b>71.27</b>
<b>Cash and cash equivalents at the beginning of the year</b>	88.72	17.45
<b>Cash and cash equivalents at the end of the year</b>	<b>26.85</b>	<b>88.72</b>

**Note:**

Components of cash and cash equivalents include cash and bank balances in current account (Refer Note 12)

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

**Shobha Kapoor**  
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(Director)  
(DIN: 00303060)

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

**NOTE 1 CORPORATE INFORMATION**

Incorporated on November 19, 2012, BOLT Media Limited is a wholly owned subsidiary of Balaji Telefilms Limited and is involved in production of television content.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****Basis of accounting and preparation of financial statements**

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

**Use of Estimates**

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

**Fixed assets**

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

**Depreciation**

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for studios and sets which are depreciated as per managements' estimate of their useful life of 3 years.

**Impairment loss**

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

**Inventories**

Inventory comprise of television serials/content which are at lower of cost and net realisable value. Cost is determined on the basis of average cost.

**Revenue recognition**

Revenue is recognised as and when the relevant episodes of the programmes (television serials/content) are telecast on broadcasting channels.

Revenue (income) is recognised when no significant uncertainty as to its determination or realisation exists.

**Employee benefits**

- a) Post employment benefits and other long-term benefits  
Liability in respect of gratuity is computed based upon actuarial valuation done at the end of each financial year using 'Projected Unit Credit Method' carried out by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the Statement of profit and loss.
- b) Short-term Employee Benefits:  
Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**Foreign currency transactions**

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

**Borrowing costs**

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

## Notes (Contd.)

forming part of the financial statements

### Operating leases

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

### Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

### Provisions and Contingencies

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

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>(a) Authorised:</b>		
50,000 Equity Shares of ₹ 10/- each	5.00	5.00
	<b>5.00</b>	<b>5.00</b>
<b>(b) Issued, Subscribed and paid-up</b>		
50,000 Equity Shares of ₹ 10/- each, fully paid-up	5.00	5.00
(All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)		
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>

#### Notes :

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

### NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>(Deficit) in Statement of Profit and Loss</b>		
Opening balance	(127.78)	(145.40)
Add: (Loss)/Profit for the year	(51.53)	17.62
<b>TOTAL</b>	<b>(179.31)</b>	<b>(127.78)</b>

### NOTE 5 SHORT-TERM BORROWINGS

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Loans and advances from the Holding Company (Unsecured) (Refer note 20.3(b))	232.14	576.83
<b>TOTAL</b>	<b>232.14</b>	<b>576.83</b>

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



**NOTE 6 OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Interest accrued and due on loan from holding company	58.60	-
Other Payable		
i) Advances from customers	-	1.01
<b>TOTAL</b>	<b>58.60</b>	<b>1.01</b>

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

**NOTE 7 SHORT-TERM PROVISIONS**

₹ in Lacs

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Provision for gratuity	-	2.61
<b>TOTAL</b>	<b>-</b>	<b>2.61</b>

**NOTE 8 FIXED ASSETS**

₹ in Lacs

Fixed Assets	Gross Block				Depreciation				Net Block
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	Upto March 31, 2015	For the year	On deductions	Upto March 31, 2016	As at March 31, 2016
<b>Tangible Assets</b>									
Computers	2.39	-	-	2.39	0.96	0.80	-	1.76	0.63
	(0.86)	(1.53)	(-)	(2.39)	(0.12)	(0.84)	(-)	(0.96)	(1.43)
Plant and Machinery - Computer	4.50	-	-	4.50	1.38	1.50	-	2.88	1.62
	(-)	(4.50)	(-)	(4.50)	(-)	(1.38)	(-)	(1.38)	(3.12)
Studios and Sets	22.50	-	-	22.50	22.50	-	-	22.50	-
	(22.50)	(-)	(-)	(22.50)	(22.50)	(-)	(-)	(22.50)	(-)
<b>TOTAL</b>	<b>29.39</b>	<b>-</b>	<b>-</b>	<b>29.39</b>	<b>24.84</b>	<b>2.30</b>	<b>-</b>	<b>27.14</b>	<b>2.25</b>
	<b>(23.36)</b>	<b>(6.03)</b>	<b>(-)</b>	<b>(29.39)</b>	<b>(22.62)</b>	<b>(2.22)</b>	<b>(-)</b>	<b>(24.84)</b>	<b>(4.55)</b>

**Note:**

Figures in brackets denote previous year figures

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

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Advance Tax (Net of provision ₹4.45 lacs (Previous year ₹4.45 lacs))	63.17	73.54
<b>TOTAL</b>	<b>63.17</b>	<b>73.54</b>

**NOTE 10 INVENTORIES**

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Television serials/content	-	9.68
<b>TOTAL</b>	<b>-</b>	<b>9.68</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 11 TRADE RECEIVABLES (UNSECURED)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	35.12	7.63
Considered doubtful	8.49	-
	43.61	7.63
Less: Provision	8.49	-
	35.12	7.63
(b) Other trade receivables		
Considered good	-	329.56
<b>TOTAL</b>	<b>35.12</b>	<b>337.19</b>

### NOTE 12 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Cash on hand	-	11.44
(b) Balances with banks in current account	26.85	77.28
<b>TOTAL</b>	<b>26.85</b>	<b>88.72</b>

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

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Security Deposit	-	0.05
(b) Balances with government authorities (service tax and Tax Deducted at Source)	3.56	9.18
(c) Advance to vendors	-	10.95
<b>TOTAL</b>	<b>3.56</b>	<b>20.17</b>

### NOTE 14 REVENUE FROM OPERATIONS

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Commissioned Sales	64.56	1,459.11
Service Income	-	3.75
<b>TOTAL</b>	<b>64.56</b>	<b>1,462.86</b>

### NOTE 15 OTHER INCOME

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Income on Income-tax Refund	1.39	-
Excess provision for gratuity written back	2.61	-
Excess provision for earlier years written back	6.89	-
<b>TOTAL</b>	<b>10.89</b>	<b>-</b>



**NOTE 16 COST OF PRODUCTION**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Opening stock of television serials/content	9.68	478.27
Add: Cost of production		
Purchase of costumes and dresses	0.04	13.82
Purchase of tapes	-	0.03
Artists, directors and other technician fees	28.98	468.86
Shooting and location expenses	2.43	216.06
Insurance charges	-	2.54
Set properties and equipment hire charges	2.00	72.73
Other production expenses	7.25	64.99
	40.70	839.03
	50.38	1,317.30
Less: Closing stock of television serials/content	-	9.68
<b>TOTAL</b>	<b>50.38</b>	<b>1,307.62</b>

**NOTE 17 EMPLOYEE BENEFITS EXPENSE**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	-	87.52
Contributions to Provident and Other Funds	-	2.13
<b>TOTAL</b>	<b>-</b>	<b>89.65</b>

**NOTE 18 FINANCE COST**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on loan taken from Holding company (Refer 20.3(b))	59.72	-
<b>TOTAL</b>	<b>59.72</b>	<b>-</b>

**NOTE 19 OTHER EXPENSES**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Insurance	-	0.47
Rates and taxes	-	1.73
Repairs and Maintenance	-	0.06
Legal and Professional charges	4.86	35.36
Director Sitting Fees	0.85	0.40
Business Promotion	-	0.43
Provision for doubtful debts	8.49	-
Advances written off	0.17	-
Miscellaneous expenses*	0.21	2.86
<b>TOTAL</b>	<b>14.58</b>	<b>41.31</b>

\*Miscellaneous expenses includes printing and stationery and postage, courier charges etc.

## Notes (Contd.)

forming part of the financial statements

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

#### 20.1 Payment to Auditors

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
For Statutory Audit	2.50	0.75
For Tax Audit	-	0.50
For others	1.50	1.00
Service Tax	0.58	0.28
<b>TOTAL</b>	<b>4.58</b>	<b>2.53</b>

**Note:** Amounts pertaining to the previous year relate to payments made to previous auditor.

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

#### 20.3 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person

##### (b) Details of transactions with related parties during the year and outstanding balances as at year end

Nature of Transactions	₹ in Lacs			
	Holding Company	Key Management Person	Relative of Key Management Person	Total
<b>Loan Received</b>				
Balaji Telefilms Limited	10.31	-	-	10.31
	(534.38)	(-)	(-)	(534.38)
<b>Loan Repaid</b>				
Balaji Telefilms Limited	355.00	-	-	355.00
	(410.00)	(-)	(-)	(410.00)
<b>Finance Cost (Interest)</b>				
Balaji Telefilms Limited	59.72	-	-	59.72
	(-)	(-)	(-)	(-)

##### (c) Balances as at March 31, 2016

Nature of Transactions	₹ in Lacs			
	Holding Company	Key Management Person	Relative of Key Management Person	Total
<b>Interest accrued and due</b>				
Balaji Telefilms Limited	58.60	-	-	58.60
	(-)	(-)	(-)	(-)
<b>Loan payable as at March 31, 2016</b>				
Balaji Telefilms Limited	232.14	-	-	232.14
	(577.36)	(-)	(-)	(577.36)

#### 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 the bracket relate to the previous year



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

**20.4 Employee Benefits**

a) Defined Benefit Plans

I Reconciliation of asset / (liability) recognized in the Balance Sheet

	₹ in Lacs	
	<b>For the Year 2015-2016</b>	<b>For the Year 2014-2015</b>
Fair Value of plan assets as at the end of the year	-	-
Present Value of Obligation as at the end of the year	-	(2.61)
Net assets / (liability) in the Balance Sheet	-	(2.61)

II Movement in net liability recognized in the Balance Sheet

	₹ in Lacs	
	<b>For the Year 2015-2016</b>	<b>For the Year 2014-2015</b>
Net (assets)/ liability as at the beginning of the year	2.61	0.48
Net expense recognized in the Statement of Profit and Loss	(2.61)	2.13
Contribution during the year	-	-
Net liability / (assets) as at the end of the year	-	2.61

III Expense Recognized in the statement of profit and loss (Under the head "Employees benefit expenses")

	₹ in Lacs	
	<b>For the Year 2015-2016</b>	<b>For the Year 2014-2015</b>
Current Service Cost	-	0.26
Interest Cost	-	0.04
Expected Return on Plan assets	-	-
Actuarial (Gains) losses	(2.61)	1.84
Expense charged to the Statement of Profit and Loss	(2.61)	2.14

IV Return on Plan Assets

	₹ in Lacs	
	<b>For the Year 2015-2016</b>	<b>For the Year 2014-2015</b>
Expected return on plan assets	-	-
Actuarial gains / (losses)	-	1.84
Actual return on plan assets	-	1.84

# Notes (Contd.)

forming part of the financial statements

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

### V Reconciliation of defined benefits commitments

	For the Year 2015-2016	For the Year 2014-2015
		₹ in Lacs
Commitments at beginning of the year	2.61	0.48
Current Service Cost	-	0.26
Interest Cost	-	0.04
Actuarial (gains)/ losses	(2.61)	1.84
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	-	2.61

### VI Reconciliation of plan assets

	For the Year 2015-2016	For the Year 2014-2015
		₹ in Lacs
Fair Value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains/ (losses)	-	1.84
Employer contribution	-	-
Benefits paid	-	-
Fair Value of plan assets at year end	-	1.84

### VII Experience Adjustment

	For the Year 2015-2016	For the Year 2014-2015
		₹ in Lacs
On Plan liability losses	-	1.58
On Plan assets gains / (losses)	-	-

### VIII Actuarial Assumptions

	For the Year 2015-2016	For the Year 2014-2015
		₹ in Lacs
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	-	8.03%
Expected Rate of return on Plan assets (per annum)	-	0.00%
Rate of escalation in Salary (per annum)	-	5.00%

### 20.5 Earning per share

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



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

	<b>For the Year 2015-2016</b>	<b>For the Year 2014-2015</b>
(a) (Loss)/Profit for the period attributable to equity share holders (₹ in Lacs)	(51.53)	17.62
(b) Weighted average number of equity shares outstanding during the year (Nos.)	50,000	50,000
(c) (Loss)/Earnings per share - Basic and diluted (₹)	(103.05)	35.23
(d) Nominal value of shares (₹)	10	10

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

**20.7** The accumulated losses of ₹ 179.31 Lacs as at March 31, 2016 have fully eroded the networth of the Company. The financial statement of the Company have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the holding Company (Refer Note 20.3 (b)) as sanctioned by the Board and its future profitability. The Company has identified the content related business relating to serials/ advertisements/documentary etc as the strategic growth area for the Company and the management is fully confident about the long-term profitability of its businesses.

**20.8 Segment Information**

The Company is primarily engaged in the business of production of television content, which, in the context of Accounting Standard 17 on 'Segment Reporting', constitutes a single reportable segment.

**20.9** Details of loan given, investments made and guarantee given covered under Section 186(4) of the Companies Act, 2013: The Company has not given any loans or guarantees or made any investment.

**20.10** The Company did not have any long-term contracts including derivative contracts for which any provision is required for the foreseeable losses.

**20.11** Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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

**D.G.Rajan**  
(Director)  
(DIN: 00303060)

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Directors' Report

## Marinating Films Private Limited

Your Directors have pleasure in presenting their 5th Directors' Report of the Company together with the Audited Accounts of the Company for the year ended March 31, 2016.

### FINANCIAL RESULTS:

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

Particulars	₹ In Lacs	
	2015-16	2014-15
<b>Income from operations</b>	<b>891.41</b>	<b>439.49</b>
<b>Total expenditure</b>	<b>908.37</b>	<b>602.89</b>
<b>Operating (Loss)</b>	<b>(16.97)</b>	<b>(163.41)</b>
Finance Costs	0.52	4.60
Depreciation	0.18	0.05
<b>(Loss) for the Year before tax</b>	<b>(17.66)</b>	<b>(168.05)</b>
Provision for tax	-	2.72
<b>(Loss) for the Year after tax</b>	<b>(17.66)</b>	<b>(170.77)</b>
<b>(Loss)/Profit brought forward from previous year</b>	<b>(151.94)</b>	<b>18.83</b>
<b>(Loss) carried to the Balance Sheet</b>	<b>(169.60)</b>	<b>(151.94)</b>

### OPERATIONS AND BUSINESS PERFORMANCE

During the year under review, the Company made a net loss of ₹ 17.66 lacs as compared to a net loss of ₹ 170.77 lacs in the previous year.

### DIVIDEND

In view of the loss, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

### TRANSFER TO RESERVES

The Directors 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.

### PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

### SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2016 was ₹ 3,46,00,000/- comprising of Equity Share capital of ₹1,00,000/- and Preference Share Capital of ₹ 3,45,00,000/- During the year under review, the Company has neither issued any shares including shares with differential voting rights nor granted stock options or sweat equity.

### DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Sunny Arora, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

### DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

### AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.



The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013 and they are not disqualified for re- appointment as per section 141 of the said Act.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. Hence the Company is not required to give information as required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

However, all possible efforts are being made to conserve and optimize the use of energy, wherever possible.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review there are no foreign exchange earnings or outgo.

**BUSINESS RISK MANAGEMENT:**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT 9 is annexed to this Report as Annexure I.

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

No material events have occurred between end of the current financial year 2015-16 and the date of this report, which have effect over the financial position of the Company.

**MEETINGS OF THE BOARD:**

During the year under review, Four (4) meetings of the Board of Directors were held on May 19, 2015, August 13, 2015, November 9, 2015 & February 4, 2016. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

**RELATED PARTY TRANSACTIONS:**

All related party transactions of the Company are placed before the Board for approval. Transactions with the related parties are disclosed in Note No.19.2 (b) in 'Notes forming part of the financial statements'.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

**VARIATIONS IN NETWORTH OF THE COMPANY:**

The networth of the Company as on March 31, 2016 is ₹176.40 lacs as compared to networth of ₹194.06 lacs as on March 31, 2015.

**PARTICULARS OF EMPLOYEES:**

The Company does not have any employees whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

# Directors' Report (Contd.)

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your 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, 2016, 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 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, 2016 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; and
- 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:**

Your Directors wish to thank all stakeholders for their cooperation and support. Your Directors also wish to thank all their employees for their dedicated services.

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

**Place: Mumbai**  
**Date: May 16, 2016**

**Sd/-**  
**Shobha Kapoor**  
**Chairperson**  
**(DIN: 00005124)**



**ANNEXURE I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

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

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	U74120MH2011PTC220971
2. Registration Date	16/08/2011
3. Name of the Company	M/s MARINATING FILMS PRIVATE LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares.
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. Tel: +91-022-40698000, Fax: +91-022-40698181 Email:-investor@balajitelefilms.com Website:- www.balajitelefilms.com
6. Whether listed company	Unlisted Company.
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

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

S 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
M/s Balaji Telefilms Limited	L99999MH1994PLC082802.	Holding Company	51.00% (Equity Share)	2 (46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as on 31-March-2016				% 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	4900	4900	49	0	4900	4900	49	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	5100	5100	51	0	5100	5100	51	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total (A) (1)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>
[2] Foreign									

## Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a] Individuals (NRIs/Foreign Individuals]					NIL				
b] Other Individuals	-	-	-	-	-	-	-	-	-
c] Bodies Corporate	-	-	-	-	-	-	-	-	-
d] Institutions	-	-	-	-	-	-	-	-	-
e] Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
f] Others	-	-	-	-	-	-	-	-	--
<b>Sub total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Shareholding of Promoters A= A(1) + A(2)</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>100</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI									
b) Banks / FI									
c) Central Govt									
e) Venture Capital Funds					NIL				
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Non-Institutions									
a) Bodies Corp.									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
HUF									
Foreign Corporate Bodies									
Directors									
Clearing Members									
Non Resident Indians									
Trusts									
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>10000</b>	<b>100</b>	<b>0</b>



**B) Shareholding of Promoter (Equity Shares)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	M/s Balaji Telefilms Limited	5100	51.00	0	5100	51.00	0	0
2	Anand Mishra	2450	24.50	0	2450	24.50	0	0
3	Sunny Arora	2450	24.50	0	2450	24.50	0	0
<b>TOTAL</b>		<b>10000</b>	<b>100</b>	<b>0</b>	<b>10000</b>	<b>100</b>	<b>0</b>	<b>0</b>

**C) Change in Promoters' Shareholding:**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

**D) Shareholding Pattern of top Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

The entire equity share capital of the Company is held by the Holding Company, Promoters and the Directors of the Company.

S. No.	For Each of the Top 10 Shareholders Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

**E) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Anand Mishra	2450	24.50	2450	24.50
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc);	-	-	-	-
	At the end of the year	2450	24.50	2450	24.50
2	Mr. Sunny Arora	2450	24.50	2450	24.50
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc);	-	-	-	-
	At the end of the year	2450	24.50	2450	24.50

## Directors' Report (Contd.)

### V) Indebtedness of the Company including interest outstanding/accrued but not due for payment.

The Company has not availed any loan during the year and it is a debt-free Company

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition		NIL		
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</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 a Managing Director, Whole-Time Director and/or Manager.

#### S. Particulars of Remuneration

No.	Particulars of Remuneration	Total Amount
1	Gross salary	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission -as % of profit -Others, specify	
5	Others, please specify	
	<b>TOTAL (A)</b>	
	Ceiling as per the Act	Not applicable *

\* Since none of the Managing Director, Executive Director or Manager is paid any remuneration, the ceiling on the remuneration under section 197 read with schedule V to the Companies Act, 2013 is not applicable

#### B. Remuneration to other directors

#### S. Particulars of Remuneration

No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. V. B. Dalal	Mr. D. K. Vasal	
<b>1</b>	<b>Independent Directors</b>			
	Fee for attending board committee meetings	75,000	75,000	<b>1,50,000</b>
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>TOTAL (1)</b>	<b>75,000</b>	<b>75,000</b>	<b>1,50,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-



S. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Others, please specify	-	-	-
	<b>TOTAL (2)</b>	-	-	-
	<b>TOTAL (B)=(1+2)</b>	75,000	75,000	<b>1,50,000</b>
	<b>TOTAL Managerial Remuneration</b>	75,000	75,000	<b>1,50,000</b>
	Overall Ceiling as per the Act			<b>Not applicable*</b>

\* The above mentioned Directors have been paid only sitting fee for attending meetings of Board or Committee thereof which does not form part of managerial remuneration as per the provisions of section 197(2) of the Companies Act, 2013.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

The Company is not required to appoint Key Managerial Personnel.

S. No.	Particulars of Remuneration	Key Managerial Personnel	TOTAL
1	Gross Salary	N.A	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock option		
3	Sweat equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	<b>TOTAL</b>	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty/Punishment Compounding)			NIL		
B. DIRECTORS (Penalty/ Punishment /Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

For and on behalf of the Board of Directors,

Place: Mumbai  
Date: May 16, 2016

Sd/-  
Shobha Kapoor  
Chairperson  
(DIN: 00005124)

# Independent Auditor's Report

## TO THE MEMBERS OF MARINATING FILMS PRIVATE LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

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

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

### OPINION

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations on its financial position in its financial statements.
    - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Mumbai, Dated: May 16, 2016

# Annexure A to the Independent Auditors' Report

## **RE: MARINATING FILMS PRIVATE LIMITED**

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

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

#### **For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

#### **A. B. Jani**

Partner  
(Membership No. 46488)

Place: Mumbai  
Dated: May 16, 2016

# Annexure B to the Independent Auditors' Report



## RE: MARINATING FILMS PRIVATE LIMITED

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the order is not applicable.
- (ii) As explained to us, the nature of the inventories of the Company are such that clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments. Therefore, clause (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, clause (v) of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks, financial institutions and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration. Therefore, clause (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai  
Dated: May 16, 2016

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	₹ in Lacs	
		As at March 31, 2016	As at March 31, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	346.00	346.00
(b) Reserves and surplus	4	(169.60)	(151.94)
		176.40	194.06
<b>2 Current liabilities</b>			
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises; and			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	19.8	549.36	223.33
(b) Other current liabilities	5	4.52	43.04
		553.88	266.37
<b>TOTAL</b>		<b>730.28</b>	<b>460.43</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	6		
Tangible assets		0.30	0.48
		0.30	0.48
(b) Long-term loans and advances	7	49.02	16.59
		<b>49.32</b>	<b>17.07</b>
<b>2 Current assets</b>			
(a) Current Investments	8	100.00	-
(b) Inventories	9	60.42	267.51
(c) Trade Receivables	10	370.59	164.47
(d) Cash and cash equivalents	11	118.52	6.66
(e) Short-term loans and advances	12	31.43	4.72
		680.96	443.36
<b>TOTAL</b>		<b>730.28</b>	<b>460.43</b>
<b>See accompanying notes forming part of the financial statements.</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

**Sunny Arora**  
(Director)  
DIN: 03225979

**V. B. Dalal**  
(Director)  
DIN: 00247971

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

**Anand Prakash Mishra**  
(Director)  
DIN: 03047012

Place : Mumbai  
Date : May 16, 2016

# Statement of Profit and Loss

for the year ended March 31, 2016



	Note No.	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
₹ in Lacs			
<b>1 Revenue from Operations</b>	13	891.41	432.06
<b>2 Other income</b>	14	-	7.43
<b>TOTAL REVENUE</b>		<b>891.41</b>	<b>439.49</b>
<b>3 Expenses</b>			
(a) Cost of Production	15	830.32	517.95
(b) Employee benefits expense	16	48.22	33.21
(c) Finance costs	17	0.52	4.60
(d) Depreciation and amortisation expense	6	0.18	0.05
(e) Other expenses	18	29.83	51.73
<b>TOTAL EXPENSES</b>		<b>909.07</b>	<b>607.54</b>
<b>4 (Loss) for the year</b>		<b>(17.66)</b>	<b>(168.05)</b>
<b>5 Tax expenses</b>			
Short provision of taxation in respect of earlier years		-	2.72
<b>6 (Loss) for the year</b>		<b>(17.66)</b>	<b>(170.77)</b>
<b>7 Earnings per share (of ₹ 10/- each):</b>			
Basic earnings per share	19.3a	(176.60)	(1,707.70)
Diluted earnings per share	19.3b	(0.51)	(1,707.70)
<b>See accompanying notes forming part of the financial statements.</b>			

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

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(Group Chief Financial Officer)

**Anand Prakash Mishra**  
(Director)  
DIN: 03047012

Place : Mumbai  
Date : May 16, 2016

# Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
(Loss) before tax	(17.66)	(168.05)
Adjustment for:		
Depreciation	0.18	0.05
Excess provision for earlier year written back	(11.19)	-
Credit balances written back	-	(6.70)
Bad debts written off	-	1.90
Fixed assets written off	-	11.72
<b>Operating (loss) before working capital changes</b>	<b>(11.01)</b>	<b>6.97</b>
(Increase) in trade and other receivables	(232.83)	(143.34)
Decrease/(Increase) in inventories	207.09	(267.51)
Increase in trade and other payables	298.70	240.21
	<b>272.96</b>	<b>(170.64)</b>
Income-tax (paid)	(32.43)	(14.59)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>211.86</b>	<b>(346.31)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	-	(0.53)
Investment in mutual fund	(100.00)	-
<b>Net cash flow (used in) investing activities (B)</b>	<b>(100.00)</b>	<b>(0.53)</b>
<b>C. Cash Flow from Financing Activities</b>		
Issue of preference share capital	-	345.00
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>345.00</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>111.86</b>	<b>(1.84)</b>
Cash and cash equivalents at the beginning of the year	6.66	8.50
<b>Cash and cash equivalents at the end of the year</b>	<b>118.52</b>	<b>6.66</b>

**Note:**

Components of cash and cash equivalents include cash and bank balances in current account (Refer Note 11)

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

**Sunny Arora**  
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Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

**Anand Prakash Mishra**  
(Director)  
DIN: 03047012

Place : Mumbai  
Date : May 16, 2016

**NOTE 1 CORPORATE INFORMATION**

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 film and television industry. The Company is a subsidiary of Balaji Telefilms Limited.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****Basis of accounting and preparation of financial statements**

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

**Use of Estimates**

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

**Fixed assets**

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

**Depreciation**

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

**Impairment loss**

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

**Inventories**

Items of inventory are carried at lower of cost or net realizable value.

**Investments**

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

**Revenue recognition**

Revenue is recognised as and when the relevant event is delivered and technical clearance is received from the broadcasting channels.

Revenue (income) is recognized when risk and reward is transferred and no significant uncertainty as to its determination and realization exists.

**Employee benefits**

- a. Defined Contribution Plans:  
The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.
- b. Short-term Employee Benefits:  
Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the period in which the related service is rendered.

**Operating leases**

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

## Notes (Contd.)

forming part of the financial statements

### Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

### Provisions and Contingencies

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

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
<b>(a) Authorised</b>		
50,000 Equity Shares of ₹10 each	5.00	5.00
34,50,000 Zero Dividend Optionally convertible redeemable preference shares of ₹10 each	345.00	345.00
	350.00	350.00
<b>(b) Issued, Subscribed and fully paid up</b>		
10,000 Equity Shares of ₹10 each	1.00	1.00
34,50,000 Zero Dividend Optionally convertible redeemable preference shares of ₹10 each	345.00	345.00
<b>TOTAL</b>	<b>346.00</b>	<b>346.00</b>

#### Notes :

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

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	5,100	51.00%	5,100	51.00%
Anand Prakash Mishra	2,450	24.50%	2,450	24.50%
Sunny Satish Arora	2,450	24.50%	2,450	24.50%
<b>TOTAL</b>	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>

(ii) All the Equity Shares have the same rights as to dividends, voting and in case of repayment of capital.

(iii) Details of Preference shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	3,450,000	100%	3,450,000	100%
<b>TOTAL</b>	<b>3,450,000</b>	<b>100%</b>	<b>3,450,000</b>	<b>100%</b>

These Preference Shares are redeemable at par at anytime at the option of the Board but not later than twenty years from the date of allotment.

The holder of these Preference Shares shall have an option to exercise their right for converting the same into Equity Shares at anytime before these are redeemable in the ratio of 1 Equity Shares of ₹ 10/- each for every 1 Preference Shares of ₹ 10/- each held.



**NOTE 4 RESERVES AND SURPLUS**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
(Deficit) in Statement of Profit and Loss		
Opening balance	(151.94)	18.83
Add:(Loss) for the year	(17.66)	(170.77)
<b>TOTAL</b>	<b>(169.60)</b>	<b>(151.94)</b>

**NOTE 5 OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Other payables		
(i) Statutory liabilities	4.18	43.04
(ii) Advances from customers	0.34	-
<b>TOTAL</b>	<b>4.52</b>	<b>43.04</b>

**NOTE 6 FIXED ASSETS**

₹ in Lacs

Particulars	Gross Block			Depreciation / Amortisation				Net Block	
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	Upto March 31, 2015	For the year	On deductions	As at March 31, 2016	As at March 31, 2016
<b>Tangible Assets</b>									
Computers	0.53	-	-	0.53	0.05	0.18	-	0.23	0.30
	(-)	(0.53)	(-)	(0.53)	(-)	(0.05)	(-)	(0.05)	(0.48)
Office Equipment	-	-	-	-	-	-	-	-	-
	(1.01)	(-)	(1.01)	(-)	(0.20)	(-)	(0.20)	(-)	(-)
Plant and Machinery - Others	-	-	-	-	-	-	-	-	-
	(6.98)	(-)	(6.98)	(-)	(1.33)	(-)	(1.33)	(-)	(-)
Furniture and Fixtures	-	-	-	-	-	-	-	-	-
	(6.49)	(-)	(6.49)	(-)	(1.23)	(-)	(1.23)	(-)	(-)
<b>TOTAL</b>	<b>0.53</b>	<b>-</b>	<b>-</b>	<b>0.53</b>	<b>0.05</b>	<b>0.18</b>	<b>-</b>	<b>0.23</b>	<b>0.30</b>
	<b>(14.48)</b>	<b>(0.53)</b>	<b>(14.48)</b>	<b>(0.53)</b>	<b>(2.76)</b>	<b>(0.05)</b>	<b>(2.76)</b>	<b>(0.05)</b>	<b>(0.48)</b>

**Note:**

Figures in brackets denote previous year figures

**NOTE 7 LONG TERM LOANS AND ADVANCES**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Security Deposit	2.00	2.00
Advance Income-tax (Net of provision ₹ 2.72 lacs (Previous year ₹ 2.72 lacs))	47.02	14.59
<b>TOTAL</b>	<b>49.02</b>	<b>16.59</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 8 CURRENT INVESTMENTS (UNQUOTE)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(Non trade) (at lower of cost and fair value)		
Investment in mutual funds (Refer note below)	100.00	-
<b>TOTAL</b>	<b>100.00</b>	<b>-</b>

### NOTE 9 INVENTORIES

(At Lower Of Cost And Net Realisable Value)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Events	60.42	267.51
<b>TOTAL</b>	<b>60.42</b>	<b>267.51</b>

### NOTE 10 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
(a) Outstanding for a period exceeding six months from the date they were due for payment	51.76	7.14
(b) Other trade receivables	318.83	157.33
<b>TOTAL</b>	<b>370.59</b>	<b>164.47</b>

### NOTE 11 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lacs	
	As at March 31, 2016	As at March 31, 2015
Balances with banks in current accounts	118.52	6.66
<b>TOTAL</b>	<b>118.52</b>	<b>6.66</b>

### NOTE 12 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Prepaid expenses	-	-
(b) Balances with government authorities (VAT, service tax etc.)	3.16	4.72
(C) Advance to vendors	28.27	-
<b>TOTAL</b>	<b>31.43</b>	<b>4.72</b>

### NOTE 13 REVENUE FROM OPERATIONS

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Service Income - Event Management	880.22	427.06
Sale of Rights	-	5.00
<b>Other Operating Income</b>		
Excess provision of previous year written back	11.19	-
<b>TOTAL</b>	<b>891.41</b>	<b>432.06</b>



**NOTE 14 OTHER INCOME**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) Interest income		
On Income-tax Refund	-	0.73
(b) Sundry credit balances for earlier year written back	-	6.70
<b>TOTAL</b>	<b>-</b>	<b>7.43</b>

**NOTE 15 COST OF FILM PRODUCED / ACQUIRED**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>COST OF FILMS PRODUCED / ACQUIRED</b>		
Opening stock of Serials/Content	- 267.51	- -
Add: Cost of production / acquisition		
Acquisition Cost	233.55	24.50
Purchase of tapes	0.06	-
Purchase of costumes and dresses	1.69	12.21
Artists, Directors and other technician fees	135.12	231.39
Shooting and location expenses	67.95	179.12
Set Properties and Equipment Hire Charges	108.41	185.13
Marketing expenses	12.33	21.91
Other production expenses	86.14	131.20
	645.25	785.46
Less: Reimbursement of expenses	(22.02)	-
	623.23	785.46
	890.74	785.46
Less: Closing stock of Serials/Content	(60.42)	(267.51)
<b>TOTAL</b>	<b>830.32</b>	<b>517.95</b>

**NOTE 16 EMPLOYEE BENEFITS EXPENSE**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	48.15	30.21
Gratuity	-	3.00
Staff welfare expenses	0.07	-
<b>TOTAL</b>	<b>48.22</b>	<b>33.21</b>

**NOTE 17 FINANCE COSTS**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on delayed payment of taxes	0.52	4.60
<b>TOTAL</b>	<b>0.52</b>	<b>4.60</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 18 OTHER EXPENSES

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Electricity Charges	0.53	0.52
Rent (Refer Note 19.5)	3.86	3.98
Repairs and maintenance - Others	0.06	0.41
Repairs and maintenance - Machinery	0.15	-
Communication expenses	0.62	0.32
Legal and professional charges	19.83	23.32
Business promotion expenses	-	0.80
Travelling and conveyance Expenses	0.33	1.07
Rates and taxes	1.59	-
Bad debts written off	-	1.90
Fixed assets written off	-	11.72
Directors sitting fees	1.50	-
Miscellaneous expenses *	1.36	7.69
<b>TOTAL</b>	<b>29.83</b>	<b>51.73</b>

\* Miscellaneous expenses include membership and subscriptions, water charges, printing and stationery etc.

### NOTE 19 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

#### 19.1 Payment to Auditors

Particulars	₹ in Lacs	
	For the year ended March 31, 2016	For the year ended March 31, 2015
For Statutory Audit	3.50	3.00
For Others	1.50	-
For Service Tax	0.73	0.37
<b>TOTAL</b>	<b>5.73</b>	<b>3.37</b>

#### 19.2 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Sunny Arora	Key management person
Mr. Anand Prakash Mishra	Key management person
Marinating Films Partnership	Entity in which key management person has significant influence

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

Nature of Transactions	Holding Company	Key Management Person	Key Management Person having significant influence	₹ in Lacs
				Total
<b>Sale of Rights</b>				
Balaji Telefilms Limited	-	-	-	-
	(5.00)	(-)	(-)	(5.00)
<b>Issue of Preference Shares</b>				
Balaji Telefilms Limited	-	-	-	-
	(345.00)	(-)	(-)	(345.00)



**NOTE 19 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS**

Nature of Transactions				₹ in Lacs
	Holding Company	Key Management Person	Key Management Person having significant influence	Total
<b>Remuneration</b>				
Anand Prakash Mishra	-	23.92	-	23.92
	(-)	(15.61)	(-)	(15.61)
Sunny Arora	-	23.92	-	23.92
	(-)	(14.60)	(-)	(14.60)
<b>Sundry Credit balances for earlier years written back</b>				
Marinating Films Partnership	-	-	-	-
	(-)	(-)	(1.00)	(1.00)
Sunny Arora	-	-	-	-
	(-)	(0.27)	(-)	(0.27)

**(c) Closing balances as at March 31, 2016**

				₹ in Lacs
	Holding Company	Key Management Person	Key Management Person having significant influence	Total
<b>Amount receivable as at March 31, 2016</b>				
Balaji Telefilms Limited	-	-	-	-
	(0.25)	(-)	(-)	(0.25)
<b>Salary payable as at March 31, 2016</b>				
Anand Prakash Mishra	-	1.88	-	1.88
	(-)	(-)	(-)	(0.00)
Sunny Arora	-	2.54	-	2.54
	(-)	(-)	(-)	(0.00)

**Note**

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

**19.3 Earning per share**

**19.3a Basic Earning 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 period as under :

Particulars	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
(a) Loss for the period attributable to equity share holders(in lacs)	(17.66)	(170.77)
(b) Weighted average number of equity shares outstanding during the year	10,000	10,000
(c) Loss per share - Basic (₹)	(176.60)	(1,707.70)
(d) Nominal value of shares (₹)	10	10

**19.3b Diluted Earning per share**

Diluted 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 adjusted for the effects of all dilutive potential equity shares as under:

## Notes (Contd.)

forming part of the financial statements

Particulars	For the	For the
	year ended	year ended
	March 31, 2016	March 31, 2015
(a) Loss for the period attributable to equity share holders(in lacs)	(17.66)	(170.77)
(b) Weighted average number of equity shares outstanding during the year	3,460,000	10,000
(c) Loss per share - Diluted (₹)	(0.51)	(1,707.70)
(d) Nominal value of shares (₹)	10	10

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

### 19.5 Lease Transactions

Amount of lease rentals charged to the statement of profit and loss in respect of operating leases is ₹ 3.86 lacs (previous year ₹ 3.98 lacs)

### 19.6 Segment Information

The Company is primarily engaged in the business of event management relating to film and television industry which, in the context of Accounting Standard 17 on "Segment Reporting", constitutes a single reportable segment.

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

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

**19.9** Details of loan given, investments made and guarantee given covered under Section 186(4) of the Companies Act, 2013: The Company has not given any loans or guarantees or made any investment.

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

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

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

**Sunny Arora**  
(Director)  
DIN: 03225979

**V. B. Dalal**  
(Director)  
DIN: 00247971

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

**Anand Prakash Mishra**  
(Director)  
DIN: 03047012

Place : Mumbai  
Date : May 16, 2016



## Report on the Financial Statements

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

## Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Fund in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets 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; for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility-

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

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

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

## Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the LLP as at March 31, 2016; and
- (b) in the case of the Statement of Profit and Loss, of the loss of the LLP for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows of the LLP for the year ended on that date.

## For Deloitte Haskins & Sells LLP

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Mumbai, Dated: May 16, 2016

## A. B. Jani

Partner  
(Membership No. 46488)

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	₹ in Lacs	
		As at March 31, 2016	As at March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Partners' funds</b>			
(a) Partners' capital accounts	3	(53.99)	(43.59)
		(53.99)	(43.59)
<b>Current liabilities</b>			
(a) Short-term borrowings	4	79.01	425.66
(b) Trade payables	15.2	2.94	3.90
(c) Other current liabilities	5	8.54	12.49
		90.49	442.05
<b>TOTAL</b>		<b>36.50</b>	<b>398.46</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Long-term loans and advances	6	18.50	78.64
		18.50	78.64
<b>Current assets</b>			
(a) Trade Receivables	7	-	216.47
(b) Cash and cash equivalents	8	16.66	102.32
(c) Short-term loans and advances	9	1.34	1.03
		18.00	319.82
<b>TOTAL</b>		<b>36.50</b>	<b>398.46</b>
<b>See accompanying notes forming part of the financial statements</b>			

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

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

For and on behalf of the Balaji Telefilms Limited

**Shobha Kapoor**  
(Partner)

For and on behalf of the Select Media Holdings LLP

**Rajnish Khanuja**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

# Statement of Profit and Loss

for the year ended March 31, 2016



Particulars	Note No.	₹ in Lacs	
		For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>Revenue:</b>			
Revenue from operations	10	175.00	918.00
Other Income	11	4.41	-
<b>TOTAL REVENUE</b>		<b>179.41</b>	<b>918.00</b>
<b>Expenses:</b>			
(a) Cost of Production	12	143.30	947.60
(b) Finance cost	13	33.61	12.49
(c) Other expenses	14	12.90	2.50
<b>TOTAL EXPENSES</b>		<b>189.81</b>	<b>962.59</b>
<b>(Loss) for the year / period transferred to Partners' capital account</b>		<b>(10.40)</b>	<b>(44.59)</b>
<b>See accompanying notes forming part of the financial statements</b>			

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

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

For and on behalf of the Balaji Telefilms Limited

**Shobha Kapoor**  
(Partner)

For and on behalf of the Select Media Holdings LLP

**Rajnish Khanuja**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

# Cash Flow Statement

for the year ended March 31, 2016

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before extraordinary items and tax	(10.40)	(44.59)
Adjustment for:		
Interest on loan from Holding company	33.49	-
Operating (loss) before working capital changes	33.49	-
Decrease/(Increase) in trade and other receivables	216.16	(217.50)
(Decrease)/Increase in trade and other payables	(0.84)	3.90
	215.32	(213.60)
Income tax (tax deducted at source)	60.14	(78.64)
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>298.55</b>	<b>(336.83)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital contribution received	-	1.00
Proceeds from short-term borrowings	29.19	438.15
Repayment of short-term borrowings	(375.84)	-
Interest on Loan from Holding Company	(37.56)	-
<b>NET CASH (USED IN)/FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(384.21)</b>	<b>439.15</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(85.66)</b>	<b>102.32</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	102.32	-
<b>Cash and cash equivalents at the end of the year/period</b>	<b>16.66</b>	<b>102.32</b>

**Note:**

Components of cash and cash equivalents include cash and bank balances in current account (Refer Note 8)

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

For and on behalf of the Balaji Telefilms Limited

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

For and on behalf of the Select Media Holdings LLP

**Rajnish Khanuja**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

**NOTE 1 CORPORATE INFORMATION**

Incorporated on October 1, 2014, under the provisions of the Limited Liability Partnership Act 2008, Event Media LLP (The LLP) is a Limited Liability Partnership owned 51% by Balaji Telefilms Limited and 49% by Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited). It is involved in organizing and/or managing events relating to film and television industry.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation of financial statements**

- (i) The financial statements have been prepared to comply with accounting principles generally accepted in India, including the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI).
- (ii) As asset/liability is classified as current if it is expected to be realized / settled within twelve month after the reporting date as the case may be. All other assets/liabilities are classified as non-current.

**Use of Estimates**

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

**Revenue recognition**

Revenue is recognised as and when the relevant event is delivered and technical clearance is received from the broadcasting channels.

Revenue (income) is recognized no significant uncertainty as to its determination and realization exists.

**Foreign currency transactions**

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

**Borrowing costs**

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

**Taxes on income**

Tax expense comprises of current tax and deferred tax.

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

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

**Provisions and Contingencies**

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

## Notes (Contd.)

forming part of the financial statements

### NOTE 3 PARTNER'S CAPITAL ACCOUNTS

₹ in Lacs

Particulars	As at	As at
	March 31, 2016	March 31, 2015
As per last Balance Sheet	(43.59)	-
Add: Capital contribution received during the year/period	-	1.00
Less: Share of (deficit) in Statement of Profit and Loss	(10.40)	(44.59)
<b>Balance carried to Balance Sheet</b>	<b>(53.99)</b>	<b>(43.59)</b>

#### Notes :

(i) Partners Account

₹ in Lacs

Name	Share	Capital Contribution
Balaji Telefilms Limited	51%	0.51
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	49%	0.49
	<b>100%</b>	<b>1.00</b>

(ii) Share in Profit/(Loss)

₹ in Lacs

Name of Shareholder	Share in Profit/(Loss)	Share in (Loss)	
		Opening	During the year
Balaji Telefilms Limited	50%	(22.295)	(5.200)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	50%	(22.295)	(5.200)
	<b>100%</b>	<b>(44.59)</b>	<b>(10.40)</b>

(iii) Closing Balances

₹ in Lacs

Name	As on	As on
	March 31, 2016	March 31, 2015
Balaji Telefilms Limited	(26.985)	(21.785)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	(27.005)	(21.805)
	<b>(53.99)</b>	<b>(43.59)</b>



**NOTE 4: SHORT-TERM BORROWINGS (UNSECURED)**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Loans from partner [Refer note below]		
(i) Balaji Telefilms Limited	79.01	425.66
<b>TOTAL</b>	<b>79.01</b>	<b>425.66</b>

**Note:**

Loans from partner bears an interest rate of 12% per annum, simple interest on reducing balance basis and is repayable on demand basis, unless otherwise agreed by the partners in writing.

**NOTE 5 : OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued and due on: (Refer note below)		
(i) Loan from partner	8.36	12.43
(ii) Capital contribution from partners	0.18	0.06
<b>TOTAL</b>	<b>8.54</b>	<b>12.49</b>

**Note:**

The interest on capital and loans given by the partners is at 12% per annum simple interest payable on quarterly basis or on settlement of loan, whichever is earlier.

**NOTE 6: LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Advance payment of income-tax (Tax deducted at source)	18.50	78.64
<b>TOTAL</b>	<b>18.50</b>	<b>78.64</b>

**NOTE 7: TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)**

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Trade Receivables</b>		
(a) Outstanding for a period exceeding six months from the date they were due for payment	-	-
(b) Other trade receivables	-	216.47
<b>TOTAL</b>	<b>-</b>	<b>216.47</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 8: CASH AND CASH EQUIVALENTS

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with banks in current account	16.66	102.32
<b>TOTAL</b>	<b>16.66</b>	<b>102.32</b>

### NOTE 9: SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

₹ in Lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with Government Authorities (Service tax)	1.34	1.03
<b>TOTAL</b>	<b>1.34</b>	<b>1.03</b>

### NOTE 10: REVENUE FROM OPERATIONS

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the Period from October 1, 2014 to March 31, 2015
Service income - Organising/Managing events	175.00	918.00
<b>TOTAL</b>	<b>175.00</b>	<b>918.00</b>

### NOTE 11: OTHER INCOME

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the Period from October 1, 2014 to March 31, 2015
Interest Income on Income-tax Refund	4.41	-
<b>TOTAL</b>	<b>4.41</b>	<b>-</b>



**NOTE 12: COST OF PRODUCTION**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the Period from October 1, 2014 to March 31, 2015
Purchase of costumes and dresses	2.97	17.27
Purchase of tapes	-	0.70
Artists, directors and other technician fees	69.35	589.83
Shooting and location expenses	23.42	62.35
Set properties and equipment hire charges	34.08	27.96
Insurance charges	0.60	0.61
Other production expenses	12.88	248.88
<b>TOTAL</b>	<b>143.30</b>	<b>947.60</b>

**NOTE 13: FINANCE COST**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the Period from October 1, 2014 to March 31, 2015
Interest on:		
Loans from partner	33.49	12.43
Capital contribution from partners	0.12	0.06
<b>TOTAL</b>	<b>33.61</b>	<b>12.49</b>

**NOTE 14: OTHER EXPENSES**

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the Period from October 1, 2014 to March 31, 2015
Legal and Professional charges (Refer note 15.1)	12.90	2.50
<b>TOTAL</b>	<b>12.90</b>	<b>2.50</b>

## Notes (Contd.)

forming part of the financial statements

### NOTE 15 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

#### 15.1 Payment to Auditors (excluding service tax)

₹ in Lacs

Particulars	For the year ended March 31, 2016	For the Period from October 1, 2014 to March 31, 2015
For Statutory Audit	2.50	2.50
For Others	0.25	-
For Services Tax	0.40	-
<b>TOTAL</b>	<b>3.15</b>	<b>2.50</b>

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

#### 15.3 Related Party Transactions

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

Name of the Related Party	Relationship
Mrs. Shobha Kapoor	Key management person
Balaji Telefilms Limited	Holding Company, Partner
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited)	Body Corporate having significant influence, partner

##### (b) Details of Transactions with related parties during the period

₹ in Lacs

Nature of Transactions	Holding Company	Company having significant influence
<b>Loan Received</b>		
Balaji Telefilms Limited	29.19	-
	(1149.75)	(-)
<b>Loan Repaid</b>		
Balaji Telefilms Limited	375.84	-
	(711.63)	(-)
<b>Interest on loan and capital</b>		
Balaji Telefilms Limited	33.55	-
	(12.46)	(-)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	-	0.06
	(-)	(0.03)
<b>Interest Repaid</b>		
Balaji Telefilms Limited	37.56	-
	(-)	(-)
<b>Expenses incurred and reimbursed</b>		
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	-	8.00
	(-)	(-)



**NOTE 15 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**(c) Balances as at March 31, 2016**

Particulars	₹ in Lacs	
	Holding Company	Company having significant influence
<b>Loan payable (including interest accrued and due) as at March 31, 2016</b>		
Balaji Telefilms Limited	87.46	-
	(438.12)	(-)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	-	0.09
	(-)	(0.03)

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

**15.5** The LLP is primarily engaged in the business of organizing and/or managing events relating to film and television industry, which, in the context of Accounting Standard 17 on 'Segment Reporting', constitutes a single reportable segment.

**15.6** The accumulated losses of ₹ 53.99 Lacs as at March 31, 2016 have fully eroded the networth of the LLP. The financial statement of the LLP have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the Holding Company and its future profitability. The LLP has identified the Event Business as its strategic growth area and has various projects currently under development and the Partners are fully confident about the long-term profitability of its businesses.

**15.7** Accounts of the current year are drawn-up for 12 months and hence not comparable to those of the previous period accounts which were from October 1, 2014 to March 31, 2015.

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

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

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

For and on behalf of the Balaji Telefilms Limited

**Shobha Kapoor**  
(Partner)

For and on behalf of the Select Media Holdings LLP

**Rajnish Khanuja**  
(Partner)

Place : Mumbai  
Date : May 16, 2016

# Directors' Report

## ALT Digital Media Entertainment Limited

Your Directors have pleasure in presenting their 1<sup>st</sup> Directors' Report of the Company together with the Audited Accounts of the Company for the year ended March 31, 2016.

### FINANCIAL RESULTS:

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

	(₹ In Lacs)
<b>Particulars</b>	<b>2015-16</b>
<b>Income from operations</b>	-
<b>Total expenditure</b>	<b>773.22</b>
<b>Operating (Loss)</b>	<b>(773.22)</b>
Finance costs	16.36
Depreciation	3.56
<b>(Loss) for the Period before tax</b>	<b>(793.14)</b>
Provision for tax	-
<b>(Loss) for the Period after tax</b>	<b>(793.14)</b>
<b>Profit/(Loss)/Profit carried to the Balance Sheet</b>	<b>(793.14)</b>

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

The company is newly incorporated and wholly owned subsidiary of 'Balaji Telefilms Limited'. There was no material business operations during the year under review due to which there was no income. However, the future prospects of the Company is foraying into the B2C digital content business segment. It will operate as subscription video on demand (SVOD) based over the top (OTT) platform targeted towards Urban Indians and Indian Diaspora. It will show its creative abilities in both television and film content. ALT Digital Media will create highly differentiated, original digital content for the entire connected ecosystem spanning mobile devices, web, smart TVs and game stations. ALT Digital Media is reflective of the 'Balaji Telefilms Limited' strategic intent to build a consumer facing brand by creating enjoyable, engaging content for digital audience globally and monetising the incredible potential of original on-demand entertainment.

### DIVIDEND:

Since the Company is newly incorporated and has incurred loss, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

### TRANSFER TO RESERVES:

During the year under review the Company has not transferred any amount to its reserves.

### BORROWINGS:

The Company has borrowed ₹ 23.63 lacs from its Parent Company 'Balaji Telefilms Limited'.

### PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

### SHARE CAPITAL:

The paid up Equity Share Capital of the Company as on March 31, 2016 was ₹ 1,50,05,00,000. The Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.

### DIRECTORS AND KMP:

During the year under review, company appointed following as their First Directors-

1. Mrs Shobha Kapoor- Chairperson and Director
2. Ms Ekta Kapoor- Director
3. Mr Virendra Dalal- Director

Following as Additional Independent Directors-

1. Mr D. G. Rajan
2. Mr D. K. Vasal



In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mrs. Shobha Kapoor, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered herself for re-appointment and your Board recommends her re-appointment.

The Board of Directors of the Company appointed Mr. Nachiket Pantvaidya as Chief Executive Officer of the Company w.e.f December 1, 2015.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

**AUDITORS:**

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as First Auditors of the Company for F.Y. 2015-2016, who shall hold office until the conclusion of 1<sup>st</sup> Annual General Meeting of the Company. They are proposed to be re-appointed for one Financial year in the ensuing Annual General Meeting of the Company.

The Company has received a certificate from them to the effect that their re-appointment, if made, would be in accordance with the conditions prescribed under section 139 of the Companies Act, 2013 and they are not disqualified for re appointment as per section 141 of the said Act.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. Hence the Company is not required to give information as required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

However, all possible efforts are being made to conserve and optimize the use of energy, wherever possible.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review there were no foreign exchange earnings or outgo.

**BUSINESS RISK MANAGEMENT:**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT 9 is annexed to this Report as Annexure I.

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

No material events have occurred between the end of Financial Year 2015-2016 and the date of the report, which have effect over the financial position of the Company.

**MEETINGS OF THE BOARD:**

During the year under review, Five (5) meetings of the Board of Directors were held on July 08, 2015, August 13, 2015, November 9, 2015, February 4, 2016 and March 5, 2016. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

# Directors' Report (Contd.)

## **RELATED PARTY TRANSACTIONS:**

All related party transactions of the Company are placed before the Board for approval. Transactions with the related parties are disclosed in Note No. 16.3 (b) in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

## **WOMEN EMPOWERMENT AND ANTI SEXUAL HARASSMENT INITIATIVE:**

To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment was rolled out and an internal complaints committee as per legal guidelines, was set up at all major locations.

The Anti-Sexual Harassment Initiative allows employees to report sexual harassment at the workplace. The internal committee looks into all complaints of sexual harassment and facilitates free and fair enquiry process with clear timelines.

## **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) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure II to this Report.

## **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.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your 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, 2016, 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 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, 2016 had been prepared on a going concern basis; and.
- 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:**

Your Directors wish to thank all their employees for their dedicated services.

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

**Place: Mumbai  
Date: May 16, 2016**

**Sd/-  
Shobha Kapoor  
Chairperson  
(DIN: 00005124)**



**ANNEXURE I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

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

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	U74999MH2015PLC266206
2. Registration Date	01/07/2015
3. Name of the Company	ALT Digital Media Entertainment Limited
4. Category/Sub-category of the Company	Company Limited by Shares.
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. Tel: +91-022-40698000, Fax: +91-022-40698181 Email:-investor@balajitelefilms.com Website:- www.balajitelefilms.com
6. Whether listed company	Unlisted Company.
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

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

<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Media & Entertainment	591	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/Subsidiary Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
M/s Balaji Telefilms Limited	L99999MH1994PLC082802.	Holding Company	100	2 (46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A. Category-wise Share Holding**

<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year [As on incorporation]</b>				<b>No. of Shares held as on 31-March-2016</b>				<b>% Change during the year</b>
	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	<b>Demat</b>	<b>Physical</b>	<b>Total</b>	<b>% of Total Shares</b>	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF		6	6	0.01		18006	18006	0.01	0
b) Central Govt		-	-	-		-	-	-	-
c) State Govt(s)		-	-	-		-	-	-	-
d) Bodies Corp.		49994	49994	99.99		150031994	150031994	99.99	0
e) Banks / FI		-	-	-		-	-	-	-
f) Any other		-	-	-		-	-	-	-
<b>Sub total (A) (1)</b>		<b>50000</b>	<b>50000</b>	<b>100</b>		<b>150050000</b>	<b>150050000</b>	<b>100</b>	<b>0</b>

## Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on incorporation]				No. of Shares held as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>[2] Foreign</b>									
a) Individuals (NRIs/Foreign Individuals]									
b) Other Individuals									
c) Bodies Corporate									
d) Institutions					NIL				
e) Qualified Foreign Investor									
f) Others									
<b>Sub total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Shareholding of Promoters A= A(1) + A(2)</b>	<b>-</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>150050000</b>	<b>150050000</b>	<b>150050000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI									
b) Banks / FI									
c) Central Govt									
e) Venture Capital Funds					NIL				
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Non-Institutions									
a) Bodies Corp.									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh					NIL				
c) Others (specify)									
HUF									
Foreign Corporate Bodies									
Directors									
Clearing Members									
Non Resident Indians									
Trusts									
<b>Sub-total (B)(2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>-</b>	<b>50000</b>	<b>50000</b>	<b>100</b>	<b>150050000</b>	<b>150050000</b>	<b>150050000</b>	<b>100</b>	<b>0</b>



**B. Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	M/s Balaji Telefilms Limited	49994	99.988	-	150031994	99.988	-	0
2	Mr. Jeetendra Kapoor jointly with M/s Balaji Telefilms Limited	1	0.002	-	3001	0.002	-	0
3	Mrs. Shobha Kapoor jointly with M/s Balaji Telefilms Limited	1	0.002	-	3001	0.002	-	0
4	Ms. Ekta Kapoor jointly with M/s Balaji Telefilms Limited.	1	0.002	-	3001	0.002	-	0
5	Mr. Tushar Kapoor jointly With M/s Balaji Telefilms Limited.	1	0.002	-	3001	0.002	-	0
6	Mr. Deepoo Vaswani jointly with M/s Balaji Telefilms Limited.	1	0.002	-	3001	0.002	-	0
7	Mr. Ramesh Sippy jointly with M/s Balaji Telefilms Limited.	1	0.002	-	3001	0.002	-	0
<b>TOTAL</b>		<b>50000</b>	<b>100</b>	<b>-</b>	<b>150050000</b>	<b>100</b>	<b>-</b>	<b>0</b>

**C. Change in Promoters' Shareholding:**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Balaji Telefilms Limited				
	At the beginning of the year	49,994	99.988		
	Rights issue	149982000	99.988		
	At the end of the year	150031994	99.988	150031994	99.988
2	Mr. Jeetendra Kapoor jointly with M/s Balaji Telefilms Limited				
	At the beginning of the year	1	0.002		
	Rights issue	3000	0.002		
	At the end of the year	3001	0.002	3001	0.002
3	Mrs. Shobha Kapoor jointly with M/s Balaji Telefilms Limited				
	At the beginning of the year	1	0.002		
	Rights issue	3000	0.002		
	At the end of the year	3001	0.002	3001	0.002

## Directors' Report (Contd.)

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Ms. Ekta Kapoor jointly with M/s Balaji Telefilms Limited.				
	At the beginning of the year	1	0.002		
	Rights issue	3000	0.002		
	At the end of the year	3001	0.002	3001	0.002
5	Mr. Tushar Kapoor jointly With M/s Balaji Telefilms Limited.				
	At the beginning of the year	1	0.002		
	Rights issue	3000	0.002		
	At the end of the year	3001	0.002	3001	0.002
6	Mr. Deepoo Vaswani jointly with M/s Balaji Telefilms Limited.				
	At the beginning of the year	1	0.002		
	Rights issue	3000	0.002		
	At the end of the year	3001	0.002	3001	0.002
7	Mr. Ramesh Sippy jointly with M/s Balaji Telefilms Limited.				
	At the beginning of the year	1	0.002		
	Rights issue	3000	0.002		
	At the end of the year	3001	0.002	3001	0.002

### D. 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.

S. No.	For Each of the Top 10 Shareholders Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

NIL



**E. Shareholding of Directors and Key Managerial Personnel: NIL**

**V. Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		-	-	-
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
<b>TOTAL (i+ii+iii)</b>		-		-
<b>Change in Indebtedness during the financial year</b>				
Addition		981.65		<b>981.65</b>
Reduction		958.02		<b>958.02</b>
<b>Net Change</b>		23.63		<b>23.63</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		23.63		<b>23.63</b>
ii) Interest due but not paid		15.56		<b>15.56</b>
iii) Interest accrued but not due		-		-
<b>TOTAL (i+ii+iii)</b>		<b>39.19</b>		<b>39.19</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager.**

S. No.	Particulars of Remuneration	Total Amount
1	Gross salary	<b>NIL</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission -as % of profit -Others, specify	
5	Others, please specify	
	<b>TOTAL (A)</b>	
	Ceiling as per the Act	Not applicable *

\* Since there is no Managing Director, Whole-time Directors and/or Manager the ceiling on the remuneration under section 197 read with schedule V to the Companies Act, 2013 is not applicable

## Directors' Report (Contd.)

The Company does not have a Managing Director, Whole-Time Director and/or Manager.

### B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		D. G. Rajan	D.K. Vasal	V.B.Dalal	
<b>1</b>	<b>Independent Directors</b>				
	Fee for attending board committee meetings	1,00,000	1,00,000	1,00,000	<b>3,00,000</b>
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>TOTAL (1)</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>3,00,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>TOTAL (2)</b>	-	-	-	-
	<b>TOTAL (B)=(1+2)</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>3,00,000</b>
	<b>Total Managerial Remuneration</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>3,00,000</b>
	Overall Ceiling as per the Act				<b>*Not applicable</b>

\*The above mentioned Directors have been paid only sitting fee for attending meetings of Board or Committee thereof which does not form part of managerial remuneration as per the provisions of section 197(2) of the Companies Act, 2013.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Nachiket Pantvaidya (Chief Executive Officer)	TOTAL
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,46,500	48,46,500
	(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 - others, specify...	-	-
5	Others Provident Fund, Medclaim and other allowances	4,00,780	4,00,780
	<b>TOTAL</b>	<b>52,47,280</b>	<b>52,47,280</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

<b>Type</b>	<b>Section of The Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty / Punishment/ Compounding fees imposed</b>	<b>Authority [RD / NCLT/ COURT]</b>	<b>Appeal made, if any (give Details)</b>
A. COMPANY (Penalty/Punishment Compounding)			NIL		
B. DIRECTORS (Penalty/ Punishment /Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty/ Punishment / Compounding)					

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

**Place: Mumbai  
Date: May 16, 2016**

**Sd/-  
Shobha Kapoor  
Chairperson  
(DIN: 00005124)**

# Directors' Report (Contd.)

## ANNEXURE II- PARTICULARS OF EMPLOYEES

Information as per Rule 5(2) and Rule 5(3) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) There was no employee who was employed throughout the financial year and was in receipt of aggregate remuneration of rupees sixty Lakhs or more.
- (b) Details of the employees who were employed for a part of the financial year and were in receipt of remuneration for any part of that year, at a rate which, in aggregate remuneration was not less than rupees five Lakhs per month is furnished hereunder.

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.
Nachiket Pantvaidya	Chief Executive Officer	PGDM IIM A 1993- Bsc- Ruia-1991	45	22	1-Dec-15	Gross Salary Paid INR.52,47,280	Sr EVP and Business Head – Sony Entertainment Television		
Sunil Nair	Chief Operating Officer	PGDDM Pune University – 95/ System analysis NCC UK/- + Online Course from well recognized programs.	44	14	15-June-15	Gross Salary Paid INR.56,54,159	Chief Executive Officer - Reliance Jio infocomm Ltd		



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.
Ekalavya Bhattacharya	Chief Strategy Officer	Bachelor of Science, Chemistry, Biotechnology-Ferguson College. Executive Program in Sales and Marketing (EPSM), Sales & Marketing - Indian Institute of Management, Calcutta	30	10	12-Jan-16	Gross Salary Paid INR.18,24,714	Vice President – Digital – Viacom 18		

For and on behalf of the Board of Directors,

Place: Mumbai  
Date: May 16, 2016

Sd/-  
Shobha Kapoor  
Chairperson  
(DIN: 00005124)

# Independent Auditor's Report

## Report on the Financial Statements

We have audited the accompanying financial statements of ALT Digital Media Entertainment Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period from July 1, 2015 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

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

## Auditor's Responsibility-

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the period from July 1, 2015 to March 31, 2016

## Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.



- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations on its financial position in its financial statements.
    - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Mumbai, Dated: May 16, 2016

# Annexure A to the Independent Auditors' Report

## **RE: ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

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

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

We have audited the internal financial controls over financial reporting of ALT Digital Media Entertainment Limited (the Company) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the period from July 1, 2015 to March 31, 2016.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

#### **For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

#### **A. B. Jani**

Partner  
(Membership No. 46488)

Mumbai, Dated: May 16, 2016

# Annexure B to the Independent Auditors' Report



## RE: ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the order is not applicable.
- (ii) According to the information and explanations given to us, the Company does not have any inventory. Therefore, clause (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans and provided guarantees and securities
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, the provisions of clause (v) of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks, financial institutions and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration. Therefore, the provisions of clause (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Mumbai, Dated: May 16, 2016

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	₹ in Lacs As at March 31, 2016
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	3	15,005.00
(b) Reserves and surplus	4	(793.14)
		14,211.86
<b>2 Non-current liabilities</b>		
(a) Long-term Provisions	5	3.70
<b>3 Current liabilities</b>		
(a) Short-term borrowings	6	23.63
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises; and		
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	16.11	134.89
(c) Other current liabilities	7	45.26
		207.48
<b>TOTAL</b>		<b>14,419.34</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	8	
(i) Tangible assets		19.80
(ii) Capital work-in-progress		228.38
		248.18
(b) Long-term loans and advances	9	21.00
		<b>269.18</b>
<b>2 Current assets</b>		
(a) Current Investments	10	13,000.00
(b) Cash and cash equivalents	11	1,074.40
(c) Short-term loans and advances	12	75.76
		<b>14,150.16</b>
<b>TOTAL</b>		<b>14,419.34</b>
<b>See accompanying notes forming part of the financial statements.</b>		

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Ekta Kapoor**  
(Director)  
DIN: 00005093

**D.G.Rajan**  
(Director)  
DIN: 00303060

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Financial Officer)

**Nachiket Pantvaidya**  
(Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Statement of Profit and Loss

for the period from July 1, 2015 to March 31, 2016



	Note No.	₹ in Lacs <b>For the period July 1, 2015 to March 31, 2016</b>
<b>1 Revenue from Operations</b>		-
<b>Total Revenue</b>		-
<b>2 Expenses</b>		
(a) Employee benefits expense	13	254.33
(b) Finance costs	14	16.36
(c) Depreciation and amortisation expense	8	3.56
(d) Other expenses	15	518.89
<b>Total Expenses</b>		<b>793.14</b>
<b>3 Loss for the period</b>		<b>(793.14)</b>
<b>4 Earnings per share (of ₹ 10/- each):</b>		
Basic and diluted earnings per share	16.6	(10.32)
<b>See accompanying notes forming part of the financial statements.</b>		

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Ekta Kapoor**  
(Director)  
DIN: 00005093

**D.G.Rajan**  
(Director)  
DIN: 00303060

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Financial Officer)

**Nachiket Pantvaidya**  
(Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Cash Flow Statement

for the period from July 1, 2015 to March 31, 2016

₹ in Lacs

## Particulars

**For the period  
July 1, 2015 to  
March 31, 2016**

<b>A. Cash Flow from Operating Activities</b>	
(Loss) before tax	(793.14)
Adjustment for:	
Depreciation and amortisation	3.56
Interest on loan from Holding company	16.21
<b>Operating (loss) before working capital changes</b>	19.77
(Increase) in trade and other receivables	(96.76)
Increase in trade and other payables	167.64
	70.88
<b>Net cash (used in) operating activities (A)</b>	(702.49)
<b>B. Cash Flow from Investing Activities</b>	
Purchase of fixed assets	(251.74)
Investment in mutual fund	(13,000.00)
<b>Net cash flow (used in) investing activities (B)</b>	(13,251.74)
<b>C. Cash Flow from Financing Activities</b>	
Proceeds from short term borrowings	981.65
Repayment of short term borrowings	(958.02)
Proceeds from issue of Equity Share Capital	15,005.00
<b>Net cash flow from financing activities (C)</b>	15,028.63
<b>Net increase in cash and cash equivalents (A+B+C)</b>	1,074.40
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,074.40</b>
	<b>1,074.40</b>

### Note:

Components of cash and cash equivalents include cash and cash balances in current account (Refer Note 11)

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Ekta Kapoor**  
(Director)  
DIN: 00005093

**D.G.Rajan**  
(Director)  
DIN: 00303060

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Financial Officer)

**Nachiket Pantvaidya**  
(Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

**NOTE 1 CORPORATE INFORMATION**

ALT Digital Media Entertainment Limited was incorporated on July 1, 2015 under the Companies Act, 2013. The Company is in the B2C digital content business and will operate a subscription based video on demand (SVOD) over the top (OTT) platform.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****Basis of accounting and preparation of financial statements**

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

**Use of Estimates**

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

**Fixed assets**

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

**Depreciation / Amortisation**

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

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

**Impairment loss**

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

**Investments**

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

**Employee benefits**

a) Post employment benefits and other long-term benefits:

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences are determined using the Projected Unit Credit Method. The liability is determined as a differential amount on the basis of actuarial valuation being carried out at each balance sheet date using Projected Unit Credit Method and fund balance. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. To the extent the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognised immediately.

b) Short-term Employee Benefits:

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

## Notes (Contd.)

forming part of the financial statements

### Foreign currency transactions

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

### Borrowing costs

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

### Operating leases

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

### Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

### Provisions and Contingencies

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

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs
	As at March 31, 2016
<b>(a) Authorised</b>	
225,000,000 Equity shares of ₹ 10/- each	22,500.00
200,000 Preferential shares of ₹ 10/- each	20.00
<b>TOTAL</b>	<b>22,520.00</b>
<b>(b) Issue subscribed and paid-up</b>	
150,050,000 Equity shares of ₹ 10/- each, Fully paid-up	15,005.00
(All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)	
<b>TOTAL</b>	<b>15,005.00</b>

**Note:** All the above Equity shares have the same rights to dividend, voting and incase of repayment of capital.

### NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lacs
	As at March 31, 2016
(Deficit) in Statement of Profit and Loss	
Opening balance	-
Add: (Loss) for the period	(793.14)
<b>TOTAL</b>	<b>(793.14)</b>



**NOTE 5 LONG-TERM PROVISIONS**

₹ in Lacs

Particulars	As at March 31, 2016
Provision for gratuity	3.70
<b>TOTAL</b>	<b>3.70</b>

**NOTE 6 SHORT-TERM BORROWINGS**

₹ in Lacs

Particulars	As at March 31, 2016
Loans and advances from Holding Company (Unsecured) (Refer Note 16.3(c))	23.63
<b>TOTAL</b>	<b>23.63</b>

**Note:**

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

**NOTE 7 OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at March 31, 2016
Interest accrued and due on loans from Holding company	15.56
Statutory liabilities	29.70
<b>TOTAL</b>	<b>45.26</b>

**Note:**

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

**NOTE 8 FIXED ASSETS**

₹ in Lacs

Particulars	Gross Block		Depreciation / Amortisation		Net Block	
	Additions	"As at March 31, 2016	For the period July 1, 2015 to March 31, 2016	As at March 31, 2016	As at March 31, 2016	
<b>Tangible Assets</b>						
Computers	7.70	7.70	1.36	1.36	6.34	
Office equipments	6.84	6.84	0.54	0.54	6.30	
Electrical fittings	0.21	0.21	0.02	0.02	0.19	
Furniture and fixtures	1.74	1.74	0.11	0.11	1.63	
Lease Hold Improvements	6.87	6.87	1.53	1.53	5.34	
<b>TOTAL</b>	<b>23.36</b>	<b>23.36</b>	<b>3.56</b>	<b>3.56</b>	<b>19.80</b>	
Capital Work-in-Progress					228.38	
<b>TOTAL</b>					<b>248.18</b>	

# Notes (Contd.)

forming part of the financial statements

## NOTE 9 LONG-TERM LOANS AND ADVANCES

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
Security Deposit	21.00
<b>TOTAL</b>	<b>21.00</b>

## NOTE 10 CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
(At lower of cost and fair value) :	
Investment in mutual funds (Refer note below)	13,000.00
<b>TOTAL</b>	<b>13,000.00</b>

### Note :

	Face Value	₹ in Lacs	
		<b>As at March 31, 2016</b>	
		Numbers	Value
<b>IN UNITS OF MUTUAL FUNDS</b>			
Reliance Liquid Fund - Treasury Plan - Growth Plan	1,000	29,895.12	1,100.00
Birla Sun Life Cash Plus - Growth - Regular Plan	100	618,897.24	1,500.00
ICICI Prudential Liquid Plan - Growth	100	492,176.63	1,100.00
SBI Premier Liquid Fund - Regular Plan - Growth	1,000	46,392.87	1,100.00
UTI-Liquid Cash Plan- Institutional - Growth	1,000	44,494.11	1,100.00
Reliance Banking & PSU Debt Fund - Growth Plan	10	13,943,630.55	1,500.00
ICICI Prudential Flexible Income Growth	100	526,252.82	1,500.00
Birla Sun Life Savings Fund - Growth - Regular Plan	100	514,011.97	1,500.00
Kotak Floater Short Term - Growth	1,000	60,595.85	1,500.00
HDFC Liquid Fund - Growth	1,000	36,914.70	1,100.00
<b>TOTAL</b>			<b>13,000.00</b>

## NOTE 11 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
(a) Balances with banks In Current accounts	1,074.40
<b>TOTAL</b>	<b>1,074.40</b>



**NOTE 12 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)**

(₹ in Lacs)

Particulars	As at March 31, 2016
(a) Prepaid expenses	0.09
(b) Balances with government authorities (Service tax)	54.21
(c) Advance to vendors	21.46
<b>TOTAL</b>	<b>75.76</b>

**NOTE 13 EMPLOYEE BENEFITS EXPENSE**

₹ in Lacs

Particulars	For the period July 1, 2015 to March 31, 2016
Salaries and wages	238.46
Contributions to Provident and Other Funds	12.17
Gratuity	3.70
<b>TOTAL</b>	<b>254.33</b>

**NOTE 14 FINANCE COSTS**

₹ in Lacs

Particulars	For the period July 1, 2015 to March 31, 2016
Interest on loan from Holding company	16.21
Interest on delayed payment of taxes (tax deducted at source)	0.15
<b>TOTAL</b>	<b>16.36</b>

**NOTE 15 OTHER EXPENSES**

₹ in Lacs

Particulars	For the period July 1, 2015 to March 31, 2016
Power and fuel	4.94
License and Hosting fees	36.95
Rent (Refer Note 16.8)	39.58
Repairs and Maintenance- Others	3.05
Rates and Taxes	230.75
Communication expenses	6.22
Legal and Professional charges	107.73
Business promotion expenses	0.58
Travelling and Conveyance expense	48.45
Pre-incorporation expenses	9.24
Directors sitting fees	3.00
Foreign exchange loss (Net)	0.14
Miscellaneous expenses*	28.26
<b>TOTAL</b>	<b>518.89</b>

\*Miscellaneous expenses includes security charges, housekeeping, printing and stationery etc.

## Notes (Contd.)

forming part of the financial statements

### NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

16.1 Particulars	₹ in Lacs As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net & advances)	150.04
<b>TOTAL</b>	<b>150.04</b>

16.2 Payment to Auditors Particulars	₹ in Lacs For the year ended March 31, 2016
For Statutory Audit	4.50
For others	1.50
For Service tax	0.87
<b>TOTAL</b>	<b>6.87</b>

### 16.3 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Marinating Films Private Limited	Fellow Subsidiary
Bolt Media Limited	Fellow Subsidiary
Balaji Motions Pictures Limited	Fellow Subsidiary
Chhayabani Balaji Entertainment Private Limited	Fellow Subsidiary
Event Media LLP	Fellow Subsidiary
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Nachiket Pantvaitya	Key management person (from December 1, 2015)

#### (b) Details of Transactions with related parties during the period July 1, 2015 to March 31, 2016.

Nature of Transactions	Holding Company	Key Management Person	₹ in Lacs Total
<b>Loan Received</b>			
Balaji Telefilms Limited	981.65	-	9,81.65
<b>Loan Repaid</b>			
Balaji Telefilms Limited	958.02	-	9,58.02
<b>Interest on loan</b>			
Balaji Telefilms Limited	16.21	-	16.21
<b>Remuneration</b>			
Nachiket Pantvaitya	-	52.47	52.47
<b>Issue of Shares</b>			
Balaji Telefilms Limited	15,005.00	-	15,005.00



**NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**(c) Balances as at March 31, 2016**

Nature of Transactions			₹ in Lacs
	Holding Company	Key Management Person	Total
<b>Loan payable as at March 31, 2016</b>			
Balaji Telefilms Limited	23.63	-	23.63
<b>Interest payable as at March 31, 2016</b>			
Balaji Telefilms Limited	15.56	-	15.56
<b>Remuneration payable as at March 31, 2016</b>			
Nachiket Pantvaitya	-	9.55	-

**Note**

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

**16.4 Expenditure in foreign currency**

Particulars	₹ in Lacs
	<b>For the period July 1, 2015 to March 31, 2016</b>
Travelling expenses	19.31
Software Consultancy Fees	228.38
License fee and hosting fee	36.95
	<b>284.64</b>

**16.5 Employee Benefits**

- a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹12 Lacs.

- b) Defined Benefit Plans

**I Reconciliation of asset / (liability) recognized in the Balance Sheet**

Particulars	₹ in Lacs
	<b>For the period July 1, 2015 to March 31, 2016</b>
(Present Value of Benefit Obligation at the end of the period)	(3.70)
Fair Value of plan assets as at the end of the year	-
Fund Status (Surplus/(Deficit))	(3.70)
Unrecognized Past Service Cost at the end of the Period	-
Net (Liability)/Asset Recognized in the Balance Sheet	(3.70)

**II Movement in net liability recognized in the Balance Sheet**

Particulars	₹ in Lacs
	<b>For the period July 1, 2015 to March 31, 2016</b>
Net (assets)/ liability as at the beginning of the year	-
Net expense recognized in the Statement of Profit and Loss	(3.70)
Contribution during the year	-
Net liability / (assets) as at the end of the year	(3.70)

## Notes (Contd.)

forming part of the financial statements

### NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### III Expense Recognized in the statement of profit and loss (Under the head "Employees benefit expenses")

Particulars	₹ in Lacs
	For the period July 1, 2015 to March 31, 2016
Current Service Cost	(3.70)
Interest Cost	-
Expected Return on Plan assets	-
Actuarial (Gains) losses	-
Expense charged to the Statement of Profit and Loss	(3.70)

#### IV Reconciliation of defined benefits commitments

Particulars	₹ in Lacs
	For the period July 1, 2015 to March 31, 2016
Commitments at beginning of the year	-
Current Service Cost	(3.70)
Interest Cost	-
Actuarial (gains)/ losses	-
Benefits paid	-
Settlement cost	-
Commitments at year end	(3.70)

#### V Actuarial Assumptions

Particulars	₹ in Lacs
	For the period July 1, 2015 to March 31, 2016
Mortality Table (LIC)	2006-08 (Ultimate)
Discount Rate (per annum)	7.80%
Expected Rate of return on Plan assets (per annum)	10.00%
Rate of escalation in Salary(per annum)	10.00%

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

#### 16.6 Earning per share

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

Particulars	For the period July 1, 2015 to March 31, 2016
	(a) Loss for the period attributable to Equity share holders(in lacs)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	7,686,364
(c) Earnings per share - Basic and diluted (₹)	(10.32)
(d) Nominal value of shares (₹)	10



**NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

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

**16.8 Lease Transactions**

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

Particulars	₹ in Lacs <b>As on March 31, 2016</b>
Amount due within 1 year	13.63
<b>TOTAL</b>	<b>13.63</b>

Amount of lease rentals charged to the statement of profit and loss in respect of operating leases is ₹ 39.58 lacs

**16.9 Segment Information**

The Company is primarily engaged in the B2C digital content business and will operate a subscription based video on demand (SVOD) over the top (OTT) platform, which in the context of Accounting Standard 17 on 'Segment Reporting' constitutes a single reportable segment.

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

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

**16.12** Details of loan given, investments made and guarantee given covered under Section 186(4) of the Companies Act, 2013: The Company has not given any loans or guarantees or made any investment.

**16.13** The Company was incorporated on July 1, 2015 and hence there are no comparative figures given.

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Ekta Kapoor**  
(Director)  
DIN: 00005093

**D.G.Rajan**  
(Director)  
DIN: 00303060

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Financial Officer)

**Nachiket Pantvaidya**  
(Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Directors' Report

## Chhayabani Balaji Entertainment Private Limited

Your Directors have pleasure in presenting their 1<sup>st</sup> Directors' Report of the Company together with the Audited Accounts of the Company for the year ended March 31, 2016.

### FINANCIAL RESULTS:

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

Particulars	₹ In Lacs
	2015-16
<b>Income from operations</b>	<b>178.08</b>
<b>Total expenditure</b>	<b>185.87</b>
<b>Operating (Loss)/Profit</b>	<b>(7.79)</b>
Finance Costs	0.18
Depreciation	0.13
<b>(Loss) for the Year/Period before tax</b>	<b>(8.10)</b>
Provision for tax	-
<b>Profit/(Loss) for the Year after tax</b>	<b>(8.10)</b>
<b>Profit/Loss brought forward from previous period</b>	<b>-</b>
<b>Profit/(Loss)/Profit carried to the Balance Sheet</b>	<b>(8.10)</b>

### OPERATIONS AND BUSINESS PERFORMANCE:

The Company is newly incorporated and subsidiary of 'Balaji Telefilms Limited'. During the year under review, the Company made a net loss of ₹ 8.10 lacs.

### DIVIDEND:

In view of the loss, your Directors do not recommend any dividend for the financial year ended March 31, 2016.

### 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

### PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

### SHARE CAPITAL:

The paid up share capital of the Company as on March 31, 2016 was ₹ 1,05,00,000. Of total paid up capital, Equity share capital consists of 50,000 Equity shares of ₹ 10/- each and Preference Share Capital consists of 10,00,000 Zero Dividend Redeemable Preference Shares of ₹ 10/- each.

### DIRECTORS:

During the year under review, Company appointed following as their First Directors-

1. Mrs. Shobha Kapoor- Chairperson and Director
2. Mr. Saugata Nandi- Managing Director

Following as an Additional Directors-

1. Ms. Ekta Kapoor
2. Mr. V. B. Dalal
3. Mr. Ramlal Nandi

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Saugata Nandi, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

**AUDITORS:**

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors recommend to the shareholders to ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company for F.Y. 2016-2017, who were appointed as First Auditors. They are proposed to be appointed for 1 Financial year in the ensuing Annual General Meeting of the Company.

The Company has received a certificate from them to the effect that their reappointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013 and they are not disqualified for re appointment as per section 141 of the said Act.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. Hence the Company is not required to give information as required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

However, all possible efforts are being made to conserve and optimize the use of energy, wherever possible.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review there are no foreign exchange earnings or outgo.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**BUSINESS RISK MANAGEMENT:**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT 9 is annexed to this Report as Annexure I.

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

No material events have occurred between the end of Financial Year 2015-2016 and the date of this report, which have effect over the financial position of the Company.

**MEETINGS OF THE BOARD:**

During the year under review, Seven (7) meetings of the Board of Directors were held on May 19, 2015, August 13, 2015, September 03, 2015, September 04, 2015, November 9, 2015, January 29, 2016 & January 30, 2016. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

**RELATED PARTY TRANSACTIONS:**

All related party transactions of the Company are placed before the Board for approval. Transactions with the related parties are disclosed in Note No. 19.3 (b) in 'Notes forming part of the financial statements'.

# Directors' Report (Contd.)

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

## **PARTICULARS OF EMPLOYEES:**

The Company does not have any employees whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **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

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your 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, 2016, 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 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, 2016 had been prepared on a going concern basis; and.
- 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:**

Your Directors wish to thank all stakeholders for their cooperation and support. Your Directors also wish to thank all their employees for their dedicated services.

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

**Place: Mumbai**  
**Date: May 16, 2016**

**Sd/-**  
**Shobha Kapoor**  
**Chairperson**  
**(DIN: 00005124)**



**ANNEXURE I**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

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

**I. REGISTRATION & OTHER DETAILS:**

1. CIN	U22190MH2015PTC261948
2. Registration Date	16/02/2015
3. Name of the Company	CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares.
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. Tel: +91-022-40698000, Fax: +91-022-40698181 Email:-investor@balajitelefilms.com Website:- www.balajitelefilms.com
6. Whether listed company	Unlisted Company.
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

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

S. 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
M/s Balaji Telefilms Limited	L99999MH1994PLC082802.	Holding Company*	50%	2 (46)

\*The Company is subsidiary Company of Balaji Telefilms Limited within the meaning of section 2 (87) (i) of the Companies Act 2013.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [since incorporation]				No. of Shares held as on 31-March-2016				% 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	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	50,000	50,000	100	0	50,000	50,000	100	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub total (A) (1)</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>

## Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held as on 31-March-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Foreign									
a) Individuals (NRIs/Foreign Individuals]									
b) Other Individuals									
c) Bodies Corporate					NIL				
d) Institutions									
e) Qualified Foreign Investor									
f) Others									
<b>Sub total (A)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</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</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI									
b) Banks / FI									
c) Central Govt									
e) Venture Capital Funds									
f) Insurance Companies					NIL				
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2. Non-Institutions									
a) Bodies Corp.									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
HUF									
Foreign									
Corporate Bodies									
Directors									
Clearing Members									
Non Resident Indians									
Trusts									
<b>Sub-total (B)(2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>



**B) Shareholding of Promoter (Equity Shares)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	M/s Balaji Telefilms Limited	25,000	50	0	25,000	50	0	0
2	M/s Chhayabani Private Limited	25,000	50	0	25,000	50	0	0
<b>TOTAL</b>		<b>50,000</b>	<b>100</b>	<b>0</b>	<b>50,000</b>	<b>100</b>	<b>0</b>	<b>0</b>

**C) Change in Promoters' Shareholding:**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Balaji Telefilms Limited				
	At the beginning of the year	25,000	50		
	Rights issue	0	0		
	At the end of the year	25,000	50	25,000	50
2.	Chhayabani Private Limited				
	At the beginning of the year	25,000	50		
	Rights issue	0	0		
	At the end of the year	25,000	50	25,000	50

**D) Shareholding Pattern of top Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

The entire equity share capital of the Company is held by the Promoter Companies.

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

**E) Shareholding of Directors and Key Managerial Personnel: NIL**

**V) INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.**

The Company has not availed any loan during the year and it is a debt-free Company.

## Directors' Report (Contd.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>TOTAL (i+ii+iii)</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 a Managing Director, Whole-time Directors and/or Manager.

#### S. Particulars of Remuneration

No.	Particulars of Remuneration	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission -as % of profit	
	Others, specify	
5	Others, please specify	
	<b>TOTAL (A)</b>	
	Ceiling as per the Act	Not applicable *

\* Since none of the Managing Director, Executive Director or Manager is paid any remuneration, the ceiling on the remuneration under section 197 read with schedule V to the Companies Act, 2013 is not applicable.

#### B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	<b>Independent Directors</b>	<b>Mr. V. B. Dalal</b>	
	Fee for attending board committee meetings	1,25,000	1,25,000
	Commission	-	-
	Others, please specify	-	-
	<b>TOTAL (1)</b>	<b>1,25,000</b>	<b>1,25,000</b>
2	<b>Other Non-Executive Directors</b>		
	Fee for attending board committee meetings	-	-



S. No.	Particulars of Remuneration	Name of Directors	Total Amount
	Commission	-	-
	Others, please specify	-	-
	<b>Total (2)</b>	-	-
	<b>Total (B)=(1+2)</b>	<b>1,25,000</b>	<b>1,25,000</b>
	<b>Total Managerial Remuneration</b>	<b>1,25,000</b>	<b>1,25,000</b>
	Overall Ceiling as per the Act		Not applicable*

\* The above mentioned Director have been paid only sitting fee for attending meetings of Board or Committee thereof which does not form part of managerial remuneration as per the provisions of section 197(2) of the Companies Act, 2013.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

The Company is not required to appoint Key Managerial Personnel.

S. No.	Particulars of Remuneration	Key Managerial Personnel	TOTAL
1	GROSS SALARY	N.A	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock option		
3	Sweat equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	<b>TOTAL</b>		

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

Type	Section of The Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY (Penalty/Punishment Compounding)			NIL		
B. DIRECTORS (Penalty/ Punishment /Compounding)					
C. OTHER OFFICERS IN					
DEFAULT (Penalty/ Punishment / Compounding)					

For and on behalf of the Board of Directors,

Sd/-  
Shobha Kapoor  
Chairperson  
(DIN: 00005124)

Place: Mumbai  
Date: May 16, 2016

# Independent Auditor's Report

## Report on the Financial Statements

We have audited the accompanying financial statements of Chhayabani Balaji Entertainment Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period from February 16, 2015 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

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

## Auditor's Responsibility-

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the period from February 16, 2015 to March 31, 2016.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the 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 on its financial position in its financial statements.
  - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Mumbai, Dated: May 16, 2016

# Annexure to the Independent Auditors' Report

## **RE: CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED**

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

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) The activities of the Company and the nature of its business do not involve the use of inventory (i.e. goods). Accordingly clause (ii) of paragraph 3 of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) The Company has not accepted deposits from the public during the period.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of paragraph 3 of the Order is not applicable. .
- (vii) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (c) There were no disputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016.
  - (d) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.



- (viii) This is the second year of incorporation of the Company and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- (ix) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from any banks, financial institutions and debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the period.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A. B. Jani**

Partner  
(Membership No. 46488)

Mumbai, Dated: May 16, 2016

# Balance Sheet

as at March 31, 2016

Particulars	Note No.	₹ in Lacs
		As at March 31, 2016
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	3	105.00
(b) Reserves and surplus	4	(8.10)
		96.90
<b>2 Current liabilities</b>		
(a) Trade payables		
(i) total outstanding dues of micro and small enterprises		-
(ii) total outstanding dues of creditors of other than micro and small enterprises	16.2	192.05
(b) Other current liabilities	5	83.40
		275.45
<b>TOTAL</b>		<b>372.35</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets		
Tangible assets	6	4.38
(b) Long-term loans and advances	7	10.27
		14.65
<b>2 Current assets</b>		
(a) Inventories	8	195.60
(b) Trade receivables	9	126.04
(c) Cash and cash equivalents	10	34.76
(d) Short-term loans and advances	11	1.30
		357.70
<b>TOTAL</b>		<b>372.35</b>
<b>See accompanying notes forming part of the financial statements.</b>		

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Saugata Nandi**  
(Managing Director)  
DIN: 00620045

**V. B. Dalal**  
(Director)  
DIN: 00247971

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Statement of Profit and Loss

for the period February 16, 2015 to March 31, 2016



Particulars	Note No.	₹ in Lacs
		For the period February 16, 2015 to March 31, 2016
<b>1 Revenue from Operations</b>	12	178.08
<b>2 Total Revenue (1)</b>		<b>178.08</b>
<b>3 Expenses</b>		
(a) Cost of Production	13	171.40
(b) Depreciation	6	0.13
(c) Finance Cost	14	0.18
(d) Other expenses	15	14.48
<b>Total Expenses</b>		<b>186.18</b>
<b>4 (Loss) before tax (2-3)</b>		<b>(8.10)</b>
<b>5 Tax expense:</b>		
(a) Current Tax		-
<b>6 (Loss) for the period (4-5)</b>		<b>(8.10)</b>
<b>7 Earnings per equity share (of ₹ 10 /- each):</b>	16.4	
Basic and diluted earnings per share		(16.20)
<b>See accompanying notes forming part of the financial statements.</b>		

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Saugata Nandi**  
(Managing Director)  
DIN: 00620045

**V. B. Dalal**  
(Director)  
DIN: 00247971

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Cash Flow Statement

for the period February 16, 2015 to March 31, 2016

₹ in Lacs

## Particulars

**For the period  
February 16, 2015 to  
March 31, 2016**

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
(Loss) before tax for the period	<b>(8.10)</b>
Adjustments for:	
Depreciation	0.13
Operating (loss) before working capital changes	<b>0.13</b>
(Increase) in trade and other receivables	(127.34)
(Increase) in inventories	(195.60)
Increase in trade and other payables	275.45
	<b>(47.49)</b>
Income-tax (paid)	(10.27) <b>(57.63)</b>
<b>NET CASH (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(65.73)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	(4.51)
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(4.51)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Issue of Equity Share Capital	5.00
Issue of Preference Share Capital	100.00
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>105.00</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>34.76</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>34.76</b>

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Saugata Nandi**  
(Managing Director)  
DIN: 00620045

**V. B. Dalal**  
(Director)  
DIN: 00247971

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

**NOTE 1 CORPORATE INFORMATION**

Incorporated on February 16, 2015, Chhayabani Balaji Entertainment Private Limited is a subsidiary of Balaji Telefilms Limited and is involved in production of non-fiction/fiction/reality/factual television shows.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES****Basis of accounting and preparation of financial statements**

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

**Use of Estimates**

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

**Fixed assets**

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

**Depreciation / Amortisation**

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

**Impairment loss**

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

**Inventories**

Inventory comprise of television serials which are at lower of cost and net realisable value. Cost is determined on the basis of average cost.

**Revenue recognition**

Revenue is recognised as and when the relevant episodes of the programmes (television serials) are telecast on broadcasting channels.

Revenue (income) is recognised when no significant uncertainty as to its determination or realisation exists.

**Operating leases**

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

**Taxes on income**

Tax expense comprises of current tax and deferred tax.

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

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

**Provisions and Contingencies**

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

## Notes (Contd.)

forming part of the financial statements

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
<b>(a) Authorised</b>	
25,00,000 Equity Shares of ₹ 10/- each	250.00
25,00,000 Zero Dividend redeemable Preference Shares of ₹ 10/- each	250.00
	<b>500.00</b>
<b>(b) Issued, Subscribed and fully paid-up</b>	
50,000 Equity Shares of ₹ 10/- each	5.00
(Out of above shares 25,000 shares are held by Balaji Telefilms Limited, the Holding company & its nominees)	
1,00,000 (Previous year Nil) Zero Dividend Redeemable Preference Shares of ₹10/- each	100.00
(Out of above shares 500,000 shares are held by Balaji Telefilms Limited, the holding company & its nominees)	
	<b>105.00</b>

#### Notes :

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

Name of Shareholder	As at March 31, 2016	
	No. of Shares held	% of holding
Balaji Telefilms Limited	25,000	50.00%
Chhaya Bani Private Limited	25,000	50.00%

(ii) Details of Preference shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2016	
	No. of Shares held	% of holding
Balaji Telefilms Limited	500,000	50.00%
Chhaya Bani Private Limited	500,000	50.00%

These Preference Shares are redeemable at par at anytime within a period of ten years from the date of allotment with the mutual consent of the Company and both the preference share holders.

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

### NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
<b>(Deficit) in Statement of Profit and Loss</b>	
Add: (Loss) for the period	(8.10)
<b>TOTAL</b>	<b>(8.10)</b>



**NOTE 5 OTHER CURRENT LIABILITIES**

₹ in Lacs

Particulars	As at March 31, 2016
Other payables	
(i) Statutory liabilities	33.90
Advance from customers	49.50
<b>TOTAL</b>	<b>83.40</b>

**NOTE 6 FIXED ASSETS**

₹ in Lacs

Particulars	Gross Block		Depreciation		Net Block
	Additions	As at March 31, 2016	For the period from February 16, 2015 to March 31, 2016	Upto March 31, 2016	As at March 31, 2016
<b>Tangible Assets</b>					
Computers	0.26	0.26	0.03	0.03	0.23
Plant and Machinery - Computer	3.02	3.02	0.09	0.09	2.93
Plant & Machinery - Others	1.23	1.23	0.01	0.01	1.22
<b>TOTAL</b>	<b>4.51</b>	<b>4.51</b>	<b>0.13</b>	<b>0.13</b>	<b>4.38</b>

**NOTE 7 LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)**

₹ in Lacs

Particulars	As at March 31, 2016
Advance income-tax (Net of provision: Nil)	10.27
<b>TOTAL</b>	<b>10.27</b>

**NOTE 8 INVENTORIES**

₹ in Lacs

Particulars	As at March 31, 2016
Television Serials	195.60
<b>TOTAL</b>	<b>195.60</b>

**NOTE 9 TRADE RECEIVABLES (UNSECURED)**

₹ in Lacs

Particulars	As at March 31, 2016
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-
(b) Other trade receivables Considered good	126.04
<b>TOTAL</b>	<b>126.04</b>

# Notes (Contd.)

forming part of the financial statements

## NOTE 10 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
(a) Cash on hand	-
(b) Balances with banks in current account	34.76
<b>TOTAL</b>	<b>34.76</b>

## NOTE 11 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
(a) Security Deposit	0.50
(b) Advance to vendors	0.80
<b>TOTAL</b>	<b>1.30</b>

## NOTE 12 REVENUE FROM OPERATIONS

Particulars	₹ in Lacs
	<b>For the period February 16, 2015 to March 31, 2016</b>
<b>Sale of services:</b>	
Commissioned Sales	178.08
<b>TOTAL</b>	<b>178.08</b>

## NOTE 13 COST OF PRODUCTION OF TELEVISION SERIALS

Particulars	₹ in Lacs
	<b>For the period February 16, 2015 to March 31, 2016</b>
Opening stock of television serials	-
Add: Cost of production	
Purchase of costumes and dresses	2.32
Artists, Directors and other technicians	173.90
Shooting and location expenses	58.62
Set properties and equipment hire charges	103.24
Other production expenses	28.91
	366.99
Less: Closing stock of Serials	195.60
<b>TOTAL</b>	<b>171.40</b>

## NOTE 14 FINANCE COST

Particulars	₹ in Lacs
	<b>For the period February 16, 2015 to March 31, 2016</b>
Interest on delayed payment of taxes	0.18
<b>TOTAL</b>	<b>0.18</b>



**NOTE 15 OTHER EXPENSES**

Particulars	₹ in Lacs
	<b>For the period February 16, 2015 to March 31, 2016</b>
Communication expenses	0.30
Director Sitting Fees	1.25
Legal and Professional charges	5.01
Rates and taxes	6.15
Security and housekeeping expenses	0.92
Travelling and conveyance Expenses	0.08
Miscellaneous expenses*	0.77
<b>TOTAL</b>	<b>14.48</b>

\* Miscellaneous expenses include Printing and stationery, bank charges etc

**NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS**

**16.1 Auditors Remuneration**

Particulars	₹ in Lacs
	<b>As at March 31, 2016</b>
For Statutory Audit	3.00
For Others	1.50
Service Tax	0.65
<b>TOTAL</b>	<b>5.15</b>

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

**16.3 Related Party Transactions**

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

<b>Name of the Related Party</b>	<b>Relationship</b>
Balaji Telefilms Limited	Holding Company
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Saugata Nandi	Key management person
Mr. Ramlal Nandi	Key management person
India Film Laboratories Private Limited	Company in which Key Management Person has significant influence
Chhaya Bani Private Limited	Minority Shareholder

## Notes (Contd.)

forming part of the financial statements

### NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)

#### (b) Details of Transactions with related parties during the period

Nature of Transactions	Holding Company	Minority shareholder	Company in which Key Management Person has significant influence	₹ in Lacs
				Total
<b>Rates and taxes</b>				
Balaji Telefilms Limited	3.01	-	-	3.01
Chhaya Bani Private Limited	-	3.03	-	3.03
<b>Shooting and location expenses</b>				
India Film Laboratories Private Limited	-	-	15.00	15.00
<b>Issue of Equity Share Capital</b>				
Balaji Telefilms Limited	5.00	-	-	5.00
Chhaya Bani Private Limited	-	5.00	-	5.00
<b>Issue of Preference Share Capital</b>				
Balaji Telefilms Limited	50.00	-	-	50.00
Chhaya Bani Private Limited	-	50.00	-	50.00

#### (c) Closing balances as at the year end March 31, 2016

Nature of Transactions	Holding Company	Minority shareholder	Company in which Key Management Person has significant influence	₹ in Lacs
				Total
<b>Amount payable as at March 31, 2016</b>				
Balaji Telefilms Limited	3.01	-	-	3.01
Chhaya Bani Private Limited	-	3.03	-	3.03
India Film Laboratories Private Limited	-	-	11.68	11.68



**NOTE 16 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (CONTD.)**

**16.4 Earning per share**

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

Particulars	For the Year 2015-2016
(a) (Loss) for the period attributable to equity share holders (₹ in Lacs)	(8.10)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	50,000
(c) (Loss) per share - Basic and diluted (₹)	(16.20)
(d) Nominal value of shares (₹)	10

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

**16.6 Segment Information**

The Company is primarily engaged in the business of production of television content, which, in the context of Accounting Standard 17 on 'Segment Reporting', constitutes a single reportable segment.

**16.7** Details of loan given, investments made and guarantee given covered under Section 186(4) of the Companies Act, 2013: The Company has not given any loans or guarantees or made any investment.

**16.8** The Company did not have any long-term contracts including derivative contracts for which any provision is required for the foreseeable losses.

**16.9** The Company was incorporated on February 16, 2015 and hence there are no figures of the previous period.

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

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Shobha Kapoor**  
(Chairperson)  
DIN: 00005124

**Saugata Nandi**  
(Managing Director)  
DIN: 00620045

**V. B. Dalal**  
(Director)  
DIN: 00247971

Place : Mumbai  
Date : May 16, 2016

**Sameer Nair**  
(Group Chief Executive Officer)

**Sanjay Dwivedi**  
(Group Chief Financial Officer)

Place : Mumbai  
Date : May 16, 2016

# Notice

## Balaji Telefilms Ltd.

**Regd. Office:** C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West),  
Mumbai – 400 053. CIN: L99999MH1994PLC082802 **Tel No:** 022 40698000 **Fax No:** 022 40698181  
**Website:** www.balajitelefilms.com



Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Wednesday, August 31, 2016, at 3.00 P.M., at 'The Club' 197, D.N. Nagar, Andheri (West), Mumbai- 400053, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone & Consolidated Balance Sheet as at March 31, 2016, and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Jeetendra Kapoor (DIN: 00005345), who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint Statutory Auditors and fix their remuneration and for that purpose to pass the following resolution as Ordinary Resolution.

**"RESOLVED** that pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors of the Company, M/s Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No: 117366W/W-100018), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditor.

**RESOLVED FURTHER** that any one of the Directors and the Group Head Secretarial be and are hereby severally authorised to do such other acts, deeds and things as are necessary to give effect to this resolution."

### SPECIAL BUSINESS:

4. Payment of Commission to Mrs. Shobha Kapoor (DIN 00005124), Managing Director of the Company for the financial year 2015-16:

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

**"RESOLVED** that in partial modification of the Special resolution passed by shareholders in the annual general meeting held on August 31, 2015 and pursuant to recommendations of the Nomination & Remuneration Committee, the Members hereby accord their consent for the remuneration be paid to Mrs. Shobha Kapoor (DIN: 00005124), by way of commission not exceeding 2.5 % of net profits of the Company in addition to the salary, perquisites and allowances for the financial year 2015-16, subject to the overall ceiling stipulated in Sections 197 and Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER** that Mrs. Simmi Singh Bisht, Group Head Secretarial, be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

5. Payment of Commission to Ms. Ekta Kapoor (DIN: 00005093), Joint Managing Director of the Company for the financial year 2015-16:

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

**"RESOLVED** that in partial modification to the resolution passed by shareholders in the annual general meeting held on August 31, 2015 and pursuant to recommendations of the Nomination & Remuneration Committee, the Members hereby accord their consent for remuneration be paid to Ms. Ekta Kapoor (DIN: 00005093), by way of commission not exceeding 2.5 % of net profits of the Company in addition to the salary, perquisites and allowances for the Financial year 2015-16, subject to the overall ceiling stipulated in Sections 197 and Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER** that Mrs. Simmi Singh Bisht, Group Head Secretarial, be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution."

6. Revision in Remuneration of Mrs. Shobha Kapoor (DIN: 00005124), Managing Director of the Company:

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



**“RESOLVED** that pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and pursuant to recommendations of the Nomination & Remuneration Committee and in partial modification of the relevant Special resolution passed at the Annual General Meeting of the Company held on August 31, 2015, the consent of the Members be and is hereby accorded for revision in remuneration of Mrs. Shobha Kapoor (DIN:00005124) commencing from September 1, 2016 to November 10, 2018 on the following terms and conditions:

1. **Basic Salary:** an amount not exceeding ₹ 20,00,000 p.m. (i.e. ₹ 2,40,00,000/- p.a.) as Basic Salary and  
**Commission:** Not exceeding 2.5% of the net profit

2. **Perquisites, Allowances & Benefits:**

**Part “A”**

**(a) Housing:**

Managing Director shall be entitled to house rent allowance subject to the ceiling of fifty percent of the basic salary.

**(b) Leave Travel Concession/Allowance:**

Earned Leave and Leave Travel Concession /Allowance for self and family not exceeding 10% of the basic salary.

**(c) Personal Medical and Accident Insurance:**

Personal Medical and Accident Insurance and any other coverage in accordance with the Rules & Regulations of the Company.

**(d) Club Fees:**

Fees of maximum 2 (Two) Clubs (inclusive of Admission and Life Membership fees) to be paid to the Managing Director.

**(e) Medical & Other Allowances:**

Medical and other allowances not exceeding 30% of the basic salary.

**PART “B”**

**(a) Company’s contribution to Provident and Other Fund:** Company’s contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

**(b) Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

The above perquisites shall not be included in the computation of the ceiling on remuneration.

**PART “C”**

**(a) Car:** The Company shall provide such chauffer driven cars to the Managing Director as may be desired by her for business of the Company.

**(b) Telephone:** Personal mobile phones and telephone facilities at the residence of the Mrs. Shobha Kapoor for use of Company’s business.

**(c) Entertainment Expenses:** The reimbursement of actual and properly incurred Entertainment Expenses by the Managing Director for legitimate business of the Company.

Any other perquisites, benefits, facilities, allowances and expense as may be decided by the Board from time to time as per the Rules/Schemes of the Company as applicable to Board Members.

However, the aggregate of basic remuneration, value of perquisites and Commission at a specified percentage of net profit shall not exceed the maximum remuneration allowable under Section 197 read with Schedule V to the Companies Act, 2013 without approval of the Central Government.

## Notice (Contd.)

Perquisites shall be valued as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be valued at actual cost.

**RESOLVED FURTHER** that in the event of loss or inadequacy of profits in any financial year, Mrs. Shobha Kapoor be paid minimum remuneration as specified in Schedule V to the Companies Act, 2013 as in force,

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mrs. Shobha Kapoor, Managing Director including Commission and the monetary value of perquisites, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013,

**RESOLVED FURTHER** that any Director of the Company or the Group Head Secretarial of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies."

7. Revision in Remuneration of Ms. Ekta Kapoor (DIN: 00005093), Joint Managing Director of the Company:

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

**"RESOLVED** that pursuant to the provisions of Section 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), and pursuant to recommendations of the Nomination & Remuneration Committee and in partial modification of the relevant Special resolution passed at the Annual General Meeting of the Company held on August 31, 2015, the consent of the Members be and is hereby accorded for revision in remuneration of Ms. Ekta Kapoor (DIN: 00005093) commencing from September 1, 2016 to November 10, 2018 on following terms and conditions:

1. **Basic Salary:** an amount not exceeding ₹ 20,00,000 p.m. (i.e. ₹ 2,40,00,000/- p.a.) as Basic Salary and **Commission:** Not exceeding 2.5% of the net profit

2. **Perquisites, Allowances & Benefits:**

**Part "A"**

**(a) Housing:**

Joint Managing Director shall be entitled to house rent allowance subject to the ceiling of fifty percent of the basic salary.

**(b) Leave Travel Concession/Allowance:**

Earned Leave and Leave Travel Concession /Allowance for self and family not exceeding 10% of the basic salary.

**(c) Personal Medical and Accident Insurance:**

Personal Medical and Accident Insurance and any other coverage in accordance with the Rules & Regulations of the Company.

**(d) Club Fees:**

Fees of maximum 2 (Two) Clubs (inclusive of Admission and Life Membership fees) to be paid to the Joint Managing Director.

**(e) Medical & Other Allowances:**

Medical and other allowances not exceeding 30% of the basic salary.

**PART "B"**

**(a) Company's contribution to Provident and Other Fund:** Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

**(b) Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

The above perquisites shall not be included in the computation of the ceiling on remuneration.

**PART "C"**

- (a) **Car:** The Company shall provide such chauffer driven cars to the Joint Managing Director as may be desired by her for business of the Company.
- (b) **Telephone:** Personal mobile phones and telephone facilities at the residence of the Joint Managing Director for use of Company's business.
- (c) **Entertainment Expenses:** The reimbursement of actual and properly incurred Entertainment Expenses by the Joint Managing Director for legitimate business of the Company.

Any other perquisites, benefits, facilities, allowances and expense as may be decided by the Board from time to time as per the Rules/Schemes of the Company as applicable to Board Members.

However, the aggregate of basic remuneration, value of perquisites and Commission at a specified percentage of net profit shall not exceed the maximum remuneration allowable under Section 197 read with Schedule V to the Companies Act, 2013 without approval of the Central Government.

Perquisites shall be valued as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be valued at actual cost.

**RESOLVED FURTHER** that in the event of loss or inadequacy of profits in any financial year, Ms Ekta Kapoor be paid minimum remuneration as specified in Schedule V to the Companies Act, 2013 as in force,

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Ms. Ekta Kapoor, Joint Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013,

**RESOLVED FURTHER** that any Director of the Company or the Group Head Secretarial of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies."

**By order of the Board of Directors  
For Balaji Telefilms Limited.**

**Place: Mumbai,  
Date: May 17, 2016**

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

**Sd/-  
Simmi Singh Bisht  
Group Head- Secretarial**

## Notice (Contd.)

### NOTES:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 4 to 7 above is annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item No. 2 pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A proxy in order to be valid, must be signed, dated, properly stamped and deposited either in person or through the post so as to reach the Company at its Registered Office at least 48 hours before the commencement of the meeting.
4. Attached is a Proxy Form with instructions for filling, stamping, signing and depositing the Proxy Form.
5. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
6. Members/Proxies should fill in the attendance slip for attending the meeting and carry the same to the meeting.
7. The Board of Directors, at their meeting held on May 17, 2016, has appointed Mr. K. C. Nevatia, Practicing Company Secretary, as Scrutinizer for conducting the e-voting and poll process in a fair and transparent manner.
8. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are annexed to this Notice. The Company is also pleased to provide the facility of remote e-voting to all members as per the applicable regulations relating to e-voting. The e-voting instructions have been given below explaining the process of remote e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to voting that may take place at the meeting venue on August 31, 2016.
9. Please note that the Members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.
10. A Member cannot exercise his vote by proxy on e-voting.
11. The e-voting period commences on Saturday, August 27, 2016 (11.30 a.m. IST) and ends on Tuesday, August 30, 2016 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, August 24, 2016, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
12. 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 of Wednesday, August 24, 2016. Any person who is in receipt of this notice but is not a member as on the cut-off date i.e. Wednesday, August 24, 2016 should treat this notice for information purpose only.
13. 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 i.e. Wednesday, August 24, 2016, may obtain the login ID and password by sending a request at [simmi.bisht@balajitelefilms.com](mailto:simmi.bisht@balajitelefilms.com). However, if such person is already registered with M/s. Karvy Computershare Private Limited, for remote e-voting, he may use his existing user ID and password for casting their vote.



14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. The particulars as required by Rule 20 of the Companies (Management and Administration) Rules, 2014 shall be published through an advertisement in the following newspapers: (i) Business Standard in English and (ii) Mumbai Lakshwadeep, in Marathi having wide circulation in the district where the registered office of the Company is situated.
16. The Scrutinizer will submit his report to the Chairman/Managing Director after the completion of scrutiny, and the result of the voting will be announced by any Director or Group Head Secretarial, of the Company duly authorized, on or before September 2, 2016 at the registered office of the Company and will also be displayed on the Company's website ([www.balajitelefilms.com](http://www.balajitelefilms.com)), and communicated to the Depositories, Registrar and Share Transfer Agent on the said date. The result of the voting will also be published in the newspapers.
17. The Board of Directors has appointed the Group Head Secretarial as the person responsible for this process.
18. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and members who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting.
19. Members are requested to notify any change of their address to the Company's Registrars and share transfer agent, M/s. Karvy Computershare Private Limited, Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana-500032.
20. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing companies to send documents to their shareholders in the electronic mode. Pursuant to Sections 101 Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies are permitted to serve communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. To support this green initiative and to receive communications from the Company in electronic mode, members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the Share Transfer Agent of the Company and register their email-id. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.
21. Members may also note that this notice will be available on the Company's website: [www.balajitelefilms.com](http://www.balajitelefilms.com). Relevant documents referred to in the Notice and the accompanying Statements are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
22. Information and other instructions relating to e-voting are as under:

#### **INSTRUCTIONS FOR E-VOTING**

1. Use the following URL for e-voting: <https://evoting.karvy.com>.
2. Enter the login credentials [i.e., user id and password mentioned in your email/attendance slip/Proxy form]. Your Folio No. / DP ID /Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing user id and password for casting your vote.
3. After entering the details appropriately, click on "LOGIN".
4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and one special character (@,#,\$,etc.). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential for casting your vote in a secure manner.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., Balaji Telifilms Limited.

## Notice (Contd.)

7. On the voting page, the number of equity shares (which represents the number of votes) as held by the member, on the cut off date will appear.
8. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all Equity Shares and click "FOR" / "AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cutoff date. You may also choose the option "ABSTAIN" and the Equity Shares held will not be counted under either head.
9. Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
10. Cast your vote by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

### Other Instructions:

11. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the member who has cast his/her vote electronically shall not be able to vote in meeting again, and his/her earlier vote (cast through e-means) shall be treated as final.
12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual available at the "download" section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).
13. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being August 24, 2016.
14. Mr. K C Nevatia of M/s. K C Nevatia & Associates, Practicing Company Secretary (CP No. 2348) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
15. The Scrutinizer shall, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, within a period not exceeding three (3) working days from the conclusion of the e-voting period forthwith to the Chairman/or a person authorized by the Chairman in writing of the Company.
16. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.balajitelefilms.com](http://www.balajitelefilms.com) and on the website of Karvy within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
17. The resolution(s) shall be deemed to be passed on the date of the general meeting, subject to receipt of sufficient votes.  
  
Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail on [investors@balajitelefilms.com](mailto:investors@balajitelefilms.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
18. In case of any query or grievance, please refer to the Help & FAQ section of the website of M/s. Karvy Computershare Private Limited at [www.karvycomputershare.com](http://www.karvycomputershare.com) or call on 040 67161510 or contact:

Name: Mrs. Simmi Singh Bisht  
Designation: Group- Head Secretarial  
Regd. Address: Balaji Telefilms Limited  
C13, Balaji House, Dalia Industrial Estate,  
New Link Road, Andheri (West), Mumbai – 400053  
Email address: [simmi.bisht@balajitelefilms.com](mailto:simmi.bisht@balajitelefilms.com)  
Telephone No.: 022- 40698000

**By Order of the Board  
For Balaji Telefilms Limited**

**Sd/-  
Simmi Singh Bisht  
Group Head- Secretarial**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4 and 6

Considering the progress made by the Company under the able guidance and supervision of Mrs. Shobha Kapoor and her expertise in the industry and on the basis of recommendation of Nomination & Remuneration Committee, it is proposed to pay Commission on net profit for the financial year 2015-16 and revise Remuneration payable to Mrs. Shobha Kapoor as Managing Director of the Company.

Mrs. Shobha Kapoor is the Promoter and Managing Director of the Company. She has been in charge of our 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.

The Board recommends the Special resolutions as set out in Item No. 4 and 6 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Shobha Kapoor, Mr. Jeetendra Kapoor, Ms. Ekta Kapoor and Mr. Tusshar Kapoor being related to each other are concerned or interested in the resolution.

### Item No. 5 and 7

Considering the progress made by the Company under the able guidance and supervision of Ms. Ekta Kapoor and her expertise in the industry and on the basis of recommendation of Nomination & Remuneration Committee, it is proposed to pay Commission on net profit for the financial year 2015-16 and revise Remuneration payable to Ms. Ekta Kapoor as Managing Director of the Company.

Ms. Ekta Kapoor is the Promoter and Joint Managing Director of the Company. She 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 third position among the '50 Most Influential Women' in the Indian marketing, advertising and media ecosystems by IMPACT magazine in 2015. She also featured in Top 50 powerful women in India by Fortune India in the year 2014 and 2015.

The Board recommends the Special resolutions as set out in Item No. 5 and 7 of the notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Ms. Ekta Kapoor, Mr. Jeetendra Kapoor, Mrs. Shobha Kapoor and Mr. Tusshar Kapoor being relatives of Ms. Ekta Kapoor, are concerned or interested in the resolution.

# Notice (Contd.)

## INFORMATION REQUIRED UNDER SCHEDULE V, PART II, CLAUSE (B) (IV) OF COMPANIES ACT, 2013 FOR ITEM NO. 6 AND 7

### I. General Information:

#### 1. Nature of Industry:

It is a Media & Entertainment Industry.

#### 2. Date of commencement of Commercial Production:

The Company was incorporated on November 10, 1994. Immediately after incorporation, the Company had commenced production of serials.

#### 3. In case of new Companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

#### 4. Financial Performance based on given indicators:

The financial data as per last audited Balance Sheet as on 31st March, 2016 is as under:

Particulars	₹ in Lakhs 2015-16 (Audited)
Revenues	25,684.93
Expenditure	22,206.37
Operating Profit	3478.56
Other Income	3,365.34
Profit Before Taxes	5,972.31
Income Tax	1,604.87
Profit After Taxes	4,367.44

#### 5. Foreign Investments or Collaborators:

The Company had allotted 10,720,000 shares to The Vanderbilt University, GHI ERP Ltd, GHI HSP Ltd, GHI LTP Ltd, Atyant Capital India Fund – I, Foreign Portfolio investors during the financial year 2015-16. They presently hold 19% of the paid up Share Capital of the Company.

### II. Information about the Appointees:

#### 1. Background details

Mrs. Shobha Kapoor is the Managing Director of the Company. She is married to the popular bollywood actor Mr. Jeetendra Kapoor and mother of Ms. Ekta Kapoor and Mr. Tusshar Kapoor, Director of the Company. She has been involved with the Company since its inception. One of the pioneers of the Indian Television industry, Mrs. Shobha Kapoor has been associated with television content production since the early 90's when the Company was producing popular content for Doordarshan.

Ms. Ekta Kapoor is the Joint Managing Director of the Company. She is daughter of Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor and sister of Mr. Tusshar Kapoor. Ms Ekta Kapoor is the creative brain behind the Company's most successful and famous shows. She ventured into Television Serial production at the age of 19. In no time, she altered the face of Indian television industry and continues to dominate till date. Her shows have broken all previous records of Television Serial production and popularity in India.

#### 2. Past remuneration:

Name	Designation	Basic Salary (₹)	Perquisites, allowances, Reimbursement & benefits	Commission	Employer contribution as a percentage of profit	Total
Mrs Shobha Kapoor	Managing Director	1,03,50,000	15,000	28,82,723	6,62,400	1,39,10,123
Ms Ekta Kapoor	Joint Managing Director	45,17,944	15,000	28,82,723	2,87,300	*77,02,967

All above figures are per annum and pertains to FY 15-16.

\* Remuneration paid from 10th November, 2015 to 31st March 2016.



### 3. Recognition and awards

The following are few of the awards won by Mrs. Shobha Kapoor, Managing Director and Ms Ekta Kapoor, Joint Managing Director:

Awarding Entity	Year	Award	Awardee
Ernst & Young	2001	Entrepreneur of the Year	Ms Ekta Kapoor
The Economic Times Award	2002	Business Woman of the Year	Ms Ekta & Ms Shobha Kapoor
Indian Telly Awards	2003	Best CEO of the year	Ms Shobha Kapoor
Foundation for promotion of Film Art & Craft	2003	Achiever of the Year	Ms Shobha Kapoor
American Biographical Institute	2003	Woman of the Year	Ms Ekta Kapoor
Indian Telly Awards	2004	Creative Director of The Year	Ms Ekta Kapoor
Indian Telly Awards	2006	Hall of Fame	Ms Ekta Kapoor
Star Parivaar Awards	2010	Special Honour	Ms Ekta Kapoor
3rd Boroplus Gold Awards	2010	Hall of Fame	Ms Ekta Kapoor
Indo-American Society	2010	Most Outstanding Woman Entrepreneur award	Ms Ekta Kapoor
National Media Network Film And TV Awards	2011	Most Successful Film & TV Producer	Ms Ekta Kapoor
Dadasaheb Phalke Academy Awards	2012	'Phalke Icon Producer Award' for Film & Television	Ms Ekta Kapoor
Asia Pacific Entrepreneurship Awards	2015	Woman Entrepreneur of the Year	Ms. Ekta Kapoor
IMPACT magazine	2016	1st position in '50 Most Influential Women'	Ms. Ekta Kapoor

The following are few of the Awards achieved by the Company in last few years due to the joint efforts of Mrs. Shobha Kapoor, Managing Director and Ms Ekta Kapoor, Joint Managing Director.

Awarding Entity	Year	Award	Winner
Indian Telly Awards	2009	Best Ensemble	Bandini
International Trade Awards	2009	Outstanding Exporter of the Year - Media	Balaji Telefilms Limited
Zee Rishtey Awards	2009	Favorite Serial	Pavitra Rishta
Indian Telly Awards	2010	Most Consistent Production House of the Decade	Balaji Telefilms
Indian Telly Awards	2010	Most Popular Drama Series	Pavitra Rishta
3rd Boroplus Gold Awards	2010	Highest Gainer on TRP Charts of the Year	Pavitra Rishta
FICCI Frames Excellence Honours	2011	Best TV Show (Fiction)	Pavitra Rishta
FICCI Frames Excellence Honours	2012	Best Fiction Show	Bade Acche Lagte Hain
Television Style Award	2015	Most Stylish Beta Award	Shabbir Ahluwalia- Kumkum Bhagya
Television Style Award	2015	Most Stylish Beti Award	a) Sriti Jha- Kumkum Bhagya. b)Nia Sharma- Jamai Raja- Jamai Raja
Television Style Award	2015	Most Stylish Couple Award	Shakti Arora and Radhika Madan- Meri Aashiqui Tumse Hi.
Television Style Award	2015	Style Icon of the Year (Male) Award	Ronit Roy - Itna Karo Na Mujhe Pyaar
Television Style Award	2015	Style Icon of the Year (Female) Award	Paridhi Sharma- Jodha Akbar

## Notice (Contd.)

Balaji Motion Pictures Limited, wholly owned subsidiary of the Company has achieved following National Awards amongst many others, due to the joint efforts of Mrs. Shobha Kapoor and Ms Ekta Kapoor

### National Awards 2012

- Best Actress : Vidya Balan for The Dirty Picture
- Best Costumes: Niharika Khan for The Dirty Picture
- Best Makeup : Vikram Gaekwad for The Dirty Picture

#### 4. Job profile and suitability

As Managing Director and Joint Managing Director, Mrs. Shobha Kapoor and Ms. Ekta Kapoor are responsible for the conception of different shows produced by the Company and the overall management of the Company.

Having been instrumental in steering the Company towards being the leader in the television industry in India, both Mrs. Shobha Kapoor and Ms. Ekta Kapoor come with almost two decade's worth of experience in this domain. They have produced over 90 shows for various entertainment channels in India. With this extensive experience, they are ideally placed to ensure that the Company continues to make quality content within a budget specified by the channel, on very stringent timelines.

Mrs. Shobha Kapoor's and Ms. Ekta Kapoor's leadership and involvement has been significant in steering the Company towards being a frontrunner in the Indian Television industry. They have led teams to conceptualize TV shows and have produced over 100 shows for major broadcasters across the country. Their creativity is highly regarded as a prime driving force for the Company to fulfill audience expectations. They have a great understanding of India's demographic profile and never cease to deliver appealing content to the masses. Their innovation and creativity has helped create for Balaji Motion Pictures a brand identity of its own. Consequently their efforts have well positioned Balaji Telefilms to cater to the rapidly growing Indian Entertainment space as their commitment to the Company is sure to demonstrate excellent growth going forward.

#### 5. Remuneration proposed:

As specified in Item No. 6 & 7 of the Notice respectively.

#### 6. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel:

Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor are relatives of both the appointees, who are also inter se related to each other.

Save and except for receipt of rent for immovable property by the appointees and their relatives viz. Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor and receipt of dividend by them, if declared by the Company on the share capital held by them, they do not have any material pecuniary relationship with the Company. During Financial Year 2014-15, a part of land owned by the Company was sold to M/s JK Developers, a sole proprietary firm owned by Mr. Jeetendra Kapoor, relative of appointees.

#### 7. Comparative Remuneration profile with respect to Industry, size of the company, profile of the Position and Person:

₹ in Lakhs			
Company/Group	Employee	Designation	Total Remuneration
Balaji Telefilms Limited	Sameer Nair	Group Chief Executive Officer	436.00
ZEE Entertainment Enterprises Limited	Punit Goenka	Managing Director	678.60
Entertainment Network (India) Limited	Prashant Pandey	Managing Director	370.29

Note:

- 1) The above information has been collated from publicly available information from the declared financial results of the above companies.
- 2) As can be seen from the above list, the proposed fixed remuneration of the Managing Director and the Joint Managing Director is comparable even to the Professional Senior Management of the Company.

**III. Other Information:****1. Reason for inadequate Profit:**

The Company does not face inadequacy of profit.

**2. Steps taken or proposed to be taken for improvement:**

The Company has now well established itself into the Television Business and the Company continuously endeavors to boost the operational performance of the Company.

**3. Expected increase in productivity and profits in measureable terms:**

The Company is making all the best efforts to increase its productivity and profits however, the same cannot be estimated with accuracy

**IV. Disclosures:**

Details of the remuneration package of the Managerial Personnel and other requisite details thereof always forms part of the Corporate Governance Report, forming part of the Board of Directors' Report of the Company. The same is provided to all the shareholders of the Company

**By order of the Board of Directors  
For Balaji Telefilms Limited.**

Sd/-

**Place: Mumbai,  
Date: May 17, 2016**

**Simmi Singh Bisht  
Group Head- Secretarial**

**Regd. Office:**

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

**ANNEXURE:****Details of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting  
[Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]****1. Jeetendra Kapoor:**

Mr. Jeetendra Kapoor is the Promoter and Non-Executive Chairman of the Company. He is a celebrated movie star, starring in more than 200 movies in his 45 year career. He was 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.

Mr. Jeetendra Kapoor is related to Mrs. Shobha Kapoor, Ms. Ekta Kapoor and Mr. Tusshar Kapoor who are also directors of the Company.

As on date he holds 32,60,522 shares in the Company.

Names of listed entities in which the person also holds the directorship and the membership of Committees of the board- NIL.

# Notice (Contd.)

## ROUTE MAP TO THE VENUE OF THE 22<sup>nd</sup> ANNUAL GENERAL MEETING OF THE COMPANY





**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
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Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 22nd ANNUAL GENERAL MEETING of the Company held on Wednesday, August 31, 2016, at 3.00 p.m. at 'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder / proxy



**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): Registered address:		e-mail Id: Folio No/ *Client Id: *DP Id:	
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I/We, being the member(s) of \_\_\_\_\_ shares of Balaji Telefilms Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Wednesday, August 31, 2016 at 3.00 p.m. at 'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S. No.	Resolutions	For	Against
1	To receive, consider and adopt the Audited Standalone & Consolidated Balance Sheet as at March 31, 2016, and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon		
2	To appoint a Director in place of Mr. Jeetendra Kapoor (DIN: 00005345), who retires by rotation and being eligible, offers himself for re-appointment		
3	To appoint Statutory Auditors and fix their remuneration		
4	Payment of Commission to Mrs. Shobha Kapoor (DIN 00005124), Managing Director of the Company for the financial year 2015-16		
5	Payment of Commission to Ms. Ekta Kapoor (DIN 00005093), Joint Managing Director of the Company for the financial year 2015-16		
6	Revision in Remuneration of Mrs. Shobha Kapoor (DIN 00005124), Managing Director of the Company		
7	Revision in Remuneration of Ms. Ekta Kapoor (DIN 00005093), Joint Managing Director of the Company		

\* Applicable for investors holding shares in electronic form

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





*Balaji Telefilms Ltd.*

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

[www.balajitelefilms.com](http://www.balajitelefilms.com)

