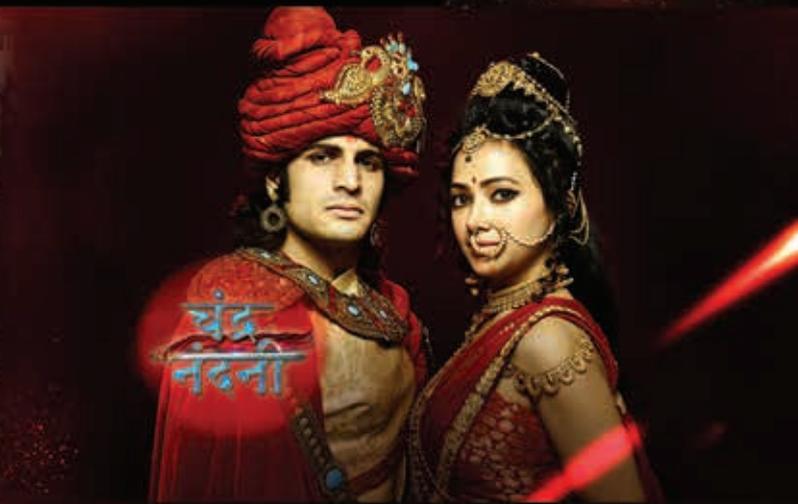
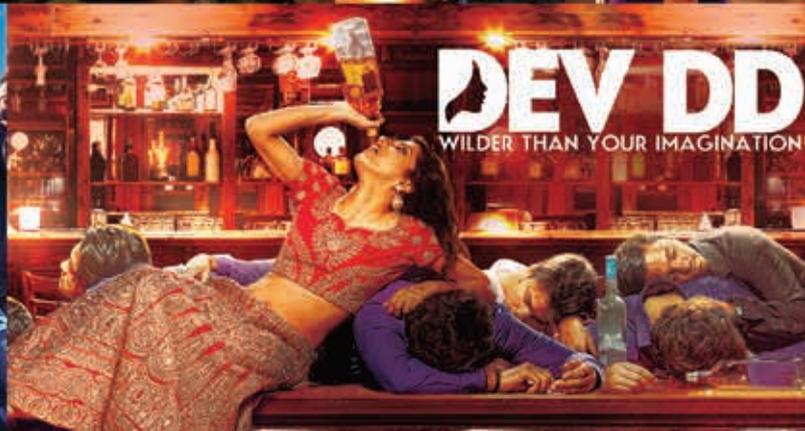
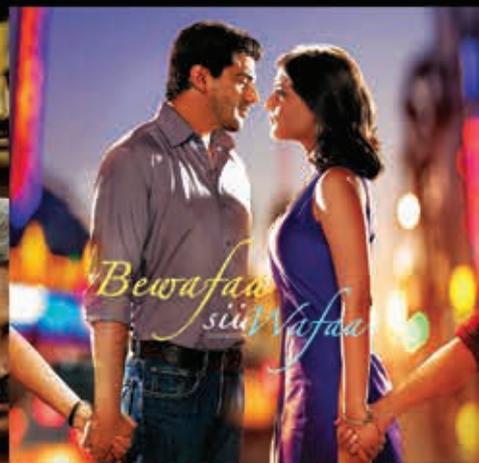




# BALAJI TELEFILMS LTD. ANNUAL REPORT 2016 - 17



**CONSOLIDATING OUR STRENGTHS.  
GETTING FUTURE READY.**





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#### Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



## FUTURISTIC VISION

We have been in the business of storytelling since the last 23 years and are looked upon as the epitome of success in the Indian entertainment industry. From modest beginnings in television, we graduated to producing bold-themed movies, that spurred viewer imagination. Today, we are the largest original and exclusive digital content provider of India offering cutting-edge digital entertainment. We live to ignite the imagination of our viewers and are passionate about the work we do. Whether we create content for TV for the common man or on the internet for the urban cosmopolitan audience, our finger is on our consumers' pulse.

Our television business has been the cornerstone of the Indian TV industry and we played an important role in the facelift of its landscape. Creating content for TV is our core strength and it is also the biggest revenue generator for our company. We have consistently showcased authentic stories across genres and formats and will continue to consolidate our position in the television content business.

Today, we are amongst the top 5 Indian motion picture studios in the film industry with several award-winning blockbusters under our belt. We offer commercial and differentiated content in mainstream cinema, focus on original stories, controlling costs and out-of-the-box marketing.

Over the years, entertainment has evolved and has seamlessly been integrated between TV, internet and movies. Balaji Telefilms wants to be at the helm of this change and be the most preferred content provider across the three platforms. The Subscription Video on Demand (SVOD) services and Over the Top (OTT) services are redefining the nature of content consumed. We are the only original and exclusive content platform in terms of scale in the digital space. We are poised to be future-ready by creating entertainment which instantly strikes a chord with consumers. We are not afraid to experiment and our stories reflect our relevance in today's age while touching millions of hearts.

# 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 Kumar 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

## Bankers

Yes Bank Limited

ICICI Bank Limited

HDFC Bank Limited

Axis Bank Limited

Oriental Bank of Commerce

## Senior Management

### Mr. Ketan Gupta

Chief Operating Officer (Television)

### Mrs. Coralie Ansari

Group Head – HR

### Mr. Nachiket Pantvaidya

Chief Executive Officer (ALT Digital)

### Mr. Sunil Nair

Chief Operating Officer (ALT Digital)

### Mr. Manav Sethi

Chief Marketing Officer (ALT Digital)

### Ms. Ruchikaa Kapoor

Head-Marketing & Branding (Motion Pictures)

### Mr. Vimal Doshi

Head-Distribution (Motion Pictures)

### Mrs. Devika Mehra

Creative Director (Brand EK)

## Statutory Auditors

Deloitte Haskins & Sells (LLP)

## Registered Office

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

E-mail: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)

Website: [www.balajitelefilms.com](http://www.balajitelefilms.com)

CIN: L99999MH1994PLC082802

## Registrar & Share Transfer Agent

Karvy Computershare Private Limited,

Unit: Balaji Telefilms Limited, Karvy Selenium Tower

B, Plot No 31 & 32 Gachibowli, Financial District,

Nanakramguda, Serilingampally, Hyderabad – 500 032

Tel: +91-40-67161500, 33211000

Fax: +91-40-23420814, 23001153

Toll Free No.: 1800-345-4001

E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website: [www.karvy.com](http://www.karvy.com)

## OUR IDENTITY

### Balaji Telefilms Limited

Incorporated in 1994, Balaji Telefilms has emerged as India's leading integrated media conglomerate with market leadership in the television content industry, among other entertainment-led businesses. We have demonstrated success in both films and television. Pioneering widely diverse genres of content, our various brands reflect our different businesses.

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

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

ALTBalaji is our strategic foray into the Digital B2C entertainment category. We seek to build a consumer facing brand that offers

original, premium and exclusive content for a global digital audience.

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

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

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

Event Media LLP is a producer of event based shows. BOLT Media is involved in production of non-fiction/fiction television shows, branded entertainment, consultancy and related creative services.

## OUR BRANDS



## OUR VISION

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



# OUR VALUES

## STORYTELLING



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

## PASSION



We go that extra mile because we love what we do

## INTEGRITY



We are honest and ethical in all our dealings

## COMPASSION



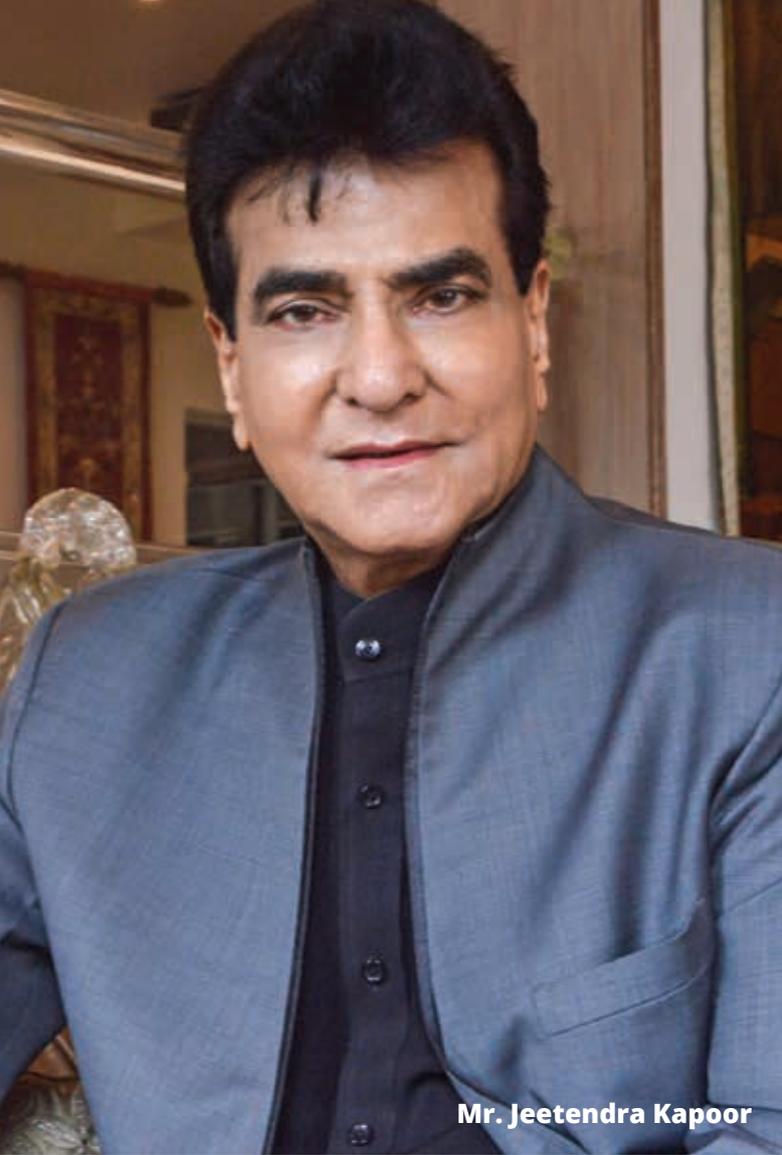
We care about our people, we listen, we take the initiative to understand what each one of us wants and work together as a team

## EXCELLENCE



We push the bar and never settle for second-best





**Mr. Jeetendra Kapoor**



**Mrs. Shobha Kapoor**



**Ms. Ekta Kapoor**

## PROMOTER FAMILY'S MESSAGE

Today, the Balaji brand stands on three business pillars the Television business, the Movies business, and the recently launched but highly exciting Digital business. Our content-led business model has helped us deepen our roots while continuously setting new benchmarks for the industry. We are storytellers at heart and that remains our core expertise.

As one of the pioneers in the creative business, we have always adapted to the latest trends, portraying characters and stories that are engaging and emotionally appealing. Over the years, our shows have been regularly dominating the ratings on Indian television and some shows have also dominated the ratings when dubbed and telecast in markets internationally. Our insistence on producing high quality content with extravagant sets helps us create an aspiration among the viewers and new benchmarks for the industry. We focus on telling stories that strike a chord with our audiences and which they can easily relate to.

In recent times, we have ventured into newer formats such as finite series based on mythological-fiction characters, with shows like "Naagin" and "Naagin 2" to captivate audiences. Our regular daily soap opera format shows also continue to do exceedingly well with shows such as "Kumkum Bhagya" which has been running for over 3 years and is set to launch a spin off show. We launched "Chandra Nandni" during the year which brings together a soulful story in a historical setting with grand visuals and has been very well received by the audiences. We are very excited with the way our TV business is shaping up and going forward the opportunity on Doordarshan will allow us to take our storytelling to an even wider audience within the country.

In the movie business, we have chosen to focus our energies and resources into producing movies that are rich in story quality and not just star appeal. This is now being done through a very diligent creative collaboration process and has led to us being very selective about projects we commission. We will focus on bringing new faces to the industry, as well as stories that fall under new and innovative genres. Our movies will continue to bring a differentiated cinematic experience for audiences that have polarised choices.

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***By aligning ourselves to the aspirations of evolving audiences, we strive to deliver content that grips and entices them.***

We are a content-led player and our understanding of the entertainment industry evolves with the changing dynamics of consumer viewership. To this end, we have introduced the ALTBalaji OTT platform that is not only a new mode of entertainment consumption, but a digital channel that airs shows matching the sensibilities of the new internet connected consumer. We launched ALTBalaji with the strategic intent to build a consumer-facing brand by leveraging our enjoyable and engaging content, appealing to the tastes of digital audience globally and monetising the immense potential of original on-demand entertainment. ALTBalaji finally allows us to own the intellectual property rights and have direct access to our customers. We are very pleased with the initial response to ALTBalaji and are confident that it can only get better as we go forward.

In fact, we are the first such platform to create a set of original premium Indian series that connect with the modern consumer. Delivered in high-quality and binge friendly format, the shows are aimed at breaching conventions set on television and being more contemporary. With shows such as "Karle Tu Bhi Mohabbat" in a story of two opposite attracts, "The Test Case" - a story on the Indian Army's first female test case in a combat role, "Dev DD" - a show depicting a female Devdas who is wilder than the imagination and "Romil and Jugal" - a passionate tale of Romeo and Juliet with a twist. We maintain our pedigree of delivering captivating content, aimed at the new-age viewers.

As times change, the world-view of people also changes. By aligning ourselves to the aspirations of evolving audiences, we strive to deliver content that grips and entices them. Our legacy is of our stories, expressed to viewers in the most appealing of ways. We continue to deliver the same as we understand what ticks, placing our creative zeal in all that we do.

We would like to thank all our employees for their contribution and we look forward to their continued support in maintaining our leadership position in the industry.

We would also like to thank all our shareholders for continuing to trust and believe in the Company and look forward to your continued support as we scale new heights with ALTBalaji.



## CEO'S PERSPECTIVE

### Dear Shareholders,

I take great pride and privilege in presenting the Annual Report of your Company for FY 2017. During the period, your Company grew well in multiple ways by improving the existing businesses and venturing into newer formats.

The year saw the stage-setting for our digital channel ALTBalaji. We realised that to scale up in a meaningful way, we would need to make, own and broadcast our own content and be present across the entire value chain of the media and entertainment industry. This very thought drives the ALTBalaji platform. ALTBalaji will create and air premium original Indian content digitally, the first ever such initiative in the Indian space. It could be thought as an extension of our TV business but with a global reach using the internet.

In the television business, our revenue per hour grew on a year-on-year basis and our shows garnered

record ratings and better margins. This is a mainstay of our business and we have been executing well for over 2 decades. We introduced our weekend format show "Naagin" in 2014 and it was a runaway success among the audience. In fact, the show received such a tremendous rating that we retained our weekend time slots for the show and are running "Naagin 2" now. Expanding our content repertoire, the non-fiction offerings of last year included producing the Star Parivar Awards and a comedy show "Mazak Mazak Mein". Going forward, we will be concentrating on doing more high-value fiction shows while continuing to reduce operating costs. We strengthened our cost review mechanism and this has helped us in better optimisation, while achieving a higher level of efficiency.

Another highlight of the year is our partnership with Doordarshan. The national channel is undergoing a revamp, and we succeeded in getting three prime time slots on the DD channel, the highest for any production house. These shows will commence in FY18 and are

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***“The direction in which this OTT platform is going forecasts a tremendous opportunity and we are really excited about monetising this.”***

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built on a sponsorship model, allowing us to own the IP of the content that we conceive. In addition, we can look at multiple monetisation opportunities which are currently not available to us.

With the advent of BARC, there is an expanded audience measurement. With an increasing number of TV-viewing homes in the rural areas, a skew to the same is visible. This presents the requirement of content that appeals to the mass audience and an opportunity for TV to continue to grow.

Going forward, we seek to bolster the TV business by pushing the weekend fiction format, capitalising on the Doordarshan slots, using our TV Company's competency to make digital shows for ALTBalaji and also other digital platforms while trying to retain and get better terms on syndication and remake rights.

During the year, the movie business saw both crests and troughs. We faced a setback when online piracy caused the leak of "Great Grand Masti" well in advance of its theatrical release. However, the loss was mitigated to an extent by the success of Udda Punjab. The Company is currently looking at an extended level of creative collaboration in the space while minimising its commercial involvement. We aim at making fewer, higher impact movies and thus, would want superior scripts that we can portray well on-screen and will resonate with audiences. One of the steps we have taken during the year was the consolidation of our movie production and BOLT businesses under the Balaji Telefilms umbrella. This helps us in bringing together all creative talent within a single entity, reducing costs and allows for funneling more investments to newer ventures like ALTBalaji.

Our current market research shows that there is a huge gap to be filled as nearly 30 million homes in India have moved on from traditional television regional content, but haven't yet embraced international content. They are already spending nearly ₹ 1,000 per month to consume content over cable / DTH, in movie theatres and to connect using broadband networks. This is a large opportunity space that we yearn to address, and we expect the consumer to subscribe to quality, paid content. This will be done through ALTBalaji, our

Over-The-Top (OTT) platform, targeted at the new urban audience, which is constantly on the lookout for tailor-made content.

The ALTBalaji business model follows a unique subscription scheme. Initially we allow 3 free views of the series on YouTube or on our website [www.altbalaji.com](http://www.altbalaji.com). Upon download of the ALTBalaji App, the viewer can avail two more free episodes, post which they will have to pay a very attractive monthly subscription fee starting as low as ₹ 30 a month. To facilitate the growing trend of binge-watching, we allow the download of the entire series upon subscription as opposed to only live streaming. While the major players in the OTT space follow a mirror and catch-up strategy, we are differentiating with premium original Indian content aired exclusively on our platform and aim to break even by 2020 with around 4-5 million subscribers, globally.

Apart from online promotions, we have also hosted screenings for sample audiences to market the launch of ALTBalaji. We have also built a robust distribution network and tied up with telecom service providers, OEM manufacturers and payment wallets. The direction in which this OTT platform is going forecasts a tremendous opportunity and we are really excited about monetising this.

By continuing to deliver TRP leading content for Indian television, being extremely quality and cost conscious in the movie domain and increasing our footprint in the digital space, Balaji Telefilms is going the extra mile to capture the market and create long-term shareholder value. I am sure with our high-quality content delivered using exclusive slots on the television channels or through our ALTBalaji platform, we will cater to the demands of our viewers. We solicit your constant support in making this happen.

Best Regards,

**Sameer Nair**  
Group CEO

## CORPORATE OVERVIEW

**23**

Years as a leading entertainment company

**19**

Access to modern studios

**31**

Editing suites

**17,000+**

Hours of Television content produced across genres

**18**

TV awards during the year

**34**

Movies produced so far

**14**

No. of Shows on Air during FY 2017

**960**

Hours of commissioned programming

**₹28.9**

Average revenue per hour in FY 2017 (IN LACS)

**₹28,413**

FY 2017 Total Revenue (IN LACS)

**₹5,728**

FY 2017 EBITDA (IN LACS)

**₹3,090**

FY 2017 PAT (IN LACS)

# KEY HIGHLIGHTS OF THE YEAR

## TELEVISION BUSINESS

- ▶ Following the success of the mytho-fiction show Naagin, launched **Naagin 2** on Colors
- ▶ **Chandra Nandni**, a historical drama launched this year became a raging success
- ▶ Launched a fresh new romantic love story '**Pardes Mein Hai Meraa Dil**' on Star Plus
- ▶ **Kumkum Bhagya** daily soap opera continues to rate amongst the top shows and has been running successfully for 3 years

## DIGITAL BUSINESS

- ▶ Developed an over-the-top (OTT) platform to offer subscription-based video on-demand (SVOD) services
- ▶ Launched **mobile app** to enable easy access of ALTBalaji for Indians and the Indian diaspora
- ▶ Produced creative shows across **various genres** all focused on great stories
- ▶ Initiated discussions for **strategic partnerships** with mobile manufacturers, e-wallet services, internet service providers

## MOVIE BUSINESS

- ▶ **Udta Punjab** hailed as '**the best film of the year**' by audiences and critics
- ▶ Completed the production of **Half Girlfriend** which is scheduled to be released in Q1 FY18

## MARINATING FILMS PRIVATE LIMITED

- ▶ **Licensed Box Cricket League** on Colors
- ▶ Developed additional formats for **Box Cricket League** such as **Corporate BCL** and **Regional BCL**

## CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

- ▶ **Launched** a musical reality show **Phire Asher Gaan** on **Star Jalsa**
- ▶ **Launched Sohagi Sindoor** on **Colors Bangla**
- ▶ Working on a **web series** for **ALTBalaji**

## EVENT MEDIA LLP

- ▶ **Produced Star Box Office India Awards** and other special shows
- ▶ Working on a **creating promotional** and other entertainment related events

## BRAND EK

- ▶ In discussion with leading offline retailer for an **exclusive licensing agreement**
- ▶ **Leveraged social media** such as Twitter, Facebook and Instagram to increase visibility of the brand amongst its target audience



## OUR BUSINESSES

### BALAJI TELEFILMS LIMITED

We are a household name in the Indian television world. We started with a single production to entertain the lives of many, which catapulted us into producing over 17,000 hours of television content to date.

We have produced over 150 shows across numerous languages (Hindi, Tamil, Telugu, Kannada, Malayalam) with a never-ending desire to entertain through storytelling. We enjoy an unmatched track record with a string of hit shows across Hindi and regional languages. Our proven ability in gauging the pulse of masses is reflected through strong TRP across shows that are currently running successfully.

#### Our edge

- ▶ Our ability to anticipate viewer and channel preferences and create programmes aligned to those
- ▶ Access to state-of-the-art infrastructure includes production sets, resources and editing suites. This allows us to continuously produce high quality shows at significant scale
- ▶ A healthy pipeline of new TV shows means that we strive to consistently deliver top-quality content catering to a diversified audience across genres

# 14

Shows during the year  
across the leading  
GECs and the National  
Broadcaster



## BALAJI MOTION PICTURES LIMITED

Over the years we have been credited with several commercial hits which are of modest budget, high-concept movies as well as high-profile big star cast films.

Today with a number of award-winning and acclaimed blockbusters we have firmly established ourselves amongst the top 5 Indian motion picture studios in the industry.

We have consistently focused on balance of creativity and profitability while producing movies. We have also been undertaking distribution of movies in select territories. Going forward, we aim at becoming a fully integrated studio across the value chain from ideation to distribution of the final film while focusing on minimising risks.

### Our edge

- ▶ Emphasis on film content rather than the star cast
- ▶ Focus on good quality scripts, budgets, economies of scale and out-of-the-box marketing
- ▶ Focus on optimising risk-vs-return trade-off by pre-sale of rights

### MOVIES RELEASED IN FY 2017

- ▶ Azhar
- ▶ Udta Punjab
- ▶ Great Grand Masti
- ▶ A Flying Jatt



## ALT DIGITAL MEDIA ENTERTAINMENT LIMITED

We forayed into original shows on digital platforms through ALT Digital Media Entertainment Limited. A multi-device Subscription Video On Demand (SVOD) Platform, ALTBalaji gives audiences the content they want to watch – whenever, wherever and on whichever device they prefer. ALTBalaji’s offerings include premium, disruptive content and original series across genres.

With originality, courage and relentlessness at its core, ALTBalaji’s content stands out for being avant-

garde, non-conformist, inclusive and effervescent. ALTBalaji is here to set new standards and benchmarks in giving digitally connected contemporary audiences an alternate content platform.

### Our edge

- ▶ We offer all-new original, exclusive and fresh content across genres, available only on ALTBalaji, and developed solely for the digital consumer
- ▶ Hosting premium, high-quality shows featuring popular celebrities, acclaimed writers and award-winning directors

- ▶ Highly differentiated, original digital content for the entire ecosystem spanning mobiles, computers, tablets, smart TVs and game stations



## 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 annually.

## 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 for event management.

## CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

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

## BRAND EK

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

## BOLT MEDIA LIMITED

BOLT is a wholly-owned subsidiary of Balaji Telefilms Limited (BTL). It creates and produces contemporary TV concepts across mainstream and regional television. It also explores branded content like digital brand solutions and short-form programming across genres like youth, reality shows and factual entertainment. This business is currently being merged into Balaji Telefilms Limited.

# AWARDS AND ACCOLADES

## AWARDS WON BY UDTA PUNJAB



**ALIA BHATT**

- ▶ Filmfare Award for **Best Actress**
- ▶ Screen Award for **Best Actress**
- ▶ Zee Cine Critics Award for **Best Actor (Female)**

**SHAHID KAPOOR**

- ▶ Filmfare Critics Awards **for Best Actor**

**PAYAL SALUJA**

- ▶ Filmfare Award for **Best Costume Design**

**DILJIT DOSANJH**

- ▶ Filmfare Award for **Best Debut Male**

**ABHISHEK CHAUBEY & SUDIP SHARMA**

- ▶ Stardust Award for **Best Screenplay**

## STAR PARIVAR AWARDS 2017



### FAVOURITE PITA AWARD

- ▶ **Karan Patel**  
Yeh Hai Mohabbatein

### FAVOURITE MAA AWARD

- ▶ **Divyanka Tripathi Dahiya**  
Yeh Hai Mohabbatein

### FAVOURITE PATI AWARD

- ▶ **Chandra**  
Chandra Nandni

### FAVOURITE PATNI AWARD

- ▶ **Nandni**  
Chandra Nandni



## ZEE GOLD AWARDS 2017



### BEST ACTRESS FEMALE (POPULAR)

Mouni Roy

### BEST ACTOR MALE

Karan Patel for  
Yeh Hai Mohabbatein

### BEST ACTRESS FEMALE

Divyanka Tripathi for  
Yeh Hai Mohabbatein

### BEST ACTOR IN A NEGATIVE ROLE FEMALE (POPULAR)

Anita Hassanandini for  
Yeh Hai Mohabbatein

### BEST ACTOR IN A NEGATIVE ROLE FEMALE (CRITICS)

Adaa Khan for Naagin

### FACE OF THE YEAR

Mouni Roy

### BEST JODI

Divyanka Tripathi and Karan Patel  
for Yeh Hai Mohabbatein

## COLORS GOLDEN PETAL AWARDS 2017



### BEST ACTRESS

Mouni Roy (Naagin 2)

### BEST COMIC IN A FICTION SERIES

Sudha Chandran (Naagin 2)

## INDIAN TELEVISION ACADEMY AWARDS 2016



### BEST ACTOR

- ▶ **Popular**
- Shabbir Ahluwalia
- Kumkum Bhagya

### BEST ACTRESS

- ▶ **Popular**
- Mouni Roy
- Naagin

### BEST SERIAL

- ▶ **Popular**
- Naagin

## CRITICALLY ACCLAIMED REVIEWS

**Think Women are unfit to serve the nation? ALTBalaji's show 'The Test Case' will bring you to 2017**

- Scoopwhoop

**Ekta Kapoor's Test Case passes the litmus test, makes a solid case for women empowerment**

- India today

**Thank you, Ekta Kapoor for finally normalising gay romance in Romil and Jugal**

- India Today

**Karrle Tu Bhi Mohabbat is a feat for souls who long for love stories**

- TOI

**#TheTestCase—the story of the first woman in combat role ..well done**

- Anupam Kher

**Netflix cannot really chill as TV queen #EktaKapoor now enters OTT sector with #ALTBalaji**

- Business insider India

**#DevDD: An unimaginative portrayal of an empowered female protagonist by #ALTBalaji**

- First Post

**Maya Thirrai – Tales of Thrill, Love and Buried Mysteries**

- Daily Hunt

**The Trailer of Dev DD Is F\*\*cking Cool!**

- Miss Malini

**Boygiri! humorous web series that promises to change the landscape of Indian web content**

- TOI

**'The Test Case' on ALTBalaji is worth watching**

- Live mint

**'Romil and Jugal' shows mirror to society**

- The Statesman

**'Boygiri' emerges with a fresh, young and brash vibe that will turn into an entertaining experience for the viewers.**

- News patrolling

**ALTBalaji's 'The Test Case' is an intense statement on WOMEN in the Military**

- India Forums

**Ekta Kapoor's lady Devdas is badass and a treat to binge-watch**

- inuth



### AWARD

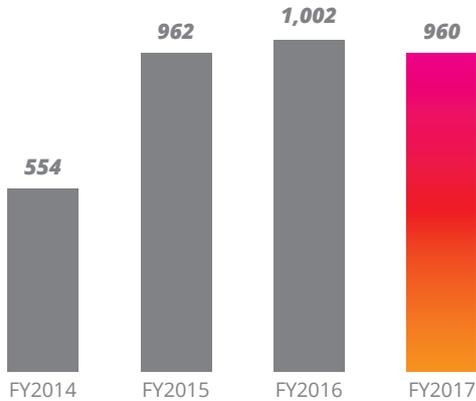
VIDNET AWARDS

► Movers & Shakers 2017

# OUR FINANCIAL MOMENTUM

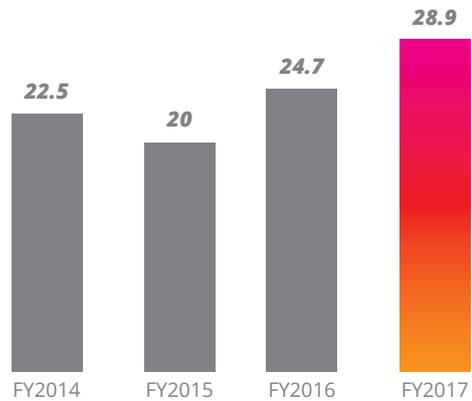
## HOURS OF PROGRAMMING

Hrs



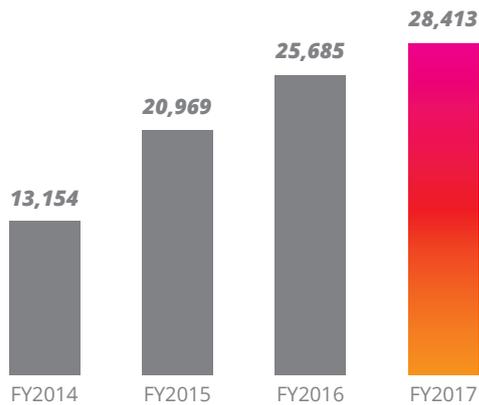
## REALISATION PER HOUR

₹ in Lacs



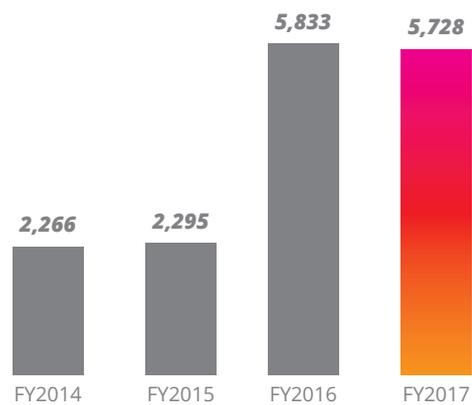
## INCOME FROM OPERATIONS

₹ in Lacs



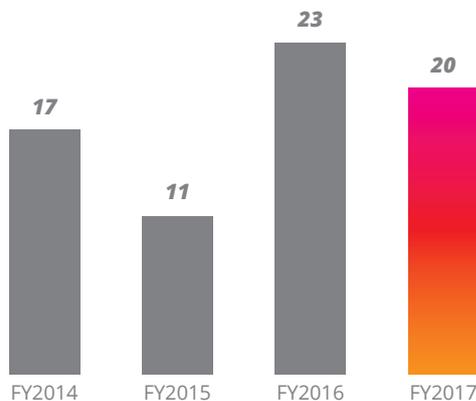
## EBITDA

₹ in Lacs



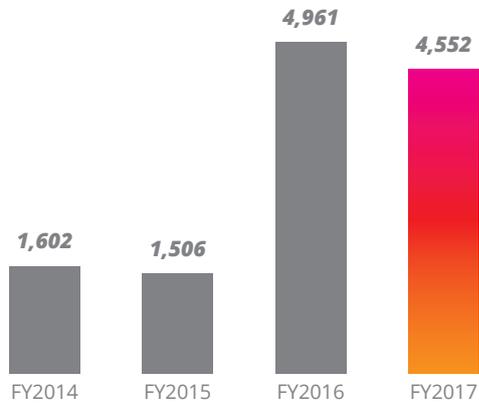
## EBITDA MARGIN

%



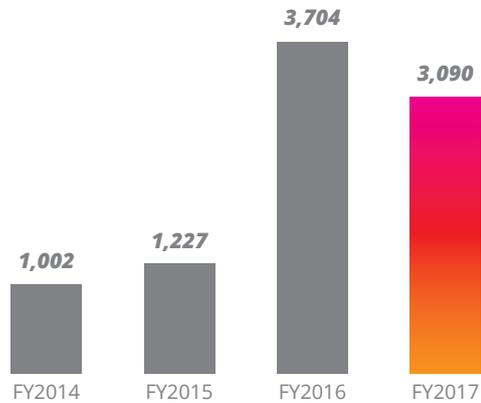
**PROFIT BEFORE TAX**

₹ in Lacs



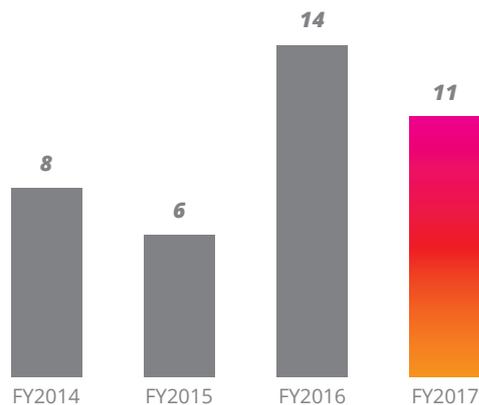
**PROFIT AFTER TAX**

₹ in Lacs



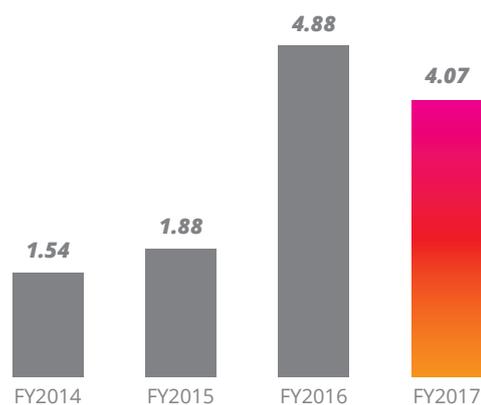
**PROFIT AFTER TAX MARGIN**

%



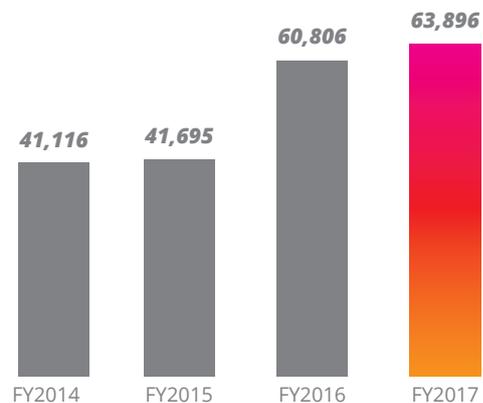
**EARNINGS PER SHARE**

₹



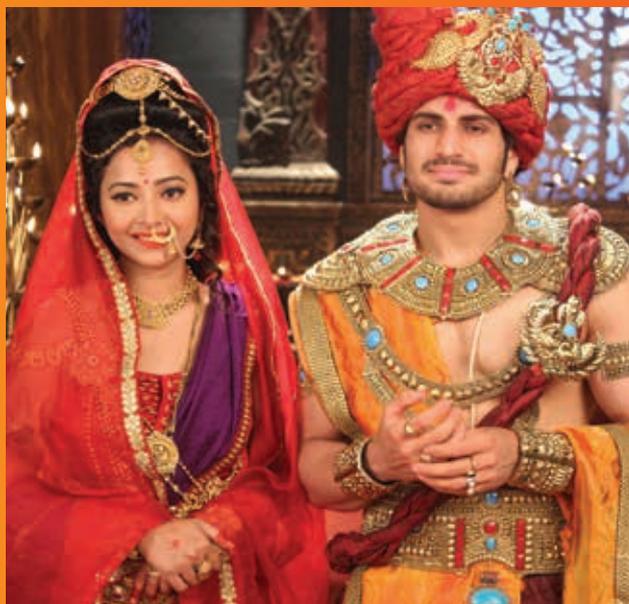
**RESERVES**

₹ in Lacs



Note: \*FY 2016 and FY 2017 numbers are as per IND-AS accounting standards. FY 2014 and FY 2015 numbers are as per IGAAP Based on Standalone numbers

# OUR STRATEGIC BLUEPRINT



## TELEVISION

Objective: Higher realisation per hours and focus on having broadcaster block certain prime time slots exclusive for our shows



## DIGITAL

Objective: To address the content gap for urban Indian and Indian diaspora audience by creating premium, original and exclusive content

**14** shows On Air during the year

**250+** hours of Original Content

## DRIVERS OF GROWTH

### SUPERIOR SCALE AND CONTENT CONNECT

- ▶ We are one of the largest content production houses having delivered over 17,000 hours of Hindi and regional content
- ▶ We have a strong presence in Hindi General Entertainment Channels (GECs) and Regional GECs across India
- ▶ Our production properties outnumber any Indian company in the media entertainment sector
- ▶ We have demonstrated an exceptional ability to consistently create high quality content to excite the Indian audience

### UNMATCHED RELATIONSHIPS

- ▶ We enjoy strong relationships with talents, vendors and broadcasters nurtured over 2 decades
- ▶ We have constantly built relationships across the entertainment industry which allow us to identify new avenues and markets

### DIGITAL STRATEGY

- ▶ We will create engaging content for a diverse spectrum of viewers
- ▶ We will develop an unique ecosystem of partnerships and alliances to drive our distribution strategies



## MOVIES

Objective: Focus on balance of creativity and profitability through good quality scripts and judicious cost control

### 4 Movies released this year

#### DE-RISKING THE MOVIES BUSINESS

- ▶ We will focus on creative collaborations and encourage and nurture new talent
- ▶ We will utilise our in-house talent of the TV business to rationalise costs for movies business
- ▶ Our overall aim will be to reduce our exposure to the inherent risks of producing movies by either co-producing movies, carrying out pre-sales in advance for distribution contracts and satellite rights

#### MANAGEMENT TEAM

- ▶ We have a strong team with pedigree and superior understanding on the high-quality content business
- ▶ We are led by promoter and professional management who have significant industry experience

#### STRONG FINANCIAL PROFILE

- ▶ We are a debt free company with a healthy profit margin, and a cash generative core business
- ▶ We are well-funded for future expansions and strong cost management skills

# WORLD OF OPPORTUNITY

*We are omnipresent across the three mediums of TV, Digital and Movies. We have a rich experience of over 20 years in the entertainment business. Our experience has helped us gain perspective of the possible risks and growth drivers of each medium. We aim to create a robust strategy for each of our business to garner maximum revenues and minimise risks.*

## TELEVISION

### OPPORTUNITY LANDSCAPE

<p>India is the world’s third largest television market in terms of number of households</p>	<p>Commissioned programming (CP) is the key revenue driver for the television division and realisation of CP has been improving</p>	<p>Increasing demand from satellite channels for premium television serials as well growth in number of channels</p>
<p>Increased acceptance for newer story lines (like non-fiction and historical) and concept shows with finite episodes unlike daily soaps</p>	<p>Growth through expanding presence in format and weekend programming, IP creation, high cost fiction and block programming deals</p>	<p>Entry of newer broadcasters and digital platforms - leading to more demand for variety and content</p>

### OUR APPROACH

Television has been the biggest source of revenue over the years. Today, we have a long-standing relationship with most General Entertainment Channels (GECs) and given our success rate in terms of TRP, we have been able to command higher margins from broadcasters as compared to our peers. We spend sensibly on shows and have always focused on our competitive advantage of economies of scale. To retain our rich pool of talent, we maintain long-term contracts with our creative teams beginning from actors, writers and producers.

We will continue to focus on creating more high impact content for the weekend format shows as they are more economical and profitable than the daily soaps variety. We will drive growth through expanding

presence in Format and weekend programming, IP creation and high cost fiction. New block deal with National broadcaster DD to produce and monetise content on weekday prime time slots.

We will consider additional partnerships where required with regional content producers to produce content for regional audiences. We are developing Intellectual Property Rights (IPRs) for events such as Television Style Awards (TV awards), Box Cricket League (a celebrity based cricket league) and all of these will provide a future monetisation opportunity.

## DIGITAL

### OPPORTUNITY LANDSCAPE

Cost of a 4G smart phone is sub ₹ 3,000 and will continue to fall as the technology specifications become more common	Content consumption is primarily through streaming from apps and social media rather than downloads	Internet users are becoming increasingly comfortable transacting online
Internet users who view videos online have different tastes and these audiences are willing to pay for accessing quality content	Majority of content available online is re-run or DIY, leaving a big opportunity to offer original web-series for internet audience	India is gradually embracing subscription-video-on demand (SVOD) and hence there will be an increased demand for original digital content.

### OUR APPROACH

We are the only pure-play original content provider in the video-on-demand platform where we showcase original and exclusive content available anytime across all connected devices. We have an advantage as we are the first in creating an eco-system for making such digital shows. Moreover, we are consistently building

capacity and capabilities to provide relevant content on a regular basis in the digital space. We will also create more content for ALTBalaji and we hope to collaborate with other buyers of original series to grow scale. Our goal is to have 4 to 5 million paid users for ALTBalaji in the next three years.

## MOVIES

### OPPORTUNITY LANDSCAPE

Rapidly expanding number of multiplexes results in need for more quality content	Audiences acceptance for newer genre movies and their ability to spend for a better cinematic experience
Costs for productions reducing as many countries offer rebates for film shoot	Film catalogue monetised through television syndication deals by providing digital content for DTH satellite, music, IPTV and video-on-demand

### OUR APPROACH

We are committed to create fresh content in lines of our philosophy to present unique and engaging stories. However, we aim to exercise prudence by choosing to make experimental movies with new actors. This strategy would reduce the cost of financing the movie and the risk on our books. We will selectively

commission new movies that only have an extremely favourable risk reward profile. We enjoy strong relationships with a lot of GECs owing to our successful TV production business and we will leverage our relationship with them for pre-sales of satellite rights of our movies.

## CONSOLIDATING OUR STRENGTHS

***Our relationship with television goes back to more than two decades; in a way, we redefined storytelling in the medium and in turn established ourselves as the leading entertainment production house in India.***

Our television business is based on commissioned programming for broadcasters; and our track record has been exemplified with a string of hit shows in Hindi and Regional television and newer intellectual property (IP) based shows. Today, we provide content across Hindi General Entertainment Channels (GECs).

### OUR RECIPE FOR SUCCESS

- ▶ ***Produce high quality commissioned programming for broadcasters***
- ▶ ***Unmatched track record of having worked successful across channels including Star, Sony, Colors, Zee, Doordarshan to name a few***
- ▶ ***Our programming dominates the time slots between 19.00 – 22.30 across channels in both daily and weekend format shows across both rural and urban television viewers***
- ▶ ***Continuous focus on reducing operational costs and improving margins***

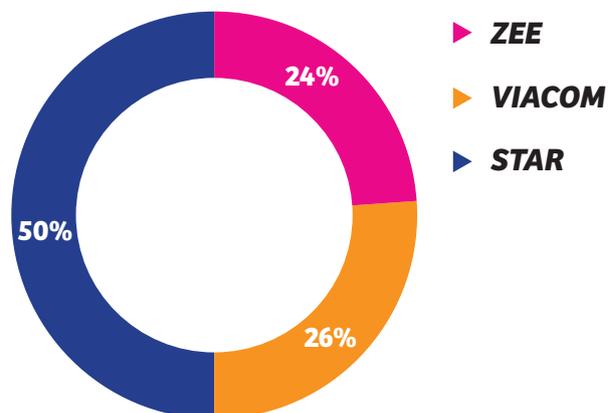
TV penetration will continue to grow across India and is expected to reach nearly 200 mn homes by 2020 and we will be the beneficiaries of this growth. Of late, there is an increased demand from satellite channels for the premium television serials and an increased number of hours of original programming (e.g. the afternoon slots present a great opportunity for us to broadcast our content).

In FY 2017, we consolidated our prominence with 14 shows on air. Over the years, we have diversified ourselves from daily format to weekend format shows. We have also produced stories ranging across the saas-bahu genre to the mytho-fiction genre.

The TV business operates on a cost plus model and our scale and economies of production allows us to operate at higher margins to our competitors. Our programming mix going forward will allow us to maintain these margins and also allow us to pursue newer formats of programming. Recently, we won a deal with Doordarshan to produce and monetise content on weekday primetime slots.



### Revenue contribution for FY 2017





## **CONSISTENT SLOT LEADERSHIPS THAT DRIVE CHANNEL TRPs**

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**SHOW : YEH HAI MOHABBATEIN**  
**TIME SLOT : 19:30 TO 20:00 (ALL WEEK)**  
**CHANNEL : STAR PLUS**

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**SHOW : KUMKUM BHAGYA**  
**TIME SLOT : 21:00 TO 21:30 (WEEKDAYS)**  
**CHANNEL : ZEE**

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**SHOW : NAAGIN 2**  
**TIME SLOT : 20:00 TO 21:00 (WEEKENDS)**  
**CHANNEL : COLORS**

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### **WAY FORWARD**

Going forward, we will focus on consolidating our TV business. We plan to continue to bolster our strength on TV by creating content for the weekend format. We will use our competency to make digital shows for ALTBalaji, thereby showcasing original and exclusive content. We will strive to have a pipeline of content ready to be put on air, so that we own the particular slot on the channel. In order to optimise our demographic reach, we plan to further diversify in alternate show concepts on TV. Further on, we plan to earn the Intellectual Property (IP) rights of all the content we create as we would want to own it.

Having tasted success in organising events, we will undertake more events and create non-fiction content. We will utilise our in-house talent and further rationalise cost every day to achieve operational efficiency. We will continue to have long-term contracts with our creative team including actors, writers and producers. Our competitive advantage of economies of scale is what makes us stand apart from the rest of the production houses. We will be looking at co-producing more shows with regional and Hindi content producers for the respective audiences.



# GETTING FUTURE READY

*India is fast emerging as a digital ready country with growing hand-held device users, internet (3G/4G) coverage and social media prominence.*

The digital opportunity is now for real and has led to the birth of subscription-video-on demand (SVOD). We forayed into the digital entertainment to create original, premium, and tailor-made content especially for Indians across the globe to capture this enormous opportunity.

During FY 2017, we announced our arrival in the digital world through the launch of mobile platform ALTBalaji. ALTBalaji is launched to create original shows for India and the diaspora abroad, for consumption.

**250+**

**Hours of premium original and exclusive content**

**32**

**New Shows in the first year**

**100+**

**Hours of Kids content**

**150+**

**Of acclaimed international shows**

**100+**

**Hours of regional shows in Tamil, Punjabi, Bengali, Marathi and many more languages**

## OUR DIFFERENTIATOR



### CONTENT

We offer diverse and original quality content – not rehashed film and TV material



### BRAND

Audiences have prior experience (in TV) with Balaji content are willing to pay for new content



### SKILLED TEAM

Dedicated team with very strong media and technology backgrounds with strong skill sets across digital video and digital eco system



### PRODUCT AND TECHNOLOGY PLATFORM

Best-in-class components assembled to provide superior User experience. Cloud-based video management system with advanced big data and analytical solution.



### SYNERGY

Ability to leverage the Balaji content creation capabilities

#itsExclusive

#Binge करे

#itsOriginal





The launch of ALTBalaji (in April, 2017) marks a change in strategy, wherein Balaji is moving from being a pure play B2B company to a B2C content provider/distributor. Balaji has always been ahead of times and a pioneer of sorts. The ground breaking success of TV shows like "Kyunki Saas Bhi Kabhi Bahu Thi", changed the satellite television landscape forever and now, with the same hold on the pulse of new India, the house of Balaji is conceptualising and delivering avant-garde content like Dev DD, Romil and Jugal through the ALTBalaji platform.

The forward thinking management has broken the code for getting 'future ready' in the fast changing entertainment sector and is focusing on –

► **Scale**

The type of shows which ALTBalaji would be hosting has never been experienced in India, both in terms of volume and value

ALTBalaji, will effectively increase the size of the digital content market by 2x, as the plan is to introduce new shows every month

With a growing consumer base from more than 70 countries, ALTBalaji is all set to become a truly global company and not only a B2B content platform

► **India Next**

While, there is a plethora of content available on digital media, today. Most of it is foreign content or content duplicated from existing television shows or content addressed to the English speaking, urban, educated, millennial population. There is a dearth of original content, which will appeal to different age groups, socio - economic strata and to the millions of new Indians residing in the category B/C towns of the country. It is this gap, which ALTBalaji is gearing up to fulfill. Firmly rooted in Indian-ness, this sort of content will transcend the barriers of age, class & location; where there will be something for everyone in their language of choice

► **Strong partnerships across the board on the anvil**

Technology Collaborations such as with Fortumo, Micromax and Windows universal App Content Collaborations with the likes of Opera TV devices, Amazon's Fire TV Stick and AWS Cloud Payments Collaborations with the marquee platforms, such as MobiKwik, Reliance JioMoney, PayU and PayPal

ALTBalaji is prepared with its game plan of making the Balaji group 'future ready'. Riding the wave of all around focus on Digital India and the rise of internet penetration, fuelled by the price rationalisation by telecom companies, ALTBalaji will continue to focus on churning out high quality digital content, which will bypass gender & age diversities and will be firmly rooted in the Indian ethos; with the sole aim of getting to 4 to 5 million plus paid users in the next 3 years

# BOARD OF DIRECTORS



**1. Mr. Jeetendra Kapoor**  
*Promoter and Non-Executive Chairman*



**2. Mrs. Shobha Kapoor**  
*Promoter and Managing Director*



**3. Mr. Tusshar Kapoor**  
*Promoter and Non-Executive Director*



**4. Ms. Ekta Kapoor**  
*Promoter and Joint Managing Director*



**5. Mr. D. G. Rajan**  
*Independent Director*



**6. Mr. Arun Kumar Purwar**  
*Independent Director*



**7. Mr. Pradeep Kumar Sarda**  
*Independent Director*



**8. Mr. Ashutosh Khanna**  
*Independent Director*



**9. Mr. D. K. Vasal**  
*Independent Director*



**10. Mr. V. B. Dalal**  
*Independent Director*

## 1. Mr. Jeetendra Kapoor

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

## 2. Mrs. Shobha Kapoor

Mrs. Shobha Ravi Kapoor is the 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. Mr. Tusshar Ravi Kapoor

Mr. Tusshar Ravi Kapoor is the 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.

## 4. Ms. Ekta Ravi Kapoor

Ms. Ekta Ravi Kapoor is the 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 first position among the '50 Most Influential Women' in the Indian marketing, advertising and media ecosystems by IMPACT magazine in 2016. She also featured in Top 50 powerful women in India by Fortune India in the year 2014 and 2015.

**5. Mr. Duraiswamy Gunaseela Rajan**

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

**6. 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 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.

**7. Mr. Pradeep Kumar Sarda**

Mr. Pradeep Kumar Sarda is an Independent Director of our Company. He is a commerce graduate. Mr. Sarda served as a Director of Balaji Shipping & Logistics Ltd. until June 2007. He served as a Director of Sarda Papers Limited from October 16, 1992 to May 25, 2013. Mr. Sarda served as the Chairman of Sarda Papers Limited until May 25, 2013. Mr. Sarda serves as the Chairman of the Sarda Group of Industries. He serves as a Director of Mercury Trade Links Ltd. He serves as Chairman of the Governing Board of Ecole Mondiale World School, Mumbai. He possesses a rich experience across multiple industry verticals, comprising paper, engineering, construction, real estate and education.

**8. Mr. Ashutosh Khanna**

Mr. Ashutosh Khanna is an Independent Director of our Company. Ashutosh holds a Master's in Management from the University of Mumbai and a Bachelor's Degree in Zoology from Delhi University. He works as Senior Partner with Korn/Ferry and specialises in the Consumer Industry. He has worked in the communication industry earlier and carries with him deep insights of multiple industries. He was the Chief Operating Officer at Grey Worldwide, India. He was ranked among the top 20 most influential people in Indian Advertising in 2006. He is a sought after speaker at Industry and HR forums on his views for the future of the industry.

**9. Mr. Devender Kumar Vasal**

Mr. Devender Kumar Vasal is an Independent Director of our Company. He holds a Bachelors Degree in Commerce and a Bachelors 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 served as an Executive Vice President of Development Credit Bank Ltd. 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.

**10. Mr. Virendra Babubhai Dalal**

Mr. Virendra Babubhai 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 Polybutenes 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.



## CFO'S MESSAGE

### Dear Shareholders,

FY 2017 saw Balaji Telefilms clocking in a fairly good growth and was marked by certain events that had a considerable negative impact on our profitability. We saw the standalone revenue rise to ₹ 284 crores from the previous FY's ₹ 256 crores and our EBITDA grew 13% from ₹ 34 crores to ₹ 38 crores. However, net profits after tax was lower at ₹ 31 crores from ₹ 37 crores due to certain tax adjustments as well as lower other non-operating income.

At a consolidated level, while we increased our revenues by 44% from ₹ 292 crores to ₹ 421 crores on account of the release of 4 movies versus 1 movie released in FY2015-16. The increased revenue however did not translate into additional profitability for us on a consolidated basis due to certain unforeseen circumstance related to piracy of our movies.

The backbone of our organisation is our TV business. We are a content provider for almost all the major channels; we generate a major part of our income from this vertical. The returns from the TV business have been steady as we operate on a cost plus model. We have a well established content production eco-system with preferred vendors and suppliers offering us highly competitive rates, thereby keeping costs down.

During the year, we bettered our operational efficiency and cost optimisation efforts. We ensured the consolidation of our all our production businesses (Movies/BOLT) under the parent company, which helps us in the reduction of additional costs. Further, we have also considerably decreased the size of our movies team and we plan to use our talent available in-house from the TV business to carry forward the vertical. The entity

***We are majorly channelling our investments into the new ALTBalaji format which we see as a great opportunity for us in monetising the intellectual property that we have over the content***

Balaji Motion Pictures Limited (BMPL) would continue to focus on its distribution strengths for in-house and outside movies.

As a strategy, we pursue producing high-quality, high-revenue and consequently high-margin shows, moving up the value ladder and away from being focused purely on number of hours of content produced. Going forward, we may take up the syndication route to further explore diversified revenue channels for our content. We have already secured and signed deals with the national channel Doordarshan during the year, which allows us to retain our IP while producing great shows for the national broadcaster. Such sponsorship models will help to generate additional profits as these contracts are not based on a pre-agreed cost plus model and we can benefit from the upside of having shows with higher ratings. We are also trying to seek syndication revenue from the shows produced by us, but dubbed into other languages which if successful would lead to better realisations for our content.

While we are essentially a production house, our processes and management practices are industry oriented and allow for efficient financial management. We have fairly succeeded in translating art of content making into science, thereby striking the right note to continuously create successful productions. Conscious about the shareholders' capital, we have instated a robust and effective revenue monitoring process and remain focused on absolute cash generation. We are majorly channelling our investments into the new ALTBalaji format which we see as a great opportunity for us in monetising the intellectual property that we have over the content.

In the long run, we would want to steadily grow the TV business, while stabilising and de-risking our movies business. Even though we faced a setback and resulting losses due to movie piracy last year, other films and strong performance on the TV business neutralised the same to an extent. The volatility of the movies industry is one that we are trying to face with quality productions and careful, calibrated investments.

With our efforts now inclined more towards developing and monetising the OTT platform ALT Balaji, we are excited for the times to come. With our strong base in content production and our brand name and promoters standing testimony to our successes, we target revolutionising the SVOD (Subscription-based Video-On-Demand) space. We expect ALTBalaji to be the new big growth driver for the Company.

We would like to thank all the stake holders of Balaji Group especially shareholders for their continued trust and support.

Warm regards,

**Sanjay Dwivedi**  
Group CFO

**₹28,413 Lacs**

**Standalone Revenue**

# MANAGEMENT DISCUSSION AND ANALYSIS



## INDIAN ECONOMY

The Indian economy continued to grow well in the context of declining growth across the major global economies. India is now one of the world's fastest growing large economies and shows good signs on continuing to grow. India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favourable terms of trade, and lower external vulnerabilities. The economy stands at 7.1 percent in FY 2017, bolstered by the Government of India's consistent roll-out of robust policy initiatives.

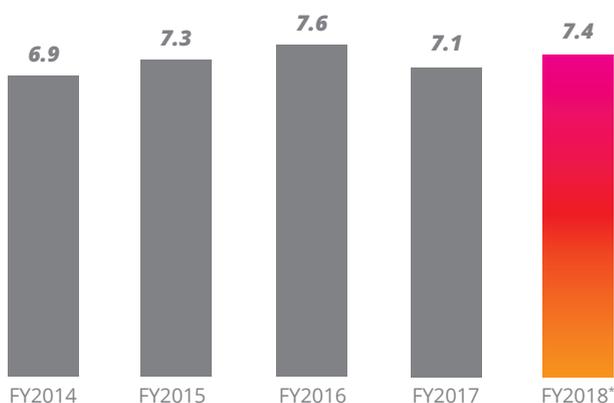
During FY 2017, the Government carried out a ban on the country's two highest value notes to restrict corruption and accumulation of black money. 'Demonetisation' curbed the free flow of liquid cash momentarily and is to have an encouraging influence in the future – improved tax obedience, digitalisation and formal channelisation of the savings system.

Another major economic reform is the introduction of unified tax regime – Goods and Services Tax (GST) in July 2017. Implementation of GST comes with a view to reinforce the indirect taxation system, increase transparency and consolidation of disintegrated Indian market.

The Indian economy holds a bright future with the coming together of two main themes of increased domestic consumption and greater digitisation. India's GDP is likely to reach 7.4 percent in 2017-18 owing to increased foreign direct investment, reduced inflation and interest rates, fiscal discipline and favourable monsoons.

### INDIAN GDP GROWTH

(%)



Source: KPMG in India's analysis and estimates, 2017

\*Expected

## IMPACT OF KEY GOVERNMENT REFORMS

### DEMONETISATION

- ▶ Greater digitisation of the economy
- ▶ Acceleration in digital payment adoption allowing for easier sales to end customers
- ▶ Reduction in cost of cash for various participants in the economy

### GST IS A RADICAL STEP FORWARD

- ▶ Provides a uniform tax framework for indirect taxes
- ▶ Decrease in effective rate of tax on account of entertainment tax being subsumed
- ▶ Production houses will see an overall decrease in cost of production due to availability of input tax credit between goods and services

### CABLE DIGITISATION — THE CONTINUED SAGA

- ▶ Bringing a paradigm shift in the overall operations of television industry
- ▶ The issue for the operating dynamics between stakeholders is pending in the court
- ▶ Digitisation is largely expected to be completed in 2017 subject to pending matters in the Court





## INDUSTRY OVERVIEW

Supported by strong economic fundamentals and a sturdy rise in domestic consumption, the Indian M&E industry recorded 9.1 percent growth in 2016. The Media and Entertainment sector's performance, especially of advertising revenue, was adversely affected by demonetisation in the third and fourth quarter of 2016. However, the short-lived impact of demonetisation is expected to normalise in the future.

Rising rural demand, increasing digital access and consumption, and the expected culmination of the digitisation process of television distribution over the next two to three years are the key long-term factors driving the future growth.

Digital advertising and Animation and VFX segments were the key contributors to the Indian M&E industry. Advertisers' interest has been captured by the continuing shift in consumption towards digital media on the back of rapid growth in internet penetration, mobile devices and sinking data costs.

(Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2017)

## INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

### KEY TRENDS SHAPING INDIA'S MEDIA AND ENTERTAINMENT (M&E) INDUSTRY

- ▶ Increasing young population to increase the spend in M&E sector
- ▶ Growing use of smart phones is encouraging the industry
- ▶ Rising supply of digital content is changing media consumption preferences
- ▶ Growing rural viewership is expanding the consumer base
- ▶ High resolution and immersive content is engaging with viewers in a better way
- ▶ Regional and short duration content is driving consumption

### THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY: SIZE

₹ in Billions

Overall industry size (For calendar years)	2011	2012	2013	2014	2015	2016	Growth in 2016 (%)
TV	329	370	417	475	542	588	8.5
Print	209	224	243	263	283	303	7.0
Films	93	112	125	126	138	142	3.0
Radio	12	13	15	17	20	23	14.6
Digital Advertising	15	22	30	44	60	77	28.0
Music	9	11	10	10	11	12	13.0
Animation and VFX	31	35	40	45	51	60	16.4
Gaming	13	15	19	24	27	31	16.2
OOH	18	18	19	22	24	26	7.0
<b>TOTAL</b>	<b>728</b>	<b>821</b>	<b>918</b>	<b>1,026</b>	<b>1,157</b>	<b>1,262</b>	<b>9.1</b>

(Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2017)

### THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY: PROJECTIONS

₹ in Billions

Overall industry size (For calendar years)	2016	2017P	2018P	2019P	2020P	2021P	CAGR 2016-2021 (%)
TV	588	651	751	877	1015	1166	14.7
Print	303	325	350	377	406	431	7.3
Films	142	156	166	178	192	207	7.7
Radio	23	26	31	36	42	48	16.1
Digital Advertising	77	102	134	174	227	295	30.8
Music	12	14	16	19	22	25	15.8
Animation and VFX	50	70	81	96	112	132	17.2
Gaming	31	37	44	52	61	71	18.2
OOH	26	29	33	36	41	46	11.8
<b>TOTAL</b>	<b>1,262</b>	<b>1,409</b>	<b>1,606</b>	<b>1,847</b>	<b>2,115</b>	<b>2,419</b>	<b>13.9</b>

(Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2017)

## INDIAN TELEVISION INDUSTRY

### TELEVISION INDUSTRY'S GROWTH ENABLERS

- ▶ Gaining BARC acceptance is enabling FTA channels to achieve reach, viewership and resultant advertisement spends
- ▶ Increased rural viewership is positively impacting the television industry and will need bespoke stories for rural and urban audiences
- ▶ Increased promotion through advertisements is driving major revenue growth
- ▶ Consolidation in the broadcasting space is strengthening the network
- ▶ Digitisation will increase importance of niche channels and corresponding content

Television industry witnessed slower growth in 2016 at 8.5 percent, primarily due to a lacklustre year for subscription revenues and waning advertisement revenue growth. The television industry in India stands at an estimated size of ₹ 588 billion in 2016, and is envisaged to register a CAGR of 14.7 percent to reach ₹ 1,166 billion by 2021. The advertising revenue is expected to grow at a healthy CAGR of 14.4 percent, and subscription revenues are expected to register a slightly higher CAGR of 14.8 percent, driven by the intended benefits of digitisation flowing in post 2017.

Television advertising was steady at an 11 percent growth in 2016, aided by strong performance of sports properties like Indian Premier League (IPL) and T20 Cricket World Cup, and the launch of 4G services in the second half of the year. The reduced momentum in advertisement revenue growth was primarily due to slower than expected domestic consumption, Broadcast Association Research Council (BARC) data recalibration and impact of demonetisation.

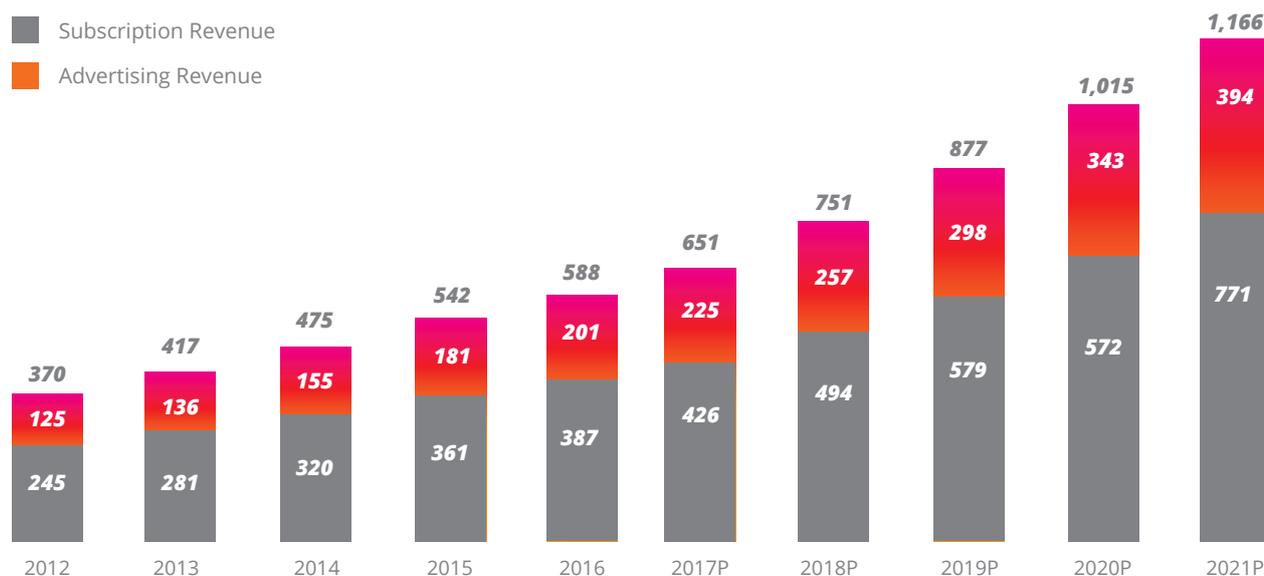
The subscription revenue growth was tepid at 7% in 2016, on account of the impact of DD Free Dish subscriber additions and slow progress around digitisation with Phase 3 and 4 deadlines revised to January and March 2017, respectively. Further, challenges around implementation of subscriber management systems, packaging for consumers, revenue distribution between LCOs and MSOs and non-implementation of RIO deals persist.

### VIEWERSHIP TRENDS

Genres	2016 (%)	2015 (%)
GECs	55-60	58
Movies	22-25	20
News channels	8-10	8
Kid's channels	4-6	5

### TV INDUSTRY SIZE

₹ in Billions



Source: KPMG in India's analysis based on data collected from industry discussions

Note: Figures are rounded off to nearest integers and may not add up to column totals

## KEY TRENDS IN TELEVISION INDUSTRY

### ► BARC – Gaining acceptance

In 2016, BARC (Urban and Rural) (“U+R”) data was available throughout the year. The launch of digital measurement will authenticate third-parties to digital advertisement efficacy. It is likely to justify the potential of targeted marketing by digital platforms and ensure higher participation from advertisers

### ► Rural penetration leading to rise in FTA channels

BARC led to new marketing opportunities for broadcasters and advertisers through its exposure to rural viewership. The ratings pushed Free To Air (FTA) GEC channels in the top 10 category, enhancing the ad rates for these channels by 50-70 percent during the year. The FTA channel launches had a broad coverage across Hindi movies, news (Hindi and regional), music and even kids

### ► Demonetisation impact on distributors and production houses

Demonetisation will bring a positive impact on the companies in the long run. The customers are moving towards e-payment options. This will result in reduction of cash collection overheads and bringing down bad debts. This will also move a number of services required in content production into the formal economy which in the past was cash based

## OUTLOOK

Television is expected to grow at a CAGR of 14.7 percent over the next five years as both advertisement and subscription revenues are projected to exhibit strong growth at 14.4 percent and 14.8 percent, respectively. The long-term forecast for the television segment remains robust due to strong economic fundamentals and rising domestic consumption coupled with the inevitable digitisation. The rising share of FTA channels may, however, partially pull down the long-term subscription revenue forecasts unless companies spend on compelling content.



## INDIAN FILM INDUSTRY

### OPPORTUNITIES FOR INDIAN FILM INDUSTRY

- Organic and inorganic growth of multiplexes
- Increase in per capita income and growing middle class
- The expansion of overseas market is expected to drive growth
- Rise in acquisitions of digital content by over-the-top (OTT) platforms
- Increase in regional content depth will uplift the regional markets

Films showed disappointing results in FY 2017, growing by a mere 3 percent over the previous year at ₹ 142.3 billion. The core revenue streams of domestic theatricals and cable and satellite (C&S) rights saw a decline in growth. This was a consequence of poor box office performance of Bollywood and Tamil films.

The overall box office collections of Hindi movies declined compared to the previous year. Appreciation from audiences for content driven movies has strengthened the belief around changing consumer preferences and their appetite for differentiated content, across movies of all budgets.

Regional markets continued to grow with the increasing reach of South Indian, Marathi, Punjabi and Gujarati language markets.

Demonetisation, however, dampened the overall box office collections by reducing footfalls especially in single screen theatres and the overall number of movie releases. It affected the regional film industry more due to the greater dominance of the cash economy concentrated there. Hollywood movies recorded steady growth and increased their market share with increasing revenues coming from dubbed versions.

The film exhibition industry continued to face its long persisting challenge – screen density. While multiplexes grew both through an increase in ticket prices and addition of new screens, single screens continued to struggle leading to continued closures or conversion of single screens into multiplexes.



## KEY TRENDS SHAPING INDIA'S FILM INDUSTRY

### ► Rising success of content driven movies

Audiences are becoming more astute in content consumption. Differentiated, strong, message-based quality content is determining the success of the movies. The long-term success of films at the box office is now defined by the quality of its content

### ► Increasing viewership of biopics

Biopics includes depicting the protagonist at different ages and integrating the films shot footage with actual news, sports or documentary footage seamlessly. For this, technology is playing an increasingly important role to showcase the entire journey of the movie's central character

### ► Growing share of international films in the Indian industry

International films is a growing segment in the Indian film industry. The box office share has increased from almost 5% a few years ago to approximately 7% today. The number of foreign films dubbed into Indian languages has doubled over the past 5 years

### ► Ancillary revenue streams

Due to shift from corporate advertising to public sector advertising, the concept of in-cinema advertising is gaining popularity. The Video on Demand (VoD) is at the infection point in India

Further, film production houses can reduce their dependence on theatrical performance by monetising content through gaming on mobile and online platforms

## OUTLOOK

Films segment is forecast to grow at a CAGR of 7.7 percent till 2021 to be worth ₹ 206.6 billion. Broadening of revenue streams, growing depth of regional content and expansion in overseas markets are sure to drive growth. However, slow growth in screen count, along with inconsistency in content quality would act as the primary limiting factors.

## INDUSTRY PERFORMANCE AND PROJECTIONS

### FILM INDUSTRY PERFORMANCE

Revenues ₹ in Billions	2012	2013	2014	2015	2016	2017P	2018P	2019P	2020P	2021P	2015-16 Y-O-Y GROWTH	CAGR FY 2017
Domestic Theatrical	85.1	93.4	93.5	101.4	99.8	106.6	111.8	117.9	124.2	131.2	-1.06%	5.6%
Overseas Theatrical	7.6	8.3	8.6	9.6	10.9	11.8	12.5	13.4	14.3	15.3	14.0%	7.2%
Home Video	1.7	1.4	1.2	1.0	0.9	0.8	0.7	0.6	0.6	0.5	-13.0%	-11.2%
Cable and Satellite Rights	12.6	15.2	14.7	15.9	15.3	16.2	17.0	18.0	19.1	20.2	-4.0%	5.7%
Ancillary Revenue Streams	5.4	7.0	8.4	10.2	15.5	19.6	23.9	28.3	33.4	39.4	51.0%	20.6%
<b>TOTAL</b>	<b>112.4</b>	<b>126.3</b>	<b>126.4</b>	<b>138.2</b>	<b>142.3</b>	<b>155.0</b>	<b>166.0</b>	<b>178.2</b>	<b>191.6</b>	<b>208.8</b>	<b>3.0%</b>	<b>7.7%</b>

Source: KPMG in India's analysis and estimates, 2017

## DIGITAL MEDIA

### GROWTH ENABLERS FOR THE DIGITAL ECO-SYSTEM

- ▶ Increased internet penetration and speeds driving usage is developing the digital infrastructure
- ▶ Increased penetration of smartphone users is expanding the base
- ▶ Increased onboarding of traditional platforms such as FMCG and financial services, on digital channels to drive digital advertising
- ▶ Increase in spends on over-the-top (OTT) platforms is driving viewership
- ▶ Increase in consumption of on line video through mobile phones

The digital ecosystem is evolving at a breakneck pace, opening up newer avenues for users to consume data. With nosedive of data charges, falling smartphone prices and significant increase in mobile data speeds, digital video is now becoming mainstream. The consumer is becoming more digitally savvy and wants a personalised rich experience while consuming content. On-demand viewing is becoming the norm, especially with kids, millennials and the affluent. Streaming video is the solution to such segments.

The four key pillars that continue to influence the digital Media and Entertainment space are infrastructure, mobility, government policy and digital technologies.

#### The 4G rise

India saw a telecom revolution with the extensive launch of high-speed 4G services by major telecommunication companies across the country.

The telecom operators significantly increased marketing spends on the launch of 4G services. A 4G connection utilised 1.43 GB of traffic per month in 2016, 4.1 times the average 349 MB per month usage for a 3G connection.

#### Extensive use of smartphones

The growing mobile internet and smartphone penetration has elevated the media consumption in the country through an alternative screen.

Increased availability of low cost devices and with the launch of low cost, high data consumption networks, growing section of the population is now able to buy internet-enabled mobile phones; enabling accelerated digitisation of the ecosystem.

#### Government policies

The Government of India through its umbrella 'Digital India' initiative continues to drive digital initiatives like increase data bandwidth, reduce data costs and increase availability and accessibility of smartphones.

These government measures are also focused on onboarding the rural sections to the digital environment.

#### Digital technologies

Live video streaming, Internet of Things (IoT), Real time 360-degree viewing are gaining significant traction.

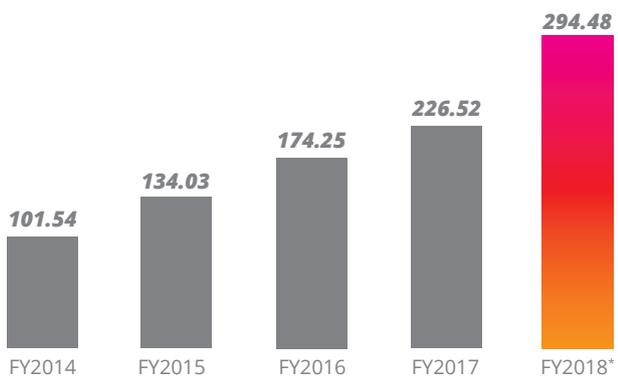
Cognitive technologies such as Artificial Intelligence (AI), machine learning, and Natural Language Processing (NLP), are the next big evolution of data technology.

### DIGITAL ADVERTISING

Digital is driving the future of advertisements in India, with digital ad spends expected to cross ₹ 294 billion in 2021. In 2016, digital advertising contributed ₹ 76.92 billion and is expected to grow at a rapid pace with a CAGR of 30.8 percent until 2021. Video advertisements as a segment contributes to 18 percent of the overall digital advertisement spends in 2016 and is expected to grow at a CAGR of 40 percent by 2021.

**DIGITAL ADVERTISEMENT SPEND**

₹ in Billions



Source: KPMG in India's analysis and estimates, 2017  
\*Expected



**Over-the-Top (OTT) video services**

Urban consumers have been early adopters of video constituting 70-75 percent of the total internet base. With on demand accessibility, aggressively priced high speed 4G data services, and a latent demand for differentiated content, OTT Video on Demand (VoD) services have seen an upsurge in the last one year.

FY 2017 saw the entry of global OTT video majors, Netflix and Amazon Prime Video in India, as well as launch of major broadcast network backed platforms like VOOT (Viacom 18) and Zee (Zee TV). Other platforms like Hotstar (Star TV India) and Sony Liv (Sony Pictures Networks) consolidated their offerings by launching premium services and a dedicated kids channel, respectively. Telecom platforms are also joining in the OTT game with syndicated content offerings on the likes of Jio Apps, Airtel Wynk etc.

**Subscription-based video on demand (SVOD)**

The SVOD model is yet to gain traction in India due to low television subscription rates and evolving data and digital payments ecosystem but is fast changing. Additionally, with an increasing focus on original

content, input costs for platforms are set to rise. On an average, a 20 - 30 minutes fiction content on digital can cost anywhere between ₹ 1.2-1.5 million, nearly twice as high as content costs on television.

With increasing competition amongst OTT players, a subscription based revenue model is key to sustainability in the future. Compelling content strategy, friction-less onboarding and superior experience for consumers, and seamless digital payment options are prerequisites for consumer to consider paying for both data and content.

**OUTLOOK**

Digital media is rapidly emerging as a core revenue engine. As digital infrastructure continues to develop and data costs are driven down, digital consumption is likely to become more mainstream. The resultant growth in investment by advertisers supported by evolution of the audience measurement technology are likely to drive growth over the next five years. The economic and business models required to succeed in the digital landscape are challenging; and would require a significant shift in mind-set and approach to build out digital strategies.





## BUSINESS OVERVIEW

Balaji Telefilms is India's leading entertainment provider. An integrated media corporation with market leadership in the television content, it has significant presence in movies and digital content production.

## **BALAJI TELEFILMS LIMITED**

Balaji Telefilms is one of the largest content production houses delivering Hindi and regional content; widespread across India, South Asia, South East Asia and the Middle East. We have outstripped other Indian media entertainment companies with our huge production properties. Our exceptional competence to create high quality content across genres and target groups, has kept the Indian audience glued to our shows for more than two decades. The introduction of ALTBalaji makes us well - positioned to leverage the growth in over-the-top content (OTT) video consumption especially the Subscription Video on Demand (SVOD) service.

### **BALAJI TELEFILMS LIMITED**

- ▶ Leading television Production Houses
- ▶ Unmatched track record with string of hit shows and newer IP based shows
- ▶ 14 shows on air during the year

### **BALAJI MOTION PICTURES LIMITED**

- ▶ 100% subsidiary
- ▶ One of the leading movie studios in India
- ▶ Marquee productions across genres
- ▶ Production and distribution capabilities



### **ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

- ▶ 100% subsidiary
- ▶ Over-the-top subscription video-on-demand platform
- ▶ Focused on original and never-seen-before Indian content

### **OTHER SUBSIDIARIES**

- ▶ Marinating Films Private Limited (51%)
- ▶ Chhayabani Balaji Entertainment Private Limited (50%)
- ▶ Event Media LLP (51%)
- ▶ BOLT Media Limited (100%)

### **OUR TELEVISION BUSINESS**

Our television business has been the cornerstone of the Indian television industry. We maintain a strong leadership spot in the TV business with our unmatched creative production capacity to develop top-rated shows catering to a diverse set of audience. We have penetrated into the various categories of TV programming – Hindi GEC, youth-based entertainment and regional shows with both fictional and non-fictional content. Our distinguished ability to identify the tastes of masses has lead us to produce hit content year after year across all age and target groups.

We have an unrivalled track record with a string of hit shows and newer IP based shows. We have provided content for all the major channels such as Star Plus, Zee TV, Sony TV, Doordarshan, Colors, Life OK, Channel V India, MTV India, and so on. We maintain long-term contracts with our creative-team right from actors, writers, to producers. We are focused on running 8 to 10 primetime shows on leading GECs and on national television. We have collaborated with Doordarshan under Sponsors model, wherein we will own the IP and drive sales by creating an inclusive content.

**14**

**Prime-times shows during the year**

**KEY HIGHLIGHTS FY 2017**

- ▶ Our revenue per hour has grown y-o-y by 17%
- ▶ Increase in operational efficiency and cost optimisation resulting in better gross margins per hour of programming
- ▶ Our shows had consistently good ratings allowing to generate additional incentives and resulting in better margins
- ▶ Introduction of weekend fiction formats engaging a larger audience
- ▶ Forayed into producing the premium urban fiction for ALTBalaji
- ▶ Successfully bagged 3 prime time slots on Doordarshan under the slot sale policy

**TV SHOWS ON AIR DURING FY 2017 (SORTED CHANNEL WISE)**



**Ye Kahan Aa Gaye Hum & TV**  
Q1 Q2



**Gumraah - Season 5**  
Channel V  
Q1



**Naagin**  
Colors  
Q1



**Kawach Kaali Shaktiyon Se**  
Colors  
Q1 Q2 Q3



**Kasam Tere Pyaar Ki**  
Colors  
Q1 Q2 Q3 Q4



**Naagin 2**  
Colors  
Q3 Q4



**Pavitra Bandhan Do Dilo Ka**  
DD National  
Q1 Q2 Q3



**Kalash-EK Vishwaas**  
Life OK  
Q1 Q2 Q3 Q4



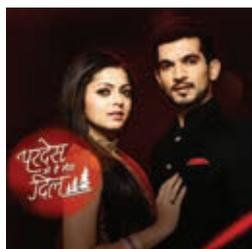
**Mazak Mazak Mein**  
Life OK  
Q2



**Ye Hai Mohabbatein**  
Star Plus  
Q1 Q2 Q3 Q4



**Chandra Nandni**  
Star Plus  
Q3 Q4



**Pardes Mein Hai Meraa Dil**  
Star Plus  
Q3 Q4



**Kumkum Bhagya**  
Zee  
Q1 Q2 Q3 Q4



**Brahmarakshas**  
Zee  
Q2 Q3 Q4

## UPCOMING TV SHOWS



### Dhhai Kilo Prem

Star Plus

Launch Period : APRIL 2017



### Chandra Kanta

Colors

Launch Period : JUNE 2017



### 3 Daily Shows

## KEY OPERATIONAL STRENGTHS

- ▶ Long-standing relationship with the leading GECs
- ▶ Having a differentiated style of content that resonates with the masses
- ▶ Having a steady pipeline of new ideas and content ready
- ▶ Able to command higher TRP, hence, higher margins from broadcasters versus our peers
- ▶ Been pioneers in spending cautiously, gaining competitive advantage of economies of scale

## GROWTH DRIVERS

### ▶ Increase in audience measurement

Urban and rural households are increasingly contributing to the enhanced measurement and ratings. There is increasing demand from satellite channels for premium television serials

### ▶ Rising rural viewership

The growing number of rural viewers is enormous. Also, we have stretched our reach from 100 million homes to 165 million homes. Encompassing rural areas will grow the headroom for television business

### ▶ Innovative content strategies

Innovation in format creation and weekend programming, IP creation and high cost fiction is sprouting demand. New block deal with national broadcaster DD to produce and monetise content on weekday primetime slots is another growth enabler

### ▶ Evolving interests of audience

Our audience is evolving to get a taste of varied flavours on television. We are developing Intellectual Property Rights (IPRs) for events such as Television Style Awards (TV Awards), Box Cricket League (a celebrity based cricket league) among others to create viewer interest

### ▶ Emerging pay markets

Subscription revenues are becoming important with consumers paying for media services. Audiences are becoming more willing to pay for content and value-added services for better quality and a user-friendly experience. The television industry is leveraging on this feature to drive growth

### ▶ Inclusion through regional television

Television industry has grown in providing content in regional languages. We have entered Joint Venture with regional content producers to produce content for regional audiences. Regionalisation is expected to drive growth with growing increase in literacy, consumption and disposable incomes in Tier 2 and 3 cities

## WAY FORWARD

- ▶ Drive the weekend format fiction shows and continue to try and "own" certain premium slots
- ▶ Build on the DD slots recently acquired with more appropriate content
- ▶ Build our television production competency to make digital shows for ALTBalaji
- ▶ Foray into events and non-fiction shows to develop on genres
- ▶ Push for more syndication and remaking right

## STRATEGIC ARMS OF OUR TELEVISION BUSINESS

### ► Chhayabani Balaji Entertainment Private Limited (CBEPL)

Chhayabani Balaji Entertainment Private Limited is a Kolkata-based, 50% subsidiary of Balaji Telefilms Limited. Chhayabani's cinematic excellence and passion to produce quality entertainment products makes it a preferred partner for Balaji Telefilms Limited (BTL). Chhayabani has a glorious heritage of producing extremely notable films in Bengal. It leverages BTL's competitive strengths to produce novel entertainment across the media. This alliance has brought together two different media houses, with distinctive strengths to create innovative content, while also attracting high-quality talent

### ► BOLT Media Limited (BOLT)

BOLT is a wholly-owned subsidiary of Balaji Telefilms Limited (BTL), incorporated in November 2012. BOLT was set up to create and produce contemporary TV concepts across mainstream and regional television. BOLT explores branded content like digital brand solutions and short-form programming across genres like youth, humour, neo-mythology, reality, scripted reality, and factual entertainment. In FY 2017, BOLT is being merged with Balaji Telefilms Limited to streamline the group structure as well as drive better operational synergies

### ► Marinating Films Private Limited (MFPL)

Balaji Telefilms Limited acquired a controlling stake in Marinating Films Private Limited (MFPL) to get exposure to additional revenues and IP based shows. MFPL produces a new concept called Box Cricket League, which is a game of entertainment cricket with celebrities as players

The Box Cricket League is an interesting IP with 8 teams owned by a mix of 120 celebrities including RJs, sports commentators and ex-players. This concept has male and female stars playing on-field together, mounting the entertainment factor. Box Cricket League – Season 2 was telecast on Colors in March 2016. Also, Television Style Awards was aired on the channel and gained acceptance. MFPL is focused on building an inventory of IP-based shows to strengthen the content library

### ► Events Media LLP

Balaji Telefilms Limited (BTL) and Select Media Holdings Private Limited are dual partners in the Limited Liability Partnership, Event Media LLP. Event Media specialises in organising and managing events related to films, TV awards, promotional events related to the Film and TV industry. Event Media LLP facilitates BTL to explore opportunities into event management, creating a new IP and monetising a growing market with low-risk culpability

### ► Brand EK

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

Brand EK has a wide presence in the online retail space through its website 'EK by Ekta Kapoor'. Also, it had ventured with one of the largest online retailer and currently in discussions to venture into physical stores through a national retailers. Further, to widen the customer base and spread awareness, Brand EK leverages on social media -Twitter, Facebook and Instagram.





## OUR MOVIE BUSINESS

Balaji Motion Pictures Limited was formally incorporated as a subsidiary on March 9, 2007. We are positioned among the leading Indian motion picture studios achieving numerous award-winning and acclaimed box office blockbusters. Balaji Motion Pictures Ltd. exhibits commercial pioneering cinematic content supported by rigorous and innovative marketing. We function as a fully integrated studio across the value chain, from ideation to distribution of the final film all while balancing creativity and commercials.

This year, the focus has been on consciously creating a slate of multiple genres, catering to various audiences. The genre offerings ranged from action-comedy, romantic dramas, adult-comedies to social commentary. The varied genre offering was supported by big ticket directors and Bollywood stars in equal measure.

Movies audiences are receptive to newer genre and stories followed by emergence of 'smart movies' that are gaining commercial success. Bollywood movies continue to be a prime source of entertainment for the masses in India as well as globally. We maintain well entrenched relationships with leading directors, actors and actresses to leverage our films with the best talent united with quality content.

## KEY HIGHLIGHTS FY 2017

- ▶ Our movies had mixed response with hits and misses. Udda Punjab was a great success sweeping a number of awards in the popular categories
- ▶ Enhanced focus on scripts, budgets and out-of-the-box marketing
- ▶ Building capabilities in film distribution and undertaking distribution of movies in select territories
- ▶ Emphasis on optimising risk-return trade-off by pre-sale of rights
- ▶ Half Girlfriend to release in May casting Arjun Kapoor & Shraddha Kapoor and Movie 'Super Singh' to be released in June casting the renowned Mr. Diljit Dosanjh



## MOVIES RELEASED IN THE YEAR



### Udta Punjab

A story that revolves around drug abuse in the affluent North Indian state of Punjab and how the youth there have succumbed to it en masse resulting in a socio-economic decline. Boasting of stellar cast, comprising superstars like – Kareena Kapoor Khan, Shahid Kapoor, Alia Bhatt & Diljit Dosanjh, the film captured the highs and lows of the characters, as they journey through the state of Punjab.



### Azhar

Azhar, based on the lives and times of one of India's greatest Cricket Captains, is a 2016 Indian sports drama film directed by Tony D'Souza. Emraan Hashmi plays the titular role of 'Azhar', supported by Nargis Fakhri, Prachi Desai & Lara Dutta in pivotal roles. Written by Rajat Arora, the film tells the story of the rise and steep fall of Mohammad Azharuddin, as he was embroiled in one of the biggest controversies to hit Indian sports - 'match-fixing'.



### Flying Jatt

India's first Punjabi superhero – 'A Flying Jatt', is a superhero with a twist. Directed by Remo D'Souza, Flying Jatt, played by Tiger Shroff is a superhero who's scared of heights. The reluctant superhero fights crime and protects people, while looking out for the world at large. However he meets his match in the evil Raka, who he must vanquish to save the Earth. Starring Jacqueline Fernandes opposite Tiger Shroff, the film marks the debut of WWE champion and Hollywood star– Nathan Jones



### Great Grand Masti

Great Grand Masti is a 2016 horror adult comedy film. It is the third installment in the Masti film series after the super successes of Masti (2004) and Grand Masti (2013). The movie takes ahead the story of the three Friends – Riteish Deshmukh, Aftab Shivdasani & Vivek Oberoi as they travel to a small town where they meet Ragini, (played by Miss India Urvashi Rautela), a gorgeous woman. However, they soon realise that Ragini brings nothing but trouble in their lives.

## OUR UPCOMING MOVIES



### Half Girlfriend

Directed by Mohit Suri, the film is based on Chetan Bhagat's novel of the same name; Half Girlfriend is the love story between a Bihari boy and a high society Delhi girl. Starring Arjun Kapoor & Shraddha Kapoor in the lead, the film explores the language barrier that exists between the two, while also defining a new relationship status for this generation. Touted to be the musical album of the year.



### Super Singh

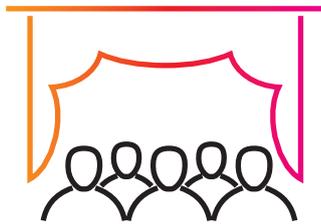
Starring Punjabi Superstar – Diljit Dosanjh, Super Singh is a superhero film which explores the life of a loveable, affable and carefree village boy from Punjab, now living in Montreal Canada, whose life changes after he unknowingly gets super powers. He then embarks on a journey that helps him discover the true meaning of life, of course with enough entertainment and laughs around the way. Directed by ace Punjabi director Anurag Singh.



**OUR RISK MANAGEMENT POLICIES WITHIN THE MOVIE BUSINESS**

The movie business is highly volatile and involves high risk that needs constant monitoring and involvement. We are mitigating such risks through various measures all focused on being cost-efficient and profitable. As a policy and to create greater shareholder value we are reducing investments in the movie segment and focusing management bandwidth and capital on television and ALTBalaji. We are de-risking the business by selectively commissioning new movies that offer an extremely favourable risk reward profile. We will look to partner on co-production models, pre-sell rights and secure our investments as well as only commission new projects where the risk rewards are extremely favourable.

**GROWTH DRIVERS**



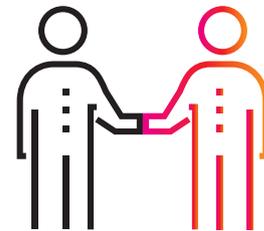
**INCREASING THEATRE SCREENS**

Penetration of theatre screens is continuously improving in India which necessitates more movies. Even, globally, Bollywood movies continue to be a big pull for audiences.



**BETTER DISTRIBUTION**

Our efforts to leverage relationships within the industry and presence across movie budget sizes will enable better bundling. We are harnessing growth through achieving favourable risk-reward by pre-selling rights such as theatrical, satellite, music and digital at various points of time.



**MATURE TIE-UPS**

Our recent co-production model with other leading production houses will lower our risks and costs. We will now be able to selectively focus on content and scripts and not necessarily on the scale of film, promising better acknowledgment from audiences.

**WAY FORWARD**

- ▶ Aim to consolidate our strengths to and focus on a few but high impact stories
- ▶ Reduce the overheads and utilise the in-house talent and further rationalise costs
- ▶ Minimising risk exposure by collaborating with investors and partners across the movie value chain
- ▶ Ensure pre-sales are carried out well in advance in terms of distribution contracts and satellite rights are sold

## ALT DIGITAL ENTERTAINMENT MEDIA

ALT Digital Media Entertainment Ltd, incorporated as a wholly-owned subsidiary in August 2015 was vested with the Company's digital content business. To monetise the incredible potential of novel, premium, and on-demand entertainment we have strategically forayed into the B2C digital content business segment. ALTBalaji content stands out for being avant-garde, non-conformist, inclusive and effervescent. Our focus is to make ALTBalaji a true alternative to the mainstream entertainment. We are setting new benchmarks in giving digitally connected contemporary audiences on alternate content platform. ALTBalaji is the only original digital content generation platform to reach viewers on a massive scale. ALTBalaji shows are more cutting edge and expensive with shorter formats catering to a very evolved urban audience.

ALTBalaji, the subscription-based digital entertainment platform was launched on April 16, 2017 with 6 new shows, and will add new shows every month to binge watch. The platform will offer more than 250 hours of original content in the first year of its launch. The content is created by some of the best talents of Indian entertainment industry including critically acclaimed

directors and actors. The list comprises of Nagesh Kukunoor, Juhi Chawla, Nimrat Kaur, Rajkumar Rao, Hansal Mehta, Sakshi Tanwar, Ram Kapoor, Atul Kulkarni, Sameer Soni, Yudhishtar Urs, and Dipannita Sharma Atwal among others.

ALTBalaji has been launched at ₹ 25 per month, as an opening offer for the first quarter. The domestic and international card rate is ₹ 90 and \$3.99 per month respectively.

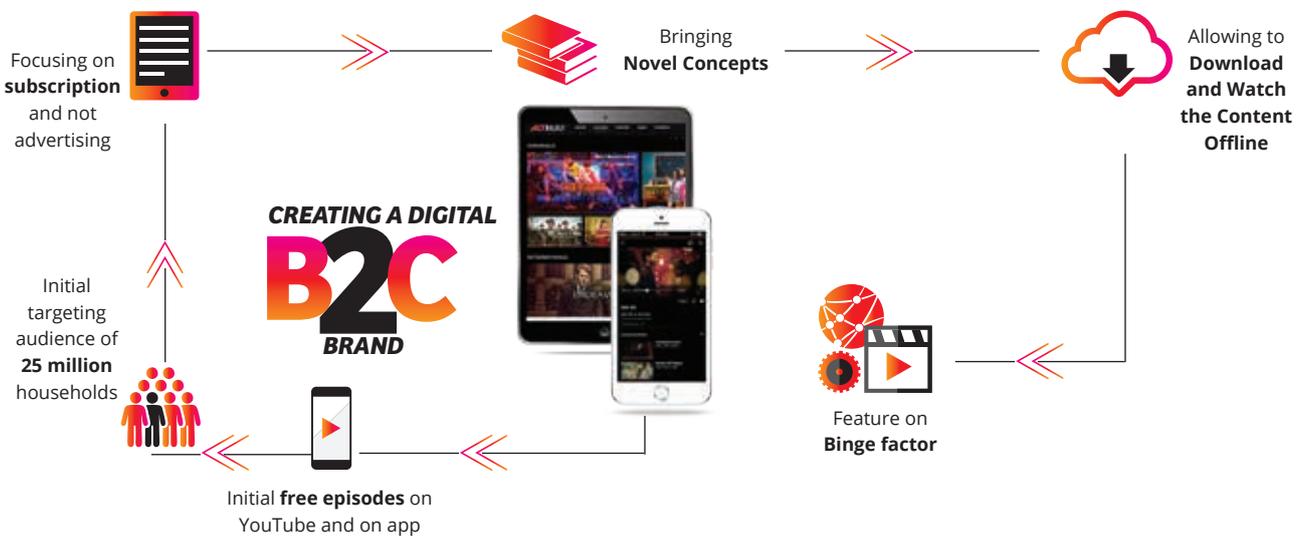
### KEY HIGHLIGHTS

- ▶ Operate an over-the-top (OTT) platform to offer subscription-based video on-demand (SVOD) services
- ▶ Host premium, high quality shows featuring popular celebrities, acclaimed writers and award winning directors
- ▶ Create highly differentiated exclusive and premium digital content for the internet audiences across the 18 to 40 age group

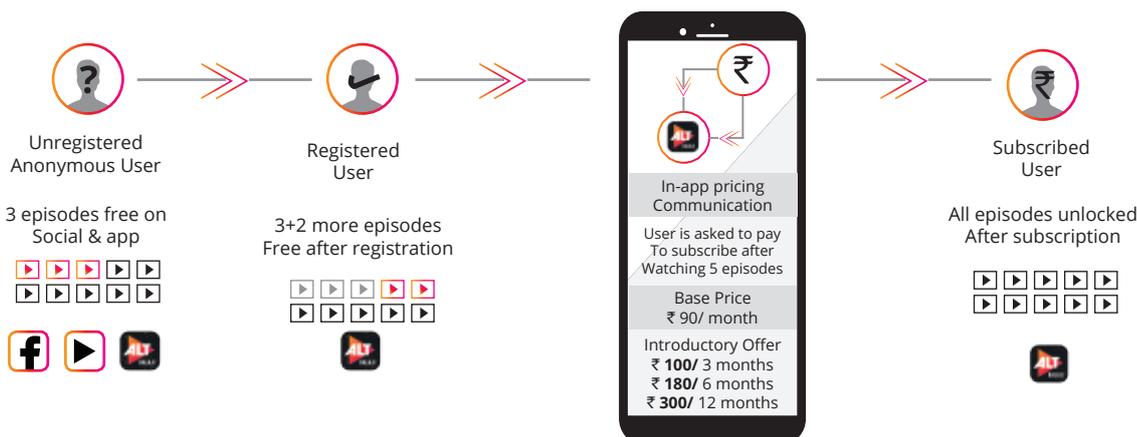
### CREATING A DIGITAL B2C BUSINESS

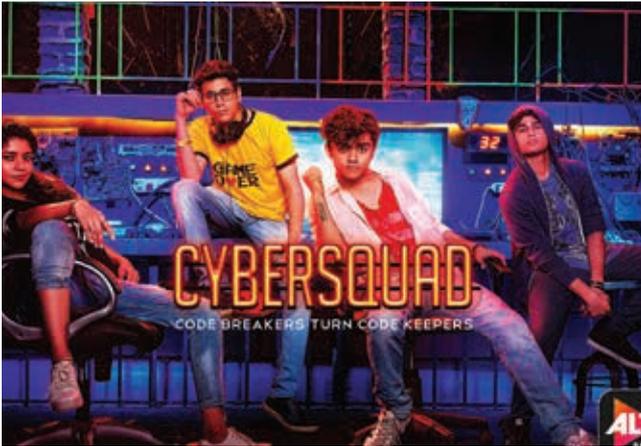
Our digital foray is an opportunity to connect better with our customers and also own the content IP.

### THE ALTBALAJI MODEL



### CUSTOMER ACQUISITION STRATEGY - CONVERSION FROM SAMPLING TO SUBSCRIPTION





**USP FOR ALTBALAJI**

► **Unique content**

ALTBalaji is captivating the customers through its original and diverse content. The loyal customers of Balaji Telefilms are willingly subscribing for the new-age digital platform, ALT

► **Cutting-edge technology**

To provide a remarkable user experience, best-in-class components are assembled. We have implemented cloud-based video management system with advanced big data and analytical solutions to ease operations

► **Skilled team**

We have invested in skilled manpower to develop an efficient team having strong knowledge across the digital eco-system

**STRATEGIC PARTNERSHIPS**



**RISKS AND ITS MITIGATIONS**

At Balaji, we are focused on enhancement of our risk management processes through building guaranteed solutions. Given the nature of our business, we have implemented softwares to track litigations and monitor them internally. Internal Committees are set up in place to vigil over the activities.

**Risk**

Returns are lower than the investments made

**Mitigation measures**

We would be more prudent with the cost of our films. We target to invest judiciously to earn a profitable ROI going forward. We plan to go lighter on spending and aim to make sure that our pre-sales are frozen well in advance.

**Risk**

Production processes are not consolidated in movies business resulting in higher costs

**Mitigation measures**

We are seeking help from our TV production team to help integrate processes and cut down costs. We are getting investors on board to finance the movies partially, thereby, distributing the risk exposure.

**Risk**

Safeguarding of Intellectual Property (IP) rights

**Mitigation measures**

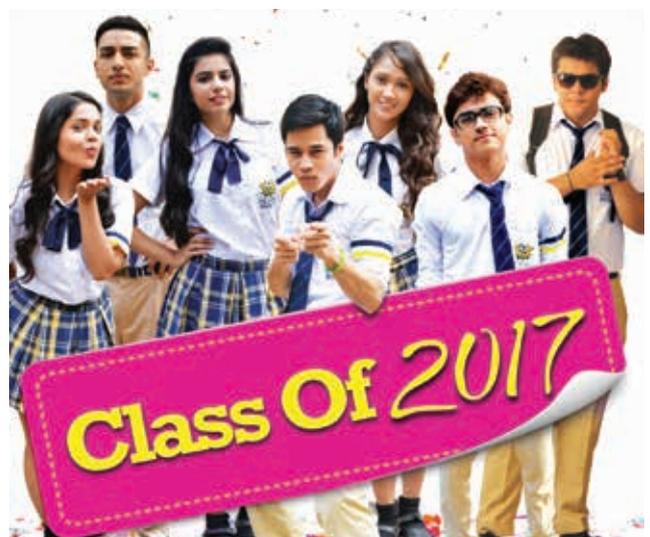
We are streamlining our processes and automating the agreement process by putting in place a contract management process. As part of an integrated system, we are creating a deck for the production activity for BMPL, putting forth all the rights on intellectual property (IP) for theatrical, digital and satellite rights.

**Risk**

Piracy of content produced

**Mitigation measures**

Stricter controls and procedures are being set up. We are also actively implementing softwares to enable forward contracting agreements.



## PEOPLE PRACTICES

At Balaji, we cherish our people. Our people are our biggest assets. Our human force drives an entrepreneurial spirit and speed in the organisation. We have instilled a sense of ownership on our employees in every activity they perform. Our teams are inspired to build a brand that is acclaimed globally. We understand their career goals and provide them with a plethora of opportunities to grow and develop. Our focus is on promoting diversity all spheres in the organisation.

We have brought in a Human Resource Management System (HRMS) to streamline and consolidate our human functions.



### ► Our recruitment practices

We ensure hiring the right talent for the right role. In FY 2017, we hired over 90 across various levels. Acquiring high potential talent at affordable costs is what we believe in. We made sure that the best talent is hired for our new venture ALTBalaji



### ► Training initiatives

We are empowering our people through various training initiatives to build a dependable talent pool for the future. We invest in enhancing the skills of our people and attain efficient output. Our learning and development is business led. We organise induction for our new joiners to familiarise them well with the organisation and the tasks to be performed by them. We conduct various skill-based trainings, insurance and soft skill trainings to develop an individual professionally as well as personally. We also organise different drills to equip our employees in case of emergencies

### ► Employee engagement

We offer various employee engagement and coaching programmes to inform and motivate our people. We organise programmes on occasions of Dussehra, Diwali and Christmas. We did a clear the clutter drive for Christmas wherein all the units had to make a Christmas tree out of waste. Our employees were engaged in Secret Santa. We conducted meets over cookies and coffee. Our employees are rewarded and recognised personally by Mrs. Kapoor. We have plans to conduct townhall and off-sites in the near future

# 375

Total permanent employees



### Cautionary statement

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

## DIRECTORS' REPORT

Your Directors take pleasure in presenting the 23rd Annual Report together with the Audited Statement of accounts of the Company for the financial year ended March 31, 2017.

### COMPANY PERFORMANCE

#### FINANCIAL HIGHLIGHTS

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

Particulars	₹ in lacs)	
	2016-2017	2015-2016
Income from operations	28,413.40	25,684.93
Less: Total expenditure	24,552.88	22,261.73
<b>Operating profit</b>	<b>3,860.52</b>	<b>3,423.20</b>
Less: Interest	-	-
Less: Depreciation	1,176.50	871.58
<b>Operating Profit after interest and depreciation</b>	<b>2,684.02</b>	<b>2,551.62</b>
Add: Other income	1,867.83	2,409.83
<b>Profit before tax</b>	<b>4,551.85</b>	<b>4,961.45</b>
Less: Provision for taxation	1,453.61	1,253.20
<b>Net profit after tax</b>	<b>3,098.24</b>	<b>3,708.24</b>
Other Comprehensive Income	(8.21)	(3.90)
Balance brought forward from previous year	26,093.75	23,956.98
<b>Appropriations:</b>		
Disposable profits	29,183.78	27,661.32
Less: Interim dividend	-	911.17
Less: Proposed dividend	-	470.91
Less: Corporate dividend tax	-	185.49
Less: Transfer to General Reserve	-	-
<b>Balance carried to balance sheet</b>	<b>29,183.78</b>	<b>26,093.75</b>

Note: The Financial Statements of the Company is prepared as per Indian Accounting Standards (Ind AS) for the first time for the year ended March 31, 2017. The financial statements for the year ended March 31, 2016 have been restated in accordance with IND AS for comparative information.

### RESULTS OF OPERATIONS

During the year under review, the Standalone Revenue from operations of the Company is ₹ 28,413.40 lacs an increase of 11 % over the previous year ₹ 25,684.93 lacs. As per the Consolidated Accounts, the total revenue from operations has increased by 44 % from ₹ 29,275.52 lacs to ₹ 42,117.49 lacs during the year. Your Company had a standalone growth with a Net profit after tax of ₹ 3,090.02 lacs during the year as compared to Net profit of ₹ 3,704.35 lacs of previous year. A detailed discussion on the business performance is presented in the Management Discussion and Analysis Section of the Annual Report.

### DIVIDEND

Your Directors are pleased to recommend a Final Dividend of Re. 0.40/- per equity share of the face value of ₹ 2/- each for the financial year ended March 31, 2017.

The Final Dividend, subject to the approval of Members at the Annual General Meeting on August 31, 2017 will be paid to the Members whose name appear in the Register of Members, as on Thursday, August 24, 2017. The total dividend for the financial year will absorb ₹ 30,372,177.20/- excluding Dividend Distribution Tax of ₹ 6,183,061.00/-

### TRANSFER TO RESERVES

Your Directors does not propose any amount of transfer to the General Reserve and an amount of ₹ 29,183.78/- 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 2016-2017 the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2017, the paid-up Equity Share Capital of the Company is ₹ 15,18,60,886/-. Of the total paid up share capital of the Company, 42.22% is held by Promoters and Promoter Group, all in dematerialized form and balance of 57.78% 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 or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## CHANGE IN NATURE OF BUSINESS

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## SUBSIDIARIES

As on March 31, 2017 your Company has the 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. The 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.
- 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.
- 3. ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALT)**  
The Company's digital content business is housed under ALT Digital Media Entertainment Ltd., 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.

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

Chhayabani Balaji Entertainment Private Limited (CBEPL) is a subsidiary of Balaji Telefilms Limited (BTL), in partnership with Kolkata-based Chhayabani Private Limited.

## 5. 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.

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

## SCHEME OF ARRANGEMENT AND AMALGAMATION

The Board of Directors of the Company in their meeting held on September 27, 2016 after considering the recommendations of the Audit Committee, approved the Composite Scheme of Arrangement and Amalgamation pursuant to the provisions of Sections 391 to 394 read with Section 100 of the Companies Act, 1956 or under Section 230 to 234 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013 ("Scheme of Arrangement and Amalgamation") involving (i) the demerger of the undertaking pertaining to the film production business of Balaji Motion Pictures Limited, a wholly owned subsidiary, and vesting of the same in Company and the consequent reduction in the equity share capital of Balaji Motion Pictures Limited; (ii) the amalgamation of BOLT Media Limited, a wholly owned subsidiary, with the Company in accordance with the terms and conditions as set out in the Scheme of Arrangement and Amalgamation subject to necessary approvals of the Stock Exchanges and sanction of National Company Law Tribunal, Mumbai Bench ("NCLT"). The Company received the observation letters from National Stock Exchange of India Limited and BSE Limited dated January 16, 2017 conveying their "No Objection", in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for filing the Scheme of Arrangement and Amalgamation with the NCLT. Further,

## **DIRECTORS' REPORT (CONTD.)**

the NCLT vide order dated April 12, 2017 directed that a meeting of the equity shareholders of the Company be held on May 24, 2017 at 1.00 p.m. at "The Club", 197, D N Nagar, Andheri (West), Mumbai - 400 053, for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement and Amalgamation. Notice for convening meeting of equity shareholders of the Company had already been circulated to all the equity shareholders of the Company, the unsecured creditors and the relevant Regulatory Authorities as per the provisions of Companies Act, 2013 and the order of the NCLT dated April 12, 2017.

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

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

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

The Annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

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

No material events have occurred between the end of financial Year 2016-2017 and the date of this report, which have effect over the financial position of the Company.

### **DIRECTORS & KMP**

There was no change in Directorship and Key Managerial Personnel (KMP) of the Company during the year under review.

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. Tusshar 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 declarations from each independent director under section 149(7) of the Companies Act, 2013, that she/he meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

### **AUDITORS STATUTORY AUDIT**

Pursuant to section 139 of Companies Act, 2013 and Rule 6 of The Companies (Audit and Auditors) Rules, 2014, it is mandatory to rotate the Statutory Auditors on completion of maximum tenure permitted under the section. The Audit Committee of the Company has proposed, and on May 23, 2017 the Board of Directors of the Company has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting. The first year of Audit will be of the financial statements for the year ended March 31, 2018.

**COST AUDIT**

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

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Makarand M. Joshi & Co., Practicing Company Secretaries as Secretarial Auditors of the Company for financial year 2017-18.

**AUDIT REPORTS**

- ▶ The Audit Report for the financial year ended March 31, 2017 does not contain any qualifications, reservations and adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.
- ▶ Secretarial Audit Report issued by M/s. Parikh & Associates, Practicing Company Secretaries in form MR-3 for the financial year 2016-17 is appended as Annexure II to the Boards' Report. The said Report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**COMMITTEES OF THE BOARD**

In compliance with the requirements of Companies Act, 2013 and Listing Regulations your Board had constituted various Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Internal Complaints Committee and Corporate Social Responsibility Committee. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members has been disclosed in the Corporate Governance Report which forms part of the Annual Report.

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

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

The Composition of Corporate Social Responsibility Committee is as follows:

Chairman : Mr. Jeetendra Kapoor - Non-Executive Director

Members : Mrs. Shobha Kapoor - Executive Director  
Mr. D.G. Rajan - Independent Director  
Mr. Ashutosh Khanna - Independent Director

Secretary : Mrs. Simmi Singh Bisht

The Annual Report on CSR activities is appended as Annexure III to the Boards' Report.

**OTHER DISCLOSURES****I) EXTRACT OF ANNUAL RETURN**

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

**II) INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY**

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

**III) VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

## DIRECTORS' REPORT (CONTD.)

### **IV) 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 the Boards' Report.

### **V) 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 the Boards' Report.

### **VI) RELATED PARTY TRANSACTIONS**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party Transactions entered during the year were placed before the Audit Committee for review and approval and were in Ordinary Course of the Business and at Arm's Length basis. Particulars of Related Party Transactions 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.

### **VII) BUSINESS RISK MANAGEMENT**

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

on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Audit Committee of the Company does the risk identification, assessment, analysis and mitigation in consultation with various heads of the departments.

### **VIII) 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.

### **IX) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, the company does not have any loans, guarantee or investments under the provisions of section 186 of the Companies Act, 2013, hence no disclosure is required to be given in this regards.

### **X) 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 2016-17, no sexual harassment complaints has been registered with the Company.

### **XI) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

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

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 our content production business, which are used in the creation of new storyline and tracks. The expenses incurred on such initiatives are not practically quantifiable.

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

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings is ₹ 8.05 lacs (Previous Year ₹ 8.77 lacs) and the foreign exchange outgo is ₹ 504.45 lacs (Previous Year ₹ Nil).

### CORPORATE GOVERNANCE

Your Company has been practising the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by your Company, in terms of the Listing Regulations together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance which forms part of the Annual Report.

### MEETINGS OF THE BOARD

During the year under review, five (5) meetings of the Board of Directors were held the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

### NOMINATION & REMUNERATION POLICY

The 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.

### MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board in consultation with the Nomination and Remuneration Committee lays down the evaluation criteria for the

performance evaluation of Executive/Non-Executive/Independent Directors. The questionnaire of the 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 which forms part of the Annual Report. The Board approved the evaluation process results as collated by the Nomination & Remuneration Committee of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and

## **DIRECTORS' REPORT (CONTD.)**

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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, 2017 had been prepared on a 'going concern' basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **ACKNOWLEDGEMENTS**

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

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

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 23, 2017

# ANNEXURES TO THE DIRECTORS' REPORT

## ANNEXURE I FORM NO. AOC-1 - STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

As on financial year ended March 31, 2017

[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]

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	(₹ in lacs)	
Balaji Motion Pictures Limited	March 31, 2017	N.A.	3,000.00	(12,188.32)	16,005.31	25,193.63	-	12,801.02	(4,469.33)	39.09	(4,430.24)	100%		
ALT Digital Media Entertainment Limited	March 31, 2017	N.A.	15,005.00	(2,040.94)	13,521.30	557.24	10,579.64	1,057.02	(996.30)	(271.82)	(1,268.12)	100%		
BOLT Media Limited	March 31, 2017	N.A.	5.00	(230.83)	73.25	299.08	-	9.22	(51.53)	-	(51.53)	100%		
Marinating Films Private Limited	March 31, 2017	N.A.	346.00	(502.91)	382.53	884.44	-	838.66	(246.28)	-	(246.28)	51%		
Chhayabani Balaji Entertainment Private Limited	March 31, 2017	N.A.	105.00	(63.95)	65.94	124.88	-	386.33	(58.37)	-	(58.37)	50%		

For and on behalf of the Board of Directors

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 23, 2017

## **ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)**

### **ANNEXURE II FORM NO. MR-3 SECRETARIAL AUDIT REPORT**

For the Financial Year ended March 31, 2017

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

To,  
The Members,  
**BALAJI TELEFILMS LIMITED**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the

rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely:
  - 1) The Copyright Act, 1957
  - 2) The Trade Marks Act, 1999

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

Adequate notice was 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.

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events have occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**

Company Secretaries

**Mitesh Dhaliwala**

Partner

Place: Mumbai

FCS No: 8331

Date: May 23, 2017

CP No: 9511

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

## **ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)**

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### **'ANNEXURE A'**

To,  
The Members  
**Balaji Telefilms Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**

Company Secretaries

**Mitesh Dhaliwala**

Partner

Place: Mumbai

Date: May 23, 2017

FCS No: 8331

CP No: 9511

### ANNEXURE III CSR REPORT

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

1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is 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	₹ 30,44.10 Lacs
4.	Prescribed CSR Expenditure (2% of the average net profit of the Company for last three financial years)	₹ 60.88 Lacs
5.	Details of CSR Spent during the financial year	
a)	Total amount to be spent for the financial year.	₹61.50 Lacs
b)	Amount unspent, if any.	Nil
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:	N.A.

(Amount in ₹)

Sr. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Krishna Kala Trust	Providing help to old age people	Local Area	-	Direct expenditure on old senior citizen	₹ 47,00,000	Direct
2.	Project Crayons	Child Education	Local Area	-	Direct expenditure on education of poor children through project	₹ 5,28,608	Direct
3.	Old Age Home	Providing help to old age people	Local Area	-	Direct expenditure on old senior citizen	₹ 9,21,500	Direct

For and on behalf of the Board of Directors

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 23, 2017

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

### ANNEXURE IV FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

[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	<b>CIN</b>	L99999MH1994PLC082802.
2	<b>Registration Date</b>	10/11/1994.
3	<b>Name of the Company</b>	Balaji Telefilms Limited.
4	<b>Category/Sub-category of the Company</b>	Company Limited by Shares.
5	<b>Address of the Registered office &amp; Contact details</b>	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400053, Maharashtra. Tel: 91-022-4069000, Fax: + 91-022-40698181 Email: <a href="mailto:investor@balajitelefilms.com">investor@balajitelefilms.com</a> Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
6	<b>Whether listed company</b>	Yes
7	<b>Name, Address &amp; Contact details of the Registrar &amp; Transfer Agent, if any.</b>	<b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tel: +91-40-67161510-1512, Fax: +91-40-23001153 Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> Website: <a href="http://www.karvy.com">www.karvy.com</a>

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

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

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

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Motion Pictures Limited*	U22300MH2007PLC168515	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)

\* **Registered Office** at C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra.

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

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% 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	3,10,70,026	0	3,10,70,026	40.92	3,20,61,521	0	3,20,61,521	42.22	-1.31
b) Central Govt	0	0	0	0.00	0	0	0	0	0
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0
d) Bodies Corp.	0	0	0	0.00	0	0	0	0	0
e) Banks / FI	0	0	0	0.00	0	0	0	0	0
f) Any other	0	0	0	0.00	0	0	0	0	0
<b>Sub total (A) (1)</b>	<b>3,10,70,026</b>	<b>0</b>	<b>3,10,70,026</b>	<b>40.92</b>	<b>3,20,61,521</b>	<b>0</b>	<b>3,20,61,521</b>	<b>42.22</b>	<b>-1.31</b>
<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>	<b>3,10,70,026</b>	<b>0</b>	<b>3,10,70,026</b>	<b>40.92</b>	<b>3,20,61,521</b>	<b>0</b>	<b>3,20,61,521</b>	<b>42.22</b>	<b>-1.31</b>
<b>TOTAL SHAREHOLDING OF PROMOTERS A= A(1) + A(2)</b>	<b>3,10,70,026</b>	<b>0</b>	<b>3,10,70,026</b>	<b>40.92</b>	<b>3,20,61,521</b>	<b>0</b>	<b>3,20,61,521</b>	<b>42.22</b>	<b>-1.31</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	14,71,121	0	14,71,121	1.94	0	0	0	0.00	1.94
b) Banks / FI	4,06,644	0	4,06,644	0.54	19,15,918	0	19,15,918	2.52	-1.99
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	1,50,33,789	0	1,50,33,789	19.80	1,65,09,250	0	1,65,09,250	21.74	-1.94
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>	<b>1,69,11,554</b>	<b>0</b>	<b>1,69,11,554</b>	<b>22.27</b>	<b>1,84,25,168</b>	<b>0</b>	<b>1,84,25,168</b>	<b>24.27</b>	<b>-1.99</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1,07,37,973	0	1,07,37,973	14.14	66,70,978	0	66,70,978	8.79	5.36
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	58,26,140	7,366	58,26,140	7.68	72,25,405	6,616	72,32,021	9.52	-1.84
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	90,33,384	0	90,33,384	11.90	83,45,465	0	83,45,465	10.99	0.91

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
HUF	15,81,107	0	15,81,107	2.08	14,78,544	0	14,78,544	1.95	0.14
Foreign Corporate Bodies	0	0	0	0.00	0	0	0	0	0
Directors	300	0	300	0.00	300	0	0	0	0
Clearing Members	95,058	0	95,058	0.13	2,46,692	0	2,46,692	0.32	-0.20
Non Resident Indians	6,67,485	0	6,67,485	0.88	12,03,246	0	12,03,246	1.58	-0.71
NRI Non- Repatriation	0	0	0	0.00	2,63,958	0	2,63,958	0.35	-0.35
Trusts	50	0	50	0.00	2550	0	2550	0.00	0.00
Sub-total (B)(2) :-	2,79,41,497	7,366	2,79,41,497	36.81	25437138	6,616	25443754	33.51	3.30
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1) + (B)(2)</b>	<b>4,48,53,051</b>	<b>7,366</b>	<b>4,48,60,417</b>	<b>59.08</b>	<b>4,38,62,306</b>	<b>6,616</b>	<b>4,38,68,922</b>	<b>57.78</b>	1.31
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	<b>7,59,23,077</b>	<b>7,366</b>	<b>7,59,30,443</b>	<b>100.00</b>	<b>7,59,23,827</b>	<b>6,616</b>	<b>7,59,30,443</b>	<b>100.00</b>	<b>0</b>

### ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Jeetendra Kapoor	32,60,522	4.29	0	32,60,522	4.29	0	0
2	Mrs. Shobha Kapoor	1,00,34,883	13.22	0	1,00,35,633	13.22	0	0
3	Ms. Ekta Kapoor	157,44,371	20.74	0	1,67,35,116	22.04	0	1.3
4	Mr. Tusshar Kapoor	20,30,250	2.67	0	20,30,250	2.67	0	0
	<b>TOTAL</b>	<b>3,10,70,026</b>	<b>40.92</b>	<b>0</b>	<b>3,20,61,521</b>	<b>42.22</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding:**

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the year i.e April 1, 2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Jeetendra Kapoor</b>				
	At the beginning of the year	32,60,522	4.29	32,60,522	4.29
	Bought during the year	-	-	32,60,522	4.29
	Sold during the year	-	-	32,60,522	4.29
	At the End of the year	32,60,522	4.29	32,60,522	4.29
2	<b>Mrs. Shobha Kapoor</b>				
	At the beginning of the year	1,00,34,883	13.22	1,00,34,883	13.22
	Bought shares as on March 24, 2017	750	0.0	1,00,35,633	13.22
	Sold during the year	-	-	1,00,35,633	13.22
	At the end of the year	1,00,35,633	13.22	1,00,35,633	13.22
3	<b>Ms. Ekta Kapoor</b>				
	At the beginning of the year	157,44,371	20.74	157,44,371	20.74
	Brought shares as on August 5, 2016	9,90,745	1.3	1,67,35,116	22.04
	Sold during the year	-	-	1,67,35,116	22.04
	At the end of the year	1,67,35,116	22.04	1,67,35,116	22.04
4	<b>Mr. Tusshar Kapoor</b>				
	At the beginning of the year	20,30,250	2.67	20,30,250	2.67
	Bought during the year	-	-	20,30,250	2.67
	Sold during the year	-	-	20,30,250	2.67
	At the end of the year	20,30,250	2.67	20,30,250	2.67

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2017**

Sr. No.	Name of 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	<b>GHI LTP LTD</b>				
	At the beginning of the year	35,00,000	4.61	35,00,000	4.61
	Bought shares as on Sep 21, 2016	1,00,000	0.13	36,00,000	4.74
	Sold during the year	-	-	36,00,000	4.74
	At the end of the year	36,00,000	4.74	36,00,000	4.74
2.	<b>Atyant Capital India Fund I</b>				
	At the beginning of the year	31,50,000	4.15	31,50,000	4.15
	Bought shares during the year	9,28,223	1.22	40,78,223	5.37
	Sold during the year	-	-	40,78,223	5.37
	At the end of the year	40,78,223	5.37	40,78,223	5.37
3.	<b>AADI Financial Advisors LLP</b>				
	At the beginning of the year	30,00,000	3.95	30,00,000	3.95
	Bought shares during the year	-	-	30,00,000	3.95
	Sold during the year	-	-	30,00,000	3.95
	At the end of the year	30,00,000	3.95	30,00,000	3.95
4.	<b>India Capital Fund Limited</b>				
	At the beginning of the year	27,44,777	3.61	27,44,777	3.61
	Bought shares during the year	-	-	27,44,777	3.61
	Sold during the year	-	-	27,44,777	3.61

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

Sr. No.	Name of 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
	At the end of the year	27,44,777	3.61	27,44,777	3.61
5.	Vanderbilt University jointly with Atyant Capital Management Limited				
	At the beginning of the year	25,50,000	3.36	25,50,000	3.36
	Bought shares during the year	95,000	0.13	26,45,000	3.49
	Sold during the year	-	-	26,45,000	3.49
	At the end of the year	26,45,000	3.49	26,45,000	3.49
6.	Radhakishan Damani jointly with Gopikishan Damani				
	At the beginning of the year	15,50,000	2.04	15,50,000	2.04
	Bought shares during the year	2,57,500	0.34	18,07,500	2.38
	Sold during the year	18,07,500	2.38	-	-
	At the end of the year	-	-	-	-
7.	GHI HSP Ltd.				
	At the beginning of the year	10,00,000	1.32	10,00,000	1.32
	Bought shares during the year	187663	0.24	11,87,663	1.56
	Sold during the year	-	-	-	-
	At the end of the year	11,87,663	1.56	11,87,663	1.56
8.	Gopikishan Damani				
	At the beginning of the year	8,98,000	1.18	8,98,000	1.18
	Bought shares during the year	-	-	8,98,000	1.18
	Sold during the year	8,98,000	1.18	-	-
	At the end of the year	-	-	-	-
9.	Rajkumar Haralalka				
	At the beginning of the year	8,72,455	1.15	8,72,455	1.15
	Bought shares during the year	-	-	8,72,455	1.15
	Sold during the year	-	-	8,72,455	1.15
	At the end of the year	8,72,455	1.15	8,72,455	1.15
10.	Reliance Capital Trustee Co. Ltd. Jointly with Tal Builder Fund- SR A				
	At the beginning of the year	8,63,665	1.14	8,63,665	1.14
	Bought shares during the year	-	-	8,63,665	1.14
	Sold during the year	8,63,665	1.14	-	-
	At the end of the year	-	-	-	-

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors/KMP	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
<b>1</b>	<b>Mr. Jeetendra Kapoor</b>				
	At the beginning of the year	32,60,522	4.29	32,60,522	4.29
	Bought during the year	-	-	32,60,522	4.29
	Sold during the year	-	-	32,60,522	4.29
	At the End of the year	32,60,522	4.29	32,60,522	4.29
<b>2</b>	<b>Mrs. Shobha Kapoor</b>				
	At the beginning of the year	1,00,34,883	13.22	1,00,34,883	13.22
	Bought shares as on March 24, 2017	750	0.0	1,00,35,633	13.22
	Sold during the year	-	-	1,00,35,633	13.22
	At the end of the year	1,00,35,633	13.22	1,00,35,633	13.22
<b>3</b>	<b>Ms. Ekta Kapoor</b>				
	At the beginning of the year	157,44,371	20.74	157,44,371	20.74
	Brought shares as on August 5, 2016	9,90,745	1.3	1,67,35,116	22.04
	Sold during the year	-	-	1,67,35,116	22.04
	At the end of the year	1,67,35,116	22.04	1,67,35,116	22.04
<b>4</b>	<b>Mr. Tusshar Kapoor</b>				
	At the beginning of the year	20,30,250	2.67	20,30,250	2.67
	Bought during the year	-	-	20,30,250	2.67
	Sold during the year	-	-	20,30,250	2.67
	At the end of the year	20,30,250	2.67	20,30,250	2.67
<b>5</b>	<b>Mr. D. G. Rajan</b>				
	At the beginning of the year	300	0.00	300	0.00
	Bought during the year	-	-	300	0.00
	Sold during the year	-	-	300	0.00
	At the end of the year	300	0.00	300	0.00
<b>6</b>	<b>Mr. Sameer Nair</b>				
	At the beginning of the year	6,92,729	0.91	6,92,729	0.91
	Bought during the year	-	-	6,92,729	0.91
	Sold during the year	-	-	6,92,729	0.91
	At the end of the year	6,92,729	0.91	6,92,729	0.91

## Note:

Directors: Mr. Arun Kumar Purwar, Mr. Ashutosh Khanna, Mr. Pradeep Kumar Sarda, Mr. D. K. Vasal, Mr. V. B. Dalal and KMP's: Mr. Sanjay Dwivedi and Mrs. Simmi Singh Bisht did not hold any shares during the financial year 2016-17.

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

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	-	-	-	-
<b>Net Change</b>	-	-	-	-
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>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

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

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mrs. Shobha Kapoor Managing Director	Ms. Ekta Kapoor Joint Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,16,41,413	2,25,29,448	4,41,70,861
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as 1.06% of profit			
	- others, specify...			
5	Others - *Employer's Contribution to Provident Fund. • Other Allowances	12,84,000	13,39,500	26,23,500
	<b>TOTAL (A)</b>	<b>2,29,25,413</b>	<b>2,38,68,948</b>	<b>46,794,361</b>
	Ceiling as per the Act (per annum)	₹ 4,80,00,000/- (as per schedule V of the Companies Act, 2013)		

## B. Remuneration to other Directors

(Amount in ₹)

Sr. 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 Kumar Sarda
1.	<b>Independent Directors</b>							
	Fee for attending Board and Committee meetings	600,000	400,000	600,000	600,000	600,000	100,000	29,00,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>600,000</b>	<b>400,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>100,000</b>	<b>29,00,000</b>
2.	<b>Other Non- Executive Directors</b>	Mr. Jeetendra Kapoor	Mr. Tusshar Kapoor					
	Fee for attending Board and Committee meetings	500,000	500,000	-	-	-	-	10,00,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>TOTAL (2)</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,00,000</b>
	<b>TOTAL (B) = (1+2)</b>	<b>11,00,000</b>	<b>9,00,000</b>	<b>6,00,000</b>	<b>600,000</b>	<b>600,000</b>	<b>100,000</b>	<b>39,00,000</b>
	Ceiling as per Act	N. A.*	N. A.*	N. A.*	N. A.*	N. A.*	N. A.*	N. A.*

\* 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 DIRECTORS' REPORT (CONTD.)

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Sameer Nair - Group CEO	Mr. Sanjay Dwivedi - Group CFO	Mrs. Simmi Singh Bisht - Group Head Secretarial	
1	Gross salary				
	(a) Salary	4,21,79,156	86,64,259	15,38,038	5,23,81,453
	(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	16,63,752	9,74,705	4,15,733	30,54,190
	<b>TOTAL</b>	<b>4,38,42,908</b>	<b>96,38,964</b>	<b>19,53,771</b>	<b>5,54,35,643</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

For and on behalf of the Board of Directors

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 23, 2017

## ANNEXURE IV - PARTICULARS OF EMPLOYEES

As on Financial Year Ended March 31, 2017

### A) INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### Remuneration to Managing Directors

(Amount in ₹)

Name of the Director	Title	*Remuneration in Fiscal Year 2017	Remuneration in Fiscal Year 2016	No. of Stock options /RSUs granted in fiscal 2017	% increase of remuneration in 2017 as compared to 2016	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 2017)	Net Profit (fiscal 2017)
Mrs. Shobha Kapoor	Managing Director	2,29,25,413	1,38,95,213	Nil	64.98	1:59	1:61	1:132	1:14
Ms. Ekta Kapoor#	Joint Managing Director	2,38,68,948	76,28,819	Nil	212.87	1:62	1:63	1:127	1:13

Note: \*Includes Employer's Contribution to Provident Fund  
#FY 2016 Remuneration only from November 2015

#### Remuneration paid to Independent Directors

(Amount in ₹)

Name of the Directors	Remuneration in Fiscal 2017	Remuneration in Fiscal 2016	Number of Stock Option/PSUs granted in Fiscal 2017	% increase of remuneration (2017 over 2016)
Mr. D.G. Rajan	6,00,000	7,00,000	Nil	-14
Mr. Ashutosh Khanna	4,00,000	7,00,000	Nil	-43
Mr. D. K. Vasal	6,00,000	8,00,000	Nil	-25
Mr. V. B. Dalal	6,00,000	8,00,000	Nil	-25
Mr. Pradeep Kumar Sarda	1,00,000	4,00,000	Nil	-75
Mr. Arun Kumar Purwar	6,00,000	7,50,000	Nil	-20

#### Remuneration of other KMP

(Amount in ₹)

Name of the KMP	Title	Remuneration in Fiscal Year 2017	Remuneration in Fiscal Year 2016	No. of Stock options /RSUs granted in fiscal 2016	% increase of remuneration in 2017 as compared to 2016	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 2017)	Net Profit (fiscal 2017)
Mr. Sameer Nair	Group CEO	4,38,42,908	4,35,76,133	-	0.61	1:114	1:116	1:69	1:7
Mr. Sanjay Dwivedi	Group CFO	96,38,964	76,93,800	-	25.28	1:25	1:25	1:314	1:32
Mrs. Simmi Singh Bisht	Group Head Secretarial	19,53,771	15,10,891	-	29.31	1:5	1:5	1:1550	1:159

The average percentage increase made in the salaries of employees other than managerial remuneration in the last financial year i.e. 2016-17 was 10% whereas there has been no change in the managerial remuneration for the same financial year.

The number of permanent employees on the role of the Company is 106.

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

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

**B) INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

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

(Amount in ₹)

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	68	22	Nov 10, 1994	2,29,25,413	NA	yes	Yes. She is wife of Mr. Jeetendra Kapoor and Mother of Ms. Ekta Kapoor and Mr. Tusshar Kapoor.
Ms. Ekta Kapoor	Joint Managing Director	Graduate	42	22	Nov 10, 1994	2,38,68,948	NA	Yes	Yes. She is daughter of Mr. Jeetendra Kapoor and Shobha Kapoor and sister of Mr Tusshar Kapoor
Mr. Sameer Nair	Group CEO	B.A in Economics, Diploma in Hotel Management	52	30	July 15, 2014	4,38,42,908	COO and CEO of Star Network and more recently CEO of NDTV Imagine.	No	No

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

For and on behalf of the Board of Directors

Sd/-

Jeetendra Kapoor

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 23, 2017

## ANNEXURE VII FORM NO. AOC-2 - PARTICULARS OF CONTRACT/ARRANGEMENTS MADE WITH RELATED PARTIES

For the financial year ended March 31, 2017

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

### 1) DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARMS LENGTH BASIS:

There were no contract or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

### 2) 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, 2017 are as follows:

Name of Related Party	Nature of Relationship	Nature of Contract	Duration of Contract	Salient Terms	Amount (in Lacs)
Shobha Kapoor	Managing Director	Leave and License	36 months i.e. April 1, 2016 to March 31, 2019	-	1,474.23
Jeetendra Kapoor	Chairman	Leave and License	36 months i.e. April 1, 2016 to March 31, 2019	-	34.94
Ekta Kapoor	Director	Leave and License	36 months i.e. April 1, 2016 to March 31, 2019	-	202.99
Tusshar Kapoor	Director	Leave and License	36 months i.e. April 1, 2016 to March 31, 2019	-	13.13

For and on behalf of the Board of Directors

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 23, 2017

## CORPORATE GOVERNANCE REPORT

*"Ethics in Business is extremely important; your reputation is all you have in life."*

- Sir Freddie Laker

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

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

### BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board either directly exercises its powers or through Committees. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

### COMPOSITION

The Board of your Company has an appropriate mix of Executive and Non-Executive Directors with more than half of the Board of Company comprising of Independent Directors to maintain its independence and separate its functions of governance and management. Listing Regulations mandate that for a Company with a Non-Executive Chairman and Promoter, at least half of the Board should be Independent Directors. As on March 31, 2017, the Board comprised of ten members, of whom two are Executive Directors, two Non-Executive Non-Independent Directors and six Independent Directors. The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The positions of the Chairman and Chief Executive Officer of the Company are held by separate individuals where the Chairman of the Board is Non-Executive Promoter Director.

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

The names and categories of the Directors on the Board, their attendance at Company's Board Meetings and its Annual General Meeting during the year 2016-17 and also the number of Directorships and Committee Memberships/ Chairmanships held by them in various Companies are given below:

Name of the Director	Attendance Particulars		Last AGM	No. of other Directorships and Committee Membership/Chairmanship			No of shares held as on March 31, 2017
	Board Meetings			*Other	#Committee	#Committee	
	Held	Attended		Directorships	Memberships	Chairmanships	
Mr. Jeetendra Kapoor (P, N, NI)	5	5	Present	4	3	1	32,60,522
Mrs. Shobha Kapoor (P, E, NI)	5	5	Present	5	1	0	1,00,35,633
Ms. Ekta Kapoor (P, E, NI)	5	4	Present	5	1	0	1,67,35,116
Mr. Tusshar Kapoor (P,N, NI)	5	5	Present	5	1	0	20,30,250
Mr. Pradeep Kumar Sarda (N,I)	5	1	Absent	2	3	0	NIL
Mr. D. G. Rajan (N,I)	5	5	Present	6	5	4	300
Mr. Ashutosh Khanna (N,I)	5	4	Present	1	0	0	NIL
Mr. D. K. Vasal (N,I)	5	5	Present	2	3	0	NIL
Mr. V. B. Dalal (N,I)	5	5	Present	4	4	0	NIL
Mr. Arun Kumar Purwar (N,I)	5	5	Present	8	5	3	NIL

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

\*Excluding Private Limited Company, Foreign Companies, Section 8 Companies and Alternate Directorships.

#Includes only Audit Committee and Stakeholders' Relationship Committee

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

### BOARD INDEPENDENCE

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

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

The Meeting of Independent Directors of the Company was held on November 25, 2016 without the presence of Executive Directors or Management Representatives.

### BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board/Committee Meetings are pre-scheduled and a tentative dates of the Board and Committee Meetings are informed well in advance to facilitate Directors to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

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

## **CORPORATE GOVERNANCE REPORT (CONTD.)**

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

During the year under review, five (5) meetings of the Board of Directors were held, the dates being May 7, 2016, August 10, 2016, September 27, 2016, November 25, 2016 and February 13, 2017. The maximum time gap between any two meetings was not more than One Hundred Twenty Days.

### **FAMILIARISATION PROGRAMME OF DIRECTORS**

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

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

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

### **COMMITTEES OF THE BOARD**

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

The Board has currently established the following Statutory Committees.

### **AUDIT COMMITTEE TERMS OF REFERENCE**

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

The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment, remuneration and terms of appointment of Auditors and approving payment for any other services rendered by the Statutory Auditors, reviewing the Annual Financial Statements and Auditors Report before submission to the Board, reviewing the Quarterly Financial Statements before submission to the Board, evaluation of Internal Financial Controls and Risk Management Systems, reviewing adequacy of internal audit function, structure and staffing of the internal audit function, reviewing findings of internal investigations and discussing the nature and scope of audit as well as post-audit discussion with external auditors, reviewing functioning of Whistle Blower Mechanism and such other responsibilities as set out in Section 177 of the Companies Act, 2013 and Part C, Schedule II of Listing Regulations.

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

- ▶ Matters to be included in the Director's Responsibility Statements.
- ▶ 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.

## COMPOSITION

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

## MEETINGS AND ATTENDANCE

During the year under review, Audit Committee held five (5) meetings, the dates being May 16, 2016, August 10, 2016, September 27, 2016, November 24, 2016 and February 13, 2017. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. D. G. Rajan	5	5
Mr. Jeetendra Kapoor	5	5
Mr. Pradeep Kumar Sarda	5	1
Mr. D.K. Vasal	5	5
Mr. V.B. Dalal	5	5

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.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

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

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

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

### COMPOSITION

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

### MEETINGS AND ATTENDANCE

During the year under review, the Nomination & Remuneration Committee held five (5) meetings, the dates being April 25, 2016, May 16, 2016, August 10,

2016, November 24, 2016 and February 13, 2017. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Ashutosh Khanna	5	5
Mr. Jeetendra Kapoor	5	5
Mr. Pradeep Kumar Sarda	5	Nil
Mr. D. K. Vasal	5	5

### 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 appended as Annexure I to this Report.

### DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2017

Name	Designation	Salary	Perquisites	Sitting Fees	Commission	Employer Contribution to Provident Fund	Total
Mrs. Shobha Kapoor	Managing Director	216.41	-	-	-	12.84	229.25
Ms. Ekta Kapoor	Joint Managing Director	225.29	-	-	-	13.40	238.69
Mr. Jeetendra Kapoor	Chairman	-	-	5.00	-	-	5.00
Mr. Tusshar Kapoor	Director	-	-	5.00	-	-	5.00
Mr. Pradeep Kumar Sarda	Independent Director	-	-	1.00	-	-	1.00
Mr. D. G. Rajan	Independent Director	-	-	6.00	-	-	6.00
Mr. Ashutosh Khanna	Independent Director	-	-	4.00	-	-	4.00
Mr. D. K. Vasal	Independent Director	-	-	6.00	-	-	6.00
Mr. V. B. Dalal	Independent Director	-	-	6.00	-	-	6.00
Mr. Arun Kumar Purwar	Independent Director	-	-	6.00	-	-	6.00

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

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

### 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 assistance of any grievances in this respect are given in the General Shareholder Information section of this report.

## COMPOSITION

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

## MEETINGS AND ATTENDANCE

During the year under review, Stakeholder Relationship Committee held four (4) meetings, the dates being May 16, 2016, August 10, 2016, November 24, 2016 and February 13, 2017. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Jeetendra Kapoor	4	4
Mrs. Shobha Kapoor	4	4
Ms. Ekta Kapoor	4	3
Mr. D. K. Vasal	4	4

## SHAREHOLDER'S COMPLAINTS DURING THE FINANCIAL YEAR 2016-17

Sr. No.	Nature of Complaints	Opening Bal.	Received	Disposed	Pending
1.	Non-receipt of Dividend	0	18	18	0
2.	Non- receipt of Annual Report	0	26	26	0

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### TERMS OF REFERENCE

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

## COMPOSITION

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

## MEETINGS AND ATTENDANCE

During the year under review, Corporate Social Responsibility Committee held four (4) meetings, the dates being May 16, 2016, August 10, 2016, November 24, 2016 and February 13, 2017. The details of the attendance thereat are as follows:

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

## INTERNAL COMPLAINTS COMMITTEE

### TERMS OF REFERENCE

The Board of Directors in its Board meeting held on January 24, 2014, constituted the Internal Complaints Committee of the Company to deal with all complaints and allegations of sexual harassment at work place. During the year under review, the Internal Complaints Committee was re-constituted on February 13, 2017.

### COMPOSITION

The current composition of Internal Complaints Committee is as follows:

Sr. No.	Name of the Committee Member	Position in Committee	Designation
1	Mrs. Coralie Ansari	Chairperson	Group HR Head
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. Som Bathla	Internal Member	Group Head Legal
6	Ms. Neha Kedia	External Member	Vice President - Complykaro

## CORPORATE GOVERNANCE REPORT (CONTD.)

### GENERAL BODY MEETINGS:

Details of last three General Meetings and summary of Special Resolution passed therein as under:

Financial Year ended	Date and Time	Venue	Special Resolutions passed
March 31, 2016	Wednesday, August 31, 2016 at 3.00 p.m.	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, Maharashtra.	<ul style="list-style-type: none"> <li>▶ Payment of Commission to Mrs. Shobha Kapoor, Managing Director of the Company for the F.Y. 2015-16</li> <li>▶ Payment of Commission to Ms. Ekta Kapoor, Joint Managing Director of the Company for the F.Y. 2015-16</li> <li>▶ Revision in remuneration of Mrs. Shobha Kapoor, Managing Director of the Company.</li> <li>▶ Revision in remuneration of Ms. Ekta Kapoor, Joint Managing Director of the Company.</li> </ul>
	Saturday, March 05, 2016 at 11.30 a.m. (Extra Ordinary General Meeting)	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai- 400 053, Maharashtra.	<ul style="list-style-type: none"> <li>▶ Issue of Equity Shares on Preferential Allotment/ Private Placement basis.</li> </ul>
March 31, 2015	Monday, August 31, 2015 at 3.00 p.m.	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, Maharashtra.	<ul style="list-style-type: none"> <li>▶ Re-appointment of Mrs. Shobha Kapoor as Managing Director of the Company.</li> <li>▶ Re-appointment of Ms. Ekta Kapoor as Joint Managing Director of the Company.</li> <li>▶ Further issue of Securities.</li> <li>▶ Alteration of Articles of Association</li> </ul>
March 31, 2014	Saturday, August 30, 2014 at 3.00 p.m.	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, Maharashtra.	<ul style="list-style-type: none"> <li>▶ Alteration of Articles of Association</li> </ul>

No special resolution was passed by the Company during the Financial Year 2016-17 through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot on the date of this report.

### MEANS OF COMMUNICATION

#### I) PUBLICATION OF QUARTERLY RESULTS

The Unaudited Quarterly/Half Yearly Financial Results are announced within forty-five days of the close of the quarter. 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 immediately where the Company's securities are listed and are published in Business Standard (All India) and Mumbai Lakshadeep (Regional daily) within forty-eight hours after they are approved by the Board.

#### II) WEBSITE AND NEW RELEASES

The Annual Report of the Company, the quarterly/half yearly results, the annual results, presentations made to the Institutional Investors and Analysts and the press releases of the Company are also placed on the Company's website [www.balajitelefilms.com](http://www.balajitelefilms.com).

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

### DISCLOSURES

#### I) RELATED PARTIES TRANSACTIONS

None of the transactions with any of the related parties were in conflict with the Company's interest. Transactions with the related parties are disclosed in Notes forming part of the financial statements annexed to the financial statements of the year.

In accordance with Regulation 23 of the Regulations, the Company has formulated a policy on Related Party Transactions which is also available at Company's website under the weblink: <http://www.balajitelefilms.com/related-party-transaction-policy.php>

#### II) 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.

### III) 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 personnel has been denied access to the Audit Committee of the Board of Directors of the Company.

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

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

In case the Whistle-Blower is not satisfied with action taken on his/her complaint, then the Whistle-Blower can write to the Chairman of the Audit Committee (Email- [dgrajan@balajitelefilms.com](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 2016-17

### IV) 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.

### V) 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.

### VI) SUBSIDIARY COMPANIES

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

The Company has formulated a policy for determining 'Material Subsidiaries' and the same has been uploaded on the website of the Company and the weblink for the same is <http://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 and Committee Meetings and of the Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### VII) DISCLOSURE ON RISK MANAGEMENT

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

### VIII) 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, forms part of this Report, which along with the Auditors' certificate on compliance of Listing Regulations, by the Company is annexed to this report. Declaration from Independent Directors affirming Compliance with the Code of conduct has also been received.

### IX) 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.

### X) 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 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 March 31, 2017 does not contain any modifies 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.

## GENERAL SHAREHOLDER INFORMATION

1. Date, time and venue of Annual General Meeting	Thursday, August 31, 2017 at 12.00 Noon at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053, Maharashtra.
2. Date of Book Closure	Friday, August 25, 2017 to Wednesday, August 30, 2017.
3. Financial Calendar	
Financial Year	1st April to 31st March
*Financial reporting for 1st quarter ending 30th June, 2017	First week of August 2017
*Financial reporting for 2nd quarter ending 30th September, 2017	First week of November 2017
*Financial reporting for 3rd quarter ending 31st December, 2017	First week of February 2018
*Financial reporting for the year ending 31st March, 2018	May 2018
*Annual General Meeting for year ending 31st March, 2018	August 2018
* Tentative and subject to change	
4. Payment of dividend	On or after Tuesday, September 5, 2017.
5. Listing	<b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax: +91-22-22721919/3027 <b>National Stock Exchange of India Limited,</b> 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
Listing Fees	Paid for both the above Stock Exchanges

ISIN	INE794B01026
Stock Code	BSE: 532382 NSE: BALAJITELE
Listing on Stock Exchanges outside India	Not Listed
6. Registered Office of Company	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra. Tel: +91-22-40698000, Fax: +91-22-40698181/82 E-mail- <a href="mailto:investor@balajitelefilms.com">investor@balajitelefilms.com</a> Web site: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
7. Share Transfer Agent	<b>Karvy Computershare Private Limited</b> (Company's Registrar and Transfer Agents) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032. Tel: +91-40-67161510-1512, Mobile No: +91 8374554433 Email: <a href="mailto:inward.ris@karvy.com">inward.ris@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 2016-2017 and no share transfer pending as on March 31, 2017.
9. 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.
10. Dematerialisation of Equity Share	The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2017 about 99.99% comprising 7,59,23,827 Equity Shares were in the dematerialised form.
11. Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity.	The Company did not have any outstanding GDRs/ ADRs/ Warrants or any Convertible instruments as on March 31, 2017.

## CORPORATE GOVERNANCE REPORT (CONTD.)

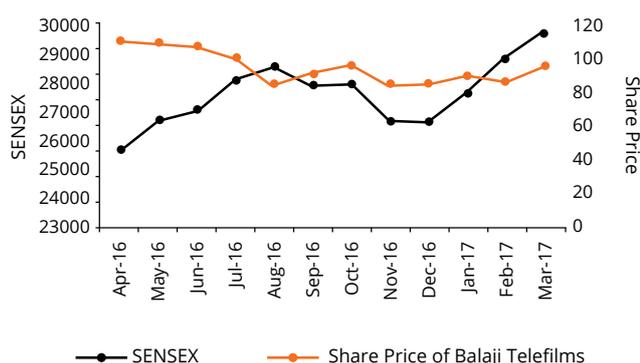
### 12 Stock Market Data relating to Shares listed in India

The Company's shares are listed on the BSE 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 2016-17 are as below:

Month	BSE			NSE		
	High	Low	No. of Shares Traded	High	Low	No. of Shares Traded
April	122.70	106.80	7,09,254	122.85	107.05	31,89,573
May	117.90	101.00	7,10,523	117.95	102.00	28,64,480
June	120.05	99.00	17,51,154	120.00	95.35	54,30,372
July	107.70	89.70	10,35,633	107.85	90.00	39,71,089
August	100.00	84.00	17,92,991	100.10	83.80	30,16,453
September	103.00	82.95	19,45,822	103.00	84.00	78,61,522
October	99.80	90.15	12,79,558	99.80	90.50	3,242,073
November	95.90	73.85	14,87,847	96.05	73.60	19,69,880
December	93.95	81.25	5,65,851	94.15	80.30	18,83,612
January	96.50	83.30	2,72,007	96.30	83.20	14,91,809
February	94.70	85.00	1,80,283	95.00	85.50	14,57,775
March	101.25	85.10	20,43,641	101.25	85.00	57,25,151

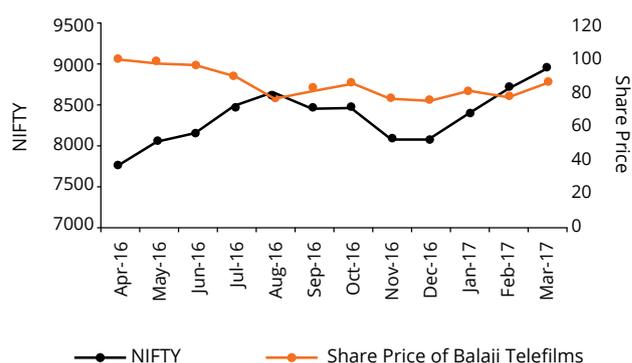
The performance of Balaji Telefilms Limited's Equity shares relative to the BSE Sensitive Index (Sensex) is given in the chart below:

#### BSE



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

#### NSE



## 13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2017

Description	Cases	Shares	% Equity
Banks	0	0	0.00
Clearing Members	114	246692	0.32
Directors	1	300	0.00
Foreign Venture Capital Investor	0	0	0.00
Foreign Portfolio Investors	9	16509250	21.74
H U F	416	1478544	1.95
Indian Financial Institutions	4	1915918	2.52
Bodies Corporates	414	6667750	8.78
Mutual Funds	0	0	0.00
NBFC	3	3228	0.00
Non Resident Indians	302	1203246	1.58
NRI (Non Repatriation)	112	263958	0.35
Company Promoters	4	32061521	42.22
Resident Individuals	17457	15577486	20.52
Trusts	2	2550	0.00
<b>GRAND TOTAL</b>	<b>18838</b>	<b>75930443</b>	<b>100</b>

## 14. Distribution of Shareholding as on March 31, 2017

Number of Share	No. of Share Holders	% of Total Shareholders	Total Shares	Amount	% Holding
Upto 1 - 5000	18431	97.83	5400383	10800766	7.11
5001 - 10000	188	1.00	1388909	2777818	1.83
10001 - 20000	96	0.51	1442526	2885052	1.90
20001 - 30000	30	0.16	750299	1500598	0.99
30001 - 40000	15	0.08	563091	1126182	0.74
40001 - 50000	11	0.06	507219	1014438	0.67
50001 - 100000	18	0.10	1369298	2738596	1.80
100001 and above	49	0.27	64508718	129017436	84.96
<b>TOTAL</b>	<b>18838</b>	<b>100.00</b>	<b>75930443</b>	<b>151860886</b>	<b>100.00</b>

## 15. 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.

## 16. Address for Correspondence

**Investors' correspondence**

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, Maharashtra.  
Tel: +91-22-40698000, Fax: +91-22-40698181/82  
Email: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)  
[simmi.bisht@balajitelefilms.com](mailto:simmi.bisht@balajitelefilms.com)

**Financial Statements Queries**

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, Maharashtra.  
Tel: +91-22-40698000, Fax: +91-22-40698181/82  
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## **CORPORATE GOVERNANCE REPORT (CONTD.)**

### **ANNEXURE I NOMINATION AND REMUNERATION POLICY OF BALAJI TELEFILMS LIMITED & 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 1st 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:

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

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 earning 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.

##### ▶ 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

## CORPORATE GOVERNANCE REPORT (CONTD.)

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 1st 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.)**

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### **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, 2017.

**Sameer Nair**

Group CEO

(PAN: AAEPN1672P)

Mumbai, May 23, 2017

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### **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, 2017 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.

**Sameer Nair**

Group CEO

**Sanjay Dwivedi**

Group CFO

Mumbai, May 23, 2017

## TO THE MEMBERS OF BALAJI TELEFILMS LIMITED

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. AAD/VP/2594/01 dated 29 October, 2016.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Balaji Telefilms Limited (the Company), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining 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.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2017.
9. 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, Dated: 23 May, 2017

## INDEPENDENT AUDITOR'S REPORT

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To  
The Members of  
Balaji Telefilms Limited

### REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Balaji Telefilms Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity, for the year then ended and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

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

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

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the

reports of the branch auditors and other auditors on the separate financial statements/ financial information of the branches and joint operations, referred to in the Other Matters paragraph above 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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, as amended, 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 standalone Ind AS financial statements – Refer Note 27.1, 27.2 and 27.3 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.
    - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer Note 27.19)
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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

# **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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## **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, 2017 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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### 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 (ii) 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 ₹ 20,824.04 lacs to its two wholly owned subsidiaries and to one subsidiary body corporate amounting to ₹ 70.97 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 ₹ 1,925.50 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, 2017 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, 2017 on account of disputes are given below:

(Rupees in Lacs)				
Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Chapter V of The Finance Act, 1994	Service Tax	2,943.00	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) 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

**BALANCE SHEET**

As at March 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	4	3,060.44	2,886.33	2,295.50
(b) Capital work-in-progress	4	340.27	-	21.77
(c) Financial Assets				
(i) Investments	5	22,676.28	22,676.28	7,622.63
(ii) Other financial assets	6(i)	1,193.58	727.40	721.71
(d) Deferred tax assets (net)	7	358.77	136.03	-
(e) Current tax assets (net)	8	2,223.11	1,977.16	1,686.49
<b>Total non-current assets</b>		<b>29,852.45</b>	<b>28,403.20</b>	<b>12,348.10</b>
<b>(2) Current assets</b>				
(a) Inventories	9	2,703.45	1,158.89	508.86
(b) Financial assets				
(i) Investments	10	5,141.01	4,598.42	16,169.40
(ii) Trade receivables	11	8,963.33	7,617.22	5,901.70
(iii) Cash and cash equivalents	12	617.02	398.16	646.05
(iv) Loans	13	23,111.81	23,238.44	10,997.24
(v) Other financial assets	6(ii)	-	241.00	41.37
(c) Other current assets	14	5,232.94	2,460.64	2,427.40
<b>Total current assets</b>		<b>45,769.56</b>	<b>39,712.77</b>	<b>36,692.02</b>
<b>Total assets</b>		<b>75,622.01</b>	<b>68,115.97</b>	<b>49,040.12</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	15	1,518.61	1,518.61	1,304.21
(b) Other equity	16	63,896.09	60,806.06	43,875.69
<b>TOTAL EQUITY</b>		<b>65,414.70</b>	<b>62,324.67</b>	<b>45,179.90</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Deferred tax liabilities (net)	7	-	-	338.83
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>338.83</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	17	6,569.00	4,684.22	3,183.04
(ii) Other financial liabilities	18	982.83	12.96	5.65
(b) Other current liabilities	19	1,440.01	631.02	11.72
(c) Current tax liabilities (net)	20	1,215.47	463.10	320.98
<b>Total current liabilities</b>		<b>10,207.31</b>	<b>5,791.30</b>	<b>3,521.39</b>
<b>Total Equity and Liabilities</b>		<b>75,622.01</b>	<b>68,115.97</b>	<b>49,040.12</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 23, 2017

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

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

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

**Simmi Singh Bisht**  
(Company Secretary)

Place : Mumbai  
Date : May 23, 2017

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

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

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

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

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
(I) Revenue from operations	21	28,413.40	25,684.93
(II) Other Income	22	1,867.83	2,409.83
<b>(III) Total Income (I+II)</b>		<b>30,281.23</b>	<b>28,094.76</b>
<b>(IV) Expenses</b>			
(a) Cost of Production / Acquisition and Telecast Fees	23	22,550.30	19,002.88
(b) Changes in inventories of stock-in-trade	23	(1,544.56)	(650.04)
(c) Employee benefits expense	24	1,604.36	1,271.06
(d) Depreciation and amortization expense	25	1,176.50	871.58
(e) Other expenses	26	1,942.79	2,637.83
<b>(V) Total Expenses</b>		<b>25,729.39</b>	<b>23,133.31</b>
<b>(VI) Profit before Tax</b>		<b>4,551.84</b>	<b>4,961.45</b>
<b>(VII) Tax expense</b>			
(a) Current tax		1,676.35	1,701.06
(b) Deferred tax		(222.74)	(474.86)
(c) Short Provision for Tax in respect of earlier years		-	27.00
<b>Total Tax Expense</b>		<b>1,453.61</b>	<b>1,253.20</b>
<b>(VIII) Profit for the year (VI-VII)</b>		<b>3,098.23</b>	<b>3,708.25</b>
<b>(IX) Other comprehensive income</b>			
A (i) Items that will not be reclassified to statement of profit or loss			
(a) Remeasurements of the defined benefit liabilities/(asset) (net of tax)		(12.56)	(5.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.35	2.06
<b>Total Other Comprehensive Income</b>		<b>(8.21)</b>	<b>(3.90)</b>
(X) Total comprehensive income for the year		3,090.02	3,704.35
(XI) Earnings per equity share (of ₹ 10/- each)			
Basic and diluted earnings per share		4.07	4.88

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 23, 2017

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

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

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

**Simmi Singh Bisht**  
 (Company Secretary)

Place : Mumbai  
 Date : May 23, 2017

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

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

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

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

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	4,551.84	4,961.45
<b>Adjustments for:</b>		
Depreciation	1,176.50	871.58
Advances written back	(55.00)	-
Loss on discard of fixed assets(net)	-	3.13
Dividend / Profit on sale of current investments (non-trade) (net)	(605.50)	(2,068.76)
Creditors written back	(125.04)	-
Provision for earlier years written back (net)	(20.11)	(267.95)
Provision for doubtful debt written back	14.22	-
Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)	(8.21)	(3.90)
Amortisation of prepaid rent element of rental security deposit	56.78	57.47
Recognition of notional interest income on rental security deposit	(51.45)	(62.76)
Loss on fair valuation of current investments (net of tax)	205.30	1,018.27
Loss on fair valuation of non current investments (net of tax)	-	3.85
Interest income on Fixed Deposits	(7.09)	(2.46)
Interest income on Income-tax Refund	(15.77)	-
Interest income on Loan to subsidiary	(1,296.59)	(1,171.51)
<b>Operating (loss) before working capital changes</b>	<b>(731.97)</b>	<b>(1,623.04)</b>
<b>Adjustments for:</b>		
(Increase) in trade and other receivable	(4,381.22)	(1,998.06)
(Increase) in inventories	(1,544.56)	(650.04)
Increase in trade payables and other payables	3,808.79	2,056.92
<b>Cash from operations</b>	<b>(2,116.98)</b>	<b>(591.17)</b>
Income-tax refund / paid	(947.19)	(1,401.76)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>755.71</b>	<b>1,345.48</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,690.88)	(1,443.78)
Purchase of current investments	(4,650.00)	-
Sale of current investments	4,507.61	12,621.47
Investment in fully paid-up Preference shares	-	(50.00)
Investment in fully paid-up Equity shares	-	(15,007.50)
Loans given to subsidiary	(3,809.25)	(13,792.93)
Loans repaid by subsidiary	5,097.65	2,254.71
Loans repaid by subsidiary Body corporate	(6.96)	375.84
Loans given to subsidiary Body corporate	15.00	(29.19)
Bank Balance not considered as cash and cash equivalents (Refer Note 12)	8.80	(7.40)
Interest income	-	37.56
<b>Net Cash (Used In) Investing Activities (B)</b>	<b>(528.05)</b>	<b>(15,041.21)</b>

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	-	15,008.01
Dividend paid (net of movement of unpaid dividend account)	-	(1,382.08)
Corporate dividend tax paid	-	(185.49)
<b>Net Cash Flow from Financing Activities (A)</b>	-	13,440.44
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>227.65</b>	<b>(255.29)</b>
Cash and cash equivalents at the beginning of the year	385.11	640.40
<b>Cash and cash equivalents at the end of the year</b>	<b>612.76</b>	<b>385.11</b>

See accompanying notes forming part of financial statements

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

(₹ in Lacs)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>(ii) Cash and cash equivalents at the end of the year as per cashflow statement</b>	<b>612.76</b>	<b>385.11</b>
- Unpaid dividend accounts	4.26	13.05
- Fixed deposits kept in lien against bank guarantee	-	-
<b>Cash and cash equivalents at the end of the year as per Note 12</b>	<b>617.02</b>	<b>398.16</b>

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 23, 2017

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

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

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

**Simmi Singh Bisht**  
(Company Secretary)

Place : Mumbai  
Date : May 23, 2017

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

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

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

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

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

### A. EQUITY SHARE CAPITAL

Particulars	(₹ in Lacs)
<b>Balance as at April 1, 2015</b>	<b>1,304.21</b>
Changes in equity share capital during the year	214.40
<b>Balance as at March 31, 2016</b>	<b>1,518.61</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2017</b>	<b>1,518.61</b>

### B. OTHER EQUITY

Particulars	Reserves and surplus			
	General Reserve	Securities Premium Reserve	Retained earnings	Total
<b>Balance as at April 1, 2015</b>	<b>5,133.10</b>	<b>14,785.61</b>	<b>23,956.98</b>	<b>43,875.69</b>
Profit for the year	-	-	3,708.25	3,708.25
Other comprehensive income for the year (net of tax)	-	-	(3.90)	(3.90)
<b>Total comprehensive income for the year</b>	<b>5,133.10</b>	<b>14,785.61</b>	<b>27,661.33</b>	<b>47,580.04</b>
On issue of equity shares	-	14,793.60	-	14,793.60
Payment of dividends	-	-	(1,382.08)	(1,382.08)
Tax on dividend	-	-	(185.49)	(185.49)
<b>Balance as at March 31, 2016</b>	<b>5,133.10</b>	<b>29,579.21</b>	<b>26,093.76</b>	<b>60,806.07</b>
Profit for the year	-	-	3,098.24	3,098.23
Other comprehensive income for the year	-	-	(8.21)	(8.21)
<b>Balance as at March 31, 2017</b>	<b>5,133.10</b>	<b>29,579.21</b>	<b>29,183.78</b>	<b>63,896.09</b>

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 23, 2017

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

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

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Place : Mumbai  
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**Sanjay Dwivedi**  
 (Group Chief Financial Officer)

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

## NOTES

forming part of the financial statements

### 1. GENERAL 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.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

**a)** These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from April 1, 2016.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

**b)** The financial statements were approved by the Board of Directors and authorised for issue on May 23, 2017.

#### **c) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### **d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions :**

#### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### **De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

#### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### **Past business combinations**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

#### **Deemed cost for property, plant and equipment and intangible assets**

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2015 (transition

## NOTES

forming part of the financial statements

date) as deemed cost. Consequently, cost in respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company has designated certain investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### Investments in subsidiaries, joint ventures and associates -

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### a) Property, plant and equipment :

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

### b) Depreciation and amortisation

Depreciation on Property, Plant and Equipment 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

### c) Impairment of tangible

At the end of each reporting period, the Company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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

### d) Inventories

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

## NOTES

forming part of the financial statements

selling price for inventories less all estimated costs of completion and costs necessary to make the sale

### e) Financial Instruments

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

#### Investments in equity instruments at FVTOCI:

On initial recognition, the Company has made an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as at FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

#### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows

## NOTES

forming part of the financial statements

from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

### **Financial liabilities and equity instruments:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

### **Financial Liabilities:**

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

### **Investments in subsidiaries, associates and joint ventures:**

The Company accounts for its investments in subsidiaries, associates and joint venture at cost.

#### **f) 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.

### **Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

#### **g) Leases**

The company as lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### **h) Foreign currency transactions**

In preparing the financial statements of entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

## NOTES

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### i) Employee Benefits

#### 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.

#### 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.

### j) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future

economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

### k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### l) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

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**4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Carrying Amount of:</b>			
Buildings - Freehold (refer note -a below)	375.77	383.67	391.59
Plant and machinery - Computers	6.84	1.48	3.09
Plant and machinery - Others	440.78	522.09	535.43
Computers	46.25	19.20	7.60
Studios and sets (refer note -b below)	1,573.54	1,470.69	948.76
Vehicles	511.11	353.59	241.30
Furniture and fixtures	41.33	52.53	51.05
Office equipments	36.90	45.81	72.68
Electrical fittings	27.92	37.27	44.00
<b>TOTAL</b>	<b>3,060.44</b>	<b>2,886.33</b>	<b>2,295.50</b>
Capital work-in-progress	340.27	-	21.77
<b>TOTAL</b>	<b>340.27</b>	<b>-</b>	<b>21.77</b>

# NOTES

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Description of Assets	(₹ in Lacs)										Total
	Buildings - Freehold	Plant and machinery - Computers	Plant and machinery - Others	Computers	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	
<b>I. Cost or deemed cost</b>											
Balance as at April 1, 2015	472.57	632.61	2,235.41	401.51	5,881.29	812.29	305.51	385.22	91.68	386.41	11,604.50
Additions	-	1.59	107.53	17.90	1,089.37	218.00	21.91	5.82	3.60	-	1,465.72
Disposals	-	-	(5.23)	-	-	-	-	-	-	-	(5.23)
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>472.57</b>	<b>634.20</b>	<b>2,337.71</b>	<b>419.41</b>	<b>6,970.66</b>	<b>1,030.29</b>	<b>327.42</b>	<b>391.04</b>	<b>95.28</b>	<b>386.41</b>	<b>13,064.99</b>
Additions	-	6.66	6.48	38.67	1,068.64	246.07	1.20	5.66	-	-	1,373.38
Disposals	-	-	-	-	(2,183.61)	(18.47)	-	-	-	-	(2,202.08)
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>472.57</b>	<b>640.86</b>	<b>2,344.19</b>	<b>458.08</b>	<b>5,855.69</b>	<b>1,257.89</b>	<b>328.62</b>	<b>396.70</b>	<b>95.28</b>	<b>386.41</b>	<b>12,236.29</b>
<b>II. Accumulated depreciation and impairment</b>											
(₹ in Lacs)											
<b>Description of Assets</b>											
	Buildings - Freehold	Plant and machinery - Computers	Plant and machinery - Others	Computers	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total
Balance as at April 1, 2015	(80.98)	(629.52)	(1,699.98)	(393.91)	(4,932.53)	(570.99)	(254.46)	(312.54)	(47.68)	(386.41)	(9,309.00)
Depreciation expense	(7.92)	(3.20)	(117.56)	(6.30)	(567.44)	(105.71)	(20.43)	(32.69)	(10.33)	-	(871.58)
Eliminated on disposal of assets	-	-	-	-	1.92	-	-	-	-	-	1.92
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>(88.90)</b>	<b>(632.72)</b>	<b>(1,815.62)</b>	<b>(400.21)</b>	<b>(5,499.97)</b>	<b>(676.70)</b>	<b>(274.89)</b>	<b>(345.23)</b>	<b>(58.01)</b>	<b>(386.41)</b>	<b>(10,178.66)</b>
Depreciation expense	(7.90)	(1.30)	(87.79)	(11.62)	(943.02)	(88.55)	(12.40)	(14.57)	(9.35)	-	(1,176.50)
Eliminated on disposal of assets	-	-	-	-	2,160.84	18.47	-	-	-	-	2,179.31
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>(96.80)</b>	<b>(634.02)</b>	<b>(1,903.41)</b>	<b>(411.83)</b>	<b>(4,282.15)</b>	<b>(746.78)</b>	<b>(287.29)</b>	<b>(359.80)</b>	<b>(67.36)</b>	<b>(386.41)</b>	<b>(9,175.85)</b>
<b>III. Carrying Amount</b>											
(₹ in Lacs)											
<b>Description of Assets</b>											
	Buildings - Freehold	Plant and machinery - Computers	Plant and machinery - Others	Computers	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Total
Balance as at April 1, 2015	391.59	3.09	535.43	7.60	948.76	241.30	51.05	72.68	44.00	-	2,295.50
Additions	-	1.59	107.53	17.90	1,089.37	218.00	21.91	5.82	3.60	-	1,465.72
Disposals	-	-	(5.23)	-	-	-	-	-	-	-	(5.23)
Depreciation expense	(7.92)	(3.20)	(115.64)	(6.30)	(567.44)	(105.71)	(20.43)	(32.69)	(10.33)	-	(869.66)
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>383.67</b>	<b>1.48</b>	<b>522.09</b>	<b>19.20</b>	<b>1,470.69</b>	<b>353.59</b>	<b>52.53</b>	<b>45.81</b>	<b>37.27</b>	<b>-</b>	<b>2,886.33</b>
Additions	-	6.66	6.48	38.67	1,068.64	246.07	1.20	5.66	-	-	1,373.37
Disposals	-	-	-	-	(2,183.61)	(18.47)	-	-	-	-	(2,202.07)
Depreciation expense	(7.90)	(1.30)	(87.79)	(11.62)	1,217.82	(70.08)	(12.40)	(14.57)	(9.35)	-	1,002.81
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>375.77</b>	<b>6.84</b>	<b>440.78</b>	<b>46.25</b>	<b>1,573.54</b>	<b>511.11</b>	<b>41.33</b>	<b>36.90</b>	<b>27.92</b>	<b>-</b>	<b>3,060.44</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.
- The studio & sets and vehicles which have been fully depreciated has been written off in current year, since the same is no longer in use.
- The management has decided to scrap the set & studios (₹ 217.89) and vehicles (₹ 18.47 lacs) since it has exceed its useful life & is no longer in use. Since the asset isn't sold there is no profit/loss pertaining to the same.

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**5 NON-CURRENT INVESTMENTS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(1) Investment in fully paid-up Equity shares (unquoted) (at cost)			
(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	3,000.00
50,000 (Previous year 50,000) Equity shares of ₹ 10/- each in Bolt Media Limited	5.00	5.00	5.00
150,050,000 (Previous year 150,050,000) Equity shares of ₹ 10/- each in Alt Digital Media Entertainment Limited	15,005.00	15,005.00	-
(ii) Subsidiaries :			
(a) 5,100 (Previous year 5,100) Equity Shares of ₹ 10/- each in Marinating Films Private Limited	100.00	100.00	100.00
(b) Investment in Limited Liability Partnership Event Media LLP	0.51	0.51	0.51
(c) 25,000 (Previous year 25,000) Equity Shares of ₹ 10/- each in Chhayabani Balaji Entertainment Private Limited	2.50	2.50	-
(2) Investment in optionally convertible debentures (OCDs) (unquoted) (Fair value through P&L)			
(i) Aristo Learning Private Limited			
Series A 3,000 (Previous year 3,000) Debentures of ₹ 100 each	3.00	3.00	3.00
Series B 62,810 (Previous year 62,810) Debentures of ₹ 100 each	62.81	62.81	62.81
	<b>65.81</b>	<b>65.81</b>	<b>65.81</b>
Less : Provision for diminution in value of investments	65.81	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	1.00
Series B 399,000 (Previous year 399,000) Debentures of ₹ 100 each	399.00	399.00	399.00
	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>
Less : Provision for diminution in value of investments	400.00	400.00	400.00
	-	-	-
(3) Investment in fully paid-up Preference shares (unquoted) (at cost)			
Subsidiary :			
3,450,000 (Previous Year 3450000) Preference shares of ₹ 10/- each in Marinating Films Private Limited	480.31	480.31	480.31
Subsidiary :			
50,000 (Previous Year 50,000)) Preference shares of ₹ 10/- each in Chhayabani Balaji Entertainment Private limited	46.15	46.15	-
(4) Investment in Associate (at cost)			
(i) IPB Capital Advisors LLP	0.50	0.50	0.50

## NOTES

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(₹ in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(5) Investment in Indus Balaji Investor Trust (at cost)			
(i) 3,200,000 (Previous year 3,200,000) Class A units of ₹ 100 each	4,030.93	4,030.93	4,030.93
(ii) 5,000 (Previous year 5,000) Class B units of ₹ 100 each	5.00	5.00	5.00
	<b>4,035.93</b>	<b>4,035.93</b>	<b>4,035.93</b>
(6) Investment in Limited Liability Partnership (at cost)			
(i) Indus Balaji Education Capital Advisors LLP	0.38	0.38	0.38
<b>Aggregate carrying value of unquoted investments</b>	<b>22,676.28</b>	<b>22,676.28</b>	<b>7,622.63</b>

### 6 OTHER FINANCIAL ASSETS

(₹ in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>i) Non-current financial assets</b>			
(a) Security Deposits			
Considered good (Refer note below)	769.95	690.50	680.16
Considered doubtful	50.92	50.92	50.92
	<b>820.87</b>	<b>741.42</b>	<b>731.08</b>
Less: Provision	50.92	50.92	50.92
	<b>769.95</b>	<b>690.50</b>	<b>680.16</b>
(b) Share application money pending allotment	100.00	-	-
(c) Fixed deposits with banks under lien	308.21	28.57	35.68
(d) Interest accrued on fixed deposits with banks under lien	15.42	8.33	5.87
<b>TOTAL</b>	<b>1,193.58</b>	<b>727.40</b>	<b>721.71</b>
<b>ii) Current financial assets</b>			
(a) Loans and advances to employees	-	3.53	41.37
(b) Contractually recoverable expenses	-	237.47	-
<b>TOTAL</b>	<b>-</b>	<b>241.00</b>	<b>41.37</b>

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

(₹ in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount outstanding as at the year-end	640.00	640.00	640.00
Maximum amount outstanding at any time during the year for the above deposits.	640.00	640.00	640.00

### 7 DEFERRED TAX BALANCES

(₹ in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	842.17	690.47	569.34
Deferred tax liabilities	(483.40)	(554.44)	(908.17)
<b>TOTAL</b>	<b>358.77</b>	<b>136.03</b>	<b>(338.83)</b>

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**7.1 Movement in deferred tax balances**

Particulars	For Year Ended March 31, 2017		
	Opening Balance	Recognised in profit and Loss	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>			
Other Temporary Differences (Ind AS adjustment)	554.45	71.05	483.40
	<b>554.45</b>	<b>71.05</b>	<b>483.40</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Property, Plant and Equipment	451.16	(151.69)	602.85
Provisions	239.31	(0.01)	239.32
	<b>690.47</b>	<b>(151.70)</b>	<b>842.17</b>
<b>NET TAX ASSET (LIABILITIES)</b>	<b>136.02</b>	<b>(222.75)</b>	<b>358.77</b>

Particulars	For Year Ended March 31, 2016		
	Opening Balance	Recognised in profit and Loss	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>			
Other Temporary Differences (Ind AS adjustment)	908.17	353.72	554.45
	<b>908.17</b>	<b>353.72</b>	<b>554.45</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Property, Plant and Equipment	348.63	(102.53)	451.16
Provisions	220.71	(18.60)	239.31
	<b>569.34</b>	<b>(121.13)</b>	<b>690.47</b>
<b>NET TAX ASSET (LIABILITIES)</b>	<b>(338.83)</b>	<b>(474.85)</b>	<b>136.02</b>

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

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Profit before tax from continuing operations	4,551.84	4,961.45
Income Tax calculated at 34.608%	1,575.30	1,717.06
Effect of income that is allowed for taxation	(472.91)	(940.15)
Effect of expense that are not deductible in determining taxable profit	498.08	923.85
Tax on short term capital gain	78.53	2.03
Tax on deductions under chapter VI-A	(2.64)	(1.73)
Deferred Tax for the year	(222.74)	(474.86)
Others	-	27.00
<b>TOTAL</b>	<b>1,453.61</b>	<b>1,253.20</b>
Income Tax expense recognised in profit & loss	1,453.61	1,253.20

**8 CURRENT TAX ASSETS**

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Advance payment of income-tax	2,223.11	1,977.16	1,686.49
<b>TOTAL</b>	<b>2,223.11</b>	<b>1,977.16</b>	<b>1,686.49</b>

**9 INVENTORIES**

(At lower of cost and net realisable value)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Television serials	2,703.45	1,158.89	508.86
<b>TOTAL</b>	<b>2,703.45</b>	<b>1,158.89</b>	<b>508.86</b>

Note : The mode of valuation has been stated in Note 3(d)

## NOTES

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### 10 CURRENT INVESTMENTS (UNQUOTED)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in mutual funds (Non trade) (carried at fair value through profit and loss)	5,141.01	4,598.42	16,169.40
<b>TOTAL</b>	<b>5,141.01</b>	<b>4,598.42</b>	<b>16,169.40</b>

(₹ in Lacs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>IN UNITS OF MUTUAL FUNDS</b>						
Reliance Regular Savings Fund - Debt Plan-Growth Plan	2,960,565.86	695.50	5,320,960.78	1,098.83	6,540,746.68	1,266.41
HDFC Short Term Plan - Regular Plan - Growth	1,657,247.97	536.78	-	-	-	-
Birla Sun Life Short Term Fund - Growth - Regular Plan	862,729.40	537.24	-	-	-	-
AXIS Short Term Fund - Growth	3,003,941.17	534.11	-	-	-	-
ICICI Prudential Banking & PSU Debt Fund - Growth	2,886,052.86	541.39	-	-	-	-
Birla Sun Life Savings Fund - Growth	79,242.09	252.51	-	-	-	-
ICICI Prudential Savings Fund - Growth	103,463.59	253.02	-	-	-	-
ICICI Prudential Flexible Income Plan - Growth	145,848.46	454.08	-	-	-	-
Axis Treasury Advantage Fund - Growth	11,068.64	201.01	-	-	-	-
Templeton India Short term Income Retail Plan Growth	-	-	4,198.63	127.95	34,180.18	982.29
HDFC FMP 371D July 2013-Series 26- Regular-Growth	-	-	4,000,000.00	507.03	4,000,000.00	467.53
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	456,600.00	63.31	930,273.29	177.60	1,445,000.00	174.57
ICICI Prudential Fmp Series 68-369 Days Plan I Regular Plan Cumulative	-	-	4,000,000.00	510.16	4,000,000.00	471.23
IDFC Dynamic Bond Fund Growth -Regular Plan	-	-	1,401,217.66	249.83	2,806,807.69	476.07
IDFC Dynamic Bond Fund	-	-	1,405,590.03	250.61	-	-
Kotak Liquid Scheme Plan A	-	-	26,465.94	812.30	-	-
ICICI Liquid Plan - Growth	-	-	348,986.18	781.22	-	-
IDFC Super Saver Income Fund-Investment Plan- Growth	-	-	231,296.33	82.92	-	-
Kotak Gilt (Investment Regular)- Growth	-	-	-	-	765,716.33	366.19
Kotak Floater Long Term- Growth	-	-	-	-	5,127,994.75	1,142.01
SBI Magnum Income Fund- Regular Plan- Growth	-	-	-	-	1,731,667.70	585.90
SBI Magnum Income Fund -FR Savings Plus Bond- Regular Plan- Growth	-	-	-	-	2,607,915.55	500.00
Templeton India Ultra Short Bond -Super Institutional	-	-	-	-	10,174,261.14	1,028.70
UTI Short Term Income Fund Institutional - Growth Option	2,694,691.46	537.28	-	-	6,850,451.70	1,152.50
UTI Floating Rate Fund-STP-Regular Plan	-	-	-	-	31,117.03	701.40
UTI-BOND Fund-Growth	-	-	-	-	834,680.86	358.03
Birla Sunlife Floating Rate Fund	-	-	-	-	408,288.81	687.21
Birla Sunlife Income Plus	-	-	-	-	1,433,761.59	904.71
Birla Sunlife-Short Term Opportunities Fund	1,970,963.76	534.78	-	-	2,520,351.84	576.49
HDFC Income Fund- Growth	-	-	-	-	465,483.31	149.14
HDFC High Interest Fund -Dynamic Plan-Growth	-	-	-	-	2,212,477.05	1,066.80
ICICI Prudential Gilt Fund Investment Plan PF Option	-	-	-	-	1,131,827.93	311.55
ICICI Prudential Gilt Fund Treasury -Regular Plan- Growth	-	-	-	-	1,723,311.93	332.87
ICICI Prudential Income-Regular Plan- Growth	-	-	-	-	769,546.48	337.77
ICICI Prudential Ultra Short Term -Regular Plan-Daily Dividend	-	-	-	-	4,225,750.18	430.28
ICICI Prudential Regular Savings Fund-Regular Plan- Growth	-	-	-	-	1,601,281.03	234.85
ICICI Prudential Flexible Income - Regular Plan -DDRI	-	-	-	-	692,911.22	732.66
ICICI Prudential Flexible Income Plan Daily Dividend	-	-	-	-	617,768.25	653.20
IDFC Super Saver Income Fund-Investment Plan- Growth	-	-	-	-	231,296.33	79.04
<b>TOTAL</b>		<b>5,141.01</b>		<b>4,598.43</b>		<b>16,169.40</b>
<b>AGGREGATE CARRYING VALUE OF UNQUOTED INVESTMENTS</b>		<b>5,141.01</b>		<b>4,598.43</b>		<b>16,169.40</b>

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**11 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade receivables</b>			
(a) Unsecured, considered good	8,963.33	7,617.22	5,901.70
(b) Doubtful	188.96	174.75	174.75
	<b>9,152.29</b>	<b>7,791.97</b>	<b>6,076.45</b>
Less: Allowance for doubtful debts	188.96	174.75	174.75
	<b>8,963.33</b>	<b>7,617.22</b>	<b>5,901.70</b>
<b>TOTAL</b>	<b>8,963.33</b>	<b>7,617.22</b>	<b>5,901.70</b>

**11.1 Age of receivables**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	7,383.11	5,813.85	5,343.65
1-30 days past due	481.74	1,043.50	309.26
31-60 days past due	549.57	488.04	36.59
61-90 days past due	399.05	15.79	56.85
More than 90 days	149.87	256.04	155.34

**12 CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Cash on hand	20.92	20.83	27.94
(b) Balances with banks-			
In current accounts	591.84	364.28	612.46
(c) Unpaid dividend accounts	4.26	13.05	5.65
<b>TOTAL</b>	<b>617.02</b>	<b>398.16</b>	<b>646.05</b>

**13 LOANS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
<b>Loans to related parties</b>			
- Unsecured, considered good	23,111.81	23,238.44	10,997.24
<b>TOTAL</b>	<b>23,111.81</b>	<b>23,238.44</b>	<b>10,997.24</b>

**14 OTHER CURRENT ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Prepaid expenses	30.22	97.60	346.56
(b) Balances with government authorities (VAT, service tax etc)	266.41	232.76	336.68
(c) Advance to vendors	3,705.73	811.16	533.98
(d) Unbilled revenue	1,230.58	1,319.12	1,210.18
<b>TOTAL</b>	<b>5,232.94</b>	<b>2,460.64</b>	<b>2,427.40</b>

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### 15 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Authorised</b>			
1,00,000,000 Equity shares of ₹ 2/- each (As at March 31, 2016 1,00,000,000, As at April 1, 2015 8,50,00,000)	2,000.00	2,000.00	1,700.00
30,000,000 Preference shares of ₹ 2/- each (Previous year 30,000,000)	600.00	600.00	-
	<b>2,600.00</b>	<b>2,600.00</b>	<b>1,700.00</b>
<b>(b) Issued, Subscribed and fully paid-up</b>			
75,930,443 Equity shares of ₹ 2/- each (As at March 31, 2016 75,930,443, As at April 1, 2015 65,210,443)	1,518.61	1,518.61	1,304.21
<b>TOTAL</b>	<b>1,518.61</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:

(₹ in Lacs)

Name of shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	-	-	-	-	16,948,194	25.99
Ekta Kapoor	16,735,116	22.04	15,744,371	20.74	13,572,704	20.81
Shobha Kapoor	10,035,633	13.22	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:

(₹ in Lacs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs
Equity shares outstanding at the beginning of the year	75,930,443	1,518.61	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	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.

### 16 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) General reserve	5,133.10	5,133.10	5,133.10
(b) Securities premium account	29,579.21	29,579.21	14,785.61
(c) Retained earnings	29,183.77	26,093.75	23,956.98
<b>TOTAL</b>	<b>63,896.08</b>	<b>60,806.06</b>	<b>43,875.69</b>

#### 16.1 General Reserve

(₹ in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	5,133.10	5,133.10
Add: Transferred from retained earnings	-	-
<b>BALANCE AT END OF YEAR</b>	<b>5,133.10</b>	<b>5,133.10</b>

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**16.2 Securities premium account**

(₹ in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	29,579.21	14,785.61
Add: On issue of equity shares	-	14,793.60
<b>BALANCE AT END OF YEAR</b>	<b>29,579.21</b>	<b>29,579.21</b>

**16.3 Retained earnings**

(₹ in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	26,093.75	23,956.98
Profit for the year	3,098.23	3,708.25
Other comprehensive income for the year (net of tax)	(8.21)	(3.90)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>29,183.77</b>	<b>27,661.32</b>
Depreciation on account of transitional provisions of Schedule II of the Companies Act, 2013	-	-
Payment of dividends	-	(1,382.08)
Tax on dividend	-	(185.49)
Transferred to General reserve	-	-
<b>BALANCE AT END OF YEAR</b>	<b>29,183.77</b>	<b>26,093.75</b>

**17 TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	6,569.00	4,684.22	3,183.04
<b>TOTAL</b>	<b>6,569.00</b>	<b>4,684.22</b>	<b>3,183.04</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

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### 18 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unpaid dividends (Refer Note below)	4.17	12.96	5.65
Temporarily overdrawn book balances	978.66	-	-
<b>TOTAL</b>	<b>982.83</b>	<b>12.96</b>	<b>5.65</b>

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

### 19 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Other payables</b>			
(i) Advances from customers	1,128.88	445.00	-
(ii) Statutory liabilities	311.13	186.02	11.72
<b>TOTAL</b>	<b>1,440.01</b>	<b>631.02</b>	<b>11.72</b>

### 20 CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for tax	1,215.47	463.10	320.98
<b>TOTAL</b>	<b>1,215.47</b>	<b>463.10</b>	<b>320.98</b>

### 21 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Sale of services		
Commissioned Sales	27,786.89	24,723.89
Internet Sales	191.37	8.77
(b) Other Operating Income		
Excess Provision of earlier years written back	20.11	226.70
Sale of movie rights / concepts	103.52	68.17
Facilities / equipment hire Income	110.64	102.43
Recovery of Uplinking charges	-	402.99
Service income	20.83	114.38
Advances written back	55.00	-
Creditors written back	125.04	-
Reimbursement of Expenses	-	37.60
<b>TOTAL</b>	<b>28,413.40</b>	<b>25,684.93</b>

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**22 OTHER INCOME**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Interest income		
On fixed deposits with banks	7.09	2.46
On Income-tax Refund	15.77	-
On loan given/capital contribution to subsidiary company and subsidiary body corporate	1,296.59	1,171.51
(b) Notional Interest	51.45	62.76
(c) Profit on sale of current investments (non-trade) (net)	400.20	1,016.76
(d) Dividend on current investments	-	33.73
(e) Insurance claim received	96.73	81.35
(f) Excess Provision of earlier years written back	-	41.26
<b>TOTAL</b>	<b>1,867.83</b>	<b>2,409.83</b>

**23 COST OF PRODUCTION OF TELEVISION SERIALS**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Opening stock of television serials / tapes	1,158.89	508.86
Add: Cost of production		
Purchase of costumes and dresses	312.47	406.74
Purchase of tapes	1.03	11.48
Artists, Directors and other technicians	12,656.18	11,545.29
Shooting and location expenses	6,910.40	6,066.79
Telecasting fees / purchase of rights	33.98	5.00
Uplinking charges	146.66	39.06
Set properties and equipment hire charges	1,611.96	1,281.65
Other production expenses	2,171.14	1,994.61
	23,843.82	21,350.62
Less: Reimbursement of expenses	(1,293.52)	(2,347.74)
	22,550.30	19,002.88
Less: Closing stock of television serials	2,703.45	1,158.89
<b>TOTAL</b>	<b>21,005.73</b>	<b>18,352.85</b>

**24 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Salaries and wages	1,487.44	1,164.40
Contributions to Provident and Other Funds	70.17	51.37
Gratuity	3.31	4.24
Staff welfare expenses	43.44	51.05
<b>TOTAL</b>	<b>1,604.36</b>	<b>1,271.06</b>

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### 25 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	1,176.50	871.58
<b>TOTAL</b>	<b>1,176.50</b>	<b>871.58</b>

### 26 OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Power and fuel	76.26	85.45
Rent including lease rentals	154.65	137.74
Repairs and maintenance - Others	67.58	58.20
Insurance	62.05	83.64
Rates and taxes	169.56	93.02
Communication expenses	21.24	26.32
Legal and professional charges	934.85	1,647.17
Security and housekeeping expenses	19.77	30.67
Business promotion expenses	26.58	12.57
Travelling and conveyance Expenses	69.87	65.13
Donations and contributions	16.58	11.82
Expenditure on Corporate social responsibility activities	61.50	31.24
Provision for doubtful debts and advances	14.22	-
Software expenses	31.14	25.63
Directors sitting fees	39.00	54.50
Commission to Directors	-	83.02
Marketing Expenses	6.00	12.31
Licensee Fees	-	21.04
Loss of fixed assets written off	-	3.13
Impairment loss allowance on investments in Preference shares of Chhayabani Balaji Entertainment Private Limited	-	3.85
Interest on others( VAT Assessment)	83.54	-
Miscellaneous expenses *	88.40	151.39
<b>TOTAL</b>	<b>1,942.79</b>	<b>2,637.83</b>

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

#### 26.1 Payments to auditors

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
For Statutory Audit	12.00	12.00
For Other services-certification etc.	22.50	27.50
For service tax	5.18	9.06
<b>TOTAL</b>	<b>39.68</b>	<b>48.56</b>

#### 26.2 AMOUNTS CONTRIBUTED FOR CORPORATE SOCIAL RESPONSIBILITY

61.50

31.24

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**27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>27.1 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. The Company has received favourable orders from the Deputy Commissioner of Sales Tax (Appeals) pertaining to all the five financial years, i.e. 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05, setting aside the demand amount contained in appeals of ₹ 17,708.81 Lacs. Total Dues paid as per Appeal orders amounts to ₹ 22.14 Lacs (including interest of ₹ 10.79 Lacs). Further, the Company has also been assessed for the financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-2010, 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.	-	11,687.79	17,708.81

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				(₹ in Lacs)
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
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	2,943.00	9,245.00	
<b>27.2 Commitments (to the extent not provided for)</b>				
<b>Commitments :</b>				
Future commitments towards capital contribution in Indus Balaji Investor Trust	-	800.00	800.00	

**27.3** 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. During the year ended March 31, 2017, the Company has filed appeals with the Income-tax Appellate Tribunal (ITAT), against the Orders passed by the Commissioner of Income-tax (Appeals) confirming the penalty imposed by the assessing officer.

**27.4** 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.

**27.5** 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 ₹ 18,639.47 lacs (Previous year ₹ 18,639.47 lacs). Further, the Company has also given loans and advances (including Interest) aggregating to ₹ 23,161.75 lacs (Previous year ₹ 23,238.44 lacs) to BMPL, BML and EMLLP. As per the latest audited balance sheet of BMPL, BML and EMLLP for the year ended March 31, 2017, 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.

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

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

(₹ in Lacs)

Name of the party	Relationship	Amount outstanding as at March 31, 2017	Maximum balance outstanding during the year
Balaji Motion Pictures Limited	100% Subsidiary	22,787.58 (22,821.05)	22,787.58 (22,821.05)
Bolt Media Limited	100% Subsidiary	286.13 (290.74)	302.55 (596.99)
Event Media LLP	Subsidiary Body Corporate	88.05 (87.46)	102.51 (451.73)
ALT Digital Media Entertainment Limited	100% Subsidiary	- (39.19)	56.58 (938.48)

Note: Figures in bracket relate to the previous year.

**27.7 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 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

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

Nature of Transactions	(₹ in Lacs)							Total
	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Sole proprietary firm of Key Management Person	Subsidiary Body Corporate	Associate	
<b>Loans given</b>								
Balaji Motion Pictures Limited	3,785.10 (12,800.97)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3,785.10 (12,800.97)
Bolt Media Ltd	6.91 (10.31)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	6.91 (10.31)
Event Media LLP	- (-)	- (-)	- (-)	- (-)	- (-)	6.96 (29.19)	- (-)	6.96 (29.19)
Alt Digital Media Entertainment Limited	17.24 (981.65)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	17.24 (981.65)
<b>Loans Recovered/ Adjusted</b>								
Balaji Motion Pictures Limited	5,021.07 (941.69)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5,021.07 (941.69)
Bolt Media Ltd	20.00 (355.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	20.00 (355.00)
Event Media LLP	- (-)	- (-)	- (-)	- (-)	- (-)	15.00 (375.84)	- (-)	15.00 (375.84)
Alt Digital Media Entertainment Limited	56.58 (958.02)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	56.58 (958.02)
<b>Share application money paid</b>								
Marinating Films Private Limited	100.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	100.00 (-)
<b>Advance received</b>								
Alt Digital Media entertainment Limited	136.70 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	136.70 (-)
<b>Expense incurred</b>								
Chayabani Balaji Entertainment Limited	- (3.01)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (3.01)
<b>Sale of Contents</b>								
Alt Digital Media Entertainment Limited	183.38 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	183.38 (-)

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Nature of Transactions	(₹ in Lacs)							Total
	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Sole proprietary firm of Key Management Person	Subsidiary Body Corporate	Associate	
<b>Directors sitting fees</b>								
Mr. Jeetendra Kapoor	-	5.00	-	-	(-)	-	-	5.00
	(-)	(7.50)	(-)	(-)	(-)	(-)	(-)	(7.50)
Mr. Tusshar Kapoor	-	5.00	-	-	(-)	-	-	5.00
	(-)	(5.50)	(-)	(-)	(-)	(-)	(-)	(5.50)
<b>Rent paid</b>								
Mr. Jeetendra Kapoor	-	34.94	-	-	-	-	-	34.94
	(-)	(32.96)	(-)	(-)	(-)	(-)	(-)	(32.96)
Mrs. Shobha Kapoor	-	1,474.23	-	-	-	-	-	1,474.23
	(-)	(1,327.41)	(-)	(-)	(-)	(-)	(-)	(1,327.41)
Mr. Tusshar Kapoor	-	13.13	-	-	-	-	-	13.13
	(-)	(12.38)	(-)	(-)	(-)	(-)	(-)	(12.38)
Ms. Ekta Kapoor	-	202.99	-	-	-	-	-	202.99
	(-)	(187.95)	(-)	(-)	(-)	(-)	(-)	(187.95)
<b>Interest Income on Loan Given</b>								
Balaji Motion Pictures Limited	1,272.05	-	-	-	-	-	-	1,272.05
	(1,062.03)	(-)	(-)	(-)	(-)	(-)	(-)	(1,062.03)
Event Media LLP	-	-	-	-	-	-	9.58	9.58
	(-)	(-)	(-)	(-)	(-)	(-)	(33.55)	(33.55)
Alt Digital Media Entertainment Limited	0.15	-	-	-	-	-	-	0.15
	(16.21)	(-)	(-)	(-)	(-)	(-)	(-)	(16.21)
Bolt Media Ltd	14.81	-	-	-	-	-	-	14.81
	(59.72)	(-)	(-)	(-)	(-)	(-)	(-)	(59.72)
<b>Remuneration</b>								
Mrs. Shobha Kapoor	-	200.43	-	-	-	-	-	200.43
	(-)	(110.12)	(-)	(-)	(-)	(-)	(-)	(110.12)
Ms Ekta Kapoor	-	209.86	-	-	-	-	-	209.86
	(-)	(48.05)	(-)	(-)	(-)	(-)	(-)	(48.05)
Mr. Sameer Nair	-	435.70	-	-	-	-	-	435.70
	(-)	(435.70)	(-)	(-)	(-)	(-)	(-)	(435.70)

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Nature of Transactions	(₹ in Lacs)							Total
	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Key proprietary firm of Management Person	Sole Subsidiary Body Corporate	Associate	
<b>Dividend paid</b>								
Mrs. Shobha Kapoor	-	-	-	-	-	-	-	-
	(-)	(120.41)	(-)	(-)	(-)	(-)	(-)	(120.41)
Ms. Ekta Kapoor	-	-	-	-	-	-	-	-
	(-)	(188.63)	(-)	(-)	(-)	(-)	(-)	(188.63)
Mr. Jeetendra Kapoor	-	-	-	-	-	-	-	-
	(-)	(39.12)	(-)	(-)	(-)	(-)	(-)	(39.12)
Mr. Tusshar Kapoor	-	-	-	-	-	-	-	-
	(-)	(24.36)	(-)	(-)	(-)	(-)	(-)	(24.36)
Mr. Sameer Nair	-	-	-	-	-	-	-	-
	(-)	(8.31)	(-)	(-)	(-)	(-)	(-)	(8.31)
Mr. Ramesh Sippy	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Commission to Directors</b>								
Mrs. Shobha Kapoor	-	-	-	-	-	-	-	-
	(-)	(28.83)	(-)	(-)	(-)	(-)	(-)	(28.83)
Ms. Ekta Kapoor	-	-	-	-	-	-	-	-
	(-)	(28.83)	(-)	(-)	(-)	(-)	(-)	(28.83)
Mr. Jeetendra Kapoor	-	-	-	-	-	-	-	-
	(-)	(9.22)	(-)	(-)	(-)	(-)	(-)	(9.22)
Mr. Tusshar Kapoor	-	-	-	-	-	-	-	-
	(-)	(2.31)	(-)	(-)	(-)	(-)	(-)	(2.31)
<b>Investment made</b>								
Chayabani Balaji Entertainment Limited	-	-	-	-	-	-	-	-
	(52.50)	(-)	(-)	(-)	(-)	(-)	(-)	(52.50)
Alt Digital Media entertainment Limited	-	-	-	-	-	-	-	-
	(15,005.00)	(-)	(-)	(-)	(-)	(-)	(-)	(15,005.00)

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Nature of Transactions	(₹ in Lacs)							Total
	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Key proprietary firm of Management Person	Sole Subsidiary Body Corporate	Associate	
<b>Amount receivable as at March 31, 2017</b>								
Mrs. Shobha Kapoor *	(-)	340.00	(-)	(-)	(-)	(-)	(-)	340.00
Mr. Jeetendra Kapoor *	(-)	200.00	(-)	(-)	(-)	(-)	(-)	200.00
Mr. Tusshar Kapoor *	(-)	100.00	(-)	(-)	(-)	(-)	(-)	100.00
Balaji Motion Pictures Limited	22,787.58	-	-	-	-	-	-	22,787.58
Bolt Media Ltd	(22,821.05)	(-)	(-)	(-)	(-)	(-)	(-)	(22,821.05)
Event Media LLP	286.13	(-)	(-)	(-)	(-)	(-)	(-)	286.13
Alt Digital Media entertainment Limited	(290.74)	(-)	(-)	(-)	(-)	(-)	(-)	(290.74)
Marinating Films Private Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)	88.05
Chayabani Balaji Entertainment Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(87.46)
Advance received as at March 31, 2017								
Balaji Motion Pictures Limited	1.00	-	-	-	-	-	-	1.00
Chayabani Balaji Entertainment Limited	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)
Alt Digital Media entertainment Limited	(3.01)	(-)	(-)	(-)	(-)	(-)	(-)	(3.01)
Amount payable as at March 31, 2017								
Balaji Motion Pictures Limited	136.70	-	-	-	-	-	-	136.70
Chayabani Balaji Entertainment Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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Nature of Transactions	(₹ in Lacs)							Total
	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Key proprietary firm of Management Person	Sole Subsidiary Body Corporate	Associate	
<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	480.31	-	-	-	-	-	-	480.31
	(480.31)	(-)	(-)	(-)	(-)	(-)	(-)	(480.31)
ALT Digital Media Entertainment Limited	15,005.00	-	-	-	-	-	-	15,005.00
	(15,005.00)	(-)	(-)	(-)	(-)	(-)	(-)	(15,005.00)
Chayabani Balaji Entertainment Limited	48.65	-	-	-	-	-	-	48.65
	(48.65)	(-)	(-)	(-)	(-)	(-)	(-)	(48.65)
Event Media LLP	-	-	-	-	-	-	-	0.51
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.51)
IPB Capital Advisors LLP	-	-	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(-)	(-)	(0.50)	(0.50)
<b>Advance given for Share application money</b>								
Marinating Films Private Limited	100.00	-	-	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

\* - 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.

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**27.8 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 ₹ 70.17 lacs (previous year ₹ 51.37 lacs).

**b) Defined Benefit Plans****Gratuity**

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

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

Particulars	Valuation as at	
	March 31, 2017	March 31, 2016
Discount rate(s)	7.34%	8.07%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality Rate after employment	N.A.	N.A.

(₹ in Lacs)

**Defined benefit plans - as per actuarial valuation on 31st March, 2017**

Particulars	Funded Plan	
	March 31, 2017	March 31, 2016
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the period	22.83	0.09
Return on Plan Assets, Excluding Interest Income	(10.27)	5.88
Change in asset ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>12.56</b>	<b>5.96</b>
Expenses recognised in the Statement of Profit or Loss for Current period		
Current Service Cost	5.83	7.56
Net interest cost	(2.52)	(3.33)
<b>Expenses Recognized</b>	<b>3.31</b>	<b>4.23</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>		
1. Present value of defined benefit obligation at the end of the period	(67.13)	(36.57)
2. Fair value of plan assets at the end of the period	86.64	67.79
3. Surplus/(Deficit)	19.51	31.22
<b>4. Net (liability)/ Asset recognized in the Balance sheet</b>	<b>19.51</b>	<b>31.22</b>
<b>II. Change in the obligation during the year ended</b>		
1. Present value of defined benefit obligation at the beginning of the year	36.57	27.77
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	5.83	7.56
- Interest Cost	2.95	2.23
3. (Benefit paid from the Fund)	(1.04)	(1.07)
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	-	3.26
5. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	5.31	(5.91)
6. Actuarial (Gains)/ Losses on Obligations- Due to experience	17.52	2.74
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>67.14</b>	<b>36.58</b>

(₹ in Lacs)

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Particulars	(₹ in Lacs)	
	Funded Plan	
	Gratuity	
	March 31, 2017	March 31, 2016
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	67.79	69.18
2. Interest Income	5.47	5.56
3. Contributions by the employer	4.15	-
4. (Benefit paid from the Fund)	(1.04)	(1.07)
5. Return on Plan Assets, excluding Interest Income	10.27	(5.88)
<b>4. Fair Value of Plan Assets at the end of the year</b>	<b>86.64</b>	<b>67.79</b>

### Expenses Recognized in the Statement of Profit or Loss

Particulars	(₹ in Lacs)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Current Service cost	5.83	7.56
Net Interest Cost	(2.52)	(3.33)
<b>Expenses Recognized</b>	<b>3.31</b>	<b>4.23</b>

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

Particulars	(₹ in Lacs)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Projected Benefit Obligation on Current Assumptions	67.13	36.57
Delta Effect of +1% Change in Rate of Discounting	(7.11)	(3.72)
Delta Effect of -1% Change in Rate of Discounting	8.41	4.37
Delta Effect of +1% Change in Rate of Salary Increase	7.27	3.70
Delta Effect of -1% Change in Rate of Salary Increase	(6.18)	(3.15)
Delta Effect of +1% Change in Rate of Employee Turnover	1.79	1.00
Delta Effect of -1% Change in Rate of Employee Turnover	(2.06)	(1.16)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

### Maturity profile of defined benefit obligation:

Projected Benefits Payable in future years from Date of Reporting	(₹ in Lacs)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
1st Following year	3.79	2.09
2nd Following year	1.99	0.96
3rd Following year	2.26	1.13
4th Following year	2.35	1.39
5th Following year	2.46	1.48
Sum of Years 6 to 10	31.22	16.54

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**Plan Assets**

The fair value of Company's pension plan asset as of March 31, 2017 and 2016 by category are as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Asset category:		
Deposits with Insurance companies	86.64	67.79
	<b>100%</b>	<b>100%</b>

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

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

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

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

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

**27.9 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 :

Particulars	(₹ in Lacs)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Profit/(Loss) for the year attributable to equity shareholders (₹ in Lacs)	3,090.02	3,704.35
(b) Weighted average number of equity shares outstanding during the year (Nos.)	75,930,443	75,930,443
(c) Earnings per share - Basic and diluted (₹)	4.07	4.88
(d) Nominal value of shares (₹)	2	2

**27.10 Components of Deferred tax assets / (liabilities)**

Particulars	(₹ in Lacs)	
	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Depreciation on fixed assets	602.85	451.16
Provision for Diminution of investment	161.22	161.22
Provision for doubtful debts and advances	78.10	78.10
Deferred tax arising on Ind AS adjustment	(483.40)	(554.45)
Deferred tax asset/ (liability)-net	358.77	136.02

**27.11 Lease Transactions**

Amount of lease rentals charged to the Statement of profit and loss in respect of operating leases is ₹ 1,782.06 Lacs (previous year ₹ 1,652.32 Lacs).

**27.12 Segment Information**

The Company is primarily engaged in the business of production of television content, which, in the context of Ind AS 108 on Operating Segments, constitutes a single reportable segment.

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### 27.13 Details relating to investment in Limited Liability Partnership (LLP)

Name of the LLP	As at March 31, 2017		As at March 31, 2016	
	Names of partners in the LLP	Total capital	Names of partners in the LLP	Total capital
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.500	Balaji Telefilms Limited	0.500
	IP Capital Advisors LLP	0.490	IP Capital Advisors LLP	0.490
	IPM Capital Advisors LLP	0.010	IPM Capital Advisors LLP	0.010
		<b>1.000</b>	<b>1.000</b>	<b>100%</b>
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.375	Balaji Telefilms Limited	0.375
	IP Capital Advisors LLP	0.375	IP Capital Advisors LLP	0.375
	IPX Capital Advisors LLP	0.250	IPX Capital Advisors LLP	0.250
	Mohit Ralhan	0.500	Mohit Ralhan	0.500
	IPM Capital Advisors LLP	0.500	IPM Capital Advisors LLP	0.500
		<b>2.000</b>	<b>2.000</b>	<b>100%</b>
Event Media LLP	Balaji Telefilms Limited	0.510	Balaji Telefilms Limited	0.510
	Select Media Holdings LLP	0.490	Select Media Holdings LLP	0.490
		<b>1.000</b>	<b>1.000</b>	<b>100%</b>

27.14 The company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses.

### 27.15 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		Period	Rate of interest	Purpose
		31, 2017	31, 2016			
BMPPL (Wholly owned subsidiary)		22,787.58	22,821.05		6.20%	
Bolt (Wholly owned subsidiary)		286.13	290.74		6.20%	General corporate purpose
ALT (Wholly owned subsidiary)	Loan	-	39.19	Repayable on Demand	6.20%	
Event Media LLP		88.05	87.46		12%	
Non-current investments (Refer note 5)	Investment	22,676.28	22,676.28			
Current investments (Refer note 10)		5,141.01	4,598.42			Not Applicable

27.16 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 an earlier year provided for these investments considering the diminution in their respective values.

27.17 The Board of Directors at its meeting held on May 23, 2017 have recommended a dividend of ₹. 0.40/- per Equity share of the face value of Rs. 2 each, subject to the approval by the shareholders at the ensuing Annual General Meeting.

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**27.18** During the current year, the Board of Directors of the Company have approved a composite Scheme of Arrangement between the Company and two of its subsidiaries viz. Balaji Motion Pictures Limited (BMPL) and Bolt Media Limited (Bolt), which envisages merger of Bolt and of the film production undertaking of BMPL with the Company and consequent Capital reduction in the books of BMPL. The Company has received the observation letters from National Stock Exchange of India Limited and BSE Limited on the Scheme. Based on the commencement notification of certain sections of the Companies Act, 2013 related to the powers of the National Company Law Tribunal (NCLT), the Company has filed its application for the sanction of the Scheme with the NCLT. Based on the Order passed by the NCLT, the Company has arranged for a meeting of its Equity shareholders on May 24, 2017.

**27.19 Disclosure on Specified Bank Notes (SBNs)**

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

(₹ in Lacs)

Particulars	Specified bank notes (SBNs)*	Other denomination notes	Total
<b>Closing cash in hand as on November 8, 2016</b>	<b>48.74</b>	<b>0.39</b>	<b>49.13</b>
Add: Permitted receipts	21.85	0.86	22.71
Less: Permitted payments	48.74	0.39	49.13
Less: Amount deposited in banks	-	-	-
<b>Closing cash in hand as on December 30, 2016</b>	<b>21.85</b>	<b>0.86</b>	<b>22.71</b>

**27.20 Capital management**

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

**Financial Risk Management objectives**

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

**1) Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

**2) Liquidity risk management**

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

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### 3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

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

## 28 FIRST-TIME IND AS ADOPTION RECONCILIATION

### 28.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in Lacs)

Particulars	Notes	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment		2,886.33	-	2,886.33	2,295.50	-	2,295.50
(b) Capital work-in-progress		-	-	-	21.77	-	21.77
(c) Financial Assets							
(i) Investments	(a),(b),(c)	21,713.88	962.40	22,676.28	6,656.39	966.24	7,622.63
(ii) Other financial assets	(d)	752.30	(24.90)	727.40	782.49	(60.78)	721.71
(d) Deferred tax assets (net)	(e)	690.47	(554.45)	136.03	-	-	-
(e) Current tax assets (net)		1,977.16	-	1,977.16	1,686.49	-	1,686.49
<b>TOTAL NON-CURRENT ASSETS</b>		<b>28,020.14</b>	<b>383.05</b>	<b>28,403.20</b>	<b>11,442.64</b>	<b>905.46</b>	<b>12,348.10</b>
<b>(2) Current assets</b>							
(a) Inventories		1,158.89	-	1,158.89	508.86	-	508.86
(b) Financial assets							
(i) Investments	(f)	3,958.76	639.66	4,598.42	14,511.48	1,657.92	16,169.40
(ii) Trade receivables		7,617.22	-	7,617.22	5,901.70	-	5,901.70
(iii) Cash and cash equivalents		398.16	-	398.16	646.05	-	646.05
(iv) Loans		23,238.44	-	23,238.44	10,997.24	-	10,997.24
(v) Other financial assets		241.00	-	241.00	41.37	-	41.37
(c) Other current assets	(d)	2,436.28	24.36	2,460.64	2,372.44	54.96	2,427.40
<b>TOTAL CURRENT ASSETS</b>		<b>39,048.75</b>	<b>664.02</b>	<b>39,712.77</b>	<b>34,979.14</b>	<b>1,712.88</b>	<b>36,692.02</b>
<b>TOTAL ASSETS</b>		<b>67,068.89</b>	<b>1,047.07</b>	<b>68,115.97</b>	<b>46,421.78</b>	<b>2,618.34</b>	<b>49,040.11</b>

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Particulars	Notes	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
		(₹ in Lacs)					
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Share capital		1,518.61	-	1,518.61	1,304.21	-	1,304.21
(b) Other equity	(a) to (h)	59,758.98	1,047.07	60,806.06	41,694.61	2,181.08	43,875.69
<b>TOTAL EQUITY</b>		<b>61,277.59</b>	<b>1,047.07</b>	<b>62,324.67</b>	<b>42,998.82</b>	<b>2,181.08</b>	<b>45,179.90</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
(a) Deferred tax liabilities (net)	(e)	-	-	-	(569.34)	908.17	338.83
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(569.34)</b>	<b>908.17</b>	<b>338.83</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
(i) Trade and other payables		4,684.22	-	4,684.22	3,183.04	-	3,183.04
(ii) Other financial liabilities		12.96	-	12.96	5.65	-	5.65
(b) Other current liabilities		631.02	-	631.02	11.72	-	11.72
(c) Provisions	(g)	463.10	-	463.10	791.89	(470.91)	320.98
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,791.30</b>	<b>-</b>	<b>5,791.30</b>	<b>3,992.30</b>	<b>(470.91)</b>	<b>3,521.39</b>
<b>TOTAL LIABILITIES</b>		<b>67,068.89</b>	<b>1,047.07</b>	<b>68,115.97</b>	<b>46,421.78</b>	<b>2,618.34</b>	<b>49,040.11</b>

**28.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

Particulars	Notes	(₹ in Lacs)	
		As at March 31, 2016	As at April 1, 2015
<b>Total equity (shareholder's funds) under previous GAAP</b>		<b>61,277.59</b>	<b>42,998.82</b>
Add: Total of adjustment carried forward from opening balance sheet	(a) to (h)	2,181.08	-
Gain/(loss) on mark-to-market measurement of Current Investments (net of tax)	(e),(f)	(665.86)	1,084.14
Impact of fair valuation of other financial assets	(d)	5.28	(5.82)
Provision for proposed dividend (including DDT)	(g)	(470.91)	-
Reversal of provision for proposed dividend (including DDT)	(g)	-	470.91
Gain/(loss) on fair valuation of non-current investments (net of tax)	(a),(b)	(2.52)	631.85
<b>TOTAL ADJUSTMENT TO EQUITY</b>		<b>1,047.07</b>	<b>2,181.08</b>
<b>TOTAL EQUITY UNDER IND AS</b>		<b>62,324.67</b>	<b>45,179.90</b>

## NOTES

forming part of the financial statements

### 28.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

(₹ in Lacs)

Particulars	Notes	As at March 31, 2016		As per Ind AS
		Previous GAAP	Effect of transition to Ind AS	
(I) Revenue from operations		25,684.93	-	25,684.93
(II) Other Income	(d),(f)	3,365.34	(955.51)	2,409.83
<b>(III) TOTAL INCOME</b>		<b>29,050.27</b>	<b>(955.51)</b>	<b>28,094.76</b>
<b>(IV) Expenses</b>				
(a) Cost of Production / Acquisition and Telecast Fees		19,002.88	-	19,002.88
(b) (Increase) / in stock-in-trade		(650.04)	-	(650.04)
(c) Employee benefits expense	(h)	1,277.02	(5.96)	1,271.06
(d) Depreciation and amortization expense		871.58	-	871.58
(f) Other operating expenses	(d)	2,576.51	61.32	2,637.83
<b>TOTAL EXPENSES</b>		<b>23,077.95</b>	<b>55.36</b>	<b>23,133.31</b>
(V) Profit / (Loss) Before Tax		<b>5,972.32</b>	<b>(1,010.87)</b>	<b>4,961.45</b>
<b>(VI) Tax expense:</b>				
(a) Current tax (provision for taxation)	(e)	1,699.00	2.06	1,701.06
(b) Deferred tax (including MAT credit entitlement)	(e)	(121.13)	(353.73)	(474.86)
(c) Short Provision for Tax in respect of earlier years		27.00	-	27.00
<b>TOTAL TAX EXPENSE</b>		<b>1,604.87</b>	<b>(351.67)</b>	<b>1,253.20</b>
(VII) Profit / (loss) for the year (V-VI)		<b>4,367.45</b>	<b>(659.20)</b>	<b>3,708.25</b>
<b>(VIII) Other comprehensive income</b>				
A (i) Items that will not be reclassified to statement of profit or loss				
(a) Remeasurements of the defined benefit liabilities / (asset)	(h)	-	(5.96)	(5.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(e)	-	2.06	2.06
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>(3.90)</b>	<b>(3.90)</b>
<b>(IX) TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (VII+VIII)</b>		<b>4,367.45</b>	<b>(663.10)</b>	<b>3,704.35</b>

### 28.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in Lacs)

Sr.	Particulars	Year ended March 31, 2016
	<b>Profits as per previous GAAP</b>	<b>4,367.45</b>
(i)	Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)	3.90
(ii)	Amortisation of prepaid rent element of rental security deposit	(57.47)
(iii)	Loss on fair valuation of non current investments (net of tax)	(2.52)
(iv)	Recognition of notional interest income on rental security deposit	62.75
(v)	Loss on fair valuation of current investments (net of tax)	(665.86)
	<b>TOTAL EFFECT OF TRANSITION TO IND AS</b>	<b>(659.20)</b>
	<b>PROFIT FOR THE YEAR AS PER IND AS</b>	<b>3,708.25</b>
	Other comprehensive income for the year (net of tax)	(3.90)
	<b>TOTAL COMPREHENSIVE INCOME UNDER IND AS</b>	<b>3,704.35</b>

**NOTES**

forming part of the financial statements

**28.5 Effect of Ind AS adoption on Statement of Cash Flow for the year ended March 31, 2016**

(₹ in Lacs)

Particulars	Notes	As at March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities		1,345.48	-	1,345.48
(b) Net Cash Flow from Investing Activities	(f)	(15,041.21)	-	(15,041.21)
(c) Net Cash Flow from Financing Activities		13,440.44	-	13,440.44
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(255.29)</b>	-	<b>(255.29)</b>
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>		<b>640.40</b>	-	<b>640.40</b>
<b>Cash &amp; Cash Equivalents at the End of the Year</b>		<b>385.11</b>	-	<b>385.11</b>

**Notes to the reconciliation**

- (a) Fair Valuation of Investment in Trust – BTL has taken independent valuation of its investments in trust and accordingly recognized the gain in accumulated reserves on transition as at April 1, 2015. As per the Valuation report there is no change in the value till March 31, 2016 from the valuation done. Accordingly, no further gain has been recognized FY 2015-16 and FY 2016-17.
- (b) Fair Valuation of Investment in preference shares of Marinating Films Private Limited (Marinating) – BTL has taken independent valuation of its investments and accordingly recognized the gain in accumulated reserves on transition as at April 1, 2015. As per the Valuation report there is no change in the value till March 31, 2017 from the valuation done. Accordingly, no further gain has been recognized FY 2015-16 and FY 2016-17.
- (c) Fair Valuation of Investment in preference shares of Chhayabani Balaji Entertainment Private Limited – BTL has taken independent valuation of its investments as on March 31, 2016 and accordingly recognized the loss in statement of profit and loss for the FY 16-17. As per the Valuation report there is no change in the value till March 31, 2017 from the valuation done. Accordingly, no further gain has been recognized in FY 2016-17.
- (d) Fair valuation of other financial assets: Under Ind AS, other financial assets viz., security deposits given for rented premises, have been accounted at fair value. The difference between the fair value and carrying value is treated as notional rent.
- (e) Deferred taxes: Under Ind AS, deferred tax is computed as per Balance Sheet approach instead of the Profit and Loss approach under IGAAP and includes the impact on account of the above.
- (f) Fair valuation of investments in mutual funds: Under the Ind AS, the Investments in mutual funds have been accounted at fair value through Statement of Profit and Loss instead of accounting at lower of cost and fair value under IGAAP.
- (g) Proposed Dividend : Under Ind AS, the liability for final dividend is recognised in the period in which it is approved by shareholders. Accordingly, final dividend proposed and accounted for under the previous GAAP has been adjusted in equity.
- (h) Remeasurement cost of net defined benefit liability: The Remeasurement cost arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP.

Signatures to notes 1 to 28

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

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

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

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

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

**Ketan Vora**  
(Partner)

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

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

**Simmi Singh Bisht**  
(Company Secretary)

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

Place : Mumbai  
Date : May 23, 2017

Place : Mumbai  
Date : May 23, 2017

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Balaji Telefilms Limited

## REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Balaji Telefilms Limited (hereinafter referred to as the Parent) and its subsidiaries (the Parent and its subsidiaries together referred to as the Group) its associate, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated Ind AS financial statements).

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements of the associate referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so

## **INDEPENDENT AUDITOR'S REPORT (CONTD.)**

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, its associate as at March 31, 2017, and their consolidated (loss), consolidated total comprehensive (loss), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### **OTHER MATTERS**

- (a) The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 0.62 lacs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of the associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditor.
- (b) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of the associate included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditor and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, 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 report of the other auditor.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the associate, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the report of the statutory auditor of its associate incorporated in India, none of the directors of the Group companies are disqualified as on March 31, 2017 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 separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies except 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 Parent's and subsidiary companies, incorporated in India, 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 32.1, 32.2 and 32.3
- 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 Parent and its subsidiary companies.
- iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in

Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us. (Refer Note 32.19)

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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### **Re: Balaji Telefilms Limited**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Balaji Telefilms Limited (hereinafter referred to as Parent), as of that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Board of Directors of the Parent, 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 (the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent'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 Parent'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 Parent'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 Parent, 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

**CONSOLIDATED BALANCE SHEET**

As at March 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	5	3,483.86	3,249.96	2,698.37
(b) Capital work-in-progress	5	1,061.23	228.38	21.77
(c) Goodwill		146.91	146.91	146.91
(d) Financial Assets				
(i) Investments	6	4,037.43	4,039.90	4,035.75
(ii) Other financial assets	7(i)	1,303.17	946.07	903.60
(e) Deferred tax assets (net)	8	120.83	168.63	-
(f) Current income tax (net)	9	2,735.76	2,970.83	2,615.84
(g) Other non-current asset	10	3,799.73	3,909.22	2,835.56
<b>TOTAL NON-CURRENT ASSETS</b>		<b>16,688.92</b>	<b>15,659.90</b>	<b>13,257.80</b>
<b>(2) Current assets</b>				
(a) Inventories	11	9,830.97	11,930.98	3,024.55
(b) Financial assets				
(i) Investments	12	15,720.65	17,735.71	16,169.37
(ii) Trade receivables	13	9,951.19	8,131.82	6,699.82
(iii) Cash and cash equivalents	14	1,592.03	1,695.53	1,096.07
(iv) Other balances with banks	15	0.58	33.38	0.54
(v) Other financial assets	7(ii)	83.83	468.45	76.55
(c) Other current assets	16	9,646.65	5,290.21	4,548.12
<b>TOTAL CURRENT ASSETS</b>		<b>46,825.90</b>	<b>45,286.08</b>	<b>31,615.02</b>
<b>TOTAL ASSETS</b>		<b>63,514.82</b>	<b>60,945.98</b>	<b>44,872.82</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	17	1,518.61	1,518.61	1,304.21
(b) Other equity	18	49,159.21	51,986.74	39,102.79
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>50,677.82</b>	<b>53,505.35</b>	<b>40,407.00</b>
Non-controlling interests		(310.62)	(152.01)	(138.69)
<b>TOTAL EQUITY</b>		<b>50,367.20</b>	<b>53,353.34</b>	<b>40,268.31</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	50.00	50.00	-
(b) Provisions	20	-	3.70	2.61
(c) Deferred tax liabilities (net)	8	-	-	292.00
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>50.00</b>	<b>53.70</b>	<b>294.61</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	21	7,297.14	5,769.35	3,716.88
(ii) Other financial liabilities	22	982.94	13.05	5.68
(b) Other current liabilities	23	3,602.07	1,293.44	266.36
(c) Current Tax Liabilities (net)	24	1,215.47	463.10	320.98
<b>TOTAL CURRENT LIABILITIES</b>		<b>13,097.62</b>	<b>7,538.94</b>	<b>4,309.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>63,514.82</b>	<b>60,945.98</b>	<b>44,872.82</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 23, 2017

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

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

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

**Simmi Singh Bisht**  
(Company Secretary)

Place : Mumbai  
Date : May 23, 2017

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

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

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

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

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
(I) Revenue from operations	25	42,117.49	29,275.52
(II) Other Income	26	1,776.87	1,326.28
<b>(III) TOTAL INCOME (I+II)</b>		<b>43,894.36</b>	<b>30,601.80</b>
<b>(IV) Expenses</b>			
(a) Cost of Production / Acquisition and Telecast Fees	27	34,855.75	31,607.11
(b) Changes in inventories of stock-in-trade	27	2,100.01	(8,906.44)
(c) Employee benefits expense	28	2,834.32	2,013.63
(d) Finance Costs	29	3.62	0.91
(e) Depreciation and amortization expense	30	1,254.02	940.70
(f) Other expenses	31	4,134.44	4,040.55
<b>(V) TOTAL EXPENSES</b>		<b>45,182.16</b>	<b>29,696.46</b>
<b>ADD: SHARE OF PROFIT OF ASSOCIATES</b>		<b>0.62</b>	<b>3.09</b>
<b>(VI) (Loss) / Profit before tax</b>		<b>(1,287.18)</b>	<b>908.43</b>
<b>(VII) Tax expense</b>			
(a) Current tax (provision for taxation)		1,677.63	1,701.06
(b) Deferred tax		47.80	(460.62)
(c) (Excess)/Short Provision for Tax in respect of earlier years		(39.09)	27.00
<b>TOTAL TAX EXPENSE</b>		<b>1,686.34</b>	<b>1,267.44</b>
<b>(VIII) (Loss) for the year (VI-VII)</b>		<b>(2,973.52)</b>	<b>(359.01)</b>
<b>(IX) Other comprehensive income</b>			
A (i) Items that will not be reclassified to statement of profit or loss			
(a) Re-measurements of the defined benefit liabilities / (asset) (net of tax)		(14.65)	(1.02)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.35	2.06
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(10.30)</b>	<b>1.04</b>
<b>(X) (Loss) before minority interest</b>		<b>(2,983.82)</b>	<b>(357.97)</b>
<b>(XI) Add: Minority share in Loss</b>		<b>158.61</b>	<b>14.78</b>
<b>(XII) Total comprehensive income for the year</b>		<b>(2,825.21)</b>	<b>(343.19)</b>
<b>(XIII) Earnings per equity share (of ₹ 10/- each)</b>		<b>(3.71)</b>	<b>(0.45)</b>
Basic and diluted earnings per share			

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**

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

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

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

**Ketan Vora**  
 (Partner)

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

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

**Simmi Singh Bisht**  
 (Company Secretary)

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

Place : Mumbai  
 Date : May 23, 2017

Place : Mumbai  
 Date : May 23, 2017

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) / Profit before tax	(1,287.80)	905.34
<b>Adjustments for:</b>		
Depreciation	1,254.02	940.70
Finance cost	0.08	0.06
Bad debts written off	-	53.78
Advances written back	(55.00)	0.17
Provision for doubtful debts (net)	119.89	8.49
Loss on discard of fixed assets(net)	-	3.13
Dividend / Profit on sale of current investments (non-trade) (net)	(1,672.94)	(2,068.76)
Excess provision for gratuity written back	-	(0.30)
Provision for earlier years written back (net)	(24.37)	(286.03)
Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)	10.30	(3.63)
Amortisation of prepaid rent element of rental security deposit	78.28	77.17
Recognition of notional interest income on rental security deposit	(70.86)	(84.18)
Loss on fair valuation of current investments (net of tax)	205.30	980.98
Sundry Credit balance written back	(172.27)	(32.55)
Interest income on Fixed Deposits	(10.89)	(4.12)
Interest income on Income-tax Refund	(129.56)	(5.80)
<b>Operating Profit before working capital changes</b>	<b>(468.02)</b>	<b>(420.89)</b>
<b>Adjustments for:</b>		
(Increase) in trade and other receivable	(5,868.67)	(3,744.75)
Decrease / (Increase) in inventories	2,100.01	(8,906.43)
Increase in trade payables and other payables	4,673.97	3,332.29
<b>Cash from operations</b>	<b>905.31</b>	<b>(9,318.89)</b>
Income-tax paid	(425.00)	(1,846.73)
<b>Net Cash Flow (Used In) Operating Activities (A)</b>	<b>(1,275.51)</b>	<b>(10,681.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,343.51)	(1,702.03)
Purchase of current investments	(10,720.92)	(13,100.00)
Sale of current investments	14,203.62	12,621.47
Bank Balance not considered as cash and cash equivalents (Refer Note 14)	41.60	(40.24)
Interest income	-	1.11
<b>Net Cash From / (Used In) Investing Activities (B)</b>	<b>1,180.80</b>	<b>(2,219.68)</b>

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	-	15,010.50
Issue of Preference Share Capital	-	50.00
Dividend paid (net of movement of unpaid dividend account)	-	(1,382.08)
Corporate dividend tax paid	-	(185.49)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>-</b>	<b>13,492.93</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(94.71)</b>	<b>592.07</b>
Cash and cash equivalents at the beginning of the year	1,682.48	1,090.41
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,587.77</b>	<b>1,682.48</b>

See accompanying notes forming part of financial statements

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

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(ii) Cash and cash equivalents at the end of the year as per cashflow statement	1,587.77	1,682.48
- Unpaid dividend accounts	4.26	13.05
- 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>1,592.03</b>	<b>1,695.53</b>

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

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

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

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

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

**Ketan Vora**  
(Partner)

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

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

**Simmi Singh Bisht**  
(Company Secretary)

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

Place : Mumbai  
Date : May 23, 2017

Place : Mumbai  
Date : May 23, 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended March 31, 2017

**A. EQUITY SHARE CAPITAL**

Particulars	(₹ in Lacs)
<b>As at April 1, 2015</b>	<b>1,304.21</b>
Changes in equity share capital during the year	214.40
<b>As at March 31, 2016</b>	<b>1,518.61</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2017</b>	<b>1,518.61</b>

**B. OTHER EQUITY**

Particulars	Reserves and surplus		
	General Reserve	Securities Premium Reserve	Retained earnings
<b>As at April 1, 2015</b>	<b>5,133.11</b>	<b>14,785.61</b>	<b>19,044.89</b>
Add : Profit for the period	-	-	(359.01)
Add: On issue of equity shares	-	14,793.60	-
Less : Interim Dividend @ ₹ 1.20 per Equity share	-	-	(1,382.08)
Less : Tax on dividend	-	-	(185.49)
Less : Other comprehensive income for the year	-	-	1.04
<b>As at March 31, 2016</b>	<b>5,133.11</b>	<b>29,579.21</b>	<b>17,119.35</b>
Profit for the period	-	-	(2,973.52)
Other comprehensive income for the year	-	-	(10.30)
<b>As at March 31, 2017</b>	<b>5,133.11</b>	<b>29,579.21</b>	<b>14,135.53</b>

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 23, 2017

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

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

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

**Simmi Singh Bisht**  
(Company Secretary)

Place : Mumbai  
Date : May 23, 2017

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

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

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

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

## NOTES

forming part of the consolidated financial statements

### 1. GENERAL 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.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

**a)** These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from 1st April, 2016.

The consolidated financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31, 2016, the Company prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS consolidated financial statements.

**b)** The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 23, 2017.

#### **c) Use of estimates and judgments**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the

period in which the estimate is revised and future periods affected.

#### **d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions**

##### **Overall principle**

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

##### **De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

##### **Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control –**

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

##### **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date. The Company does not have any debt instruments as of the transition date.

##### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that

## NOTES

forming part of the consolidated financial statements

financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

### Deemed cost for property, plant and equipment and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2015 (transition date) as deemed cost. Consequently, cost in respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Equity investments at FVTOCI

The Company has designated certain investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### Investments in subsidiaries, joint ventures and associates

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

## 3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled

by the Company and its subsidiaries. Control is achieved when the Company:

- ▶ has power over the investee;
- ▶ is exposed, or has rights, to variable returns from its involvement with the investee; and
- ▶ has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- ▶ the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ▶ potential voting rights held by the Company, other vote holders or other parties;
- ▶ rights arising from other contractual arrangements; and
- ▶ any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

## NOTES

forming part of the consolidated financial statements

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### a) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

## NOTES

forming part of the consolidated financial statements

### b) Depreciation and amortisation

Depreciation on Property, Plant and Equipment 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

### c) Impairment of tangible

At the end of each reporting period, the Company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

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

### d) Inventories

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

Television	: At average cost
Serials	
Films / Events	: Actual Cost
Unamortised cost of films	: The cost of film is amortised in the ratio of current revenue to expected total revenue. At the end of each accounting period, balance unamortised cost is compared with net expected revenue. If net expected revenue is less than unamortised cost, the same is written down to net expected revenue.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale

### e) Financial Instruments

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either

## NOTES

forming part of the consolidated financial statements

amortised cost or fair value depending on their respective classification.

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

### Investments in equity instruments at FVTOCI

On initial recognition, the Company has made an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserves. The cumulative gain or loss is

not reclassified to the statement of profit and loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as at FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

### Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

### Investments in subsidiaries, associates and joint ventures

The Company accounts for its investments in subsidiaries, associates and joint venture at cost.

## NOTES

forming part of the consolidated financial statements

### f) Revenue recognition

- a) In respect of commission programmes, revenue is recognized 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 / distributed, 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 recognized when no significant uncertainty as to its determination or realization exists.

#### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

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

### g) Leases

The company as lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent

rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### h) Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### i) Employee Benefits

#### 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.

#### Defined Benefit Plans

The trustees of Balaji Telefilms Limited, Balaji Motion Pictures Limited and ALT Digital Media Entertainment 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.

### j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of

## NOTES

forming part of the consolidated financial statements

temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

### k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the

present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### l) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

## 5 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Carrying Amount of:</b>			
Buildings - Freehold	375.77	383.67	391.59
Plant and machinery - Computers	9.28	6.03	6.22
Plant and machinery - Others	604.19	701.94	730.42
Computers	84.04	30.48	16.70
Studios and sets	1,573.56	1,470.69	948.76
Vehicles	617.19	479.07	386.24
Furniture and fixtures	51.66	60.21	57.96
Office equipments	82.61	75.08	105.03
Electrical fittings	28.09	37.46	44.00
Lease Hold Improvements	47.16	5.33	11.45
Computer Softwares	10.30	-	-
<b>TOTAL</b>	<b>3,483.86</b>	<b>3,249.96</b>	<b>2,698.37</b>
Capital work-in-progress	1,061.23	228.38	21.77
<b>TOTAL</b>	<b>1,061.23</b>	<b>228.38</b>	<b>21.77</b>

**NOTES**

forming part of the consolidated financial statements

Description of Assets	(₹ in Lacs)										Total	
	Buildings - Freehold	Plant and machinery - Computers	Plant and machinery - Others	Computers	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements		Computer Softwares
<b>I. Cost or deemed cost</b>												
Balance as at April 1, 2015	472.57	654.41	2,450.80	424.22	5,903.79	967.81	313.36	428.73	91.68	454.70	-	12,162.07
Additions	-	4.61	108.76	27.86	1,089.37	218.00	23.65	12.66	3.81	6.87	-	1,495.59
Disposals	-	-	(5.23)	-	-	-	-	-	-	-	-	(5.23)
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>472.57</b>	<b>659.02</b>	<b>2,554.33</b>	<b>452.08</b>	<b>6,993.16</b>	<b>1,185.81</b>	<b>337.01</b>	<b>441.39</b>	<b>95.49</b>	<b>461.57</b>	-	<b>13,652.43</b>
Additions	-	7.26	6.48	80.43	1,068.64	246.07	5.06	34.36	-	50.50	11.89	1,510.67
Disposals	-	-	-	-	(2,183.60)	(18.47)	-	-	-	-	-	(2,202.06)
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>472.57</b>	<b>666.28</b>	<b>2,560.81</b>	<b>532.50</b>	<b>5,878.20</b>	<b>1,413.41</b>	<b>342.07</b>	<b>475.74</b>	<b>95.49</b>	<b>512.07</b>	<b>11.89</b>	<b>12,961.03</b>
												(₹ in Lacs)
Description of Assets	Buildings - Freehold	Plant and machinery - Computers	Plant and machinery - Others	Computers	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Computer Softwares	Total
<b>II. Accumulated depreciation and impairment</b>												
Balance as at April 1, 2015	(80.98)	(648.19)	(1,720.39)	(407.52)	(4,955.03)	(581.57)	(255.40)	(323.70)	(47.68)	(443.26)	-	(9,463.72)
Depreciation expense	(7.92)	(4.80)	(133.92)	(14.08)	(567.44)	(125.17)	(21.40)	(42.61)	(10.35)	(12.99)	-	(940.68)
Eliminated on disposal of assets	-	-	1.92	-	-	-	-	-	-	-	-	1.92
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>(88.90)</b>	<b>(652.99)</b>	<b>(1,852.39)</b>	<b>(421.60)</b>	<b>(5,522.47)</b>	<b>(706.74)</b>	<b>(276.80)</b>	<b>(366.31)</b>	<b>(58.03)</b>	<b>(456.23)</b>	-	<b>(10,402.47)</b>
Depreciation expense	(7.90)	(4.00)	(104.22)	(26.86)	(943.01)	(107.95)	(13.61)	(26.82)	(9.37)	(8.67)	(1.59)	(1,254.02)
Eliminated on disposal of assets	-	-	-	-	2,160.84	18.47	-	-	-	-	-	2,179.31
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>(96.80)</b>	<b>(656.99)</b>	<b>(1,956.61)</b>	<b>(448.46)</b>	<b>(4,304.64)</b>	<b>(796.22)</b>	<b>(290.41)</b>	<b>(393.13)</b>	<b>(67.40)</b>	<b>(464.90)</b>	<b>(1.59)</b>	<b>(9,477.17)</b>
												(₹ in Lacs)
Description of Assets	Buildings - Freehold	Plant and machinery - Computers	Plant and machinery - Others	Computers	Studios and sets	Vehicles	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Computer Softwares	Total
<b>III. Carrying Amount</b>												
Balance as at April 1, 2015	391.59	6.22	730.42	16.70	948.76	386.24	57.96	105.03	44.00	11.45	-	2,698.37
Additions	-	4.61	108.76	27.86	1,089.37	218.00	23.65	12.66	3.81	6.87	-	1,495.59
Disposals	-	-	(5.23)	-	-	-	-	-	-	-	-	(5.23)
Depreciation expense	(7.92)	(4.80)	(132.00)	(14.08)	(567.44)	(125.17)	(21.40)	(42.61)	(10.35)	(12.99)	-	(938.76)
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>383.67</b>	<b>6.03</b>	<b>701.95</b>	<b>30.48</b>	<b>1,470.69</b>	<b>479.07</b>	<b>60.21</b>	<b>75.08</b>	<b>37.46</b>	<b>5.33</b>	-	<b>3,249.96</b>
Additions	-	7.26	6.48	80.43	1,068.64	246.07	5.06	34.36	-	50.50	11.89	1,510.67
Disposals	-	-	-	-	(2,183.61)	(18.47)	-	-	-	-	-	(2,202.06)
Depreciation expense	(7.90)	(4.00)	(104.22)	(26.86)	1,217.83	(89.48)	(13.61)	(26.82)	(9.37)	(8.67)	(1.59)	925.29
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>375.77</b>	<b>9.28</b>	<b>604.19</b>	<b>84.04</b>	<b>1,573.56</b>	<b>617.19</b>	<b>51.66</b>	<b>82.61</b>	<b>28.09</b>	<b>47.16</b>	<b>10.30</b>	<b>3,483.86</b>

**Notes**

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

## NOTES

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### 6 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(1) Investment in optionally convertible debentures (OCDs) (unquoted) (Fair value through Profit & Loss)			
(i) Aristo Learning Private Limited			
Series A 3,000 (Previous year 3,000) Debentures of ₹ 100 each	3.00	3.00	3.00
Series B 62,810 (Previous year 62,810) Debentures of ₹ 100 each	62.81	62.81	62.81
	65.81	65.81	65.81
Less : Provision for diminution in value of investments	(65.81)	(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	1.00
Series B 399,000 (Previous year 399,000) Debentures of ₹ 100 each	399.00	399.00	399.00
	400.00	400.00	400.00
Less : Provision for diminution in value of investments	(400.00)	(400.00)	(400.00)
(2) Investment in Associate (at cost)			
(i) IPB Capital Advisors LLP	0.50	0.50	0.50
Add: Share in loss of associates	0.62	1.12	3.59
		3.09	(1.06)
(3) Investment in Indus Balaji Investor Trust (at fair value)			
(i) 3,200,000 (Previous year 3,200,000) Class A units of ₹ 100 each	4,030.93	4,030.93	4,030.93
(ii) 5,000 (Previous year 5,000) Class B units of ₹ 100 each	5.00	5.00	5.00
	4,035.93	4,035.93	4,035.93
(4) Investment in Limited Liability Partnership (at cost)			
(i) Indus Balaji Education Capital Advisors LLP	0.38	0.38	0.38
<b>Aggregate carrying value of unquoted investments</b>	<b>4,037.43</b>	<b>4,039.90</b>	<b>4,035.75</b>

**NOTES**

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**7 OTHER FINANCIAL ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>i) Non-current financial assets</b>			
(a) Security Deposits			
Considered good (Refer note below)	979.54	909.18	862.05
Considered doubtful	50.92	50.92	50.92
	<b>1,030.46</b>	<b>960.10</b>	<b>912.97</b>
Less: Provision	50.92	50.92	50.92
	979.54	909.18	862.05
(b) Fixed deposits with banks under lien	308.21	28.56	35.68
(c) Interest accrued on fixed deposits with banks under lien	15.42	8.33	5.87
<b>TOTAL</b>	<b>1,303.17</b>	<b>946.07</b>	<b>903.60</b>
<b>ii) Current financial assets</b>			
(a) Loans and advances to employees	-	3.53	41.50
(b) Contractually recoverable expenses	-	237.47	-
(c) Security Deposits	23.50	33.50	35.05
(d) Recoverable from co-producer	59.82	193.40	-
(e) Interest accrued on fixed deposits with banks	0.51	0.55	-
<b>TOTAL</b>	<b>83.83</b>	<b>- 468.45</b>	<b>76.55</b>

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

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount outstanding as at the year-end	840.00	840.00	840.00
Maximum amount outstanding at any time during the year for the above deposits.	840.00	840.00	840.00

**8 DEFERRED TAX BALANCES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	842.17	690.47	-
Deferred tax liabilities	721.34	521.84	292.00
<b>TOTAL</b>	<b>120.83</b>	<b>168.63</b>	<b>(292.00)</b>

**8.1 Movement in deferred tax balances**

(₹ in Lacs)

Particulars	For Year Ended March 31, 2017		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>			
Other Temporary Differences (Ind AS adjustment)	521.84	199.50	721.34
	<b>521.84</b>	<b>199.50</b>	<b>721.34</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Property, Plant and Equipment	451.15	151.70	602.85
Provisions	239.32	-	239.32
	<b>690.47</b>	<b>151.70</b>	<b>842.17</b>
<b>NET TAX ASSET (LIABILITIES)</b>	<b>168.63</b>	<b>(47.80)</b>	<b>120.83</b>

## NOTES

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Particulars	(₹ in Lacs)		
	For Year Ended March 31, 2016		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
<b>Tax effect of items constituting deferred tax liabilities</b>			
Other Temporary Differences (Ind AS adjustment)	861.35	(339.50)	521.84
	<b>861.35</b>	<b>(339.50)</b>	<b>521.84</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Property, Plant and Equipment	348.63	102.52	451.15
Provisions	220.72	18.60	239.32
	<b>569.35</b>	<b>121.12</b>	<b>690.47</b>
<b>NET TAX ASSET (LIABILITIES)</b>	<b>(292.00)</b>	<b>460.62</b>	<b>168.63</b>

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

Particulars	(₹ in Lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
(Loss) / Profit before tax	(1,287.18)	908.43
Income Tax (credit) / provision calculated at 34.608%	(445.47)	314.39
Effect of income that is allowed for taxation	(472.91)	(940.15)
Effect of expense that are not deductible in determining taxable profit	498.08	923.85
Tax on short term capital gain	78.53	2.03
Tax on deductions under chapter VI-A	(2.64)	(1.73)
Tax impact on losses of Subsidiaries	2,022.04	1,402.67
Deferred Tax for the year	47.80	(460.62)
Others	(39.09)	27.00
<b>TOTAL</b>	<b>1,686.34</b>	<b>1,267.44</b>
Income Tax expense recognised in profit & loss	1,686.34	1,267.44

## 9 CURRENT TAX ASSETS

Particulars	(₹ in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance payment of income-tax	2,735.76	2,970.83	2,615.84
<b>TOTAL</b>	<b>2,735.76</b>	<b>2,970.83</b>	<b>2,615.84</b>

## 10 OTHER NON-CURRENT ASSETS

Particulars	(₹ in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to vendors	3,799.73	3,909.22	2,835.56
<b>TOTAL</b>	<b>3,799.73</b>	<b>3,909.22</b>	<b>2,835.56</b>

## NOTES

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### 11 INVENTORIES

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at 31 March 31, 2017	As at March 31, 2016	As at April 1, 2015
Television serials	2,703.45	1,354.49	518.54
Films	6,502.00	10,516.07	2,238.50
Web Series	625.52	-	-
Events	-	60.42	267.51
<b>TOTAL</b>	<b>9,830.97</b>	<b>11,930.98</b>	<b>3,024.55</b>

Note : The mode of valuation of inventories has been stated in note 4(d)

### 12 CURRENT INVESTMENTS (UNQUOTED)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in mutual funds (Non trade) (carried at fair value through profit and loss)	15,720.65	17,735.71	16,169.37
<b>TOTAL</b>	<b>15,720.65</b>	<b>17,735.71</b>	<b>16,169.37</b>

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	₹ in Lacs	Quantity	₹ in Lacs	Quantity	₹ in Lacs
<b>IN UNITS OF MUTUAL FUNDS</b>						
Reliance Regular Savings Fund - Debt Plan-Growth Plan	2,960,565.86	695.50	5,320,960.78	1,098.83	6,540,746.68	1,266.41
HDFC Short Term Plan - Regular Plan - Growth	1,657,247.97	536.78	-	-	-	-
Birla Sun Life Short Term Fund - Growth - Regular Plan	862,729.40	537.24	-	-	-	-
AXIS Short Term Fund - Growth	3,003,941.17	534.11	-	-	-	-
ICICI Prudential Banking & PSU Debt Fund - Growth	2,886,052.86	541.39	-	-	-	-
Birla Sun Life Savings Fund - Growth	79,242.09	252.51	-	-	-	-
ICICI Prudential Savings Fund - Growth	103,463.59	253.02	-	-	-	-
ICICI Prudential Flexible Income Plan - Growth	145,848.46	454.08	-	-	-	-
Axis Treasury Advantage Fund - Growth	11,068.64	201.01	-	-	-	-
Templeton India Short term Income Retail Plan Growth	-	-	4,198.63	127.95	34,180.18	982.29
HDFC FMP 371D July 2013-Series 26- Regular-Growth	-	-	4,000,000.00	507.03	4,000,000.00	467.53
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	456,600.00	63.31	930,273.29	177.60	1,445,000.00	174.57
ICICI Prudential Fmp Series 68-369 Days Plan I Regular Plan Cumulative	-	-	4,000,000.00	510.16	4,000,000.00	471.23
IDFC Dynamic Bond Fund Growth -Regular Plan	-	-	1,401,217.66	249.83	2,806,807.69	476.07
IDFC Dynamic Bond Fund	-	-	1,405,590.03	250.61	-	-
Kotak Liquid Scheme Plan A	-	-	26,465.94	812.30	-	-

## NOTES

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Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	₹ in Lacs	Quantity	₹ in Lacs	Quantity	₹ in Lacs
ICICI Liquid Plan - Growth	-	-	348,986.18	781.22	-	-
IDFC Super Saver Income Fund-Investment Plan- Growth	-	-	231,296.33	82.92	-	-
Kotak Gilt (Investment Regular)- Growth	-	-	-	-	765,716.33	366.19
Kotak Floater Long Term-Growth	-	-	-	-	5,127,994.75	1,142.01
SBI Magnum Income Fund-Regular Plan- Growth	-	-	-	-	1,731,667.70	585.90
SBI Magnum Income Fund -FR Savings Plus Bond- Regular Plan-Growth	-	-	-	-	2,607,915.55	500.00
Templeton India Ultra Short Bond -Super Institutional	-	-	-	-	10,174,261.14	1,028.70
UTI Short Term Income Fund Institutional - Growth Option	2,694,691.46	537.28	-	-	6,850,451.70	1,152.50
UTI Floating Rate Fund-STP-Regular Plan	-	-	-	-	31,117.03	701.40
UTI-BOND Fund-Growth	-	-	-	-	834,680.86	358.03
Birla Sunlife Floating Rate Fund	-	-	-	-	408,288.81	687.21
Birla Sunlife Income Plus	-	-	-	-	1,433,761.59	904.71
Birla Sunlife-Short Term Opportunities Fund	1,970,963.76	534.78	-	-	2,520,351.84	576.49
HDFC Income Fund- Growth	-	-	-	-	465,483.31	149.14
HDFC High Interest Fund -Dynamic Plan-Growth	-	-	-	-	2,212,477.05	1,066.80
ICICI Prudential Gilt Fund Investment Plan PF Option	-	-	-	-	1,131,827.93	311.55
ICICI Prudential Gilt Fund Treasury -Regular Plan- Growth	-	-	-	-	1,723,311.93	332.87
ICICI Prudential Income-Regular Plan- Growth	-	-	-	-	769,546.48	337.77
ICICI Prudential Ultra Short Term -Regular Plan-Daily Dividend	-	-	-	-	4,225,750.18	430.28
ICICI Prudential Regular Savings Fund-Regular Plan-Growth	-	-	-	-	1,601,281.03	234.85
ICICI Prudential Flexible Income - Regular Plan -DDRI	-	-	-	-	692,911.22	732.66
ICICI Prudential Flexible Income Plan Daily Dividend	-	-	-	-	617,768.25	653.20
IDFC Super Saver Income Fund-Investment Plan- Growth	-	-	-	-	231,296.33	79.04
Birla Sun Life Cash Plus - Reg - Growth	-	-	618,897.24	1,502.52	-	-
UTI Liquid Cash Plan - Institutional - Growth	-	-	31,889.12	789.78	-	-
HDFC Liquid Fund - Growth	-	-	36,914.70	1,101.74	-	-
Reliance Liquid Fund - Treasury Plan - Growth	-	-	29,895.12	1,104.63	-	-
ICICI Prudential Liquid Plan - Growth	-	-	492,176.63	1,101.76	-	-
UTI Liquid Cash Plan - Institutional - Growth	-	-	12,604.99	312.18	-	-

**NOTES**

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Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	₹ in Lacs	Quantity	₹ in Lacs	Quantity	₹ in Lacs
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	16,232.77	385.70	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	12,131.79	288.26	-	-
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	18,028.31	428.37	-	-
Reliance Banking & PSU Debt Fund - Growth	13,943,630.55	1,643.61	13,943,630.55	1,504.29	-	-
ICICI Prudential Flexible Income - Growth	526,252.82	1,638.43	526,252.82	1,506.25	-	-
Kotak Floater - Short Term Plan - Growth	-	-	11,499.69	285.47	-	-
Kotak Floater - Short Term Plan - Growth	-	-	11,486.35	285.13	-	-
Kotak Floater - Short Term Plan - Growth	-	-	19,061.48	473.18	-	-
Kotak Floater - Short Term Plan - Growth	-	-	18,548.34	460.44	-	-
Birla Sun Life Savings - Growth	-	-	157,758.82	462.02	-	-
Birla Sun Life Savings - Growth	356,253.15	1,135.21	356,253.15	1,043.33	-	-
Birla Sun Life Short Term Fund - Growth	2,638,117.66	1,642.80	-	-	-	-
HDFC Short Term Opportunities Fund - Growth	6,658,985.10	1,197.82	-	-	-	-
ICICI Prudential Short Term - Regular Plan - Growth	3,550,741.07	1,211.59	-	-	-	-
UTI Floating Rate STP - Growth	32,243.13	856.07	-	-	-	-
AXIS Short Term Fund - Growth	6,742,469.10	1,198.82	-	-	-	-
Birla Sun Life Cash Plus - Growth	21,221.68	55.29	-	-	-	-
Baroda Pioneer Treasury Advantage Fund - Plan A - 13701007 - Eminence	-	-	6,053.10	102.24	-	-
<b>TOTAL</b>		<b>15,720.65</b>		<b>17,735.72</b>		<b>16,169.40</b>

**13 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(A) Trade receivables			
(a) Unsecured, considered good	9,951.19	8,131.82	6,370.26
(b) Doubtful	303.12	183.24	174.75
	10,254.31	8,315.06	6,545.01
Less: Allowance for doubtful debts	303.12	183.24	174.75
	9,951.19	8,131.82	6,370.26
(B) Other Trade receivables			
(a) Unsecured, considered good	-	-	329.56
<b>TOTAL</b>	<b>9,951.19</b>	<b>8,131.82</b>	<b>6,699.82</b>

## NOTES

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### 13.1 Age of receivables

Particulars	(₹ in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	8,179.95	5,954.65	5,347.45
1-30 days past due	484.21	1,043.50	525.73
31-60 days past due	549.57	488.04	36.59
61-90 days past due	399.05	15.79	56.85
More than 90 days	408.95	629.84	733.18

### 14 CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Cash on hand	38.13	23.16	44.14
(b) Balances with banks-			
In current accounts	1,549.64	1,659.32	1,046.28
(c) Unpaid dividend accounts	4.26	13.05	5.65
<b>TOTAL</b>	<b>1,592.03</b>	<b>1,695.53</b>	<b>1,096.07</b>

### 15 OTHER BALANCES WITH BANKS

Particulars	(₹ in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) In earmarked accounts			
- Fixed deposits kept in lien against bank guarantee	0.58	33.38	0.54
<b>TOTAL</b>	<b>0.58</b>	<b>33.38</b>	<b>0.54</b>

### 16 OTHER CURRENT ASSETS

Particulars	(₹ in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Prepaid expenses	87.00	120.91	382.42
(b) Balances with government authorities (VAT, service tax etc)	1,799.65	1,566.85	789.59
(c) Advance to vendors	6,529.27	2,283.33	2,165.93
(d) Unbilled revenue	1,230.58	1,319.12	1,210.18
(e) Others	0.15	-	-
<b>TOTAL</b>	<b>9,646.65</b>	<b>5,290.21</b>	<b>4,548.12</b>

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**17 SHARE CAPITAL**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Authorised</b>			
1,00,000,000 Equity shares of ₹ 2/- each (As at March 31, 2016 1,00,000,000, As at April 1, 2015 8,500,000)	2,000.00	2,000.00	1,700.00
30,000,000 Preference shares of ₹ 2/- each (Previous year 30,000,000)	600.00	600.00	-
	<b>2,600.00</b>	<b>2,600.00</b>	<b>1,700.00</b>
<b>(b) Issued, Subscribed and fully paid-up</b>			
75,930,443 Equity shares of ₹ 2/- each (As at March 31, 2016 75,930,443, As at April 1, 2015 65,210,443)	1,518.61	1,518.61	1,304.21
<b>TOTAL</b>	<b>1,518.61</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:

(₹ in Lacs)

Name of shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	-	-	-	-	16,948,194	25.99
Ekta Kapoor	16,735,116	22.04	15,744,371	20.74	13,572,704	20.81
Shobha Kapoor	10,035,633	13.22	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, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs
Equity shares outstanding at the beginning of the year	75,930,443	1,518.61	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	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.

**18 OTHER EQUITY EXCLUDING NON-CONTROLLING INTERESTS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) General reserve	5,133.10	5,133.10	5,133.11
(b) Securities premium account	29,579.21	29,579.20	14,785.61
(c) Retained earnings	14,135.53	17,119.35	19,044.89
<b>TOTAL</b>	<b>48,847.84</b>	<b>51,831.65</b>	<b>38,963.61</b>

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### 18.1 General Reserve

(₹ in Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	5,133.10	5,133.10
Add: Transferred from retained earnings	-	-
<b>BALANCE AT END OF YEAR</b>	<b>5,133.10</b>	<b>5,133.10</b>

### 18.2 Securities premium account

(₹ in Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	29,579.21	14,785.61
Add: On issue of equity shares	-	14,793.60
<b>BALANCE AT END OF YEAR</b>	<b>29,579.21</b>	<b>29,579.21</b>

### 18.3 Retained earnings

(₹ in Lacs)		
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year	17,119.35	19,044.89
Add: Profit for the year	(2,973.52)	(359.02)
Other comprehensive income for the year (net of tax)	(10.30)	1.04
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>14,135.53</b>	<b>18,686.91</b>
Add: Capital contribution received during the year/period	-	-
Depreciation on account of transitional provisions of Schedule II of the Companies Act, 2013	-	-
Payment of dividends	-	(1,382.08)
Tax on dividend	-	(185.49)
Transferred to General reserve	-	-
<b>BALANCE AT END OF YEAR</b>	<b>14,135.53</b>	<b>17,119.34</b>

## 19 BORROWINGS

(₹ in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1,000,000 Zero Dividend Redeemable Preference Shares of ₹10/- each	50.00	50.00	-
<b>TOTAL</b>	<b>50.00</b>	<b>50.00</b>	<b>-</b>

## 20 PROVISIONS

(₹ in Lacs)			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for gratuity (Refer Note 31.7)	-	3.70	2.61
<b>TOTAL</b>	<b>-</b>	<b>3.70</b>	<b>2.61</b>

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**21 TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	7,297.14	5,769.35	3,716.88
<b>TOTAL</b>	<b>7,297.14</b>	<b>5,769.35</b>	<b>3,716.88</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**22 OTHER FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unpaid dividends (Refer Note below)	4.17	12.96	5.65
Interest accrued and due on:			
- Capital contribution from partners	0.30	0.09	0.03
Temporarily overdrawn book balances	978.47	-	-
<b>TOTAL</b>	<b>982.94</b>	<b>13.05</b>	<b>5.68</b>

**Note**

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

**23 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other payables			
(i) Statutory liabilities	364.12	286.95	61.90
(ii) Advances from customers	3,237.53	1,006.49	204.46
(iii) Others	0.42	-	-
<b>TOTAL</b>	<b>3,602.07</b>	<b>1,293.44</b>	<b>266.36</b>

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### 24 CURRENT TAX LIABILITIES (net)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Provision for tax	1,215.47	463.10	320.98
<b>TOTAL</b>	<b>1,215.47</b>	<b>463.10</b>	<b>320.98</b>

### 25 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Sale of services		
Commissioned Sales	27,989.39	24,966.54
Internet Sales	191.37	8.77
Sale of Film rights	12,633.02	2,248.99
Organising/Managing events	818.28	1,055.22
(b) Other Operating Income		
Excess Provision of earlier years written back	23.17	237.88
Sale of movie rights / concepts	103.52	68.17
Facilities / equipment hire Income	110.64	102.43
Recovery of Uplinking charges	-	402.99
Service income	20.83	114.38
Advances written back	55.00	-
Sundry Credit balances written back	172.27	32.55
Reimbursement of Expenses	-	37.60
<b>TOTAL</b>	<b>42,117.49</b>	<b>29,275.52</b>

### 26 OTHER INCOME

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
(a) Interest income		
On fixed deposits with banks	10.89	4.12
On Income-tax Refund	129.56	5.80
(b) Notional Interest	70.86	84.18
(c) Profit on sale of current investments (non-trade) (net)	1,467.64	1,054.05
(d) Dividend on current investments	-	33.73
(e) Insurance claim received	96.73	95.56
(f) Excess Provision of earlier years written back	1.19	48.15
(g) Excess Provision for Gratuity written back (net)	-	0.30
(h) Foreign Exchange Gain/(Loss) (net)	-	0.39
<b>TOTAL</b>	<b>1,776.87</b>	<b>1,326.28</b>

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**27 COST OF PRODUCTION OF TELEVISION SERIALS**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Opening stock of television serials	11,930.98	3,024.54
<b>Add: Cost of production</b>		
Acquisition Cost	983.48	387.97
Purchase of costumes and dresses	420.72	591.68
Purchase of tapes	12.20	60.82
Artists, Directors and other technicians	16,248.69	14,470.59
Shooting and location expenses	8,549.24	7,380.27
Telecasting fees / purchase of rights	33.98	5.00
Uplinking charges	146.66	39.06
Insurance expense	12.18	1,345.74
Line production cost	1,040.67	7,179.33
Marketing and Distribution Expenses	3,383.14	957.31
Set properties and equipment hire charges	2,153.64	850.76
Other production expenses	3,164.66	708.34
	<b>36,149.26</b>	<b>33,976.87</b>
Less: Reimbursement of expenses	1,293.52	2,369.76
	<b>34,855.75</b>	<b>31,607.11</b>
Less: Closing stock of television serials	9,830.97	11,930.98
<b>TOTAL</b>	<b>36,955.76</b>	<b>22,700.68</b>

**28 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Salaries and wages	2,649.63	1,866.20
Contributions to Provident and Other Funds	125.13	84.46
Gratuity	11.69	7.94
Staff welfare expenses	47.87	55.03
<b>TOTAL</b>	<b>2,834.32</b>	<b>2,013.63</b>

**29 FINANCE COST**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Interest on delayed payment of taxes etc.	3.54	0.85
Capital contribution from partners	0.08	0.06
<b>TOTAL</b>	<b>3.62</b>	<b>0.91</b>

**30 DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	1,254.02	940.70
<b>TOTAL</b>	<b>1,254.02</b>	<b>940.70</b>

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### 31 OTHER EXPENSES

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Power and fuel	90.81	97.18
Rent including lease rentals	317.95	243.20
Repairs and maintenance - Machinery	8.95	13.68
Repairs and maintenance - Others	84.32	84.38
Insurance	62.05	83.64
Rates and taxes	357.82	376.75
Communication expenses	38.70	34.11
Legal and professional charges	1,764.84	2,274.75
Security and housekeeping expenses	19.77	30.67
Business promotion expenses	55.71	56.58
Travelling and conveyance Expenses	101.90	131.88
Pre-incorporation expenses	-	9.24
Provision for doubtful debts and advances	119.89	8.49
Donations and contributions	44.00	11.82
Expenditure on Corporate social responsibility activities	61.50	31.24
Advances written off	-	0.17
Software expenses	51.09	25.63
Directors sitting fees	64.50	76.60
Commission to Directors	-	83.02
Marketing Expenses	260.24	12.89
Licensee Fees	262.09	57.99
Loss of fixed assets written off	-	3.13
Interest on TDS & Service Tax	89.24	-
Bad debts written off	-	53.78
Foreign Exchange Loss (net)	33.32	0.14
Miscellaneous expenses *	245.75	239.58
<b>TOTAL</b>	<b>4,134.44</b>	<b>4,040.54</b>

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

#### 31.1 Payments to auditors

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
For Statutory Audit	35.00	35.00
For Other services-certification etc.	33.50	44.05
Reimbursement of expenses	0.22	0.06
For service tax	8.88	11.47
<b>TOTAL</b>	<b>77.61</b>	<b>90.58</b>

**31.2** Amounts contributed for corporate social responsibility

61.50

31.24

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**32 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>32.1 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 to ₹ 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. The Company has received favourable orders from the Deputy Commissioner of Sales Tax (Appeals) pertaining to all the five financial years, i.e. 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05, setting aside the demand amount contained in appeals of ₹ 17,708.81 Lacs. Total Dues paid as per Appeal orders amounts to ₹ 22.14 Lacs (including interest of ₹ 10.79 Lacs). Further, the Company has also been assessed for the financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-2010, 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.	-	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	2,943.00	9,245.00
<b>32.2 Commitments (to the extent not provided for)</b>			
<b>Commitments :</b>			
Future commitments towards capital contribution in Indus Balaji Investor Trust	-	800.00	800.00

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**32.3** 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. During the year ended March 31, 2017, the Company has filed appeals with the Income-tax Appellate Tribunal (ITAT), against the Orders passed by the Commissioner of Income-tax (Appeals) confirming the penalty imposed by the assessing officer.

**32.4** 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.

**32.5** Details of subsidiaries 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%

### 32.6 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	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

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**(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	Total
<b>Directors sitting fees</b>							
Mr. Jeetendra Kapoor	7.50	-	-	-	-	-	7.50
	(9.75)	(-)	(-)	(-)	(-)	(-)	(9.75)
Mr. Tusshar Kapoor	7.50	-	-	-	-	-	7.50
	(7.25)	(-)	(-)	(-)	(-)	(-)	(7.25)
<b>Directors commission</b>							
Mr. Jeetendra Kapoor	-	-	-	-	-	-	-
	(9.22)	(-)	(-)	(-)	(-)	(-)	(9.22)
Mrs. Shobha Kapoor	-	-	-	-	-	-	-
	(28.83)	(-)	(-)	(-)	(-)	(-)	(28.83)
Mr. Tusshar Kapoor	-	-	-	-	-	-	-
	(2.31)	(-)	(-)	(-)	(-)	(-)	(2.31)
Ms. Ekta Kapoor	-	-	-	-	-	-	-
	(28.83)	(-)	(-)	(-)	(-)	(-)	(28.83)
<b>Rent paid</b>							
Mr. Jeetendra Kapoor	52.41	-	-	-	-	-	52.41
	(49.44)	(-)	(-)	(-)	(-)	(-)	(49.44)
Mrs. Shobha Kapoor	1,474.23	-	-	-	-	-	1,474.23
	(1,327.41)	(-)	(-)	(-)	(-)	(-)	(1,327.41)
Mr. Tusshar Kapoor	13.13	-	-	-	-	-	13.13
	(12.38)	(-)	(-)	(-)	(-)	(-)	(12.38)
Ms. Ekta Kapoor	217.86	-	-	-	-	-	217.86
	(201.98)	(-)	(-)	(-)	(-)	(-)	(201.98)
<b>Remuneration</b>							
Mrs. Shobha Kapoor	200.43	-	-	-	-	-	200.43
	(110.12)	(-)	(-)	(-)	(-)	(-)	(110.12)
Ms. Ekta Kapoor	209.86	-	-	-	-	-	209.86
	(126.64)	(-)	(-)	(-)	(-)	(-)	(126.64)
Mr. Sameer Nair	435.70	-	-	-	-	-	435.70
	(435.70)	(-)	(-)	(-)	(-)	(-)	(435.70)
<b>Artist fees</b>							
Mr. Tusshar Kapoor	-	-	-	-	-	-	-
	(50.00)	(-)	(-)	(-)	(-)	(-)	(50.00)
<b>Dividend paid</b>							
Mrs. Shobha Kapoor	-	-	-	-	-	-	-
	(120.41)	(-)	(-)	(-)	(-)	(-)	(120.41)
Ms. Ekta Kapoor	-	-	-	-	-	-	-
	(188.63)	(-)	(-)	(-)	(-)	(-)	(188.63)
Mr. Jeetendra Kapoor	-	-	-	-	-	-	-
	(39.12)	(-)	(-)	(-)	(-)	(-)	(39.12)
Mr. Tusshar Kapoor	-	-	-	-	-	-	-
	(24.36)	(-)	(-)	(-)	(-)	(-)	(24.36)
Mr. Sameer Nair	-	-	-	-	-	-	-
	(8.31)	(-)	(-)	(-)	(-)	(-)	(8.31)

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### (c) Closing balances as at March 31, 2017

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
Amount receivable as at March 31, 2017							
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)
Mr. Ekta Kapoor *	100.00	-	-	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(-)	(-)	(100.00)
Amount payable as at March 31, 2017							
Mr. Jeetendra Kapoor	-	-	-	-	-	-	0.00
	(9.22)	(-)	(-)	(-)	(-)	(-)	(9.22)
Mrs. Shobha Kapoor	-	-	-	-	-	-	0.00
	(28.83)	(-)	(-)	(-)	(-)	(-)	(28.83)
Mr. Tusshar Kapoor	-	-	-	-	-	-	0.00
	(2.31)	(-)	(-)	(-)	(-)	(-)	(2.31)
Ms. Ekta Kapoor	-	-	-	-	-	-	0.00
	(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

- (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.

### 32.7 EMPLOYEE BENEFITS

#### a) Defined Contribution Plans

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹ 125.13 lacs (previous year ₹ 84.46 lacs).

#### b) Defined Benefit Plans

##### Gratuity

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

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

Particulars	Valuation as at	
	March 31, 2017	March 31, 2016
Discount rate(s)	7.22%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality Rate after employment	N.A.	N.A.

**Defined benefit plans – as per actuarial valuation on March 31, 2017**

Particulars	Funded Plan Gratuity	
	March 31, 2017	March 31, 2016
<b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b>		
Actuarial (Gains)/Losses on Obligation for the period	27.41	(0.96)
Return on Plan Assets, Excluding Interest Income	(11.48)	5.84
Change in asset ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>15.93</b>	<b>4.88</b>
<b>Expenses recognised in the Statement of Profit or Loss for Current period</b>		
Current Service Cost	18.19	12.93
Net interest cost	(3.13)	(4.22)
<b>EXPENSES RECOGNIZED</b>	<b>15.06</b>	<b>8.72</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>		
1. Present value of defined benefit obligation at the end of the period	(87.71)	(45.80)
2. Fair value of plan assets at the end of the period	118.83	84.62
3. Surplus/(Deficit)	31.12	38.82
<b>4. Net (liability)/ Asset recognized in the Balance sheet</b>	<b>31.12</b>	<b>38.82</b>
<b>II. Change in the obligation during the year ended</b>		
1. Present value of defined benefit obligation at the beginning of the year	45.80	32.30
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	18.19	12.93
- Interest Cost	3.68	2.60
3. (Benefit paid from the Fund)	(7.38)	(1.07)
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	-	3.26
5. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	6.51	(5.81)
6. Actuarial (Gains)/ Losses on Obligations- Due to experience	20.91	1.59
<b>PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT THE END OF THE YEAR</b>	<b>87.71</b>	<b>45.80</b>
<b>III. Change in fair value of assets during the year ended March 31</b>		
1. Fair value of plan assets at the beginning of the year	84.62	84.71
2. Interest Income	6.81	6.81
3. Contributions by the employer	23.30	-
4. (Benefit paid from the Fund)	(7.38)	(1.07)
5. Return on Plan Assets, excluding Interest Income	11.48	(5.84)
<b>4. FAIR VALUE OF PLAN ASSETS AT THE END OF THE YEAR</b>	<b>118.83</b>	<b>84.62</b>

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### Expenses Recognized in the Statement of Profit or Loss

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Service cost	18.19	12.93
Net Interest Cost	(3.13)	(4.22)
<b>EXPENSES RECOGNIZED</b>	<b>15.06</b>	<b>8.72</b>

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Projected Benefit Obligation on Current Assumptions	87.71	45.80
Delta Effect of +1% Change in Rate of Discounting	(9.37)	(4.86)
Delta Effect of -1% Change in Rate of Discounting	11.09	5.75
Delta Effect of +1% Change in Rate of Salary Increase	9.61	5.05
Delta Effect of -1% Change in Rate of Salary Increase	(8.23)	(4.31)
Delta Effect of +1% Change in Rate of Employee Turnover	1.18	1.03
Delta Effect of -1% Change in Rate of Employee Turnover	(1.42)	(1.23)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

### Maturity profile of defined benefit obligation:

Projected Benefits Payable in future years from Date of Reporting	For the year ended March 31, 2017	For the year ended March 31, 2016
1st Following year	3.91	2.53
2nd Following year	2.13	1.10
3rd Following year	2.43	1.30
4th Following year	3.34	1.59
5th Following year	4.39	2.13
Sum of Years 6 to 10	40.69	19.81

### Plan Assets

The fair value of Company's pension plan asset as of March 31, 2017 and 2016 by category are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Asset category:		
Deposits with Insurance companies	118.83	84.62
	100%	100%

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

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

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

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

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

**32.8 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 :

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Profit for the year attributable to equity shareholders (₹ in Lacs)	(2,825.22)	(343.19)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	75,930,443	75,930,443
(c) Earnings per share - Basic and diluted (₹)	(3.71)	(0.45)
(d) Nominal value of shares (₹)	2	2

**32.9 Components of Deferred tax Assets / (Liabilities)**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Difference between the books and tax written down values of fixed assets	602.85	451.15
Provision for Dimunition of investment	161.22	161.22
Provision for doubtful debts and advances	78.10	78.10
Ind AS adjustment	(721.34)	(521.84)
<b>DEFERRED TAX ASSET/ (LIABILITY)-NET</b>	<b>120.83</b>	<b>168.63</b>

**32.10 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:

(₹ in Lacs)

Particulars	As at March 31, 2017
Amount due within 1 year	1,881.19
<b>TOTAL</b>	<b>1,881.19</b>

Amount of lease rentals charged to the statement of profit and loss account in respect of operating leases is ₹ 1,837.20 lacs (previous year ₹ 1,667.04 lacs)

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### 32.11 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

(₹ in Lacs)

	Commissioned Programmes		Feature Films		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	28,991.05	26,021.75	12,633.02	2,248.99	41,624.07	28,270.74
Add: Inter Segment sale	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>28,991.05</b>	<b>26,021.75</b>	<b>12,633.02</b>	<b>2,248.99</b>	<b>41,624.07</b>	<b>28,270.74</b>
Segment result	3,959.18	4,458.08	(2,490.55)	(1,343.49)	1,468.63	3,114.59
Unallocable expenses (net)					(5,026.72)	(4,540.32)
Operating Income	450.60	961.04	42.82	43.74	493.42	1,004.78
Other Income	571.24	1,238.32	1,205.63	87.96	1,776.87	1,326.28
<b>Profit before tax</b>	<b>4,981.02</b>	<b>6,657.44</b>	<b>(1,242.10)</b>	<b>(1,211.79)</b>	<b>(1,287.80)</b>	<b>905.33</b>
Add: Share of profit/(loss) of associates					0.62	3.09
<b>Tax expense</b>					(1,686.34)	(1,267.44)
Profit for the year	4,981.02	6,657.44	(1,242.10)	(1,211.79)	(2,973.52)	(359.02)
Segment assets	20,141.96	15,125.18	16,005.31	18,861.71	36,147.27	33,986.89
Unallocable assets					27,367.55	26,959.09
<b>TOTAL ASSETS</b>					<b>63,514.82</b>	<b>60,945.98</b>
Segment liabilities	7,399.95	5,442.49	2,456.08	799.07	9,856.03	6,241.56
Unallocated liabilities					3,291.59	1,351.08
<b>TOTAL LIABILITIES</b>					<b>13,147.62</b>	<b>7,592.64</b>
<b>Other Information</b>						
Capital expenditure (allocable)	1,374.71	1,165.00	0.38	2.00	1,375.09	1,167.00
Capital expenditure (unallocable)					135.58	292.59
Depreciation / Amortisation (allocable)	1,040.01	696.12	49.01	62.94	1,089.02	759.06
Depreciation / Amortisation (unallocable)					165.00	181.63

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**32.12 Details relating to investment in Limited Liability Partnership (LLP)**

(₹ in Lacs)

Name of the LLP	As at March 31, 2017			As at March 31, 2016		
	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>1.000</b>	<b>100.00%</b>		<b>1.000</b>	<b>100.00%</b>

**32.13** The company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses

**32.14** 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 provided for these investments considering the diminution in their respective values.

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### 32.15 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)
<b>Subsidiaries</b>				
Balaji Motion Pictures Limited	-24.05%	(12,188.32)	156.80%	(4,429.90)
Bolt Media Limited	-0.46%	(230.83)	1.82%	(51.53)
Event Media LLP	-0.14%	(71.85)	0.63%	(17.86)
Marinating Films Private Limited	-0.99%	(502.91)	8.72%	(246.28)
ALT Digital Media Entertainment Limited	-4.03%	(2,040.94)	44.97%	(1,270.55)
Chhayabani Balaji Entertainment Private Limited	-0.13%	(63.95)	2.07%	(58.37)
<b>Associates</b>				
IBP Capital Advisors	NA	NA	-0.02%	0.62

### 32.16 Particulars

	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital	-
<b>TOTAL</b>	<b>-</b>

**32.17** The Board of Directors at its meeting held on May 23, 2017 have recommended a dividend of ₹ 0.40/- per Equity share of the face value of ₹ 2 each, subject to the approval by the shareholders at the ensuing Annual General Meeting.

**32.18** During the current year, the Board of Directors of the Company have approved a composite Scheme of Arrangement between the Company and two of its subsidiaries viz. Balaji Motion Pictures Limited (BMPL) and Bolt Media Limited (Bolt), which envisages merger of Bolt and of the film production undertaking of BMPL with the Company and consequent Capital reduction in the books of BMPL. The Company has received the observation letters from National Stock Exchange of India Limited and BSE Limited on the Scheme. Based on the commencement notification of certain sections of the Companies Act, 2013 related to the powers of the National Company Law Tribunal (NCLT), the Company has filed its application for the sanction of the Scheme with the NCLT. Based on the Order passed by the NCLT, the Company has arranged for a meeting of its Equity shareholders on 24 May, 2017.

### 32.19 Disclosure on Specified Bank Notes (SBNs)

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

(₹ in Lacs)

Particulars	Specified bank notes (SBNs)*	Other denomination notes	Total
<b>Closing cash in hand as on November 8, 2016</b>	<b>48.74</b>	<b>0.39</b>	<b>49.13</b>
Add: Permitted receipts	29.35	0.86	30.20
Less: Permitted payments	48.74	0.39	49.13
Less: Amount deposited in banks	-		
<b>Closing cash in hand as on December 30, 2016</b>	<b>29.35</b>	<b>0.86</b>	<b>30.20</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S.O. 3407(E), dated the November 8, 2016. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016.

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### **32.20 Capital management**

The Group's capital management objectives are:

- to ensure the group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

#### **Financial Risk Management objectives**

The Group's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

##### **1) Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The Group deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

##### **2) Liquidity risk management**

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

##### **3) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

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

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### 33 FIRST-TIME IND AS ADOPTION RECONCILIATION

#### 33.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in Lacs)

Particulars	Notes	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, plant and equipment		3,249.96	-	3,249.96	2,698.37	-	2,698.37
(b) Capital work-in-progress		228.38	-	228.38	21.77	-	21.77
(c) Goodwill on consolidation		146.91	-	146.91	146.91	-	146.91
(d) Financial Assets							
(i) Investments	(a),(b),(c)	3,208.97	830.93	4,039.90	3,204.82	830.93	4,035.75
(ii) Other financial assets	(d)	975.30	(29.23)	946.07	984.49	(80.89)	903.60
(e) Deferred tax assets (net)	(e)	690.47	(521.84)	168.63	569.34	(569.34)	-
(f) Advance income tax asset (net)		2,970.83	-	2,970.83	2,615.84	-	2,615.84
(g) Other intangible assets Other non-current asset		3,909.22	-	3,909.22	2,835.56	-	2,835.56
<b>TOTAL NON-CURRENT ASSETS</b>		<b>15,380.04</b>	<b>279.86</b>	<b>15,659.90</b>	<b>13,077.10</b>	<b>180.70</b>	<b>13,257.80</b>
<b>(2) Current assets</b>							
(a) Inventories		11,930.98	-	11,930.98	3,024.55	-	3,024.55
(b) Financial assets							
(i) Investments	(f)	17,058.77	676.94	17,735.71	14,511.48	1,657.89	16,169.37
(ii) Trade receivables		8,131.82	-	8,131.82	6,699.82	-	6,699.82
(iii) Cash and cash equivalents		1,695.53	-	1,695.53	1,096.07	-	1,096.07
(iv) Bank balances other than (iii) above		33.38	-	33.38	0.54	-	0.54
(v) Other financial assets		468.45	-	468.45	76.55	-	76.55
(c) Other current assets	(d)	5,261.70	28.51	5,290.21	4,474.97	73.15	4,548.12
<b>TOTAL CURRENT ASSETS</b>		<b>44,580.63</b>	<b>705.45</b>	<b>45,286.08</b>	<b>29,883.98</b>	<b>1,731.04</b>	<b>31,615.02</b>
<b>TOTAL ASSETS</b>		<b>59,960.67</b>	<b>985.31</b>	<b>60,945.98</b>	<b>42,961.08</b>	<b>1,911.74</b>	<b>44,872.82</b>

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(₹ in Lacs)

Particulars	Notes	As at March 31, 2016			As at April 1, 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Share capital		1,518.61	-	1,518.61	1,304.21	-	1,304.21
(b) Other equity	(a) to (h)	50,850.97	1,135.77	51,986.74	36,873.45	2,229.34	39,102.79
Minority Interest	(i)	(1.55)	(150.46)	(152.01)	-	(138.69)	(138.69)
<b>TOTAL EQUITY</b>		<b>52,368.03</b>	<b>985.31</b>	<b>53,353.34</b>	<b>38,177.66</b>	<b>2,090.65</b>	<b>40,268.31</b>
<b>Liabilities</b>							
<b>(1) Non-current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings		50.00	-	50.00	-	-	-
(b) Provisions		3.70	-	3.70	2.61	-	2.61
(c) Deferred tax liabilities (net)	(e)	-	-	-	-	292.00	292.00
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>53.70</b>	<b>-</b>	<b>53.70</b>	<b>2.61</b>	<b>292.00</b>	<b>294.61</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
(i) Trade and other payables		5,769.35	-	5,769.35	3,716.88	-	3,716.88
(ii) Other financial liabilities		13.05	-	13.05	5.68	-	5.68
(b) Other current liabilities		1,293.44	-	1,293.44	266.36	-	266.36
(c) Provisions	(g)	463.10	-	463.10	791.89	(470.91)	320.98
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,538.94</b>	<b>-</b>	<b>7,538.94</b>	<b>4,780.81</b>	<b>(470.91)</b>	<b>4,309.90</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,960.67</b>	<b>985.31</b>	<b>60,945.98</b>	<b>42,961.08</b>	<b>1,911.74</b>	<b>44,872.82</b>

**33.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

(₹ in Lacs)

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
<b>TOTAL EQUITY (SHAREHOLDER'S FUNDS) UNDER PREVIOUS GAAP</b>		<b>52,368.02</b>	<b>38,177.66</b>
<b>Add: Total of adjustment carried forward from opening balance sheet</b>	(a) to (h)	<b>2090.65</b>	<b>-</b>
Gain on mark-to-market measurement of Current Investments	(f)	(980.94)	1,657.89
Impact of fair valuation of other financial assets	(d)	(7.02)	(7.74)
Provision for proposed dividend (including DDT)	(g)	(470.90)	-
Reversal of provision for proposed dividend (including DDT)	(g)	-	470.91
Gain on fair valuation of non-current investments	(a),(b)	-	830.93
Impact of Deferred tax	(e)	339.49	(861.34)
<b>TOTAL ADJUSTMENT TO EQUITY</b>		<b>(985.31)</b>	<b>(2,090.65)</b>
<b>TOTAL EQUITY UNDER IND AS</b>		<b>53,353.34</b>	<b>40,268.31</b>

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### 33.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

(₹ in Lacs)

Particulars	Notes	Year ended March 31, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS
(I) Revenue from operations		29,275.52	-	29,275.52
(II) Other Income	(d),(f)	2,225.70	(899.42)	1,326.28
<b>(III) Total income</b>		<b>31,501.22</b>	<b>(899.42)</b>	<b>30,601.80</b>
(IV) Expenses				
(a) Cost of Production / Acquisition and Telecast Fees		31,607.11	-	31,607.11
(b) (Increase) / in stock-in-trade		(8,906.44)	-	(8,906.44)
(c) Employee benefits expense	(h)	2,017.26	(3.63)	2,013.63
(d) Finance Cost		0.91	-	0.91
(e) Depreciation and amortization expense		940.69	-	940.70
(f) Other operating expenses	(d)	3,963.38	77.17	4,040.55
<b>(V) TOTAL EXPENSES</b>		<b>29,622.91</b>	<b>73.54</b>	<b>29,696.46</b>
<b>(VI) Add: Share of profit/(loss) of associates</b>		<b>3.09</b>	<b>-</b>	<b>3.09</b>
<b>(VII) Profit/ (Loss) before tax</b>		<b>1,881.40</b>	<b>(972.96)</b>	<b>908.43</b>
(VIII) Tax expense:				
(a) Current tax (provision for taxation)	(e)	1,699.00	2.06	1,701.06
(b) Deferred tax (including MAT credit entitlement)	(e)	(121.13)	(339.49)	(460.62)
(c) Short Provision for Tax in respect of earlier years		27.00	-	27.00
<b>TOTAL TAX EXPENSE</b>		<b>1,604.87</b>	<b>(337.43)</b>	<b>1,267.44</b>
<b>(IX) Profit / (loss) for the year (VII-VIII)</b>		<b>276.53</b>	<b>(635.53)</b>	<b>(359.01)</b>
(X) Other comprehensive income				
A (i) Items that will not be reclassified to statement of profit or loss				
(a) Remeasurements of the defined benefit liabilities / (asset)	(h)	-	(1.02)	(1.02)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(e)		2.06	2.06
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>1.04</b>	<b>1.04</b>
<b>(XI) Profit before minority interest</b>		<b>276.53</b>	<b>(634.49)</b>	<b>(357.97)</b>
<b>(XII) Add: Minority share in Loss</b>	(i)	<b>4.06</b>	<b>10.72</b>	<b>14.78</b>
<b>(XIII) Total comprehensive income for the year</b>		<b>280.59</b>	<b>(623.76)</b>	<b>(343.19)</b>

**NOTES**

forming part of the consolidated financial statements

**33.4 Reconciliation of total comprehensive income for the year ended March 31, 2016**

Sr.	Particulars	Notes	Year ended March 31, 2016
	<b>Profits as per previous GAAP</b>		<b>280.59</b>
(i)	Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)	(e),(h)	(1.04)
(ii)	Amortisation of prepaid rent element of rental security deposit	(d)	(77.17)
(iii)	Recognition of notional interest income on rental security deposit	(d)	84.18
(iv)	Adjustment for non-controlling (minority) interest	(i)	10.72
(v)	Loss on fair valuation of current investments (net of tax)	(e),(f)	(641.51)
	<b>Total effect of transition to Ind AS</b>		<b>(624.82)</b>
	<b>Profit for the year as per Ind AS</b>		<b>(344.23)</b>
	Other comprehensive income for the year (net of tax)	(h)	1.04
	<b>TOTAL COMPREHENSIVE INCOME UNDER IND AS</b>		<b>(343.19)</b>

**33.5 Effect of Ind AS adoption on Statement of Cash Flow for the year ended March 31, 2016**

Particulars	Notes	For the year ended March 31, 2016		
		Previous GAAP	Effect if transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities		(10,681.18)	-	(10,681.18)
(b) Net Cash Flow from Investing Activities	(f)	(2,220.23)	0.55	(2,219.68)
(c) Net Cash Flow from Financing Activities		13,492.93	-	13,492.93
<b>Net Increase in cash &amp; cash equivalents</b>		<b>591.52</b>	<b>0.55</b>	<b>592.06</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>		<b>1,090.96</b>	<b>(0.55)</b>	<b>1,090.41</b>
<b>Cash &amp; Cash equivalents at the end of the year</b>		<b>1,682.48</b>	<b>-</b>	<b>1,682.48</b>

**Notes to the reconciliation**

- (a) Fair Valuation of Investment in Trust : BTL has taken independent valuation of its investments in trust and accordingly recognized the gain in accumulated reserves on transition as at April 1, 2015. As per the Valuation report there is no change in the value till March 31, 2016 from the valuation done. Accordingly, no further gain has been recognized FY 2015-16 and FY 2016-17.
- (b) Fair Valuation of Investment in preference shares of Marinating Films Private Limited (Marinating) : BTL has taken independent valuation of its investments and accordingly recognized the gain in accumulated reserves on transition as at April 1, 2015. As per the

Valuation report there is no change in the value till March 31, 2017 from the valuation done. Accordingly, no further gain has been recognized FY 2015-16 and FY 2016-17.

- (c) Fair Valuation of Investment in preference shares of Chhayabani Balaji Entertainment Private Limited : BTL has taken independent valuation of its investments as on March 31, 2016 and accordingly recognized the loss in statement of profit and loss for the FY 16-17. As per the Valuation report there is no change in the value till March 31, 2017 from the valuation done. Accordingly, no further gain has been recognized FY 2016-17.

## NOTES

forming part of the consolidated financial statements

- (d) Fair valuation of other financial assets: Under Ind AS, other financial assets viz., security deposits given for rented premises, have been accounted at fair value. The difference between the fair value and carrying value is treated as notional rent.
- (e) Deferred taxes: Under Ind AS, deferred tax is computed as per Balance Sheet approach instead of the Profit and Loss approach under IGAAP and includes the impact on account of the above.
- (f) Fair valuation of investments in mutual funds: Under the Ind AS, the Investments in mutual funds have been accounted at fair value through Statement of Profit and Loss instead of accounting at lower of cost and fair value under IGAAP.
- (g) Proposed Dividend : Under Ind AS, the liability for final dividend is recognised in the period in which it is approved by shareholders.
- Accordingly, final dividend proposed and accounted for under the previous GAAP has been adjusted in equity.
- (h) Remeasurement cost of net defined benefit liability: The Remeasurement cost arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP.
- (i) Adjustment for non-controlling (minority) interest: Under Ind AS, total comprehensive income of the subsidiaries has been attributed to the owners of the Company and to the non-controlling (minority) interests, prospectively, even though this results in the non-controlling interests having a deficit balance. Under IGAAP, profit/loss of subsidiaries is not attributable to minority, if the minority interest has a deficit balance.

Signatures to notes 1 to 33

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 23, 2017

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

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

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

**Simmi Singh Bisht**  
(Company Secretary)

Place : Mumbai  
Date : May 23, 2017

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

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

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

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

## DIRECTORS' REPORT

Your Directors present the 11th Annual Report together with the Audited Statement of accounts of the Company for the financial year ended March 31, 2017.

### COMPANY PERFORMANCE FINANCIAL HIGHLIGHTS

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

	(₹ in lacs)	
Particulars	2016-17	2015-16
Total Income	12,801.02	2,317.98
Total Expenditure	15,949.29	4,407.55
<b>Operating (Loss)</b>	<b>(3,148.27)</b>	<b>(2,089.57)</b>
Finance costs	1,272.05	1062.03
Depreciation and amortization	49.01	62.94
<b>(Loss) for the Year before tax</b>	<b>(4,469.33)</b>	<b>(3,214.54)</b>
Other Comprehensive Income	0.34	2.33
Provision for taxation	(39.09)	-
<b>(Loss) for the Year after tax</b>	<b>(4,430.24)</b>	<b>(3,214.54)</b>
(Loss) brought forward from previous year	(7,758.41)	(4,546.20)
<b>Balance Carried to the Balance Sheet</b>	<b>(12,188.31)</b>	<b>(7,758.41)</b>

Note: The Financial Statements of the Company is prepared as per Indian Accounting Standards (Ind AS) for the first time for the year ended March 31, 2017. The financial statements for the year ended March 31, 2016 have been restated in accordance with IND AS for comparative information.

### OPERATIONS AND BUSINESS PERFORMANCE:

During the year under review, Balaji Motion Pictures Limited (BMPL) achieved a turnover of ₹12,672.78 lacs as against ₹ 2,281.54 lacs achieved during the previous fiscal. In the current financial year, BMPL has reported loss of ₹ 4,430.24 lacs as against loss of ₹ 3,214.54 lacs in the previous fiscal.

### BORROWINGS

The Company has borrowed ₹ 22,737.55 lacs (inclusive of Interest) from Holding Company i.e. Balaji Telefilms Limited.

### DIVIDEND

Considering the loss incurred in the current financial year your Directors have not recommended any dividend for the financial year under review.

### TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to reserves, in view of loss incurred by the Company.

### SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2017 was ₹ 30,00,00,000/- comprising of 3,00,00,000 Equity Share of Face Value ₹10/- each. During

the year under review, the Company has not issued any shares including shares with differential voting rights nor granted stock options nor sweat equity.

### PUBLIC DEPOSITS

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

### CHANGE IN NATURE OF BUSINESS

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

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate and joint venture Company. The Audited Financial Statements, Auditor's Report there on and the Boards' Report along with applicable annexures are not annexed herewith.

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

No material events have occurred between the end of Financial Year 2016-2017 and the date of this report, which have effect over the financial position of the Company. Thus, the Audited Financial Statements, Auditors report thereon and Board's report along with applicable annexures are not annexed herewith.

### DIRECTORS AND KMP

During the year under review there was no change in Directorship and Key Managerial Personnel of the Company except Ms. Ritu Verma who resigned as Company Secretary (KMP) and Mr. Amandeep Gill who resigned as Chief Executive Officer (KMP) w.e.f. January 9, 2017 and November 30, 2016, respectively due to personal reasons.

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. Tusshar 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

### STATUTORY AUDIT

Pursuant to section 139 of Companies Act, 2013 and Rule 6 of The Companies (Audit and Auditors) Rules, 2014, the Audit Committee of the Company has proposed, and on May 22, 2017 the Board of Directors of the Company has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the Financial Year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting. The first year of Audit will be of the financial statements for the year ended March 31, 2018.

### COST AUDIT:

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

### SECRETARIAL AUDIT

In accordance with Section 204 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit is not applicable to the Company.

## OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

The Audit Report for the financial year ended March 31, 2017 does not contain any qualifications, reservations and adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

## DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### I) BOARD MEETINGS

During the year under review, Five (5) meetings of the Board of Directors were held on May 17, 2016, September 27, 2016, November 24, 2016 & February 13, 2017. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

### II) AUDIT COMMITTEE

In accordance with the provision of Section 177 of the Companies Act, 2013 the Audit Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. D. G. Rajan	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non-Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. V. B. Dalal	Independent Director	Member
Mr. Pradeep Kumar Sarada	Independent Director	Member

The Scope and terms of reference of the Audit Committee have been amended in accordance with the Act. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

### III) NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provision of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. Ashutosh Khanna	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non-Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. Pradeep Kumar Sarada	Independent Director	Member

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

A copy of Nomination and Remuneration Policy of the Company along with the evaluation criteria for Independent Directors and the Board forms part of the Annual Report.

### IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company is in accordance with the requirements of Section 135 of the Companies Act, 2013. The Holding Company i.e Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. The average profit of the Company in preceding three financial years being negative, the Company is not required to incur any CSR

## DIRECTORS' REPORT (CONTD.)

Expenditure and hence no disclosure is required to be given in this regard.

The Corporate Social Responsibility Committee comprises

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non-Executive Director	Chairman
Mrs. Shobha Kapoor	Non-Executive Director	Member
Ms. Ekta Kapoor	Non-Executive Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member

### V. BUSINESS RISK MANAGEMENT

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on 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 Audit committee of the company does a risk identification, assessment, analysis and mitigation in consultation with various heads of the department.

### OTHER DISCLOSURES

#### I. EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013 an extract of Annual Return in Form MGT 9 is appended as Annexure II to the Boards' Report.

#### II. INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY

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

#### III. RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with

related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

### IV. 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 disclosed in 'Notes forming part of the Financial Statements' annexed to the Financial Statements of the year.

### V. FIXED DEPOSITS

During the year under review the Company has not accepted any fixed deposits and as such no amount of principal interest was outstanding as on the Balance Sheet date.

### VI. 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 2016-17, no sexual harassment complaint has been registered with the Company.

### VII. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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, earning in foreign exchange (including rebate received) was ₹ 1,630.15 lacs (Previous year ₹ 129.07 lacs). Expenditure in foreign exchange was ₹ 1,109.11 lacs (Previous year ₹ 2,797.72 lacs).

## MECHANISM FOR EVALUATING BOARD MEMBERS

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

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

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

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

## BOARD EVALUATION

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

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board thus approve evaluation process results.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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, 2017 had been prepared on a 'going concern' basis.
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## ACKNOWLEDGEMENTS

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

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

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 22, 2017

# ANNEXURES TO THE DIRECTORS' REPORT

## ANNEXURE I FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2017

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

### I. REGISTRATION & OTHER DETAILS:

1. CIN	U22300MH2007PLC168515
2. Registration Date	09/03/2007
3. Name of the Company	Balaji Motion Pictures Limited
4. Category/Sub-category of the Company	Company Limited by Shares.
5. Address of the Registered office & contact details	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email: <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
6. Whether listed company	No
7. Name, Address & Contact details of the Registrar & Transfer Agent, if any.	N. A.

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

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

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited Registered Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra.	L99999MH1994PLC082802	Holding Company	100%	2 (46)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% 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	0	6	6	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	2,99,99,994	2,99,99,994	100%	0	3,00,00,000	3,00,00,000	100%	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub total (A) (1)</b>	<b>0</b>	<b>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>0</b>
<b>(2) Foreign</b>									
a) Individuals (NRIs/Foreign Individuals]	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Institutions	0	0	0	0	0	0	0	0	0
e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
<b>Sub total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SHAREHOLDING OF PROMOTERS A= A(1) + A(2)</b>	<b>0</b>	<b>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>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)									
HUF	0	0	0	0	0	0	0	0	0
Foreign Corporate Bodies	0	0	0	0	0	0	0	0	0
Directors	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<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>0</b>

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% 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	100	0	2,99,99,994	100	0	0
2	Mr. Jeetendra Kapoor jointly with M/s Balaji Telefilms Limited	1	0	0	1	0	0	0
3	Mrs. Shobha Kapoor jointly with M/s Balaji Telefilms Limited	1	0	0	1	0	0	0
4	Ms. Ekta Kapoor jointly with M/s Balaji Telefilms Limited.	1	0	0	1	0	0	0
5	Mr. Tushar Kapoor jointly with M/s Balaji Telefilms Limited.	1	0	0	1	0	0	0
6	Mr. Deepoo Vaswani jointly with M/s Balaji Telefilms Limited.	1	0	0	1	0	0	0
7	Mr. Ramesh Sippy jointly with M/s Balaji Telefilms Limited.	1	0	0	1	0	0	0
<b>TOTAL</b>		<b>3,00,00,000</b>	<b>100%</b>	<b>0</b>	<b>3,00,00,000</b>	<b>100%</b>	<b>0</b>	<b>0</b>

## iii) Change in Promoters' Shareholding

There are no changes in the Promoter's shareholding during the Financial Year 2016-17.

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2017

The entire share capital of the Company is held by the Holding Company and Promoters of the Company.

## v) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

The entire share capital of the Company is held by the Holding Company, Directors and Promoters of the Company.

**vi) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of Directors/KMP	Shareholding at the beginning of the year i.e April 1, 2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mrs. Shobha Kapoor</b>				
	At the beginning of the year	1	-	1	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1	-	1	-
<b>2</b>	<b>Ms. Ekta Kapoor</b>				
	At the beginning of the year	1	-	1	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1	-	1	-
<b>3</b>	<b>Mr. Tusshar Kapoor</b>				
	At the beginning of the year	1	-	1	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1	-	1	-
<b>4</b>	<b>Mr. Jeetendra Kapoor</b>				
	At the beginning of the year	1	-	1	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1	-	1	-

**Note:**

Mr. Ashutosh Khanna, Mr. Pradeep Kumar Sarada, Mr. D. K. Vasal, Mr. V. B. Dalal and Mr. D. G. Rajan did not hold any shares during the financial year 2016-17.

**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT.**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	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>22,821.05</b>	-	<b>22,821.05</b>
Change in Indebtedness during the financial year				
Addition	-	3,785.10	-	3,785.10
Reduction	-	5,021.07	-	5,021.07
<b>Net Change</b>	-	<b>(1,235.97)</b>	-	<b>(1,235.97)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	-	20,604.99	-	20,604.99
ii) Interest due but not paid	-	2,132.56	-	2,132.56
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	<b>22,737.55</b>	-	<b>22,737.55</b>

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Tusshar Kapoor Whole Time Director		
1	Gross salary			Nil
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	- as % of profit			
	- others, specify			
5	Others, Please specify - Sitting fees	2,50,000	2,50,000	2,50,000
	<b>TOTAL (A)</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>
	<b>Ceiling as per the Act (per annum)</b>	<b>₹ 84,00,000/- (As per Schedule V of the Companies Act, 2013)</b>		

## B. Remuneration to other Directors

(Amount in ₹)

Sr. 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. Pradeep Kumar Sarda	
1.	<b>Independent Directors</b>						
	Fee for attending board committee meetings	3,00,000	2,50,000	3,00,000	3,00,000	50,000	12,00,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>TOTAL (1)</b>	<b>3,00,000</b>	<b>2,50,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>50,000</b>	<b>12,00,000</b>
2	<b>Other Non-Executive Directors</b>						
	Fee for attending board committee meetings	2,50,000	-	-	-	-	2,50,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>TOTAL (2)</b>	<b>2,50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,50,000</b>
	<b>TOTAL (B)=(1+2)</b>	<b>5,50,000</b>	<b>2,50,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>50,000</b>	<b>14,50,000</b>
	<b>TOTAL MANAGERIAL REMUNERATION</b>	<b>5,50,000</b>	<b>2,50,000</b>	<b>3,00,000</b>	<b>3,00,000</b>	<b>50,000</b>	<b>14,50,000</b>
	<b>Ceiling as per the Act (per annum)</b>	<b>₹ 84,00,000/- (As per Schedule V of the Companies Act, 2013)</b>					

**Note:** The Independent Directors of the Company receive sitting fees for attending the Board / Committee meetings of the Company which is excluded under Section 197 of the Companies Act, 2013.

- Non-Executive Directors does not receive any remuneration from the Company expect Mr. Jeetendra Kapoor.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		*Mr. Amandeep Gill (Chief Executive Officer)	**Ritu Verma (Company Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,40,852	217,639	98,58,491
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others – Provident Fund and Reimbursements	6,61,267	9,332	6,70,599
	<b>TOTAL</b>	<b>1,03,02,119</b>	<b>2,26,971</b>	<b>1,05,29,090</b>

\* Salary paid to Mr. Amandeep Gill is for the period from April 01, 2016 to November 30, 2016

\*\*Salary paid to Ms. Ritu Verma is for the period from April 01, 2016 to January 09, 2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the year ending March 31, 2017.

For and on behalf of the Board of Directors

Sd/-

Jeetendra Kapoor

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 22, 2017

## **INDEPENDENT AUDITOR'S REPORT**

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To  
The Members of  
Balaji Motion Pictures Limited

### **REPORT ON THE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of Balaji Motion Pictures Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

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

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

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its (loss), total comprehensive (loss), its cash flows and the changes in equity for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit 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.
  - b) In our opinion, proper books of account as required by law have been kept by the

- Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 23.1 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.
    - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer Note 25)
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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

# **ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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, 2017 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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### **Re: Balaji Motions 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 (ii) 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 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, 2017 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, 2017.
- (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) 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

**BALANCE SHEET**

As at March 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
(1) Non-current assets				
(a) Property, plant and equipment	4	288.28	336.90	397.84
(b) Financial assets				
(i) Other financial assets	5(i)	163.32	201.00	181.13
(c) Current tax asset (net)	6	388.06	854.71	758.13
(d) Other assets	7(i)	3,799.73	3,909.22	2,835.56
		<b>4,639.39</b>	<b>5,301.83</b>	<b>4,172.66</b>
(2) Current assets				
(a) Inventories	8	6,502.00	10,516.07	2,238.50
(b) Financial assets				
(i) Trade receivables	9	998.11	41.76	138.78
(ii) Cash and cash equivalents	10	422.72	26.18	252.31
(iii) Other balances with banks	11	0.58	33.38	0.54
(iv) Other financial assets	5(ii)	84.47	226.96	35.12
(c) Other assets	7(ii)	3,358.06	2,715.53	2,094.53
		<b>11,365.94</b>	<b>13,559.88</b>	<b>4,759.78</b>
<b>TOTAL ASSETS</b>		<b>16,005.33</b>	<b>18,861.71</b>	<b>8,932.44</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	12	3,000.00	3,000.00	3,000.00
(b) Other equity	13	(12,188.30)	(7,758.41)	(4,546.20)
		<b>(9,188.30)</b>	<b>(4,758.41)</b>	<b>(1,546.20)</b>
<b>Liabilities</b>				
<b>(1) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14	20,604.99	21,840.96	9,981.75
(ii) Trade payables	15	389.03	254.27	289.32
(iii) Other financial liabilities	16	2,132.56	980.09	-
(b) Other current liabilities	17	2,067.05	544.80	207.57
		<b>25,193.63</b>	<b>23,620.12</b>	<b>10,478.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,005.33</b>	<b>18,861.71</b>	<b>8,932.44</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

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

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

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

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

Place : Mumbai  
Date : May 22, 2017

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

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

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

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
(I) Revenue from operations	18	12,672.78	2,281.54
(II) Other Income	19	128.24	36.44
<b>(III) TOTAL INCOME</b>		<b>12,801.02</b>	<b>2,317.98</b>
<b>(IV) Expenses</b>			
(a) Cost of films produced / acquired / distributed	20	10,779.10	11,430.02
(b) Changes in inventories of stock in trade		4,014.07	(8,277.57)
(c) Employee benefits expense	21	330.40	440.02
(d) Finance cost	22	1,272.05	1,062.03
(e) Depreciation and amortization expense	4	49.00	62.94
(f) Other expenses	23	825.72	815.09
<b>TOTAL EXPENSES</b>		<b>17,270.34</b>	<b>5,532.52</b>
<b>(V) (Loss) for the year (III - IV)</b>		<b>(4,469.32)</b>	<b>(3,214.54)</b>
<b>(VI) Tax expense:</b>			
(a) (Excess) Provision for tax in respect of earlier year		(39.09)	-
<b>TOTAL TAX EXPENSES</b>		<b>(39.09)</b>	<b>-</b>
<b>(VII) (Loss) after tax for the year (V-VI)</b>		<b>(4,430.23)</b>	<b>(3,214.54)</b>
(VIII) Other comprehensive income			
(a) (i) Items that will not be reclassified to statement of profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)		0.34	2.33
<b>(IX) Total comprehensive income for the year</b>		<b>(4,429.89)</b>	<b>(3,212.21)</b>
<b>(X) Earnings per equity share (of ₹ 10/- each)</b>			
Basic and diluted earnings per share		(14.77)	(10.71)

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**

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

Place : Mumbai  
 Date : May 22, 2017

Place : Mumbai  
 Date : May 22, 2017

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>(Loss) before tax</b>	<b>(4,469.32)</b>	<b>(3,214.54)</b>
<b>Adjustments for:</b>		
Depreciation / Amortisation	49.00	62.94
Finance cost	1,272.05	1,062.03
Interest income on fixed deposit with bank	(3.80)	(1.66)
Impact of reclassification of actuarial loss on employee benefit to other comprehensive Income	0.34	2.33
Bad debts written off	-	53.78
Sundry Credit balance written back	(39.76)	(32.55)
<b>Operating (loss) before working capital changes</b>	<b>(3,191.49)</b>	<b>(2,067.68)</b>
(Increase) in trade and other receivables	(1,305.44)	(1,861.46)
Decrease / (Increase) in inventories	4,014.08	(8,277.58)
Increase in trade and other payables	1,577.18	252.80
	<b>4,285.82</b>	<b>(9,886.24)</b>
Cash flow from / (used in) operating activities before taxes	<b>1,094.33</b>	<b>(11,953.92)</b>
Direct Taxes (TDS) (Refund)/Paid	(505.75)	96.58
<b>NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>1,600.08</b>	<b>(12,050.50)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(0.38)	(2.00)
Bank Balance not considered as cash and cash equivalents	32.81	(32.84)
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>32.43</b>	<b>(34.84)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	3,785.10	12,800.90
(Repayment) of short-term borrowings	(5,021.07)	(941.69)
<b>NET CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES (C)</b>	<b>(1,235.97)</b>	<b>11,859.21</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>396.54</b>	<b>(226.13)</b>
Cash and cash equivalents at the beginning of the year	26.18	252.31
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>422.72</b>	<b>26.18</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**

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

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

**Ekta Kapoor**  
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DIN: 00303060

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

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

Place : Mumbai  
Date : May 22, 2017

Place : Mumbai  
Date : May 22, 2017

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

### A. EQUITY SHARE CAPITAL

Particulars	(₹ in lacs)
<b>Balance as at April 1, 2015</b>	<b>3,000.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2016</b>	<b>3,000.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2017</b>	<b>3,000.00</b>

### B. OTHER EQUITY

Particulars	(₹ in lacs)
<b>Balance as at April 1, 2015</b>	<b>(4,546.20)</b>
(Loss) for the year	(3,214.54)
Other comprehensive income for the year	2.33
<b>Balance as at March 31, 2016</b>	<b>(7,758.41)</b>
(Loss) for the year	(4,430.24)
Other comprehensive income for the year	0.34
<b>Balance as at March 31, 2017</b>	<b>(12,188.30)</b>

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

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

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

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

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

Place : Mumbai  
 Date : May 22, 2017

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

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

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

## NOTES

forming part of the financial statements

### 1. GENERAL 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.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION :

a) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from April 1, 2016.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

b) The financial statements were approved by the Board of Directors and authorised for issue on May 22, 2017.

#### c) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

#### d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions :

##### Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

##### De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

##### Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

##### Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

##### Deemed cost for property, plant and equipment and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2015 (transition

## NOTES

forming part of the financial statements

date) as deemed cost. Consequently, cost in respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

#### b) Depreciation and amortisation

Depreciation on Property, Plant and Equipment 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:

Leasehold improvements – on a straight line basis over the period of lease

#### c) Impairment of tangible

At the end of each reporting period, the Company reviews the carrying amounts of its

tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss.

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

#### d) 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.

#### e) Financial Instruments

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

## NOTES

forming part of the financial statements

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments that meet the following conditions are subsequently measured at

fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

### Investments in equity instruments at FVTOCI:

On initial recognition, the Company has made an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as at FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in

## NOTES

forming part of the financial statements

the Statement of Profit and Loss on disposal of that financial asset.

### Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

### f) Revenue recognition

In respect of films produced / co-produced / acquired / distributed, 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.

### g) Leases

The company as lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### h) Foreign currency transactions

In preparing the financial statements of entity, transactions in currencies other than the

entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### i) Employee Benefits

#### 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.

#### 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.

### j) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

## **NOTES**

forming part of the financial statements

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Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

### **k) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### **l) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

## NOTES

forming part of the financial statements

### 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Carrying Amount of:</b>			
Computers	1.01	3.77	7.19
Office Equipment	13.67	22.97	32.35
Plant and Machinery - Computer	-	-	0.01
Plant and Machinery - Others	162.33	178.63	194.98
Furniture and Fixtures	5.19	6.05	6.91
Lease Hold improvements	-	-	11.46
Vehicles	106.08	125.48	144.94
<b>TOTAL</b>	<b>288.28</b>	<b>336.90</b>	<b>397.84</b>

(₹ in Lacs)

Description of Assets	Computers	Office Equipment	Plant and Machinery - Computer	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold improve- ments	Vehicles	Total
<b>I. Cost or deemed cost</b>								
Balance as at April 1, 2015	19.79	43.51	17.30	215.39	7.85	68.29	155.52	527.65
Additions	2.00	-	-	-	-	-	-	2.00
<b>Balance as at March 31, 2016</b>	<b>21.79</b>	<b>43.51</b>	<b>17.30</b>	<b>215.39</b>	<b>7.85</b>	<b>68.29</b>	<b>155.52</b>	<b>529.65</b>
Additions	0.38	-	-	-	-	-	-	0.38
<b>Balance as at March 31, 2017</b>	<b>22.17</b>	<b>43.51</b>	<b>17.30</b>	<b>215.39</b>	<b>7.85</b>	<b>68.29</b>	<b>155.52</b>	<b>530.03</b>

(₹ in Lacs)

Description of Assets	Computers	Office Equipment	Plant and Machinery - Computer	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold improve- ments	Vehicles	Total
<b>II. Accumulated depreciation and impairment</b>								
Balance as at April 1, 2015	(12.60)	(11.16)	(17.29)	(20.41)	(0.94)	(56.83)	(10.58)	(129.81)
Depreciation expense	(5.42)	(9.38)	(0.01)	(16.35)	(0.86)	(11.46)	(19.46)	(62.94)
<b>Balance as at March 31, 2016</b>	<b>(18.02)</b>	<b>(20.54)</b>	<b>(17.30)</b>	<b>(36.76)</b>	<b>(1.80)</b>	<b>(68.29)</b>	<b>(30.04)</b>	<b>(192.75)</b>
Depreciation expense	(3.14)	(9.30)	-	(16.30)	(0.86)	-	(19.40)	(49.00)
<b>Balance as at March 31, 2017</b>	<b>(21.16)</b>	<b>(29.84)</b>	<b>(17.30)</b>	<b>(53.06)</b>	<b>(2.66)</b>	<b>(68.29)</b>	<b>(49.44)</b>	<b>(241.75)</b>

(₹ in Lacs)

Description of Assets	Computers	Office Equipment	Plant and Machinery - Computer	Plant and Machinery - Others	Furniture and Fixtures	Lease Hold improve- ments	Vehicles	Total
<b>III. Carrying Amount</b>								
Balance as at April 1, 2015	7.19	32.35	0.01	194.98	6.91	11.46	144.94	397.84
Additions	2.00	-	-	-	-	-	-	2.00
Depreciation expense	(5.42)	(9.38)	(0.01)	(16.35)	(0.86)	(11.46)	(19.46)	(62.94)
<b>Balance as at March 31, 2016</b>	<b>3.77</b>	<b>22.97</b>	<b>-</b>	<b>178.63</b>	<b>6.05</b>	<b>-</b>	<b>125.48</b>	<b>336.90</b>
Additions	0.38	-	-	-	-	-	-	0.38
Depreciation expense	(3.14)	(9.30)	-	(16.30)	(0.86)	-	(19.40)	(49.00)
<b>Balance as at March 31, 2017</b>	<b>1.01</b>	<b>13.67</b>	<b>-</b>	<b>162.33</b>	<b>5.19</b>	<b>-</b>	<b>106.08</b>	<b>288.28</b>

**NOTES**

forming part of the financial statements

**5 OTHER FINANCIAL ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>i) Non-current financial assets</b>			
(a) Security Deposits (Refer note below)	163.32	201.00	181.13
<b>TOTAL</b>	<b>163.32</b>	<b>201.00</b>	<b>181.13</b>
<b>ii) Current financial assets</b>			
(a) Security Deposit	24.13	33.00	35.00
(b) Advances to employees	-	-	0.12
(c) Recoverable from co-producer	59.83	193.41	-
(d) Interest accrued on fixed deposits with banks	0.51	0.55	-
<b>TOTAL</b>	<b>84.47</b>	<b>226.96</b>	<b>35.12</b>

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

**6 CURRENT TAX ASSET**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance income- tax	388.06	854.71	758.13
<b>TOTAL</b>	<b>388.06</b>	<b>854.71</b>	<b>758.13</b>

**7 OTHER ASSETS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>i) Non-current assets</b>			
(a) Advance to vendors	3,799.73	3,909.22	2,835.56
<b>TOTAL</b>	<b>3,799.73</b>	<b>3,909.22</b>	<b>2,835.56</b>
<b>ii) Current assets</b>			
(a) Prepaid expenses	50.83	19.07	35.54
(b) Balances with government authorities (VAT, service tax etc.)	1,006.98	1,271.81	437.98
(c) Advance to vendors	2,300.25	1,424.65	1,621.01
<b>TOTAL</b>	<b>3,358.06</b>	<b>2,715.53</b>	<b>2,094.53</b>

**8 INVENTORIES**

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Films	6,502.00	10,516.07	2,238.50
<b>TOTAL</b>	<b>6,502.00</b>	<b>10,516.07</b>	<b>2,238.50</b>

The mode of valuation of inventories has been stated in note 3.

**9 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade receivables</b>			
Unsecured, Considered good	998.11	41.76	138.78
<b>TOTAL</b>	<b>998.11</b>	<b>41.76</b>	<b>138.78</b>

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### 9.1 Age of receivables

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	796.39	14.76	3.80
1-30 days past due	2.47	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days	199.25	27.00	134.98

### 10 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Cash on hand	5.67	2.33	4.76
(b) Balances with banks			
(i) In Current accounts	417.05	23.85	247.55
<b>TOTAL</b>	<b>422.72</b>	<b>26.18</b>	<b>252.31</b>

### 11 OTHER BALANCES WITH BANKS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) In earmarked accounts			
- Fixed deposits kept in lien against bank guarantee	0.58	33.38	0.54
<b>TOTAL</b>	<b>0.58</b>	<b>33.38</b>	<b>0.54</b>

### 12 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised			
35,000,000 Equity shares of ₹10/ each	3,500.00	3,500.00	3,500.00
<b>TOTAL</b>	<b>3,500.00</b>	<b>3,500.00</b>	<b>3,500.00</b>
Issued, Subscribed and fully paid-up			
30,000,000 (Previous year 30,00,000) Equity shares of ₹10/ each	3,000.00	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>	<b>3,000.00</b>

Note:

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

### 13 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Retained earnings</b>			
Balance at beginning of year	(7,758.41)	(4,546.20)	(4,006.57)
Less: Depreciation on account of transitional provision of Schedule II to the Companies Act, 2013	-	-	(1.64)
Add: (Loss) for the year	(4,430.23)	(3,214.54)	(549.08)
Transferred from other comprehensive income	0.34	2.33	11.08
<b>BALANCE AT END OF YEAR</b>	<b>(12,188.30)</b>	<b>(7,758.41)</b>	<b>(4,546.20)</b>

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**14 CURRENT BORROWINGS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans and advances from Holding Company (Unsecured)	20,604.99	21,840.96	9,981.75
<b>TOTAL</b>	<b>20,604.99</b>	<b>21,840.96</b>	<b>9,981.75</b>

Note: Loans from Holding Company, simple interest on reducing balance basis and is repayable on demand unless otherwise agreed by the parties in writing.

**15 TRADE PAYABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables	389.03	254.27	289.32
<b>TOTAL</b>	<b>389.03</b>	<b>254.27</b>	<b>289.32</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**16 OTHER FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Interest accrued and due on loan from Holding Company (Refer note below)	2,132.56	980.09	-
<b>TOTAL</b>	<b>2,132.56</b>	<b>980.09</b>	<b>-</b>

Note: The interest on loan given by Holding Company, simple interest payable on demand or on settlement of loan, whichever is earlier.

**17 OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Statutory liabilities	0.84	33.15	3.12
(b) Advances from customers	2,066.21	511.65	204.45
<b>TOTAL</b>	<b>2,067.05</b>	<b>544.80</b>	<b>207.57</b>

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### 18 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Sale of Services</b>		
Sale of film rights	12,633.02	2,248.99
<b>Other Operating Income</b>		
Sundry credit balances written back	39.76	32.55
<b>TOTAL</b>	<b>12,672.78</b>	<b>2,281.54</b>

### 19 OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income		
On Fixed deposit with bank	3.80	1.66
On Income-tax refund	108.41	-
(b) Excess Provision for Gratuity written back (net)	-	0.30
(c) Foreign Exchange Gain/(Loss) (net)	-	0.39
(d) Insurance Claim received	-	14.22
(e) Miscellaneous Income	16.03	19.87
<b>TOTAL</b>	<b>128.24</b>	<b>36.44</b>

### 20 COST OF FILMS PRODUCED / ACQUIRED / DISTRIBUTED

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock of films	10,516.07	2,238.50
Add: Cost of production / acquisition/ distribution		
Acquisition Cost	-	154.42
Purchase of costumes and dresses	103.74	177.92
Purchase of tapes / raw stock / negative	5.81	49.28
Artistes, Directors and other technician fees	3,369.64	2,517.95
Shooting and location expenses	1,493.72	1,161.06
Set properties and equipment hire charges	476.86	603.02
Insurance expense	12.18	63.49
Line production cost	1,040.67	5,184.72
Marketing and distribution expenses	3,325.11	944.98
Other production expenses	951.37	573.17
	10,779.10	11,430.01
	<b>21,295.17</b>	<b>13,668.51</b>
Less: Closing stock of films	6,502.00	10,516.07
<b>TOTAL</b>	<b>14,793.17</b>	<b>3,152.44</b>

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**21 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages	312.11	415.20
Contributions to provident and other funds	14.83	20.92
Staff welfare expenses	3.46	3.90
<b>TOTAL</b>	<b>330.40</b>	<b>440.02</b>

**22 FINANCE COST**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest to related party on loan	1,272.05	1,062.03
<b>TOTAL</b>	<b>1,272.05</b>	<b>1,062.03</b>

Note: The interest on loan given by Holding Company is at 6.2%-6.4% (PY 8%) per annum, simple interest payable on demand or on settlement of loan, whichever is earlier.

**23 OTHER EXPENSES**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel	3.82	6.26
Rent including lease rentals	51.94	60.31
Repairs and maintenance - Machinery	8.95	13.54
Repairs and maintenance - Others	15.44	23.08
Rates and taxes	157.35	45.24
Communication expenses	0.47	0.65
Legal and professional charges	348.17	458.13
Business promotion expenses	29.13	44.01
Travelling and conveyance expenses	8.04	17.88
Donations and contributions	27.42	-
Directors sitting fees	17.50	15.50
Bad debts written off	-	53.78
Foreign Exchange Gain/(Loss) (net)	25.80	-
Miscellaneous expenses *	131.69	76.71
<b>TOTAL</b>	<b>825.72</b>	<b>815.09</b>

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

**23.1 Payments to auditors**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
For Statutory Audit	7.00	7.00
For Other services-certification etc.	2.50	10.30
Reimbursement of expenses	0.22	0.70
For service tax	1.46	2.61
<b>TOTAL</b>	<b>11.18</b>	<b>20.61</b>

**24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS**

**24.1** 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

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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.

24.2 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.

### 24.3 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
ALT Digital Entertainment Private Limited	Fellow Subsidiary
Chhayabani Balaji Entertainment Private Limited	Fellow Subsidiary
Event Media LLP	Fellow Body Corporate
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 ended March 31, 2017

Nature of Transactions	(₹ in Lacs)							Total
	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		
<b>Loan Received</b>								
Balaji Telefilms Limited	3,785.10	-	-	-	-	-	-	3,785.10
	(12,800.90)	(-)	(-)	(-)	(-)	(-)	(-)	(12,800.90)
<b>Loan Repaid</b>								
Balaji Telefilms Limited	5,021.07	-	-	-	-	-	-	5,021.07
	(941.69)	(-)	(-)	(-)	(-)	(-)	(-)	(941.69)
<b>Interest Expense</b>								
Balaji Telefilms Limited	1,272.05	-	-	-	-	-	-	1,272.05
	(1,062.03)	(-)	(-)	(-)	(-)	(-)	(-)	(1,062.03)
<b>Rent Paid</b>								
Mr. Jeetendra Kapoor	-	17.47	-	-	-	-	-	17.47
	(-)	(16.48)	(-)	(-)	(-)	(-)	(-)	(16.48)
Ms. Ekta Kapoor	-	14.87	-	-	-	-	-	14.87
	(-)	(14.03)	(-)	(-)	(-)	(-)	(-)	(14.03)
<b>Directors sitting fees</b>								
Mr. Jeetendra Kapoor	-	2.50	-	-	-	-	-	2.50
	(-)	(2.25)	(-)	(-)	(-)	(-)	(-)	(2.25)
Mr. Tushar Kapoor	-	2.50	-	-	-	-	-	2.50
	(-)	(1.75)	(-)	(-)	(-)	(-)	(-)	(1.75)
<b>Remuneration</b>								
Ms. Ekta Kapoor	-	-	-	-	-	-	-	-
	(-)	(78.59)	(-)	(-)	(-)	(-)	(-)	(78.59)
<b>Artist fees</b>								
Mr. Tusshar Kapoor	-	-	-	-	-	-	-	-
	(-)	(50.00)	(-)	(-)	(-)	(-)	(-)	(50.00)

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### (c) Closing balances as at March 31, 2017

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 payable As at March 31, 2017</b>							
Balaji Telefilms Limited	20,604.99	-	-	-	-	-	20,604.99
	(21,840.96)	(-)	(-)	(-)	(-)	(-)	(21,840.96)
<b>Interest accrued and due As at March 31, 2017</b>							
Balaji Telefilms Limited	2,132.56	-	-	-	-	-	2,132.56
	(980.09)	(-)	(-)	(-)	(-)	(-)	(980.09)
<b>Amount payable As at March 31, 2017</b>							
Balaji Telefilms Limited	50.03	-	-	-	-	-	50.03
	(58.90)	(-)	(-)	(-)	(-)	(-)	(58.90)
<b>Amount receivable As at March 31, 2017</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)

(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

### 24.4 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 :

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) (Loss) for the year attributable to equity shareholders (₹ in Lacs)	(4,429.89)	(3,212.21)
(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 (₹)	(14.77)	(10.71)
(d) Nominal value of shares (₹)	10	10

**24.5** In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the Ind AS 12 regarding 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 Ind AS 12.

### 24.6 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 50.21 Lacs (previous year ₹ 50.58 Lacs).

### 24.7 Employee Benefits

#### a) Defined Contribution Plans

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹ 14.83 lacs (previous year ₹ 20.92 lacs).

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### b) Defined Benefit Plans

#### Gratuity

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

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

Particulars	Valuation as at	
	March 31, 2017	March 31, 2016
Discount rate(s)	7.66%	7.96%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate after employment	N.A.	N.A.

(₹ in Lacs)

Defined benefit plans – as per actuarial valuation on 31st March, 2017

Particulars	Funded Plan	
	Gratuity	
	March 31, 2017	March 31, 2016
<b>Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:</b>		
Actuarial (Gains)/Losses on Obligation for the period	0.01	(1.05)
Return on Plan Assets, Excluding Interest Income	(0.34)	(0.04)
Change in asset ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>(0.33)</b>	<b>(1.09)</b>
Expenses recognised in the Statement of Profit or Loss for Current period		
Current Service Cost	4.27	1.67
Net interest cost	(0.90)	(0.89)
<b>Expenses Recognized</b>	<b>3.37</b>	<b>0.78</b>
<b>I. Net Asset/(Liability) recognised in the Balance Sheet</b>		
1. Present value of defined benefit obligation at the end of the period	(3.90)	(5.53)
2. Fair value of plan assets at the end of the period	15.02	16.83
3. Surplus/(Deficit)	11.12	11.30
4. Net (liability)/ Asset recognized in the Balance sheet	11.12	11.30
<b>II. Change in the obligation during the year ended</b>		
1. Present value of defined benefit obligation at the beginning of the year	5.53	4.53
2. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	4.27	1.67
- Interest Cost	0.44	0.37
3. (Benefit paid from the Fund)	(6.34)	-
4. Actuarial (Gains)/ Losses on Obligations - Due to change in Demographic Assumptions	-	-
5. Actuarial (Gains)/ Losses on Obligations - Due to change in Financial Assumptions	0.17	0.11
6. Actuarial (Gains)/ Losses on Obligations- Due to experience	(0.17)	(1.15)
Present value of defined benefit obligation at the end of the year	3.90	5.53

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Particulars	(₹ in Lacs)	
	Funded Plan	
	Gratuity	
	March 31, 2017	March 31, 2016
<b>III. Change in fair value of assets during the year ended 31st March</b>		
1. Fair value of plan assets at the beginning of the year	16.83	15.53
2. Interest Income	1.34	1.26
3. Contributions by the employer	2.85	-
4. (Benefit paid from the Fund)	(6.34)	-
5. Return on Plan Assets, excluding Interest Income	0.34	0.04
<b>4. Fair value of plan assets at the end of the year</b>	<b>15.02</b>	<b>16.83</b>

## Expenses Recognized in the Statement of Profit or Loss

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Current Service cost	4.27	1.67
Net Interest Cost	(0.90)	(0.89)
<b>Expenses Recognized</b>	<b>3.37</b>	<b>0.78</b>

**24.7 Employee Benefits (contd.)**

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

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Projected Benefit Obligation on Current Assumptions	3.90	5.53
Delta Effect of +1% Change in Rate of Discounting	(0.54)	(0.74)
Delta Effect of -1% Change in Rate of Discounting	0.67	0.92
Delta Effect of +1% Change in Rate of Salary Increase	0.40	0.90
Delta Effect of -1% Change in Rate of Salary Increase	(0.36)	(0.77)
Delta Effect of +1% Change in Rate of Employee Turnover	0.26	0.24
Delta Effect of -1% Change in Rate of Employee Turnover	(0.32)	(0.29)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

**Maturity profile of defined benefit obligation:**

Projected Benefits Payable in future years from Date of Reporting	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
1st Following year	0.09	0.44
2nd Following year	0.11	0.13
3rd Following year	0.13	0.16
4th Following year	0.16	0.19
5th Following year	0.17	0.21
Sum of Years 6 to 10	0.92	1.19

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### Plan Assets

The fair value of Company's pension plan asset as of March 31, 2017 and 2016 by category are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Asset category:		
Deposits with Insurance companies	15.02	16.83
	<b>100%</b>	<b>100%</b>

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

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

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

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

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

### 24.8 Segment Information

#### (A) Information about primary segments

The Company is primarily engaged in the business of production and / or distribution of motion pictures and films, which constitute a single reportable segment.

**24.9** The accumulated losses of ₹ 12,188.30 Lacs as at March 31, 2017 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 as sanctioned by the Board (Also refer note 24.3(b) ). 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.

**24.10** 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 which has been rectified during the quarter ending March 2017. During the year ended March 31, 2017, the Company has filed appeals with the Income-tax Appellate Tribunal (ITAT), against the Orders passed by the Commissioner of Income-tax (Appeals) confirming the penalty imposed by the assessing officer.

**24.11** During the year, the Board of Directors of the Company have approved a scheme of arrangement between the Company and Balaji Telefilms Limited (BTL), the holding Company, which envisages demerger of the Company's film production undertaking into BTL consequential reduction in Share Capital of the Company.

## NOTES

forming part of the financial statements

### 24.12 Capital management

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

#### Financial Risk Management objectives

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

#### 1) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

#### 2) Liquidity risk management

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

#### 3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

**24.13** The figures for the previous period have been regrouped wherever necessary to correspond with those of the current year.

### 25 DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

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

(₹ in Lacs)

Particulars	Specified bank notes (SBNS)*	Other denomination notes	Total
<b>Closing cash in hand as on November 8, 2016</b>	<b>11,500.00</b>	<b>965.00</b>	<b>12,465.00</b>
Add: Permitted receipts	772,000.00	1,000.00	773,000.00
Less: Permitted payments	11,500.00	-	11,500.00
Less: Amount deposited in banks	-	-	-
<b>Closing cash in hand as on December 30, 2016</b>	<b>772,000.00</b>	<b>1,965.00</b>	<b>773,965.00</b>

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

## NOTES

forming part of the financial statements

### 26 FIRST-TIME IND AS ADOPTION RECONCILIATION

#### 26.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in Lacs)

Particulars	As at March 31, 2016			As at April 1, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>(1) Non-current assets</b>						-
(a) Property, plant and equipment	336.90	-	336.90	397.84	-	397.84
(b) Financial Assets		-			-	
(i) Other financial assets	201.00	-	201.00	201.00	(19.87)	181.13
(c) Advance income tax asset (net)	854.71	-	854.71	758.13	-	758.13
(d) Other non-current assets	3,909.22	-	3,909.22	2,835.56	-	2,835.56
	<b>5,301.83</b>	<b>-</b>	<b>5,301.83</b>	<b>4,192.53</b>	<b>(19.87)</b>	<b>4,172.66</b>
<b>(2) Current assets</b>						-
(a) Inventories	10,516.07	-	10,516.07	2,238.50	-	2,238.50
(b) Financial assets		-			-	
(i) Trade receivables	41.76	-	41.76	138.78	-	138.78
(ii) Cash and cash equivalents	26.18	-	26.18	252.31	-	252.31
(iii) Other balances with banks	33.38	-	33.38	0.54	-	0.54
(iv) Other financial assets	226.96	-	226.96	35.12	-	35.12
(c) Other current assets	2,715.53	-	2,715.53	2,076.56	17.97	2,094.53
	<b>13,559.88</b>	<b>-</b>	<b>13,559.88</b>	<b>4,741.81</b>	<b>17.97</b>	<b>4,759.78</b>
<b>TOTAL ASSETS</b>	<b>18,861.71</b>	<b>-</b>	<b>18,861.71</b>	<b>8,934.34</b>	<b>(1.90)</b>	<b>8,932.44</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Share capital	3,000.00	-	3,000.00	3,000.00	-	3,000.00
(b) Other equity	(7,758.41)	-	(7,758.41)	(4,544.30)	(1.90)	(4,546.20)
	<b>(4,758.41)</b>	<b>-</b>	<b>(4,758.41)</b>	<b>(1,544.30)</b>	<b>(1.90)</b>	<b>(1,546.20)</b>
<b>Liabilities</b>						
<b>(1) Non-current liabilities</b>	-	-	-	-	-	-
<b>(2) Current liabilities</b>						
(a) Financial liabilities						
(i) Short-term borrowings	21,840.96	-	21,840.96	9,981.75	-	9,981.75
(ii) Trade payables	254.27	-	254.27	289.32	-	289.32
(iii) Other financial liabilities	980.09	-	980.09	-	-	-
(b) Other current liabilities	544.80	-	544.80	207.57	-	207.57
	<b>23,620.12</b>	<b>-</b>	<b>23,620.12</b>	<b>10,478.64</b>	<b>-</b>	<b>10,478.64</b>
<b>TOTAL LIABILITIES</b>	<b>18,861.71</b>	<b>-</b>	<b>18,861.71</b>	<b>8,934.34</b>	<b>(1.90)</b>	<b>8,932.44</b>

**NOTES**

forming part of the financial statements

**26.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

(₹ in Lacs)

Particulars	As at March 31, 2016	As at April 1, 2015
<b>Total equity / shareholders' fund as per Indian GAAP</b>	<b>(4,758.41)</b>	<b>(1,544.30)</b>
Add: Total of adjustment carried forward from opening balance sheet	(1.90)	
Adjustments:		
Add:		
(i) Impact of creation of Prepaid Rent	(17.97)	17.97
Less:		
(i) Impact of fair valuation of lease security deposit	19.87	(19.87)
<b>TOTAL ADJUSTMENT TO EQUITY</b>	<b>-</b>	<b>(1.90)</b>
<b>TOTAL EQUITY / SHAREHOLDERS' FUND AS PER IND AS</b>	<b>(4,758.41)</b>	<b>(1,546.20)</b>

**26.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016**

(₹ in Lacs)

Particulars	Year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(I) Revenue from operations	2,281.54	-	2,281.54
(II) Other Income	16.57	19.87	36.44
<b>(III) TOTAL INCOME</b>	<b>2,298.11</b>	<b>19.87</b>	<b>2,317.98</b>
<b>(IV) Expenses</b>			
(a) Cost of Production / Acquisition and Telecast Fees	3,152.44	-	3,152.44
(b) Employee benefits expense	437.69	2.33	440.02
(c) Finance cost	1,062.03	-	1,062.03
(d) Depreciation and amortization expense	62.94	-	62.94
(e) Other operating expenses	797.12	17.97	815.09
<b>TOTAL EXPENSES</b>	<b>5,512.22</b>	<b>20.30</b>	<b>5,532.52</b>
<b>(V) (Loss) for the year</b>	<b>(3,214.11)</b>	<b>(0.43)</b>	<b>(3,214.54)</b>
(VI) Other comprehensive income			
(a) (i) Items that will not be reclassified to statement of profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)	-	2.33	2.33
<b>(VII) TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(3,214.11)</b>	<b>1.90</b>	<b>(3,212.21)</b>
<b>(VIII) EARNINGS PER EQUITY SHARE (OF ₹ 10/- EACH)</b>	<b>(10.71)</b>	<b>-</b>	<b>(10.71)</b>
Basic and diluted earnings per share			

## NOTES

forming part of the financial statements

### 26.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

		(₹ in Lacs)
Particulars		As at March 31, 2016
<b>Profits as per previous GAAP</b>		<b>(3,214.11)</b>
(i) Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)		2.33
(ii) Amortisation of prepaid rent element of rental security deposit		(17.97)
(iii) Recognition of notional interest income on rental security deposit		19.87
<b>TOTAL EFFECT OF TRANSITION TO IND AS</b>		<b>4.23</b>
<b>Profit for the year as per Ind AS</b>		<b>(3,209.88)</b>
Other comprehensive income for the year (net of tax)		(2.33)
<b>TOTAL COMPREHENSIVE INCOME UNDER IND AS</b>		<b>(3,212.21)</b>

### 26.5 Effect of Ind AS adoption on Statement of Cash Flow for the year ended March 31, 2016

Particulars	(₹ in Lacs)		
	For the year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities	(12,051.61)	1.11	(12,050.50)
(b) Net Cash Flow from Investing Activities	(34.27)	(0.57)	(34.84)
(c) Net Cash Flow from Financing Activities	11,859.21	-	11,859.21
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(226.67)</b>	<b>0.54</b>	<b>(226.13)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>252.85</b>	<b>(0.54)</b>	<b>252.31</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>26.18</b>	<b>-</b>	<b>26.18</b>

Signatures to notes 1 to 26

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

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

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

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

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

Place : Mumbai  
Date : May 22, 2017

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

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

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

## DIRECTORS' REPORT

Your Directors present the 5th Directors' Report of the Company together with the Audited Accounts of the Company for the financial year ended March 31, 2017.

### COMPANY PERFORMANCE FINANCIAL RESULTS

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

	(₹ in lacs)	
Particulars	2016-17	2015-16
Total Income	9.22	72.84
Total expenditure	43.87	64.96
<b>Operating (Loss)</b>	<b>(34.75)</b>	<b>(7.88)</b>
Finance Costs	14.81	59.72
Depreciation	2.06	2.30
<b>(Loss) for the Year before tax</b>	<b>(51.53)</b>	<b>(54.14)</b>
Other Comprehensive Income	-	2.61
Provision for tax	-	-
<b>(Loss) for the Year after tax</b>	<b>(51.53)</b>	<b>(51.53)</b>
(Loss) brought forward from previous year	(179.31)	(127.78)
<b>Balance carried to the Balance Sheet</b>	<b>(230.83)</b>	<b>(179.31)</b>

Note: The Financial Statements of the Company is prepared as per Indian Accounting Standards (Ind AS) for the first time for the year ended March 31, 2017. The financial statements for the year ended March 31, 2016 have been restated in accordance with IND AS for comparative information.

### OPERATIONS AND BUSINESS PERFORMANCE

During the year under review, the Company made a net loss of ₹51.53 lacs as compared to a Net loss of ₹ 51.53 lacs in the previous year.

### DIVIDEND

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

### TRANSFER TO RESERVES

During the year under review the Company has not transferred any amount to its reserves.

### BORROWINGS

The Company has borrowings of ₹ 286.13 lacs (inclusive of interest) during the year under review.

### SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2017 was ₹ 5,00,000/-. The Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2017, the Company is a wholly owned subsidiary of Balaji Telefilms Limited.

### PUBLIC DEPOSITS

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

### CHANGE IN NATURE OF BUSINESS

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

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate and joint venture Company. Thus, the Audited Financial Statements, Auditors report thereon and Board's report along with applicable annexures are not annexed herewith.

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

No material events have occurred between the end of financial year 2016-2017 and the date of this report, which have effect over the financial position of the Company.

### DIRECTORS AND KMP

There was no change in Directorship of the Company during the year under review. Further, the provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel (KMP) are not applicable.

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, Ms. Ekta Kapoor, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment and your Board recommends her 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 STATUTORY AUDIT**

Pursuant to section 139 of Companies Act, 2013 and Rule 6 of The Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company on May 22, 2017 has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting. The first year of Audit will be of the financial statements for the year ended March 31, 2018.

### **COST AUDIT**

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

### **SECRETARIAL AUDIT**

In accordance with the Section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

### **OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

The Audit Report for the financial year ended March 31, 2017 does not contain any qualifications, reservations and adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

## **DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

### **I) BOARD MEETINGS**

During the year under review, five (5) meetings of the Board of Directors were held on May 16, 2016, August 10, 2016, September 27, 2016, November 24, 2016 & February 13, 2017. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

### **II) BUSINESS RISK MANAGEMENT**

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Board co-ordinates with the various heads of Departments with respect to risk identification, assessment, analysis and mitigation.

### **III) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. However the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **OTHER DISCLOSURES**

### **I) EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT 9 is appended as Annexure I to the Boards' Report.

## **DIRECTORS' REPORT (CONTD.)**

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### **II) INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY**

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

### **III) RELATED PARTY TRANSACTIONS**

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts/arrangements/transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

### **IV) 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 disclosed in Notes forming part of the Financial Statement annexed to the Financial Statement of the year.

### **V) FIXED DEPOSITS**

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

### **VI) 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 2016-17, no sexual harassment complaints has been registered with the Company.

### **VII) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

### **CONSERVATION OF ENERGY AND 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.

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

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

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

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

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

## BOARD EVALUATION

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

The evaluation of all the Directors and Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board thus approved the evaluation process results.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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, 2017 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 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 acknowledge with gratitude and place on record their appreciation to all stakeholders - shareholders, investors, customers, suppliers, business associates, banks, regulatory and governmental authorities for their cooperation, assistance and support. Your Directors also wish to thank their employees for their dedicated services.

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

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 22, 2017

# ANNEXURES TO THE DIRECTORS' REPORT

## ANNEXURE I FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on Financial Year ended March 31, 2017

[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	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, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email: <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
6. Whether listed company	No
7. Name, Address & Contact details of the Registrar & Transfer Agent, if any.	N. A.

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

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

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra.	L99999MH1994PLC082802	Holding Company	100%	2 (46)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% 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	0	0	0	0.00	0	0	0	0	0
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0
d) Bodies Corp.	0	49,994	49,994	99.988	0	0	49,994	49,994	99.988
e) Banks / FI	0	0	0	0.00	0	0	0	0	0
f) Any other	0	0	0	0.00	0	0	0	0	0
<b>Sub total (A) (1)</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>
<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>	<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>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>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
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	0	0	0	0.00	0	0	0	0.00	0.00
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>	<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>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB-TOTAL (B)2) :-</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>TOTAL PUBLIC SHAREHOLDING (B)=(B)1) + (B)2)</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>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>100</b>

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% 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	0	49,994	99.988	49,994	0
2	Mr. Jeetendra Kapoor as a nominee of M/s. Balaji Telefilms Limited	1	0.002	0	1	0.002	0	0
3	Mrs. Shobha Kapoor as a nominee of M/s. Balaji Telefilms Limited	1	0.002	0	1	0.002	0	0
4	Ms. Ekta Kapoor as a nominee of M/s. Balaji Telefilms Limited	1	0.002	0	1	0.002	0	0
5	Mr. Tusshar Kapoor as a nominee of M/s. Balaji Telefilms Limited	1	0.002	0	1	0.002	0	0
6	Mr. Deepoo Vaswani as a nominee of M/s. Balaji Telefilms Limited	1	0.002	0	1	0.002	0	0
7	Mr. Ramesh Sippy as a nominee of M/s. Balaji Telefilms Limited	1	0.002	0	1	0.002	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>

## iii) Change in Promoters' Shareholding

There are no changes in the Promoter's shareholding during the financial year 2016-17

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2017

The entire share capital of the Company is held by the Holding Company and Promoters of the Company.

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors/KMP	Shareholding at the beginning of the year i.e April 1, 2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>Mr. Jeetendra Kapoor</b>				
	At the beginning of the year	1	0.002	1	0.002
	Bought during the year	-	-	1	0.002
	Sold during the year	-	-	1	0.002
	At the end of the year	1	0.002	1	0.002
<b>2.</b>	<b>Mrs. Shobha Kapoor</b>				
	At the beginning of the year	1	0.002	1	0.002
	Bought during the year	-	-	1	0.002
	Sold during the year	-	-	1	0.002
	At the end of the year	1	0.002	1	0.002
<b>3.</b>	<b>Ms. Ekta Kapoor</b>				
	At the beginning of the year	1	0.002	1	0.002
	Brought during the year	-	-	1	0.002
	Sold during the year	-	-	1	0.002
	At the end of the year	1	0.002	1	0.002
<b>4.</b>	<b>Mr. Tusshar Kapoor</b>				
	At the beginning of the year	1	0.002	1	0.002
	Bought during the year	-	-	1	0.002
	Sold during the year	-	-	1	0.002
	At the end of the year	1	0.002	1	0.002

**Note:**

Mr. D. G. Rajan, did not hold any shares during the financial year 2016-17

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	232.14	-	232.14
ii) Interest due but not paid	-	58.60	-	58.60
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	<b>290.74</b>	-	<b>290.74</b>
Change in Indebtedness during the financial year				
Addition	-	15.39	-	15.39
Reduction	-	(20.00)	-	(20.00)
<b>Net Change</b>	-	<b>(4.61)</b>	-	<b>(4.61)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	-	219.05	-	219.05
ii) Interest due but not paid	-	67.08	-	67.08
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL (i+ii+iii)</b>	-	<b>286.13</b>	-	<b>286.13</b>

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

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

The Company does not have any Managing Director, Whole time Director or Manager during the year under review.

## B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
<b>1.</b>	<b>Independent Directors</b>	<b>Mr. D. G. Rajan</b>				
	Fee for attending Board and 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>	
<b>2.</b>	<b>Other Non- Executive Directors</b>	<b>Mrs. Shobha Kapoor</b>	<b>Ms. Ekta Kapoor</b>	<b>Mr. Jeetendra Kapoor</b>	<b>Mr. Tusshar Kapoor</b>	
	Fee for attending Board and Committee meetings	-	-	-	-	
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	<b>TOTAL (2)</b>	-	-	-	-	
	<b>TOTAL (B) = (1+2)</b>	-	-	-	<b>1,25,000</b>	
	<b>Ceiling as per Act</b>	-	-	-	<b>N. A.*</b>	

\* The Independent Directors of the Company receive sitting fees for attending the Board / Committee meetings of the Company which is excluded under Section 197 of the Companies Act, 2013.

- Non-Executive Directors does not receive any remuneration from the Company.

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

Provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

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

Sd/-

**Jeetendra Kapoor**

Chairman

(DIN: 00005345)

Place: Mumbai

Date: May 22, 2017

# INDEPENDENT AUDITOR'S REPORT

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To

The Members of  
Bolt Media Limited

## REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of Bolt Media Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

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

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

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its (loss), total comprehensive (loss), its cash flows and the changes in equity for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial

information of the branches and joint operations, referred to in the Other Matters paragraph above 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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, as amended, 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.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. (Refer Note 22.10)
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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

# **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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## **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, 2017 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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### **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 (ii) 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 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, 2017 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, 2017.
- (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 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.

(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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

**BALANCE SHEET**

As at March 31, 2017

(₹ in Lacs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	4	0.18	2.25	4.55
(b) Current tax asset (net)	5	55.15	63.17	73.54
<b>TOTAL NON CURRENT ASSETS</b>		<b>55.33</b>	<b>65.42</b>	<b>78.09</b>
<b>(2) Current assets</b>				
(a) Inventories	6	-	-	9.68
(b) Financial assets				
(i) Trade receivables	7	-	35.12	337.19
(ii) Cash and cash equivalents	8	13.65	26.85	88.72
(c) Other current assets	9	4.26	3.56	20.17
<b>TOTAL CURRENT ASSETS</b>		<b>17.91</b>	<b>65.53</b>	<b>455.77</b>
<b>TOTAL ASSETS</b>		<b>73.24</b>	<b>130.95</b>	<b>533.85</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	10	5.00	5.00	5.00
(b) Other equity	11	(230.84)	(179.31)	(127.78)
<b>TOTAL EQUITY</b>		<b>(225.84)</b>	<b>(174.31)</b>	<b>(122.78)</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12	219.05	232.14	576.83
(ii) Trade payables	13	12.95	14.52	76.18
(iii) Other financial liabilities	14	67.08	58.60	1.01
(b) Provisions	15	-	-	2.61
<b>TOTAL CURRENT LIABILITIES</b>		<b>299.08</b>	<b>305.26</b>	<b>656.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73.24</b>	<b>130.95</b>	<b>533.85</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**

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

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

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

**Ketan Vora**  
(Partner)

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

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

Place : Mumbai  
Date : May 22, 2017

Place : Mumbai  
Date : May 22, 2017

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)			
Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
(I) Revenue from operations	16	7.47	64.56
(II) Other Income	17	1.75	8.28
<b>(III) Total income</b>		<b>9.22</b>	<b>72.84</b>
<b>(IV) Expenses</b>			
(a) Cost of Production	18	-	50.38
(b) Finance Cost	19	14.81	59.72
(c) Depreciation and amortisation expense	20	2.07	2.30
(d) Other Expenses	21	43.87	14.58
<b>TOTAL EXPENSES</b>		<b>60.75</b>	<b>126.98</b>
<b>(V) (Loss) before tax (III - IV)</b>		<b>(51.53)</b>	<b>(54.14)</b>
<b>(VI) Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to statement of profit or loss			
(a) Remeasurement of the defined benefit liabilities/ (assets) (net of tax) for the year		-	2.61
		-	2.61
<b>(VI) Total comprehensive income for the year</b>		<b>(51.53)</b>	<b>(51.53)</b>
<b>(VII) Earnings per equity share (of ₹ 10/- each)</b>		<b>(103.05)</b>	<b>(103.05)</b>
Basic and diluted earnings per share			

See accompanying notes forming part of the financial statements.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
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Place : Mumbai  
 Date : May 22, 2017

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before tax for the year	(51.53)	(54.14)
<b>Adjustments for:</b>		
Depreciation	2.07	2.30
Excess provision for gratuity written back	-	(2.61)
Excess provision for earlier years written back	(1.19)	(6.89)
Creditors Written Back	(7.47)	-
Reclassification of actuarial gain / (loss) to OCI	-	2.61
Advances written off	-	0.17
Provision for bad and doubtful debts	35.12	8.49
Finance Cost	14.81	59.72
<b>Operating (loss) / profit before working capital changes</b>	<b>(8.19)</b>	<b>9.65</b>
(Increase)/Decrease in trade and other receivables	(0.70)	310.03
Decrease in inventories	-	9.68
(Decrease) in trade and other payables	(0.43)	(56.91)
	(9.32)	272.45
Income-tax refund received/(paid)	9.21	9.21
	9.21	10.37
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES (A)</b>	<b>(0.11)</b>	<b>282.82</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	6.91	10.31
Repayment of short-term borrowings	(20.00)	(355.00)
<b>NET CASH (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(13.09)</b>	<b>(344.69)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(13.20)</b>	<b>(61.87)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>26.85</b>	<b>88.72</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>13.65</b>	<b>26.85</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 Board of Directors**

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Place : Mumbai  
 Date : May 22, 2017

Place : Mumbai  
 Date : May 22, 2017

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

### A. EQUITY SHARE CAPITAL

Particulars	(₹ in Lacs)
<b>Balance as at April 1, 2015</b>	<b>5.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2016</b>	<b>5.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2017</b>	<b>5.00</b>

### B. OTHER EQUITY

Particulars	(₹ in Lacs)
	<b>Reserves and surplus</b>
	<b>Retained earnings</b>
<b>Balance as at April 1, 2015</b>	<b>(127.78)</b>
Add : (Loss) for the year	(54.14)
Less : Other comprehensive income for the year	2.61
<b>Balance as at March 31, 2016</b>	<b>(179.31)</b>
(Loss) for the year	(51.53)
<b>Balance as at March 31, 2017</b>	<b>(230.84)</b>

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

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

**Jeetendra Kapoor**  
 (Chairman)  
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 (Group Chief Financial Officer)

Place : Mumbai  
 Date : May 22, 2017

Place : Mumbai  
 Date : May 22, 2017

## **NOTES**

forming part of the financial statements

### **1. GENERAL INFORMATION**

Bolt Media Limited was 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.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION :**

**a)** These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from April 1, 2016.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

**b)** The financial statements were approved by the Board of Directors and authorised for issue on May 22, 2017.

#### **c) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

#### **d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions :**

##### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

##### **De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

##### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

##### **Past business combinations**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

##### **Deemed cost for property, plant and equipment and intangible assets**

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible

## NOTES

forming part of the financial statements

Assets recognised as of April 1, 2015 (transition date) as deemed cost. Consequently, cost in respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

#### b) Depreciation and amortisation

Depreciation on Property, Plant and Equipment 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

#### c) Impairment of tangible

At the end of each reporting period, the Company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss

is recognised immediately in the Statement of Profit or Loss.

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

#### d) Inventories

Inventory comprise of television serials/content which are at lower of cost and net realizable value. Cost is determined on the basis of average cost. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### e) Financial Instruments

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

## **NOTES**

forming part of the financial statements

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All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

### **Financial Liabilities:**

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

#### **f) Revenue recognition**

Revenue is recognized as and when the relevant episodes of the programmes (television serials/ content) are telecast on broadcasting channels.

Revenue (income) is recognized when no significant uncertainty as to its determination or realization exists.

#### **g) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### **h) Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their

respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

#### **i) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects

## NOTES

forming part of the financial statements

### 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Carrying Amount of:</b>			
Plant and machinery - Computers	0.11	1.62	3.12
Computers	0.07	0.63	1.43
Studios and sets (refer note below)	-	-	-
<b>TOTAL</b>	<b>0.18</b>	<b>2.25</b>	<b>4.55</b>

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Computers	Studios and sets	Total
<b>Cost or deemed cost</b>				
Balance as at April 1, 2015	4.50	2.39	22.50	29.39
<b>Balance as at March 31, 2016</b>	<b>4.50</b>	<b>2.39</b>	<b>22.50</b>	<b>29.39</b>
<b>Balance as at March 31, 2017</b>	<b>4.50</b>	<b>2.39</b>	<b>22.50</b>	<b>29.39</b>

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Computers	Studios and sets	Total
<b>II. Accumulated depreciation and impairment</b>				
Balance as at April 1, 2015	(1.38)	(0.96)	(22.50)	(24.84)
Depreciation expense	(1.50)	(0.80)	-	(2.30)
<b>Balance as at March 31, 2016</b>	<b>(2.88)</b>	<b>(1.76)</b>	<b>(22.50)</b>	<b>(27.14)</b>
Depreciation expense	(1.51)	(0.56)	-	(2.07)
<b>Balance as at March 31, 2017</b>	<b>(4.39)</b>	<b>(2.32)</b>	<b>(22.50)</b>	<b>(29.21)</b>

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Computers	Studios and sets	Total
<b>III. Carrying Amount</b>				
Balance as at April 1, 2015	3.12	1.43	-	4.55
Depreciation expense	(1.50)	(0.80)	-	(2.30)
<b>Balance as at March 31, 2016</b>	<b>1.62</b>	<b>0.63</b>	<b>-</b>	<b>2.25</b>
Depreciation expense	(1.51)	(0.56)	-	(2.07)
<b>Balance as at March 31, 2017</b>	<b>0.11</b>	<b>0.07</b>	<b>-</b>	<b>0.18</b>

**Note:** The studio & sets which have been fully depreciated has been written off in current year, since the same is no longer in use.

**NOTES**

forming part of the financial statements

**5 CURRENT TAX ASSET**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Tax Deducted at Source	55.15	63.17	73.54
<b>TOTAL</b>	<b>55.15</b>	<b>63.17</b>	<b>73.54</b>

**6 INVENTORIES**

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Television serials/content	-	-	9.68
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>9.68</b>

The mode of valuation of inventories has been stated in note 3(d)

**7 TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
(a) Unsecured, considered good	-	35.12	7.63
(b) Doubtful	43.61	8.49	-
	<b>43.61</b>	<b>43.61</b>	<b>7.63</b>
Less: Allowance for doubtful debts	43.61	8.49	-
	-	35.12	7.63
Other Trade receivables			
Considered good	-	-	329.56
<b>TOTAL</b>	<b>-</b>	<b>35.12</b>	<b>337.19</b>

**7.1 Age of receivables**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	-	-	-
1-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days	43.61	43.61	337.19

**8 CASH AND CASH EQUIVALENTS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Cash on hand	-	-	11.44
(b) Balances with banks in current account	13.65	26.85	77.28
<b>TOTAL</b>	<b>13.65</b>	<b>26.85</b>	<b>88.72</b>

## NOTES

forming part of the financial statements

### 9 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Security Deposit	-	-	0.05
(b) Balances with government authorities (Vat, service tax etc)	4.26	3.56	9.18
(c) Advance to vendors	-	-	10.95
<b>TOTAL</b>	<b>4.26</b>	<b>3.56</b>	<b>20.17</b>

### 10 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Authorised:</b>			
50,000 Equity Shares of ₹ 10/- each	5.00	5.00	5.00
	<b>5.00</b>	<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	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>	<b>5.00</b>

Note:

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

### 11 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Retained earnings	(230.84)	(179.31)	(127.78)
<b>TOTAL</b>	<b>(230.84)</b>	<b>(179.31)</b>	<b>(127.78)</b>

#### 11.1 Retained earnings

(₹ in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balane at beginning of year	(179.31)	(127.78)
(Loss) / Profit for the year	(51.53)	(54.14)
Other comprehensive income for the year (net of tax)		2.61
<b>BALANCE AT END OF YEAR</b>	<b>(230.84)</b>	<b>(179.31)</b>

### 12 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans and advances from the Holding Company (Unsecured)	219.05	232.14	576.83
<b>TOTAL</b>	<b>219.05</b>	<b>232.14</b>	<b>576.83</b>

### 13 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables	12.95	14.52	76.18
<b>TOTAL</b>	<b>12.95</b>	<b>14.52</b>	<b>76.18</b>

**NOTES**

forming part of the financial statements

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**14 OTHER FINANCIAL LIABILITIES**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest accrued and due on loan from Holding Company	67.08	58.60	-
Advances from customers	-	-	1.01
<b>TOTAL</b>	<b>67.08</b>	<b>58.60</b>	<b>1.01</b>

**Note:**

The interest on loan given by Holding Company is within the range of 6.2% to 6.4% per annum. Simple interest is payable on demand or on settlement of loan, whichever is earlier.

**15 PROVISIONS**

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for gratuity	-	-	2.61
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2.61</b>

**16 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Commissioned Sales	-	64.56
<b>Other Operating Income</b>		
Creditors written back	7.47	-
<b>TOTAL</b>	<b>7.47</b>	<b>64.56</b>

## NOTES

forming part of the financial statements

### 17 OTHER INCOME

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income on Income-tax Refund	0.56	1.39
Excess provision for earlier years written back	1.19	6.89
<b>TOTAL</b>	<b>1.75</b>	<b>8.28</b>

### 18 COST OF PRODUCTION

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock of television serials/content	-	9.68
Add: Cost of production		
Purchase of costumes and dresses	-	0.04
Artists, directors and other technician fees	-	28.98
Shooting and location expenses	-	2.43
Set properties and equipment hire charges	-	2.00
Other production expenses	-	7.25
	-	40.70
	-	50.38
Less: Closing stock of television serials/content	-	-
<b>TOTAL</b>	<b>-</b>	<b>50.38</b>

### 19 FINANCE COST

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on loan taken from Holding company (Refer 20.3(b))	14.81	59.72
<b>TOTAL</b>	<b>14.81</b>	<b>59.72</b>

### 20 DEPRECIATION

Particulars		
	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	2.07	2.30
<b>TOTAL</b>	<b>2.07</b>	<b>2.30</b>

### 21 OTHER EXPENSES

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Legal and Professional charges	7.23	4.86
Rates & Taxes	0.27	-
Director Sitting Fees	1.25	0.85
Provision for doubtful debts	35.12	8.49
Advances written off	-	0.17
Miscellaneous expenses	-	0.21
<b>TOTAL</b>	<b>43.87</b>	<b>14.58</b>

Miscellaneous expenses includes printing and stationery and postage, courier charges etc.

**NOTES**

forming part of the financial statements

**21.1 Payment to Auditors**

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
For Statutory Audit	2.50	2.50
For Others	1.50	1.50
For Service Tax	0.60	0.58
<b>TOTAL</b>	<b>4.60</b>	<b>4.58</b>

**22.1 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	Holding Company	Key Management Person	Relative of Key Management Person	(₹ in Lacs)
				Total
<b>Loan Received</b>				
Balaji Telefilms Limited	6.91	-	-	6.91
	(10.31)	(-)	(-)	(10.31)
<b>Loan Repaid</b>				
Balaji Telefilms Limited	20.00	-	-	20.00
	(355.00)	(-)	(-)	(355.00)
<b>Finance Cost (Interest)</b>				
Balaji Telefilms Limited	14.81	-	-	14.81
	(59.72)	(-)	(-)	(59.72)

**(c) Balances as at March 31, 2017**

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	(₹ in Lacs)
				Total
<b>Interest accrued and due</b>				
Balaji Telefilms Limited	67.08	-	-	67.08
	(58.60)	(-)	(-)	(58.60)
<b>Loan payable as at March 31, 2017</b>				
Balaji Telefilms Limited	219.05	-	-	219.05
	(232.14)	(-)	(-)	(232.14)

**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 the bracket relate to the previous year

## NOTES

forming part of the financial statements

### 22.2 Employee Benefits

#### I Movement in net liability recognized in the Balance Sheet

	(₹ in Lacs)	
	For the Year 2016-2017	For the Year 2015-2016
Net (assets)/ liability as at the beginning of the year	-	2.61
Net expense recognized in the Statement of Profit and Loss	-	(2.61)

#### II Expense Recognized in the profit and loss account (Under the head "Employees benefit expenses")

	(₹ in Lacs)	
	For the Year 2016-2017	For the Year 2015-2016
Actuarial (Gains) Losses	-	(2.61)
Expense charged to the Statement of Profit and Loss	-	(2.61)

#### III Reconciliation of defined benefits commitments

	(₹ in Lacs)	
	For the Year 2016-2017	For the Year 2015-2016
Commitments at beginning of the year	-	2.61
Actuarial (gains)/ losses	-	(2.61)

### 22.3 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 :

	For the Year 2016-2017	For the Year 2015-2016
(a) (Loss)/Profit for the year attributable to equity shareholders (₹ in Lacs)	(51.53)	(51.53)
(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)	(103.07)
(d) Nominal value of shares (₹)	10	10

**22.4** In accordance with the Ind AS 12 on "Income Taxes" deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the 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.

**22.5** The accumulated losses of ₹ 230.84 Lacs as at March 31, 2017 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 22.1 (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.

### 22.6 Segment Information

The Company is primarily engaged in the business of production of television content, which, in the context of Ind AS 108 on 'Operating Segments', constitutes a single reportable segment.

## **NOTES**

forming part of the financial statements

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**22.7** 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.

**22.8** The Company did not have any long-term contracts including derivative contracts for which any provision is required for the foreseeable losses.

**22.9** During the current year, the Board of Directors of the Company have approved a composite Scheme of Arrangement between the Company and its Holding Company viz. Balaji Telefilms Limited (BTL) and Balaji Motion Pictures Limited (BMPL – subsidiary of BTL), which envisages merger of the Company and of the film production undertaking of BMPL with BTL. Based on the commencement notification of certain sections of the Companies Act, 2013 related to the powers of the National Company Law Tribunal (NCLT), the Company has filed its application for the sanction of the Scheme with the NCLT. Based on the Order passed by the NCLT, the Company has arranged for a meeting of its Equity shareholders on 24 May, 2017.

**22.10** Disclosures relating to Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016: Notification No. 308(E) dated March 30, 2017 requires every company to disclose certain details relating to specified banking notes. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 and accordingly, the above disclosure requirement is not applicable to the Company.

### **22.11 Capital management**

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

#### **Financial Risk Management objectives**

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

##### **1) Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

##### **2) Liquidity risk management**

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

## NOTES

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### 3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

**22.12** Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

## 23 FIRST-TIME IND AS ADOPTION RECONCILIATION

### 23.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in Lacs)

Particulars	As at March 31, 2016			As at April 1, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Property, plant and equipment	2.25	-	2.25	4.55	-	4.55
(b) Advance income tax asset (net)	63.17	-	63.17	73.54	-	73.54
<b>(2) Current assets</b>						
(a) Inventories	-	-	-	9.68	-	9.68
(b) Financial assets						
(i) Trade receivables	35.12	-	35.12	337.19	-	337.19
(ii) Cash and cash equivalents	26.85	-	26.85	88.72	-	88.72
(c) Other current assets	3.56	-	3.56	20.17	-	20.17
<b>TOTAL ASSETS</b>	<b>130.95</b>	<b>-</b>	<b>130.95</b>	<b>533.85</b>	<b>-</b>	<b>533.85</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Share capital	5.00	-	5.00	5.00	-	5.00
(b) Other equity	(179.31)	-	(179.31)	(127.78)	-	(127.78)
<b>Liabilities</b>						
<b>(1) Current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings	232.14	-	232.14	576.83	-	576.83
(ii) Trade and other payables	14.52	-	14.52	76.18	-	76.18
(iii) Other financial liabilities	58.60	-	58.60	1.01	-	1.01
(b) Other current liabilities	-	-	-	2.61	-	2.61
<b>TOTAL LIABILITIES</b>	<b>130.95</b>	<b>-</b>	<b>130.95</b>	<b>533.85</b>	<b>-</b>	<b>533.85</b>

**NOTES**

forming part of the financial statements

**23.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015**

(₹ in Lacs)

Particulars	As at March 31, 2016	As at April 1, 2015
Total equity (shareholder's funds) under previous GAAP	(174.31)	(122.78)
Add: Total of adjustment carried forward from opening balance sheet	-	-
<b>Total adjustment to equity</b>	<b>-</b>	<b>-</b>
<b>Total equity under Ind AS</b>	<b>(174.31)</b>	<b>(122.78)</b>

**23.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017**

(₹ in Lacs)

Particulars	Year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(I) Revenue from operations	64.56	-	64.56
(II) Other Operating Income	10.89	(2.61)	8.28
<b>(III) Total income</b>	<b>75.45</b>	<b>(2.61)</b>	<b>72.84</b>
(IV) Expenses			
(a) Cost of Production / Acquisition and Telecast Fees	50.38	-	50.38
(b) Finance Cost	59.72	-	59.72
(c) Depreciation and amortization expense	2.30	-	2.30
(d) Other operating expenses	14.58	-	14.58
<b>TOTAL EXPENSES</b>	<b>126.98</b>	<b>-</b>	<b>126.98</b>
<b>(V) (Loss) Before Tax</b>	<b>(51.53)</b>	<b>(2.61)</b>	<b>(54.14)</b>
<b>(VI) Other comprehensive income</b>			
A (i) Items that will not be reclassified to statement of profit or loss			
(a) Reclassification of actuarial gain / loss to OCI	-	2.61	2.61
	-	2.61	2.61
<b>(VII) Total comprehensive income for the year</b>	<b>(51.53)</b>	<b>-</b>	<b>(51.53)</b>

**23.4 Reconciliation of total comprehensive income for the year ended March 31, 2016**

(₹ in Lacs)

Sr.	Particulars	Year ended March 31, 2016
	<b>Profits as per previous GAAP</b>	(51.53)
(i)	Impact of reclassification of actuarial loss on employee benefits to Other Comprehensive Income (OCI) (net of tax)	(2.61)
	<b>TOTAL EFFECT OF TRANSITION TO IND AS</b>	<b>(2.61)</b>
	<b>Profit for the year as per Ind AS</b>	<b>(54.14)</b>
	Other comprehensive income for the year (net of tax)	2.61
	<b>TOTAL COMPREHENSIVE INCOME UNDER IND AS</b>	<b>(51.53)</b>

**NOTES**

forming part of the financial statements

**23.5 Effect of Ind AS adoption on Statement of Cash Flow for the year ended March 31, 2016**

(₹ in Lacs)

Particulars	For the year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities	282.82	-	282.82
(b) Net Cash Flow from Investing Activities	-	-	-
(c) Net Cash Flow from Financing Activities	(344.69)	-	(344.69)
<b>Net (Decrease) in cash &amp; cash equivalents</b>	<b>(61.87)</b>	<b>-</b>	<b>(61.87)</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>88.72</b>	<b>-</b>	<b>88.72</b>
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>26.85</b>	<b>-</b>	<b>26.85</b>

Signature to notes 1 to 23

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

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

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

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

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

**Ketan Vora**  
(Partner)

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

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

Place : Mumbai  
Date : May 22, 2017

Place : Mumbai  
Date : May 22, 2017

## DIRECTORS' REPORT

Your Directors present the 6th Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2017.

### COMPANY PERFORMANCE FINANCIAL HIGHLIGHTS

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

	(₹ in lacs)	
Particulars	2016-17	2015-16
Total Income	838.66	893.84
Total expenditure	1084.22	908.56
<b>Operating (Loss)</b>	<b>(245.56)</b>	<b>(14.72)</b>
Finance Costs	0.54	0.52
Depreciation	0.18	0.18
<b>(Loss) for the Year before tax</b>	<b>(246.28)</b>	<b>(15.42)</b>
Provision for tax	-	0.78
<b>(Loss) for the Year after tax</b>	<b>(246.28)</b>	<b>(16.19)</b>
<b>(Loss) brought forward from previous year</b>	<b>(256.63)</b>	<b>(240.44)</b>
<b>Balance carried to the Balance Sheet</b>	<b>(502.91)</b>	<b>(256.63)</b>

Note: The Financial Statements of the Company is prepared as per Indian Accounting Standards (Ind AS) for the first time for the year ended March 31, 2017. The financial statements for the year ended March 31, 2016 have been restated in accordance with IND AS for comparative information.

### OPERATIONS AND BUSINESS PERFORMANCE

During the year under review, Marinating Films Private Limited has reported loss of ₹ 246.28 lacs as against loss of ₹ 16.19 lacs in the previous fiscal.

### DIVIDEND

Considering the loss incurred in the current financial year your Directors have not recommended any dividend for the financial year under review.

### TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to reserves, in view of loss incurred by the Company.

### BORROWINGS

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

### SHARE CAPITAL

The paid up Share Capital of the Company as on March 31, 2017 was ₹ 3,46,00,000/- comprising of 10,000 Equity Shares of Face Value ₹10/- each and 34,50,000 Preference Shares of Face Value ₹10/- each. The Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2017 the Company is a subsidiary of Balaji Telefilms Limited.

### PUBLIC DEPOSITS

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

### CHANGE IN NATURE OF BUSINESS

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

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate and joint venture Company. Thus Audited Financial Statements, the Auditors Report thereon and the Board's Report along with applicable annexures are not annexed herewith.

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

No material events have occurred between the end of financial year 2016-2017 and the date of this report, which have effect over the financial position of the Company.

### DIRECTORS AND KMP

There was no change in Directorship of the Company during the year under review. Further, the provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel (KMP) are not applicable.

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. Anand Prakash Mishra, 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 STATUTORY AUDIT**

Pursuant to section 139 of Companies Act, 2013 and Rule 6 of The Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company on May 22, 2017 has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting. The first year of Audit will be of the financial statements for the year ended March 31, 2018.

### **COST AUDIT**

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

### **SECRETARIAL AUDIT**

In accordance with Section 204 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit is not applicable to the Company.

### **OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

The Audit Report for the financial year ended March 31, 2017 does not contain any qualifications, reservations and adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

## **DISCLOSURES RELATED TO BOARD AND POLICIES**

### **I. BOARD MEETINGS**

During the year under review, Four (4) meetings of the Board of Directors were held on May 16, 2016, August 10, 2016, November 24, 2016 & February 13, 2017. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

### **II. BUSINESS RISK MANAGEMENT**

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Board co-ordinates with the various heads of Departments with respect to risk identification, assessment, analysis and mitigation.

### **III. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Holding Company i.e Balaji Telefilms Limited has Corporate Social Responsibility policy which is applicable to all its subsidiaries. However the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **OTHER DISCLOSURES**

### **I. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT 9 is appended as Annexure I to the Boards' Report.

### **II. INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY**

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its

## DIRECTORS' REPORT (CONTD.)

business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

### III. RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts/arrangements/transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

### IV. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review the Company does not have any loans, guarantees or investments under the provisions of section 186 of the Companies Act, 2013, hence no disclosure is required to be given in this regard.

### V. FIXED DEPOSITS

During the year under review the Company has not accepted any fixed deposits and as such no amount of principal interest was outstanding as on the Balance Sheet date.

### VI. 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 2016-17, no sexual harassment complaint has been registered with the Company.

### VII. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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 foreign exchange earnings of ₹ 154.38 lacs and Foreign Exchange outgo was Nil.

### MECHANISM FOR EVALUATING BOARD MEMBERS

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

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

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

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

### BOARD EVALUATION

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

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board thus approve evaluation process results.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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, 2017 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 acknowledge with gratitude and place on record their appreciation to all stakeholders - shareholders, investors, customers, suppliers, business associates, banks, regulatory and governmental authorities for their cooperation, assistance and support. Your Directors also wish to thank their employees for their dedicated services.

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

Sd/-

**Shobha Kapoor**

Chairperson

(DIN: 00005124)

Place: Mumbai

Date: May 22, 2017

## ANNEXURES TO THE DIRECTORS' REPORT

### ANNEXURE I FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2017

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

#### I. REGISTRATION & OTHER DETAILS:

1. CIN	U74120MH2011PTC220971
2. Registration Date	16/08/2011
3. Name of the Company	Marinating Films Private Limited
4. Category/Sub-category of the Company	Company Limited by Shares.
5. Address of the Registered office & contact details	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra. Tel: +91-022-40698000, Fax: +91-022-40698181 Email : <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> Website : <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
6. Whether listed company	No
7. Name, Address & Contact details of the Registrar & Transfer Agent, if any.	N. A.

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

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

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

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited <b>Registered Office:</b> C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra.	L99999MH1994PLC082802	Holding Company	51	2 (46)

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

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% 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	0	4,900	4,900	49	0	4,900	4,900	49	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	5,100	5,100	51	0	5,100	5,100	51	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub total (A) (1)</b>	<b>0</b>	<b>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>
(2) Foreign									
a] Individuals (NRIs/Foreign Individuals]	0	0	0	0	0	0	0	0	0
b] Other Individuals	0	0	0	0	0	0	0	0	0
c] Bodies Corporate	0	0	0	0	0	0	0	0	0
d] Institutions	0	0	0	0	0	0	0	0	0
e] Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
f] Others	0	0	0	0	0	0	0	0	0
<b>Sub total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SHAREHOLDING OF PROMOTERS A= A(1) + A(2)</b>	<b>0</b>	<b>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	0	0	0	0	0	0	0	0	0
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	<b>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>

### ii) Shareholding of Promoter:

Sr. 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	Balaji Telefilms Limited	5,100	51.00	0	5,100	51.00	0	0
2	Mr. Anand Mishra	2,450	24.50	0	2,450	24.50	0	0
3	Mr. Sunny Arora	2,450	24.50	0	2,450	24.50	0	0
	<b>TOTAL</b>	<b>10,000</b>	<b>100%</b>	<b>0</b>	<b>10,000</b>	<b>100%</b>	<b>0</b>	<b>0</b>

### iii) Change in Promoters' Shareholding:

There are no changes in promoter holding during the Financial Year 2016-17.

### iv) Shareholding Pattern of top Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

The entire share capital of the Company is held by the Holding Company, Promoters and the Directors of the Company.

## v) Shareholding of Directors and Key Managerial Personnel:

₹

Sr. No.	Shareholding of each Directors and each 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. Anand Mishra				
	At the beginning of the year	2,450	24.50	2,450	24.50
	Bought during the year	-	-	2,450	24.50
	Sold during the year	-	-	2,450	24.50
	At the end of the year	2,450	24.50	2,450	24.50
2	Mr. Sunny Arora				
	At the beginning of the year	2,450	24.50	2,450	24.50
	Bought during the year	-	-	2,450	24.50
	Sold during the year	-	-	2,450	24.50
	At the end of the year	2,450	24.50	2,450	24.50

**Note:**

Mrs. Shobha Kapoor, Ms. Ekta Kapoor, Mr. D. K. Vasal and Mr. V. B. Dalal did not hold any shares during the financial year 2016-17.

**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning 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>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<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>	-	-	-	-

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Company does not have any Managing Director, Whole time Director or Manager during the year under review.

#### B. Remuneration to other directors

₹

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. V. B. Dalal	Mr. D. K. Vasal			
1.	<b>Independent Directors</b>					
	Fee for attending board committee meetings	1,00,000	1,00,000			2,00,000
		-	-			-
	Commission	-	-			-
	Others, please specify	-	-			-
	<b>TOTAL (1)</b>	<b>1,00,000</b>	<b>1,00,000</b>			<b>2,00,000</b>
2	<b>Other Non-Executive Directors</b>	<b>Mrs. Shobha Kapoor</b>	<b>Ms. Ekta Kapoor</b>	<b>Mr. Anand Mishra</b>	<b>Mr. Sunny Arora</b>	
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify - Remuneration	-	-	20,57,360	20,57,153	41,14,513
	<b>TOTAL (2)</b>	<b>-</b>	<b>-</b>	<b>20,57,360</b>	<b>20,57,153</b>	<b>41,14,513</b>
	<b>TOTAL (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>21,57,360</b>	<b>21,57,153</b>	<b>43,14,513</b>
	Ceiling as per the Act (per annum)	₹ 1,68,00,000/- (As per Schedule V of the Companies Act, 2013)				

**Note:** The Independent Directors of the Company receive sitting fees for attending the Board / Committee meetings of the Company which is excluded under Section 197 of the Companies Act, 2013.

- Non-Executive Directors does not receive any remuneration from the Company except Mr. Anand Mishra and Mr. Sunny Arora.

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

Provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

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

Sd/-

**Shobha Kapoor**

Chairperson

(DIN: 00005124)

Place: Mumbai

Date: May 22, 2017

## **INDEPENDENT AUDITOR'S REPORT**

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To The Members of  
Marinating Films Private Limited

### **REPORT ON THE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of Marinating Films Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

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

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

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its (loss,) total comprehensive (loss), its cash flows and the changes in equity for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the branches and joint operations, referred to in the Other Matters paragraph above 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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, as amended, 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.
    - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. (Refer Note 23.9)
  - 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

# **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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**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, 2017 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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**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 (ii) 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 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, 2017 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, 2017.
- (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 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.

(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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

## BALANCE SHEET

As at March 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	4	0.12	0.30	0.48
(b) Financials Assets				
(i) Other financial assets	5	1.60	1.95	1.76
(c) Current tax asset (net)		58.68	47.02	14.59
(d) Deferred Tax Asset (net)	23.11	46.05	46.05	46.83
<b>(2) Current assets</b>				
(a) Inventories	6	-	60.42	267.51
(b) Financial assets				
(i) Investments	7	-	102.24	-
(ii) Trade receivables	8	39.32	370.59	164.47
(iii) Cash and cash equivalents	9	143.25	118.52	6.66
(c) Other current assets	10	93.50	31.47	4.94
<b>TOTAL ASSETS</b>		<b>382.52</b>	<b>778.56</b>	<b>507.24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	11	1.00	1.00	1.00
(b) Other equity	12	(502.92)	(256.63)	(240.44)
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	13	580.31	480.31	480.31
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Trade and other payables	14	124.99	549.36	223.33
(b) Other current liabilities	15	179.14	4.52	43.04
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>382.52</b>	<b>778.56</b>	<b>507.24</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

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

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

**V. B. Dalal**  
 (Director)  
 (DIN: 00247971)

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

Place : Mumbai  
 Date : May 22, 2017

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

**Sunny Arora**  
 (Director)  
 (DIN: 03225979)

**Anand Prakash Mishra**  
 (Director)  
 (DIN: 03047012)

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
1 Revenue from Operations	16	821.34	891.41
2 Other income	17	17.32	2.43
<b>3 TOTAL INCOME</b>		<b>838.66</b>	<b>893.84</b>
<b>4 Expenses</b>			
(a) Cost of Production	18	865.90	623.23
(b) Changes in inventories of Stock-in-Trade	18	60.42	207.09
(c) Employee benefits expense	19	41.53	48.22
(d) Finance cost	20	0.54	0.52
(e) Depreciation	21	0.18	0.18
(f) Other expenses	22	116.38	30.01
<b>TOTAL EXPENSES</b>		<b>1,084.95</b>	<b>909.25</b>
<b>5 (Loss) before tax</b>		<b>(246.29)</b>	<b>(15.41)</b>
<b>6 Tax expense:</b>			
(a) Deferred Tax		-	0.78
		-	0.78
<b>7 (Loss) for the year</b>		<b>(246.29)</b>	<b>(16.19)</b>
<b>8 Earnings per equity share</b>			
Basic and diluted earnings per share		<b>(2,462.90)</b>	<b>(161.94)</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

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

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

**V. B. Dalal**  
 (Director)  
 (DIN: 00247971)

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 (DIN: 03225979)

**Anand Prakash Mishra**  
 (Director)  
 (DIN: 03047012)

## CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before tax	(246.29)	(15.41)
<b>Adjustments for the periods</b>		
Depreciation	0.18	0.18
Excess provision for earlier year written back	(3.06)	(11.19)
Provision for Bad and Doubtful Debts	70.55	-
Profit on Sale of Investments	(13.62)	(2.24)
<b>Operating Profit/(loss) before working capital changes</b>	<b>54.05</b>	<b>(13.25)</b>
Decrease / (Increase) in trade and other receivables	199.05	(232.82)
Decrease in inventories	60.41	207.09
(Decrease) / Increase in trade and other payables	(246.69)	298.70
	(179.47)	244.30
Direct taxes paid	(11.66)	(32.43)
<b>Net cash flow (used in) / from operating activities (A)</b>	<b>(191.13)</b>	<b>211.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		
Investment in mutual fund	(150.00)	(100.00)
Investment in mutual fund redeemed	265.86	
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>115.86</b>	<b>(100.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		
Share application Money	100.00	-
<b>Net cash flow from financing activities (C)</b>	<b>100.00</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>24.73</b>	<b>111.87</b>
Cash and cash equivalents at the beginning of the year	118.53	6.66
<b>Cash and cash equivalents at the end of the year</b>	<b>143.25</b>	<b>118.53</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

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

**Shobha Kapoor**  
(Director)  
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Place : Mumbai  
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(DIN: 03225979)

**Anand Prakash Mishra**  
(Director)  
(DIN: 03047012)

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

<b>A. EQUITY SHARE CAPITAL</b>		(₹ in lacs)
<b>Particulars</b>		
<b>As at April 1, 2015</b>		<b>1.00</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2016</b>		<b>1.00</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2017</b>		<b>1.00</b>

<b>B. OTHER EQUITY</b>		(₹ in lacs)
<b>Particulars</b>		<b>Reserves and surplus</b>
		<b>Retained earnings</b>
<b>As at April 1, 2015</b>		<b>(240.44)</b>
Add : (Loss) for the year		(16.19)
<b>As at March 31, 2016</b>		<b>(256.63)</b>
Add : (Loss) for the year		(246.29)
<b>As at March 31, 2017</b>		<b>(502.92)</b>

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

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

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

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**Anand Prakash Mishra**  
 (Director)  
 (DIN: 03047012)

## NOTES

forming part of the financial statements

### 1. GENERAL 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 & television industry. The Company is a subsidiary of Balaji Telefilms Ltd.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION :

a) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from April 1, 2016.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

b) The financial statements were approved by the Board of Directors and authorised for issue on May 22, 2017.

#### c) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions :

#### Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

#### Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101

#### Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

#### Deemed cost for property, plant and equipment and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2015 (transition

## NOTES

forming part of the financial statements

date) as deemed cost. Consequently, cost in respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company has designated certain investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### a) Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

### b) Depreciation and amortisation

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

### c) Impairment of tangible

At the end of each reporting period, the Company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not

possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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

### d) Inventories

Items of Inventory are carried at lower of cost or net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### e) Financial Instruments

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## NOTES

forming part of the financial statements

### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ▶ the contractual terms of the instrument give rise on specified dates to cash flows

that are solely payments of principal and interest on the principal amount outstanding.

### Investments in equity instruments at FVTOCI:

On initial recognition, the Company has made an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as at FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

### Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## NOTES

forming part of the financial statements

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

### f) Revenue recognition

Revenue is recognized as and when the relevant episodes of the programmes (Event) are telecast on broadcasting channels.

Revenue (income) is recognized when no significant uncertainty as to its determination or realization exists.

### g) Leases

The company as lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### h) Employee Benefits

#### 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.

#### Short Term Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the period in which the related service is rendered.

### i) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

### j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### k) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

## NOTES

forming part of the financial statements

### 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Carrying Amount of:</b>			
Computers	0.12	0.30	0.48
<b>TOTAL</b>	<b>0.12</b>	<b>0.30</b>	<b>0.48</b>

(₹ in Lacs)

I. Description of Assets	Computers	Total
<b>Cost or deemed cost</b>		
Balance as at April 1, 2015	0.53	0.53
Balance as at March 31, 2016	0.53	0.53
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>0.53</b>	<b>0.53</b>

(₹ in Lacs)

II. Description of Assets	Computers	Total
<b>Accumulated depreciation and impairment</b>		
Balance as at April 1, 2015	(0.05)	(0.05)
Depreciation expense	(0.18)	(0.18)
<b>Balance as at March 31, 2016</b>	<b>(0.23)</b>	<b>(0.23)</b>
Depreciation expense	(0.18)	(0.18)
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>(0.41)</b>	<b>(0.41)</b>

(₹ in Lacs)

Description of Assets	Computers	Total
<b>III. Carrying Amount</b>		
Balance as at April 1, 2015	0.48	0.48
Depreciation expense	(0.18)	(0.18)
<b>Balance as at March 31, 2016</b>	<b>0.30</b>	<b>0.30</b>
Depreciation expense	(0.18)	(0.18)
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>0.12</b>	<b>0.12</b>

### 5 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security Deposit	1.60	1.95	1.76
<b>TOTAL</b>	<b>1.60</b>	<b>1.95</b>	<b>1.76</b>

### 6 INVENTORIES

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Events	-	60.42	267.51
<b>TOTAL</b>	<b>-</b>	<b>60.42</b>	<b>267.51</b>

The Mode of Valuation of inventories has been stated in Note 3

## NOTES

forming part of the financial statements

### 7 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in Mutual Fund	-	102.24	-
<b>TOTAL</b>	<b>-</b>	<b>102.24</b>	<b>-</b>

(₹ in Lacs)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>In Units of Mutual Funds</b>						
Baroda Pioneer Treasury Advantage Fund - Plan A - 13701007 - Eminence	-	-	6,053.10	102.24	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>6,053.10</b>	<b>102.24</b>	<b>-</b>	<b>-</b>

### 8 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade receivables</b>			
(a) Unsecured, considered good	39.32	370.59	164.47
(b) Doubtful	70.55	-	-
	<b>109.87</b>	<b>370.59</b>	<b>164.47</b>
Less: Allowance for doubtful debts	70.55	-	-
	39.32	370.59	164.47
<b>TOTAL</b>	<b>39.32</b>	<b>370.59</b>	<b>164.47</b>

#### 8.1 Age of receivables

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	-	-	-
1-30 days past due	-	-	-
31-60 days past due	-	-	-
61-90 days past due	-	-	-
More than 90 days	109.87	370.59	164.47

### 9 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
- in current accounts	143.25	118.52	6.66
<b>TOTAL</b>	<b>143.25</b>	<b>118.52</b>	<b>6.66</b>

## NOTES

forming part of the financial statements

### 10 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current assets</b>			
(a) Prepaid Rent	0.40	0.04	0.22
(b) Balances with government authorities (service tax)	93.10	3.16	4.72
(c) Advance to vendors	-	28.27	
<b>TOTAL</b>	<b>93.50</b>	<b>31.47</b>	<b>4.94</b>

### 11 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(a) Authorised</b>			
50,000 (Previous year 50,000) Equity Shares of ₹10/- each	5.00	5.00	5.00
34,50,000 (Previous year 34,50,000) Zero Dividend Optionally convertible preference shares of ₹10/- each (Refer Note 13)	345.00	345.00	345.00
	<b>350.00</b>	<b>350.00</b>	<b>350.00</b>
<b>(b) Issued, Subscribed and fully paid up</b>			
10,000 (Previous year 10,000) Equity Shares of ₹10/- each	1.00	1.00	1.00
	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

#### Notes :

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

(₹ in Lacs)

Name of Equity Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	5,100	51.00%	5,100	51.00%	5,100	51.00%
Anand Prakash Mishra	2,450	24.50%	2,450	24.50%	2,450	24.50%
Sunny Satish Arora	2,450	24.50%	2,450	24.50%	2,450	24.50%

- (ii) All the Equity Shares have the same rights as to dividends, voting and in case of repayment of capital.

### 12 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Retained earnings	(502.92)	(256.63)	(240.44)
<b>TOTAL</b>	<b>(502.92)</b>	<b>(256.63)</b>	<b>(240.44)</b>

#### 12.1 Retained earnings

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Balane at beginning of year	(256.63)	(240.44)
Add: (Loss) for the year	(246.29)	(16.19)
Add : Deferred tax asset	-	-
<b>BALANCE AT END OF YEAR</b>	<b>(502.92)</b>	<b>(256.63)</b>

## NOTES

forming part of the financial statements

### 13 NON CURRENT BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
34,50,000 (Previous year 34,50,000) Zero Dividend Optionally convertible redeemable preference shares of ₹10/- each	480.31	480.31	480.31
Share Application money pending allotment	100.00	-	-
<b>TOTAL</b>	<b>580.31</b>	<b>480.31</b>	<b>480.31</b>

### 14 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payables	124.99	549.36	223.33
<b>TOTAL</b>	<b>124.99</b>	<b>549.36</b>	<b>223.33</b>

### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 15 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory liabilities	-	4.18	43.04
Advances from customers	179.14	0.34	-
<b>TOTAL</b>	<b>179.14</b>	<b>4.52</b>	<b>43.04</b>

### 16 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Service Income - Event management	818.28	880.22
<b>Other Operating Revenue</b>		
Excess provision of previous year written back	3.06	11.19
<b>TOTAL</b>	<b>821.34</b>	<b>891.41</b>

## NOTES

forming part of the financial statements

### 17 OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income		
- On Income-tax refund	3.52	-
(b) Profit on sale of current investments (non-trade) (net)	13.62	2.24
(c) Notional Interest - on security deposit	0.18	0.19
<b>TOTAL</b>	<b>17.32</b>	<b>2.43</b>

### 18 COST OF PRODUCTION

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock	60.42	267.51
Acquisition Cost	541.34	233.55
Purchase of tapes / raw stock / negative	5.36	0.06
Purchase of costumes and dresses	2.08	1.69
Artists, Directors and other technicians fees	107.36	135.12
Shooting and location expenses	87.27	67.95
Set Properties and Equipment Hire Charges	38.33	108.41
Marketing Expenses	58.03	12.33
Other production expenses	26.13	86.14
	<b>865.90</b>	<b>645.25</b>
Less: Reimbursement of expenses	-	(22.02)
	<b>865.90</b>	<b>623.23</b>
	<b>926.32</b>	<b>890.74</b>
Less: Closing stock of content	-	60.42
<b>TOTAL</b>	<b>926.32</b>	<b>830.32</b>

### 19 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages	41.14	48.15
Staff welfare expenses	0.39	0.07
<b>TOTAL</b>	<b>41.53</b>	<b>48.22</b>

### 20 FINANCE COST

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on delayed payment of taxes etc.	0.54	0.52
<b>TOTAL</b>	<b>0.54</b>	<b>0.52</b>

## NOTES

forming part of the financial statements

### 21 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	0.18	0.18
<b>TOTAL</b>	<b>0.18</b>	<b>0.18</b>

### 22 OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Electricity charges	0.64	0.53
Rent	4.93	4.04
Repairs and maintenance-others	0.48	0.06
Rates and taxes	8.32	1.59
Communication expenses	0.16	0.62
Legal and professional charges	26.17	19.83
Travelling and conveyance Expenses	0.38	0.33
Repairs and maintenance - Machinery	-	0.15
Director sitting fees	2.00	1.50
Provision for doubtful debts	70.55	-
Miscellaneous expenses	2.75	1.36
<b>TOTAL</b>	<b>116.38</b>	<b>30.01</b>

#### 22.1 Payment to Auditors

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
For Statutory Audit	3.50	3.50
For Others	1.50	1.50
For Service Tax	0.75	0.73
<b>TOTAL</b>	<b>5.75</b>	<b>5.73</b>

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

#### 23.1 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
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

## NOTES

forming part of the financial statements

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

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Key Management Person having significant influence	Total
<b>Share application money received</b>				
Balaji Telefilms Limited	100.00	-	-	100.00
	(-)	(-)	(-)	(-)
<b>Remuneration</b>				
Anand Prakash Mishra	-	20.57	-	20.57
	(-)	(23.92)	(-)	(23.92)
Sunny Arora	-	20.57	-	20.57
	(-)	(23.92)	(-)	(23.92)

### (c) Closing balances as at March 31, 2017

(₹ in Lacs)

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Total
<b>Amount payable as at March 31, 2017</b>				
Balaji Telefilms Ltd	100.00	-	-	100.00
	(-)	(-)	(-)	(-)
<b>Salary payable as at March 31, 2017</b>				
Anand Prakash Mishra	-	2.68	-	2.68
	(-)	(1.88)	(-)	(1.88)
Sunny Arora	-	2.46	-	2.46
	(-)	(2.54)	(-)	(2.54)

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.

## 23.2 Earning per share

### a 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 March 31, 2017	For the year ended March 31, 2016
(a) Loss for the year attributable to equity shareholders (in lacs)	(246.29)	(16.19)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	10,000	10,000
(c) Loss per share - Basic (₹)	(2,462.90)	(161.94)
(d) Nominal value of shares (₹)	10	10

## NOTES

forming part of the financial statements

### b 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:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Loss for the year attributable to equity shareholders (in lacs)	(246.29)	(16.19)
(b) Weighted average number of shares outstanding during the year (Nos.)	34,60,000	34,60,000
(c) Loss per share - Diluted (₹)	(7.12)	(0.47)
(d) Nominal value of shares (₹)	10	10

**23.3** In accordance with the Indian Accounting Standard 12 (Ind AS 12) on "Income Taxes", deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and tax losses for the year and the requirement of the Ind AS 12 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 Ind AS 12 .

### 23.4 Lease Transactions

Amount of lease rentals charged to the statement of profit and loss account in respect of operating leases is ₹ 4.93 lacs (previous year ₹ 4.04 lacs)

### 23.5 Segment Information

The Company is primarily engaged in the business of event management relating to film and television industry which, in the context of Ind AS 108 on "Operating Segments", constitutes a single reportable segment.

**23.6** The Company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses.

**23.7** 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.

**23.8** 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.

**23.9** Disclosures relating to Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016: Notification No. 308(E) dated March 30, 2017 requires every company to disclose certain details relating to specified banking notes. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 and accordingly, the above disclosure requirement is not applicable to the Company.

## **NOTES**

forming part of the financial statements

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### **23.10 Capital management**

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

#### **Financial Risk Management objectives**

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

#### **1) Credit risk management**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

#### **2) Liquidity risk management**

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

#### **3) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

## NOTES

forming part of the financial statements

### 23.11 Movement in deferred tax balances

(₹ in Lacs)

Particulars	For Year Ended March 31, 2017		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Other Temporary Differences (Ind AS adjustment)	-	-	-
Tax effect of items constituting deferred tax assets			
Other Temporary Differences (please specify)	46.05	-	46.05
<b>NET TAX ASSET (LIABILITIES)</b>	<b>46.05</b>	<b>-</b>	<b>46.05</b>

(₹ in Lacs)

Particulars	For Year Ended March 31, 2016		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Other Temporary Differences (Ind AS adjustment)	-	-	-
Tax effect of items constituting deferred tax assets			
Other Temporary Differences (please specify)	46.83	(0.78)	46.05
<b>NET TAX ASSET (LIABILITIES)</b>	<b>46.83</b>	<b>(0.78)</b>	<b>46.05</b>

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

## 24 FIRST-TIME IND AS ADOPTION RECONCILIATION

### 24.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in Lacs)

Particulars	As at March 31, 2016			As at April 1, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Property, plant and equipment	0.30	-	0.30	0.48	-	0.48
(b) Financial Assets						
(i) Other financial assets	-	1.95	1.95	-	1.76	1.76
(c) Advance income tax asset (net)	49.02	(2.00)	47.02	16.59	(2.00)	14.59
(d) Deferred tax assets (net)	-	46.05	46.05	-	46.83	46.83
<b>(2) Current assets</b>						
(a) Inventories	60.42	-	60.42	267.51	-	267.51
(b) Financial assets						
(i) Investments	100.00	2.24	102.24	-	-	-
(ii) Trade receivables	370.59	-	370.59	164.47	-	164.47
(iii) Cash and cash equivalents	118.52	-	118.52	6.66	-	6.66
(c) Other current assets	31.43	0.04	31.47	4.72	0.22	4.94
<b>TOTAL ASSETS</b>	<b>730.28</b>	<b>48.28</b>	<b>778.56</b>	<b>460.43</b>	<b>46.81</b>	<b>507.24</b>

## NOTES

forming part of the financial statements

Particulars	(₹ in Lacs)					
	As at March 31, 2016			As at April 1, 2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Share capital	346.00	(345.00)	1.00	346.00	(345.00)	1.00
(b) Other equity	(169.60)	(87.03)	(256.63)	(151.94)	(88.50)	(240.44)
<b>Liabilities</b>						
<b>(1) Non-current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings	-	480.31	480.31	-	480.31	480.31
<b>(2) Current liabilities</b>						
(a) Financial liabilities						
(i) Trade and other payables	549.36	-	549.36	223.33	(0.00)	223.33
(b) Other current liabilities	4.52	-	4.52	43.04	-	43.04
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>730.28</b>	<b>48.28</b>	<b>778.56</b>	<b>460.43</b>	<b>46.81</b>	<b>507.24</b>

### 24.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	(₹ in Lacs)	
	As at March 31, 2016	As at April 1, 2015
<b>Total equity (shareholder's funds) under previous GAAP</b>	<b>176.40</b>	<b>194.06</b>
Add: Total of adjustment carried forward from opening balance sheet	(433.50)	-
(i) Gain on mark-to-market measurement of Current Investments (net of tax)	1.46	-
(ii) Impact of creation of Prepaid Rent	-	0.22
(iii) Creation of Deferred tax asset	-	46.83
(iv) Impact of Fair Valuation of Preference Share	-	(135.31)
(v) Recognition of notional interest income on rental security deposit	0.19	-
(vi) Impact of fair valuation of lease security deposit	-	(0.24)
(vii) Reclassification of Redeemable Preference Shares from Equity to Non-current Liability in accordance with Schedule III disclosure	-	(345.00)
(viii) Amortisation of prepaid rent element of rental security deposit	(0.18)	-
<b>TOTAL ADJUSTMENT TO EQUITY</b>	<b>(432.03)</b>	<b>(433.50)</b>
<b>TOTAL EQUITY UNDER IND AS</b>	<b>(255.63)</b>	<b>(239.44)</b>

**NOTES**

forming part of the financial statements

**24.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016**

(₹ in Lacs)

Particulars	For the year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
1 Revenue from Operations	891.41	-	891.41
Other income	-	2.43	2.43
<b>TOTAL INCOME</b>	<b>891.41</b>	<b>2.43</b>	<b>893.84</b>
<b>2 Expenses</b>			
(a) Cost of Production / Acquisition and Telecast Fees	623.23	-	623.23
(b) (Increase) / in stock-in-trade	207.09	-	207.09
(c) Employee benefits expense	48.22	-	48.22
(d) Finance Cost	0.52	-	0.52
(d) Depreciation and amortization expense	0.18	-	0.18
(e) Other operating expenses	29.83	0.18	30.01
<b>TOTAL EXPENSES</b>	<b>909.07</b>	<b>0.18</b>	<b>909.25</b>
<b>3 (Loss) before tax</b>	<b>(17.66)</b>	<b>2.25</b>	<b>(15.41)</b>
<b>4 Tax expense:</b>			
Deferred tax (including MAT credit entitlement)	-	0.78	0.78
<b>TOTAL TAX EXPENSE</b>	<b>-</b>	<b>0.78</b>	<b>0.78</b>
<b>5 (Loss) for the year</b>	<b>(17.66)</b>	<b>1.47</b>	<b>(16.19)</b>

**24.4 Reconciliation of total comprehensive income for the year ended March 31, 2016**

(₹ in Lacs)

Particulars	Year ended March 31, 2016
<b>Profits/(Loss) as per previous GAAP</b>	<b>(17.66)</b>
(i) Amortisation of prepaid rent element of rental security deposit	(0.18)
(ii) Recognition of notional interest income on rental security deposit	0.19
(iii) Profit on fair valuation of current investments (net of tax)	1.47
<b>TOTAL EFFECT OF TRANSITION TO IND AS</b>	<b>1.47</b>
<b>PROFIT FOR THE YEAR AS PER IND AS</b>	<b>(16.19)</b>
Other comprehensive income for the year (net of tax)	-
<b>TOTAL COMPREHENSIVE INCOME UNDER IND AS</b>	<b>(16.19)</b>

## NOTES

forming part of the financial statements

### 24.5 Effect of Ind AS adoption on Statement of Cash Flow for the year ended March 31, 2016

(₹ in Lacs)

Particulars	For the year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities	211.87	-	211.87
(b) Net Cash Flow from Investing Activities	(100.00)	-	(100.00)
(c) Net Cash Flow from Financing Activities	-	-	-
<b>Net Increase In Cash &amp; Cash Equivalents</b>	<b>111.87</b>	<b>-</b>	<b>111.87</b>
<b>Cash &amp; Cash Equivalents At The Beginning Of The Year</b>	<b>6.66</b>	<b>-</b>	<b>6.66</b>
<b>Cash &amp; Cash Equivalents At The End Of The Year</b>	<b>118.53</b>	<b>-</b>	<b>118.53</b>

Signature to notes 1 to 24

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

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

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

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

**Ketan Vora**  
(Partner)

**V. B. Dalal**  
(Director)  
(DIN: 00247971)

**Sunny Arora**  
(Director)  
(DIN: 03225979)

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

**Anand Prakash Mishra**  
(Director)  
(DIN: 03047012)

Place : Mumbai  
Date : May 22, 2017

Place : Mumbai  
Date : May 22, 2017

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Event Media LLP

## 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, 2017, and 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 FINANCIAL STATEMENTS

The Management is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows 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; 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.

In conducting our audit, we have taken into account the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the ICAI. 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 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 obtained by us 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 a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the LLP as at March 31, 2017, and its (loss) and its cash flows for the year ended on that date.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

**BALANCE SHEET**

As at March 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Partners' funds</b>			
(a) Partners' capital accounts	3	(71.85)	(53.99)
		<b>(71.85)</b>	<b>(53.99)</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	4	70.97	79.01
(b) Trade payables		2.47	2.94
(c) Other current liabilities	5	17.24	8.54
		<b>90.68</b>	<b>90.49</b>
<b>TOTAL</b>		<b>18.83</b>	<b>36.50</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Long-term loans and advances	6	-	18.50
		<b>-</b>	<b>18.50</b>
<b>Current assets</b>			
(a) Cash and cash equivalents	7	17.25	16.66
(b) Short-term loans and advances	8	1.58	1.34
		<b>18.83</b>	<b>18.00</b>
<b>TOTAL</b>		<b>18.83</b>	<b>36.50</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

**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 22, 2017

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>REVENUE:</b>			
Revenue from operations	9	-	175.00
Other Income	10	0.83	4.41
<b>TOTAL REVENUE</b>		<b>0.83</b>	<b>179.41</b>
<b>EXPENSES:</b>			
(a) Cost of Production	11	-	143.30
(b) Finance cost	12	9.65	33.61
(c) Other expenses	13	9.04	12.90
<b>TOTAL EXPENSES</b>		<b>18.69</b>	<b>189.81</b>
<b>(Loss) for the year transferred to Partners' capital account</b>		<b>(17.86)</b>	<b>(10.40)</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 Balaji Telefilms Limited**  
**Shobha Kapoor**  
 (Partner)

**Ketan Vora**  
 (Partner)

**For and on behalf of the Select Media Holdings LLP**  
**Rajnish Khanuja**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

Place : Mumbai  
 Date : May 22, 2017

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before extraordinary items and tax	(17.86)	(10.40)
<b>Adjustment for:</b>		
Interest on loan from Holding company	9.53	33.49
Operating (loss)/profit before working capital changes	(8.33)	23.09
(Increase)/decrease in trade and other receivables	(0.25)	216.16
(Decrease)/Increase in trade and other payables	(1.29)	(0.84)
	(1.54)	215.32
Income tax refund	18.50	60.14
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>8.63</b>	<b>298.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	6.96	29.19
Repayment of short-term borrowings	(15.00)	(375.84)
Interest on Loan from Holding Company	-	(37.56)
<b>NET CASH (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(8.04)</b>	<b>(384.21)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>0.59</b>	<b>(85.66)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>16.66</b>	<b>102.32</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>17.25</b>	<b>16.66</b>

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

**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 22, 2017

# NOTES

forming part of the financial statements

## 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.

## 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 when no significant uncertainty as to its determination and realization exists.

## 3 PARTNERS' CAPITAL ACCOUNT

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
As per last Balance Sheet	(53.99)	(43.59)
Add: Capital contribution received during the year	-	-
Less: Share of (deficit) in Statement of Profit and Loss	(17.86)	(10.40)
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>(71.85)</b>	<b>(53.99)</b>

### 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**

forming part of the financial statements

**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	Share in Profit/(Loss)	Share in (Loss)	
		Opening	During the year
Balaji Telefilms Limited	50%	(27.495)	(8.930)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	50%	(27.495)	(8.930)
	<b>100%</b>	<b>(54.99)</b>	<b>(17.86)</b>

**(iii) Closing Balances**

(₹ in Lacs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Balaji Telefilms Limited	(35.915)	(26.985)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited)	(35.935)	(27.005)
	<b>(71.85)</b>	<b>(53.99)</b>

**4 SHORT-TERM BORROWINGS (UNSECURED)**

(₹ in Lacs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Loans from partner [Refer note below]		
(i) Balaji Telefilms Limited	70.97	79.01
<b>TOTAL</b>	<b>70.97</b>	<b>79.01</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.

**5 OTHER CURRENT LIABILITIES**

(₹ in Lacs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued and due on: (Refer note below)		
(i) Loan from partner	16.94	8.36
(ii) Capital contribution from partners	0.30	0.17
<b>TOTAL</b>	<b>17.24</b>	<b>8.53</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.

## NOTES

forming part of the financial statements

### 6 LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Advance payment of income-tax (Tax deducted at source)	-	18.50
<b>TOTAL</b>	<b>-</b>	<b>18.50</b>

### 7 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balances with banks in current account	17.25	16.66
<b>TOTAL</b>	<b>17.25</b>	<b>16.66</b>

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

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance with Government Authorities (Service tax)	1.58	1.34
<b>TOTAL</b>	<b>1.58</b>	<b>1.34</b>

### 9 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Service income - Organising/Managing events	-	175.00
<b>TOTAL</b>	<b>-</b>	<b>175.00</b>

### 10 OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income on Income-tax Refund	0.83	4.41
<b>TOTAL</b>	<b>0.83</b>	<b>4.41</b>

### 11 COST OF PRODUCTION

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchase of costumes and dresses	-	2.97
Artists, directors and other technician fees	-	69.35
Shooting and location expenses	-	23.42
Set properties and equipment hire charges	-	34.08
Insurance charges	-	0.60
Other production expenses	-	12.88
<b>TOTAL</b>	<b>-</b>	<b>143.30</b>

### 12 FINANCE COST

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Interest on:</b>		
Loans from partner	9.53	33.49
Capital contribution from partners	0.12	0.12
<b>TOTAL</b>	<b>9.65</b>	<b>33.61</b>

**NOTES**

forming part of the financial statements

**13 OTHER EXPENSES**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Legal and Professional charges (Refer Note 13.1)	3.31	12.90
Bank Charges	0.01	-
Rates & Taxes	0.02	-
Interest on Service Tax	5.70	-
<b>TOTAL</b>	<b>9.04</b>	<b>12.90</b>

**13.1 Payment to Auditors**

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
For Statutory Audit	2.50	2.50
For Others	-	0.25
For Service Tax	0.38	0.40
<b>TOTAL</b>	<b>2.88</b>	<b>3.15</b>

**14 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS****14.1 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	6.96	-
	(29.19)	(-)
<b>Loan Repaid</b>		
Balaji Telefilms Limited	15.00	-
	(375.84)	(-)
<b>Interest on loan and capital</b>		
Balaji Telefilms Limited	9.59	-
	(33.55)	(-)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	-	0.06
	(-)	(0.06)
<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)

## NOTES

forming part of the financial statements

### (c) Balances as at March 31, 2017

Particulars	(₹ in Lacs)	
	Holding Company	Company having significant influence
<b>Loan payable (including interest accrued and due) as at March 31, 2017</b>		
Balaji Telefilms Limited	88.06	-
	(87.46)	(-)
Select Media Holdings LLP (Formerly known as Select Media Holdings Private Limited.)	-	0.15
	(-)	(0.09)

- 14.2** 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.
- 14.3** 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.
- 14.4** The accumulated losses of ₹ 72.85 Lacs as at March 31, 2017 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.
- 14.5** Disclosures relating to Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016: Notification No. 308(E) dated March 30, 2017 requires every company to disclose certain details relating to specified banking notes. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 and accordingly, the above disclosure requirement is not applicable to the Company.
- 14.6** Figures of the previous year have been regrouped wherever necessary to correspond to those of the current year.

Signatures to Notes 1 to 14

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

**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 22, 2017

## DIRECTORS' REPORT

Your Directors present the 2nd Annual Report together with the audited Statement of accounts of the Company for the financial year ended March 31, 2017.

### COMPANY PERFORMANCE FINANCIAL HIGHLIGHTS

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

(₹ in lacs)		
PARTICULARS	2016-17	2015-16
Total Income	1057.02	36.41
Total expenditure	2028.39	774.75
<b>Operating (Loss)</b>	<b>(2028.39)</b>	<b>(774.75)</b>
Finance costs	0.30	16.36
Depreciation	24.63	3.55
<b>(Loss) for the year before tax</b>	<b>(996.30)</b>	<b>(758.26)</b>
Provision for tax	271.82	12.13
<b>(Loss) for the year after tax</b>	<b>(1270.55)</b>	<b>(770.39)</b>
<b>Balance carried to the Balance Sheet</b>	<b>(1270.55)</b>	<b>(770.39)</b>

**Note:** The Financial Statements of the Company is prepared as per Indian Accounting Standards (Ind AS) for the first time for the year ended March 31, 2017. The financial statements for the year ended March 31, 2016 have been restated in accordance with IND AS for comparative information.

### RESULTS OF OPERATIONS

During the year under review, ALT Digital Media Entertainment Limited (ALT Balaji) has reported loss of ₹ 1270.55 lacs as against loss of ₹ 770.39 lacs in the previous fiscal.

### DIVIDEND

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

### TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to the reserves in view of loss incurred by the Company.

### BORROWINGS

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

### SHARE CAPITAL

The paid up Equity share Capital of the Company as on March 31, 2017 was ₹ 1,50,05,00,000/-. The Company has neither issued shares with differential voting rights nor

granted stock options nor sweat equity. As on March 31, 2017, the Company is a wholly owned subsidiary of Balaji Telefilms Limited.

### PUBLIC DEPOSITS

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

### CHANGE IN NATURE OF BUSINESS

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

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate and joint venture Company. Thus, the Audited Financial Statements, Auditors report thereon and Board report along with applicable annexures are not annexed herewith.

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

No material events have occurred between the end of financial year 2016-2017 and the date of this report, which have effect over the financial position of the Company.

### DIRECTORS AND KMP

#### ► Appointment

Ms. Ekta Kapoor, Director of the Company was appointed as Key Managerial Personnel, designated as Managing Director w.e.f. February 13, 2017.

#### ► Resignation

Ms. Avni Gaglani resigned as Company Secretary (Key Managerial Personnel) of the Company w.e.f. March 27, 2017 due to personal reason.

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. Tusshar Kapoor, Director of the Company, retire by rotation at the ensuing Annual General Meeting

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 STATUTORY AUDIT

Pursuant to Section 139 of Companies Act, 2013 and Rule 6 of The Companies (Audit and Auditors) Rules, 2014, the Audit Committee of the Company has proposed, and on May 22, 2017 the Board of Directors of the Company has recommended the appointment of M/s. Price Waterhouse Chartered Accountants, LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting. The first year of Audit will be of the financial statements for the year ended March 31, 2018.

### COST AUDIT

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

### SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Parikh & Associates, Practising Company Secretaries as Secretarial Auditors of the Company for financial year 2017-18.

### AUDIT REPORTS

- ▶ The Audit Report for the financial year ended March 31, 2017 does not contain any qualifications, reservations and adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.
- ▶ Secretarial Audit Report issued by M/s. Parikh & Associates, Practising Company Secretaries in form MR-3 for the financial year 2016-17 is appended as Annexure I to the Boards' Report. The said Report

does not contain any observations or qualifications requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

#### I) BOARD MEETINGS

During the year under review, four (4) meetings of the Board of Directors were held on May 16, 2016, August 10, 2016, November 24, 2016 and February 13, 2017. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

#### II) AUDIT COMMITTEE

In accordance with the provision of Section 177 of the Companies Act, 2013 the Audit Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. D. G. Rajan	Independent Director	Chairman
Mr. Tusshar Kapoor	Non-Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. V. B. Dalal	Independent Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member

The Scope and terms of reference of the Audit Committee is in accordance with the Act. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the said Committee.

#### III) NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provision of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Company comprises of:

Name of the Members	Designation	Nature of Membership
Mr. V. B. Dalal	Independent Director	Chairman
Mr. D. G. Rajan	Independent Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mrs. Shobha Kapoor	Non-Executive Director	Member
Mr. Tusshar Kapoor	Non-Executive Director	Member

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating

## DIRECTORS' REPORT (CONTD.)

to remuneration for Directors, Key Managerial Personnel and other employees.

A copy of Nomination and Remuneration Policy of the Company along with the evaluation criteria for Independent Directors and the Board forms part of the Annual Report

### IV) BUSINESS RISK MANAGEMENT

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Audit Committee of the Company does the risk identification, assessment, analysis and mitigation in consultation with various heads of departments.

### V) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. However the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## OTHER DISCLOSURES

### I) EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT 9 is appended as Annexure II to the Boards' Report.

### II) INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY

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

the accounting records and timely preparation of reliable financial disclosures.

### III) RELATED PARTY TRANSACTIONS

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

### IV) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review the Company does not have any loans, guarantees or investments under the provisions of section 186 of the Companies Act, 2013, hence no disclosure is required to be given in this regard.

### V) FIXED DEPOSITS

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

### VI) 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 2016-17, no sexual harassment complaints has been registered with the Company.

### VII) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## CONSERVATION OF ENERGY AND 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 however Foreign Exchange outgo were ₹ 1134.2 lacs.

### MECHANISM FOR EVALUATING BOARD MEMBERS

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

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

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

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

### BOARD EVALUATION

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

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation process results as collated by the Nomination & Remuneration Committee of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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, 2017 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 acknowledge with gratitude and place on record their appreciation to all stakeholders - shareholders, investors, customers, suppliers, business associates, banks, regulatory and governmental authorities for their cooperation, assistance and support. Your Directors also wish to thank their employees for their dedicated services.

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

Sd/-  
**Shobha Kapoor**  
 Place: Mumbai  
 Date: May 22, 2017

Sd/-  
**Shobha Kapoor**  
 Chairperson  
 (DIN: 00005124)

## ANNEXURES TO THE DIRECTORS' REPORT

### ANNEXURE I

#### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2017

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

To,

The Members,

**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ALT Digital Media Entertainment Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
- (a) The Copyright Act, 1957
- (b) The Trade Marks Act, 1999

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

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

We further report that:

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

Adequate notice was 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.

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**

Company  
Secretaries

**Sarvari Shah**

Partner

Place: Mumbai

Date: May 22, 2017

ACS No: 27572

CP No: 11717

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

## **ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)**

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### **'ANNEXURE A'**

To,  
The Members  
**ALT DIGITAL MEDIA ENTERTAINMENT LIMITED**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

**Sarvari Shah**  
Partner  
ACS No: 27572  
CP No: 11717

Place: Mumbai  
Date: May 22, 2017

## ANNEXURE II FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2017

[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:

<b>1</b>	<b>CIN</b>	U74999MH2015PLC266206
<b>2</b>	<b>Registration Date</b>	1/07/2015
<b>3</b>	<b>Name of the Company</b>	ALT Digital Media Entertainment Limited
<b>4</b>	<b>Category/Sub-category of the Company</b>	Company Limited by Shares.
<b>5</b>	<b>Address of the Registered office &amp; contact details</b>	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra. Tel: 91-022-4069000, Fax: + 91-022-40698181 Email: <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
<b>6</b>	<b>Whether listed company</b>	No
<b>7</b>	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	N. A.

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

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

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

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited <b>Registered Office -</b> C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra.	L99999MH1994PLC082802	Holding Company	100	2 (46)

**ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)**
**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**
**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	18,006	18,006	0.012	0	18,006	18,006	0.012	0
b) Central Govt	0	0	0	0.00	0	0	0	0	0
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0
d) Bodies Corp.	0	15,00,31,994	15,00,31,994	99.988	0	15,00,31,994	15,00,31,994	99.988	0
e) Banks / FI	0	0	0	0.00	0	0	0	0	0
f) Any other	0	0	0	0.00	0	0	0	0	0
<b>Sub total (A) (1)</b>	<b>0</b>	<b>15,00,50,000</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>	<b>15,00,50,000</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>
<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>	<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>TOTAL SHAREHOLDING OF PROMOTERS A= A(1) + A(2)</b>	<b>0</b>	<b>15,00,50,000</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>	<b>15,00,50,000</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
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	0	0	0	0.00	0	0	0	0.00	0.00
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>	<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>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2) :-</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>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1) + (B)(2)</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>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	<b>0</b>	<b>15,00,50,000</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>	<b>15,00,50,000</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>

**ii) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% 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	15,00,31,994	99.988	0	15,00,31,994	99.988	0	0
2	Mr. Jeetendra Kapoor as a nominee of M/s. Balaji Telefilms Limited	3,001	0.002	0	3,001	0.002	0	0
3	Mrs. Shobha Kapoor as a nominee of M/s. Balaji Telefilms Limited	3,001	0.002	0	3,001	0.002	0	0
4	Ms. Ekta Kapoor as a nominee of M/s. Balaji Telefilms Limited	3,001	0.002	0	3,001	0.002	0	0
5	Mr. Tusshar Kapoor as a nominee of M/s. Balaji Telefilms Limited	3,001	0.002	0	3,001	0.002	0	0
6	Mr. Deepoo Vaswani as a nominee of M/s. Balaji Telefilms Limited	3,001	0.002	0	3,001	0.002	0	0
7	Mr. Ramesh Sippy as a nominee of M/s. Balaji Telefilms Limited	3,001	0.002	0	3,001	0.002	0	0
<b>TOTAL</b>		<b>15,00,50,000</b>	<b>100</b>	<b>0</b>	<b>15,00,50,000</b>	<b>100</b>	<b>0</b>	<b>0</b>

**iii) Change in Promoters' Shareholding :**

There are no changes in the Promoter's shareholding during the Financial Year 2016-17

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2017**

The entire share capital of the Company is held by the Holding Company and promoters of the Company.

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the year i.e April 1, 2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs. Shobha Kapoor				
	At the beginning of the year	3,001	0.002	3,001	0.002
	Bought during the year	-	-	3,001	0.002
	Sold during the year	-	-	3,001	0.002
	At the end of the year	3,001	0.002	3,001	0.002
2	Ms. Ekta Kapoor				
	At the beginning of the year	3,001	0.002	3,001	0.002
	Bought during the year	-	-	3,001	0.002
	Sold during the year	-	-	3,001	0.002
	At the end of the year	3,001	0.002	3,001	0.002
3	Mr. Tusshar Kapoor				
	At the beginning of the year	3,001	0.002	3,001	0.002
	Bought during the year	-	-	3,001	0.002
	Sold during the year	-	-	3,001	0.002
	At the end of the year	3,001	0.002	3,001	0.002

**Note:**

Directors: Mr. D. G. Rajan, Mr. D. K. Vasal, Mr. V. B. Dalal and KMP's: Mr. Nachiket Pantvaidya, Ms. Avni Gaglani and Mr. Sanjay Dwivedi did not hold any shares during the financial year 2016-17

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)				
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	-	-	-	-
<b>NET CHANGE</b>	-	-	-	-
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>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)			
Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Ms. Ekta Kapoor Managing Director</b>	
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 1.06% of profit	-	
	- others, specify...	-	
5	Others, Please specify	-	
	<b>TOTAL (A)</b>	-	<b>NIL</b>
	<b>Ceiling as per the Act (per annum)</b>		<b>N. A.*</b>

\* Ms. Ekta Kapoor (KMP) designated as Managing Director does not receive any remuneration from the Company.

## B. Remuneration to other Directors

					(Amount in ₹)
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
<b>1.</b>	<b>Independent Directors</b>	<b>Mr. D. G. Rajan</b>	<b>Mr. D.K. Vasal</b>	<b>Mr. V. B. Dalal</b>	
	Fee for attending Board and Committee meetings	1,25,000	1,25,000	1,25,000	3,75,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>TOTAL (1)</b>	<b>1,25,000</b>	<b>1,25,000</b>	<b>1,25,000</b>	<b>3,75,000</b>
<b>2.</b>	<b>Other Non- Executive Directors</b>	<b>Mrs. Shobha Kapoor</b>	<b>Mr. Tusshar Kapoor</b>		
	Fee for attending Board and Committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>TOTAL (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL (B) = (1+2)</b>	<b>1,25,000</b>	<b>1,25,000</b>	<b>1,25,000</b>	<b>3,75,000</b>
	<b>Ceiling as per Act (per annum)</b>	N. A.*	N. A.*	N. A.*	N. A.*

\* The Independent Directors of the Company receive sitting fees for attending the Board / Committee meetings of the Company which is excluded under Section 197 of the Companies Act, 2013.

- Non-Executive Directors does not receive any remuneration from the Company.

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

					(Amount in ₹)
Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount	
		Mr. Nachiket Pantvaitya (Chief Executive Officer)	Ms. Avni Gaglani (Company Secretary)		
1	Gross salary				
	(a) Salary	145,21,368	2,62,939	145,21,368	
	(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	12,20,472	12,622	12,20,472	
	<b>TOTAL</b>	<b>1,57,41,840</b>	<b>2,75,561*</b>	<b>1,57,41,840</b>	

\* Salary paid to Ms. Avni Gaglani is for the period from June 15, 2016 to April 26, 2017.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board of Directors

Sd/-

**Shobha Kapoor**

Chairperson

(DIN: 00005124)

Place: Mumbai

Date: May 22, 2017

## INDEPENDENT AUDITOR'S REPORT

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To  
The Members of  
ALT Digital Media Entertainment Limited

### REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of ALT Digital Media Entertainment Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

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

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

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its (loss), total comprehensive (loss), its cash flows and the changes in equity for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the branches and joint operations, referred to in the Other Matters paragraph above 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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, as amended, 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.
  - iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer Note 24.9)
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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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### **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, 2017 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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 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 (ii) 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 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, 2017 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, 2017.
- (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 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.

(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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 23, 2017

## BALANCE SHEET

As at March 31, 2017

(₹ in Lacs)			
Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	130.76	19.80
(b) Capital work-in-progress	4	720.95	228.38
(c) Financial Assets			
(i) Other financial assets	5(i)	44.67	16.72
<b>(2) Current assets</b>			
(a) Inventories	6	625.52	-
(b) Financial assets			
(i) Investments	7	10,579.64	13,035.05
(ii) Cash and cash equivalents	8	346.32	1,074.40
(iii) Other financial assets	5(ii)	0.37	-
(c) Other current assets	9	1,073.07	79.87
<b>TOTAL ASSETS</b>		<b>13,521.30</b>	<b>14,454.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	10	15,005.00	15,005.00
(b) Other equity	11	(2,040.94)	(770.39)
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Provisions	12	-	3.70
(b) Deferred tax liabilities (net)		282.67	12.13
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	-	23.63
(ii) Trade payables	14	222.54	134.89
(iii) Other financial liabilities	15	-	15.56
(b) Other current liabilities	16	52.03	29.70
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,521.30</b>	<b>14,454.22</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**

**Shobha Kapoor**  
 (Chairman)  
 DIN: 00005124

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

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

**Ketan Vora**  
 (Partner)

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

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

**Nachiket Pantvaidya**  
 (Chief Executive Officer)

Place : Mumbai  
 Date : May 23, 2017

Place : Mumbai  
 Date : May 23, 2017

## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)			
Particulars	Note No.	For the year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
(I) Revenue from operations	17	-	-
(II) Other Income	18	1,057.02	36.41
<b>(III) Total Income</b>		<b>1,057.02</b>	<b>36.41</b>
<b>(IV) Expenses</b>			
(a) Cost of Production / Acquisition and Telecast Fees	19	625.52	-
(b) Changes in inventories of stock-in-trade	19	(625.52)	-
(c) Employee benefits expense	20	858.04	254.33
(d) Depreciation and amortization expense	21	24.62	3.56
(e) Finance cost	22	0.30	16.36
(f) Other expenses	23	1,170.36	520.42
<b>Total Expenses</b>		<b>2,053.32</b>	<b>794.67</b>
<b>(V) (Loss) before tax</b>		<b>(996.30)</b>	<b>(758.26)</b>
(VI) Tax expense:			
(a) Current tax		1.28	-
(b) Deferred tax		270.54	12.13
<b>Total Tax Expense</b>		<b>271.82</b>	<b>12.13</b>
<b>(VII) (Loss) for the year (V-VI)</b>		<b>(1,268.12)</b>	<b>(770.39)</b>
<b>(VIII) Other comprehensive income</b>			
A (i) Items that will not be reclassified to statement of profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset) (net of tax)		(2.43)	-
<b>(IX) Total comprehensive income for the year</b>		<b>(1,270.55)</b>	<b>(770.39)</b>
<b>(X) Earnings per equity share (of ₹ 10/- each)</b>		<b>(0.85)</b>	<b>(10.02)</b>
Basic and diluted earnings per share			

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**

**Shobha Kapoor**  
 (Chairman)  
 DIN: 00005124

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

**D.G.Rajan**  
 (Director)  
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**Ketan Vora**  
 (Partner)

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

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

**Nachiket Pantvaidya**  
 (Chief Executive Officer)

Place : Mumbai  
 Date : May 23, 2017

Place : Mumbai  
 Date : May 23, 2017

## CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before tax	(996.30)	(758.26)
<b>Adjustment for:</b>		
Unrealised gain on investments	(781.74)	(35.05)
Notional interest on rent	(3.20)	-
Realised gain on investments	(272.08)	-
Depreciation and amortisation	24.62	3.56
Interest on loan from Holding company	0.15	16.21
<b>Operating (loss) before working capital changes</b>	<b>(2,028.54)</b>	<b>(773.55)</b>
(Increase) in trade and other receivables	(1,018.33)	(96.59)
(Increase) in Inventory	(625.52)	-
Decrease in trade and other payables	102.57	183.85
	(3,569.82)	(686.29)
Tax Paid	-	-
<b>NET CASH FLOW(USED IN) OPERATING ACTIVITIES (A)</b>	<b>(3,569.82)</b>	<b>(686.29)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale on investments	9,430.15	-
Purchase on investments	(5,920.92)	(13,000.00)
Investment in Software	(492.57)	(228.38)
Purchase of fixed assets	(135.58)	(23.36)
<b>NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>2,881.08</b>	<b>(13,251.74)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	-	981.65
Repayment of short term borrowings	(39.19)	(958.02)
Proceeds from issue of Equity Share Capital	-	15,005.00
Finance cost	(0.15)	(16.21)
<b>NET CASH FLOW (USED IN)/ FROM FINANCING ACTIVITIES (C)</b>	<b>(39.34)</b>	<b>15,012.42</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(728.08)</b>	<b>1,074.40</b>
Cash and cash equivalents at the beginning of the year	1,074.40	-
<b>Cash and cash equivalents at the end of the year</b>	<b>346.32</b>	<b>1,074.40</b>

(i): Components of cash and cash equivalents include cash and cash 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 Board of Directors**

**Shobha Kapoor**  
(Chairman)  
DIN: 00005124

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

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

**Ketan Vora**  
(Partner)

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

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

**Nachiket Pantvaidya**  
(Chief Executive Officer)

Place : Mumbai  
Date : May 23, 2017

Place : Mumbai  
Date : May 23, 2017

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

### A. EQUITY SHARE CAPITAL

Particulars	(₹ in Lacs)
<b>As at July 1, 2015</b>	-
Changes in equity share capital during the year	15,005.00
<b>As at March 31, 2016</b>	<b>15,005.00</b>
Changes in equity share capital during the year	-
<b>As at March 31,2017</b>	<b>15,005.00</b>

### B. OTHER EQUITY

Particulars	(₹ in Lacs)
<b>As at July 1, 2015</b>	-
Loss for the period	(770.39)
Other comprehensive income for the period	-
<b>As at March 31, 2016</b>	<b>(770.39)</b>
Loss for the year	(1,268.12)
Other comprehensive income for the year	(2.43)
<b>As at March 31,2017</b>	<b>(2,040.94)</b>

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

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

**Shobha Kapoor**  
 (Chairman)  
 DIN: 00005124

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

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

**Ketan Vora**  
 (Partner)

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

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

**Nachiket Pantvaidya**  
 (Chief Executive Officer)

Place : Mumbai  
 Date : May 23, 2017

Place : Mumbai  
 Date : May 23, 2017

## NOTES

forming part of the financial statements

### 1. GENERAL 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.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION :

**a)** These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from July 1, 2016.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

**b)** The financial statements were approved by the Board of Directors and authorised for issue on May 23, 2017.

#### **c) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### **d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions :**

#### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of July 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### **De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after July 1, 2015 (the transition date).

#### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### **Past business combinations**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of July 1, 2015.

#### **Deemed cost for property, plant and equipment and intangible assets**

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of July 1, 2015 (transition date) as

## NOTES

forming part of the financial statements

deemed cost. Consequently, cost in respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI)

The Company has designated certain investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### Investments in subsidiaries, joint ventures and associates

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### a) Property, plant and equipment

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

### b) Depreciation and amortisation

Depreciation on Property, Plant and Equipment 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:

Leasehold improvements – on a straight line basis over the period of lease.

### c) Impairment of tangible

At the end of each reporting period, the Company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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

### d) Inventories

Inventory comprise of web series which are at lower of cost and net realizable value. Cost is determined on the basis of average cost. Net realisable value represents the estimated

## NOTES

forming part of the financial statements

selling price for inventories less all estimated costs of completion and costs necessary to make the sale

### e) Financial Instruments

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ▶ the contractual terms of the instrument

give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

#### Investments in equity instruments at FVTOCI:

On initial recognition, the Company has made an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as at FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

#### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers

## NOTES

forming part of the financial statements

the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

### Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

### Investments in subsidiaries, associates and joint ventures:

The Company accounts for its investments in subsidiaries, associates and joint venture at cost.

#### f) Leases

The company as lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are

recognised as an expense in the period in which they are incurred.

#### g) Foreign currency transactions

In preparing the financial statements of entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### h) Employee Benefits

##### 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.

##### Defined Benefit Plans:

The trustees of ALT Digital Media Entertainment 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.

#### i) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their

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respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

### j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

### k) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

## 4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016
<b>Carrying Amount of:</b>		
Computers	35.95	6.34
Furniture and fixtures	5.14	1.63
Office equipments	32.04	6.30
Electrical fittings	0.16	0.19
Lease Hold Improvements	47.17	5.34
Intangible Assets	10.30	-
<b>TOTAL</b>	<b>130.76</b>	<b>19.80</b>
Capital work-in-progress	720.95	228.38
<b>TOTAL</b>	<b>851.71</b>	<b>248.18</b>

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Description of Assets	(₹ in Lacs)										Total	
	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Intangible Assets	Sub Total	Computer Software (CWIP)	Total			
<b>Cost or deemed cost</b>												
<b>I. Gross Carrying Amount</b>												
Balance as at July 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Additions	7.70	1.74	6.84	0.21	6.87	-	23.36	228.38	-	251.74	-	251.74
<b>Balance as at March 31, 2016</b>	<b>7.70</b>	<b>1.74</b>	<b>6.84</b>	<b>0.21</b>	<b>6.87</b>	<b>-</b>	<b>23.36</b>	<b>228.38</b>	<b>-</b>	<b>251.74</b>	<b>-</b>	<b>251.74</b>
Additions	40.64	3.86	28.69	-	50.50	11.89	135.58	492.57	-	628.15	-	628.15
<b>Balance as at March 31, 2017</b>	<b>48.34</b>	<b>5.60</b>	<b>35.53</b>	<b>0.21</b>	<b>57.37</b>	<b>11.89</b>	<b>158.94</b>	<b>720.95</b>	<b>-</b>	<b>879.89</b>	<b>-</b>	<b>879.89</b>
<b>II. Accumulated depreciation and impairment</b>												
(₹ in Lacs)												
Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Intangible Assets	Sub Total	Computer Software (CWIP)	Total			
Balance as at July 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	(1.36)	(0.11)	(0.54)	(0.02)	(1.53)	-	(3.56)	-	-	(3.56)	-	(3.56)
<b>Balance as at March 31, 2016</b>	<b>(1.36)</b>	<b>(0.11)</b>	<b>(0.54)</b>	<b>(0.02)</b>	<b>(1.53)</b>	<b>-</b>	<b>(3.56)</b>	<b>-</b>	<b>-</b>	<b>(3.56)</b>	<b>-</b>	<b>(3.56)</b>
Depreciation expense for the year	(11.03)	(0.35)	(2.95)	(0.03)	(8.67)	(1.59)	(24.62)	-	-	(24.62)	-	(24.62)
<b>Balance as at March 31, 2017</b>	<b>(12.39)</b>	<b>(0.46)</b>	<b>(3.49)</b>	<b>(0.05)</b>	<b>(10.20)</b>	<b>(1.59)</b>	<b>(28.18)</b>	<b>-</b>	<b>-</b>	<b>(28.18)</b>	<b>-</b>	<b>(28.18)</b>
<b>III. Carrying Amount</b>												
(₹ in Lacs)												
Description of Assets	Computers	Furniture and fixtures	Office equipments	Electrical fittings	Lease Hold Improvements	Intangible Assets	Sub Total	Computer Software (CWIP)	Total			
Balance as at July 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-
Additions	7.70	1.74	6.84	0.21	6.87	-	23.36	228.38	-	251.74	-	251.74
Depreciation expense	(1.36)	(0.11)	(0.54)	(0.02)	(1.53)	-	(3.56)	-	-	(3.56)	-	(3.56)
<b>Balance as at March 31, 2016</b>	<b>6.34</b>	<b>1.63</b>	<b>6.30</b>	<b>0.19</b>	<b>5.34</b>	<b>-</b>	<b>19.80</b>	<b>228.38</b>	<b>-</b>	<b>248.18</b>	<b>-</b>	<b>248.18</b>
Additions	40.64	3.86	28.69	-	50.50	11.89	135.58	492.57	-	628.15	-	628.15
Depreciation expense	(11.03)	(0.35)	(2.95)	(0.03)	(8.67)	(1.59)	(24.62)	-	-	(24.62)	-	(24.62)
<b>Balance as at March 31, 2017</b>	<b>35.95</b>	<b>5.14</b>	<b>32.04</b>	<b>0.16</b>	<b>47.17</b>	<b>10.30</b>	<b>130.76</b>	<b>720.95</b>	<b>-</b>	<b>851.71</b>	<b>-</b>	<b>851.71</b>

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### 5 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>i) Non-current financial assets</b>		
(a) Security Deposits (considered good)	44.67	16.72
<b>TOTAL</b>	<b>44.67</b>	<b>16.72</b>
<b>ii) Current financial assets</b>		
(a) Security Deposits (considered good)	0.37	-
<b>TOTAL</b>	<b>0.37</b>	<b>-</b>

### 6 INVENTORIES

(At lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016
Web series	625.52	-
<b>TOTAL</b>	<b>625.52</b>	<b>-</b>

The mode of valuation has been stated in Note 3(d).

### 7 CURRENT INVESTMENTS (UNQUOTED)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
(Non trade) (at lower of cost and fair value) :		
Investment in mutual funds	10,579.64	13,035.05
<b>TOTAL</b>	<b>10,579.64</b>	<b>13,035.05</b>

Particulars	As at March 31, 2017		As at March 31, 2016	
	Quantity	(₹ in Lacs)	Quantity	(₹ in Lacs)
IN UNITS OF MUTUAL FUNDS				
Birla Sun Life Cash Plus - Reg - Growth	-	-	618,897.24	1,502.52
UTI Liquid Cash Plan - Institutional - Growth	-	-	31,889.12	789.78
HDFC Liquid Fund - Growth	-	-	36,914.70	1,101.74
Reliance Liquid Fund - Treasury Plan - Growth	-	-	29,895.12	1,104.63
ICICI Prudential Liquid Plan - Growth	-	-	492,176.63	1,101.76
UTI Liquid Cash Plan - Institutional - Growth	-	-	12,604.99	312.18
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	16,232.77	385.70
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	12,131.79	288.26
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	18,028.31	428.37
Reliance Banking & PSU Debt Fund - Growth	13,943,630.55	1,643.61	13,943,630.55	1,504.29
ICICI Prudential Flexible Income - Growth	526,252.82	1,638.43	526,252.82	1,506.25
Kotak Floater - Short Term Plan - Growth	-	-	11,499.69	285.47
Kotak Floater - Short Term Plan - Growth	-	-	11,486.35	285.13
Kotak Floater - Short Term Plan - Growth	-	-	19,061.48	473.18
Kotak Floater - Short Term Plan - Growth	-	-	18,548.34	460.44
Birla Sun Life Savings - Growth	-	-	157,758.82	462.02
Birla Sun Life Savings - Growth	356,253.15	1,135.21	356,253.15	1,043.33
Birla Sun Life Short Term Fund - Growth	2,638,117.66	1,642.80	-	-
HDFC Short Term Opportunities Fund - Growth	6,658,985.10	1,197.82	-	-
ICICI Prudential Short Term - Regular Plan - Growth	3,550,741.07	1,211.59	-	-

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Particulars	As at March 31, 2017		As at March 31, 2016	
	Quantity	(₹ in Lacs)	Quantity	(₹ in Lacs)
UTI Floating Rate STP - Growth	32,243.13	856.07	-	-
AXIS Short Term Fund - Growth	6,742,469.10	1,198.82	-	-
Birla Sun Life Cash Plus - Growth	21,221.68	55.29	-	-
<b>Aggregate carrying value of unquoted investments</b>		<b>10,579.64</b>		<b>13,035.05</b>

### 8 CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(a) Cash on hand	11.54	-
(b) Balances with banks		
(i) In current accounts	334.78	1,074.40
<b>TOTAL</b>	<b>346.32</b>	<b>1,074.40</b>

### 9 OTHER CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
<b>i) Current assets</b>		
(a) Prepaid expenses	5.55	4.20
(b) Balances with government authorities (VAT, service tax etc)	426.82	54.21
(c) Advance to vendors	640.55	21.46
(d) Other current assets	0.15	-
<b>TOTAL</b>	<b>1,073.07</b>	<b>79.87</b>

### 10 SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(a) Authorised		
225,000,000 (Previous year 225,000,000) Equity shares of ₹ 10/- each	22,500.00	22,500.00
	<b>22,500.00</b>	<b>22,500.00</b>
(b) Issue subscribed and paid-up		
150,050,000 (Previous year 150,050,000) Equity shares of ₹ 10/- each, Fully paid-up	15,005.00	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>	<b>15,005.00</b>

#### Notes :

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

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Balaji Telefilms Limited	150,050,000	100.00	150,050,000	100.00

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares held	₹ in Lacs	No. of shares held	₹ in Lacs
Equity shares outstanding at the beginning of the year	150,050,000	15,005.00	-	-
Add: Issue of Equity Shares during the year	-	-	150,050,000	15,005.00
Equity shares outstanding at the end of the year	150,050,000	15,005.00	150,050,000	15,005.00

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

### 11 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Retained earnings	(2,040.94)	(770.39)
<b>TOTAL</b>	<b>(2,040.94)</b>	<b>(770.39)</b>

#### 11.1 Retained earnings

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	(770.39)	-
Add: Loss for the year	(1,268.12)	(770.39)
Add: Other comprehensive income for the year (net of tax)	(2.43)	-
Balance at the year end	<b>(2,040.94)</b>	<b>(770.39)</b>
<b>TOTAL</b>	<b>(2,040.94)</b>	<b>(770.39)</b>

### 12 PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision - Others:		
(i) Provision for gratuity	-	3.70
<b>TOTAL</b>	<b>-</b>	<b>3.70</b>

### 13 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans and advances from Holding Company (Unsecured)	-	23.63
<b>TOTAL</b>	<b>-</b>	<b>23.63</b>

### 14 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payables	222.54	134.89
<b>TOTAL</b>	<b>222.54</b>	<b>134.89</b>

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### Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

### 15 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued on holding company	-	15.56
<b>TOTAL</b>	<b>-</b>	<b>15.56</b>

### 16 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Other payables		
(i) Statutory liabilities	51.61	29.70
(ii) Other current liabilities	0.42	-
<b>TOTAL</b>	<b>52.03</b>	<b>29.70</b>

### 17 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
Sale of services	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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### 18 OTHER INCOME

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
(a) Notional Interest	3.20	1.36
(b) Profit on sale of current investments (non-trade) (net)	272.08	-
(c) Profit on fair valuation of current investments (net of tax)	781.74	35.05
<b>TOTAL</b>	<b>1,057.02</b>	<b>36.41</b>

### 19 COST OF PRODUCTION OF WEB SERIES

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
Opening stock of web series	-	-
Add: Cost of production		
Purchase of content	625.52	-
	625.52	-
Less: Closing stock of web series	625.52	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### 20 EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
Salaries and wages	808.94	238.46
Contributions to Provident and Other Funds	40.13	12.17
Gratuity	8.39	3.70
Staff welfare expenses	0.58	-
<b>TOTAL</b>	<b>858.04</b>	<b>254.33</b>

### 21 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	24.62	3.56
<b>TOTAL</b>	<b>24.62</b>	<b>3.56</b>

### 22 FINANCE COSTS

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
Interest expense on delayed payment of taxes etc.	0.15	0.15
Interest on loan from Holding company	0.15	16.21
<b>TOTAL</b>	<b>0.30</b>	<b>16.36</b>

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### 23 OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
Power and fuel	10.09	4.94
Rent including lease rentals	106.43	41.11
Repairs and maintenance - Others	0.70	3.05
Rates and taxes	21.98	230.75
Communication expenses	16.34	6.22
Legal and professional charges	426.36	125.93
Travelling and conveyance expenses	20.19	48.45
Pre incorporation expenses	-	9.24
Software expenses	19.95	-
Directors sitting fees	3.75	3.00
Marketing Expenses	254.24	0.58
License and Hosting fees	262.09	36.95
Foreign exchange loss(Net)	7.52	0.14
Miscellaneous expenses *	20.72	10.06
<b>TOTAL</b>	<b>1,170.36</b>	<b>520.42</b>

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

#### 23.1 Payments to auditors

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period July 1, 2015 to March 31, 2016
For Statutory Audit	4.50	4.50
For Other services-certification etc.	1.50	1.50
For service tax	0.90	0.87
<b>TOTAL</b>	<b>6.90</b>	<b>6.87</b>

#### 24.1 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
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 Body Corporate
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Nachiket Pantvaidya	Key management person

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

			(₹ in Lacs)
Nature of Transactions	Holding Company	Key Management Person	Total
<b>Loan Received</b>			
Balaji Telefilms Limited	17.24	-	17.24
	(981.65)	(-)	(981.65)
<b>Loan Repaid</b>			
Balaji Telefilms Limited	56.58	-	56.58
	(958.02)	(-)	(958.02)
<b>Interest on loan</b>			
Balaji Telefilms Limited	0.15	-	0.15
	(16.21)	(-)	(16.21)
<b>Remuneration</b>			
Nachiket Pantvaidya	-	145.21	145.21
	(-)	(48.08)	(48.08)
<b>Issue of Shares</b>			
Balaji Telefilms Limited	-	-	-
	(15,005.00)	(-)	(15,005.00)
<b>Purchase of Content</b>			
Balaji Telefilms Limited	183.38	-	183.38
	(-)	(-)	(-)
<b>Advance for Content</b>			
Balaji Telefilms Limited	136.70	-	136.70
	(-)	(-)	(-)

### (c) Closing balances for the year

			(₹ in Lacs)
Nature of Transactions	Holding Company	Key Management Person	Total
<b>Loan payable as at March 31, 2017</b>			
Balaji Telefilms Limited	-	-	-
	(23.63)	(-)	(23.63)
<b>Interest payable as at March 31, 2017</b>			
Balaji Telefilms Limited	-	-	-
	(15.56)	(-)	(15.56)
<b>Remuneration payable as at March 31, 2017</b>			
Nachiket Pantvaidya	-	7.99	7.99
	(-)	(9.55)	(9.55)
<b>Advance for Content as at March 31, 2017</b>			
Balaji Telefilms Limited	136.70	-	136.70
	(-)	(-)	(-)
<b>Purchase of content payable as at March 31, 2017</b>			
Balaji Telefilms Limited	7.39	-	7.39
	(-)	(-)	(-)

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### 24.2 Employee benefits

#### (a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating ₹ 40.13 Lacs (2016 : ₹ 12.17 Lacs ) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

#### (b) Defined Benefit Plans:

##### Gratuity

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

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

Particulars	Valuation as at	
	March 31, 2017	March 31, 2016
Discount rate(s)	7.22%	7.80%
Expected rate(s) of salary increase	10.00%	10.00%
Rate of Employee Turnover	10.00%	10.00%
Mortality Rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate after employment	NA	NA

Since the company was incorporated on July 1, 2015 there are no records for April 1, 2015.

#### Defined benefit plans – as per actuarial valuation on March 31, 2017

(₹ in Lacs)

Particulars	Funded Plan	
	Gratuity	
	2017	2016
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Actuarial (Gains)/Losses on Obligation for the period	4.58	-
Return on Plan Assets, Excluding Interest Income	(0.87)	-
Change in asset ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>3.71</b>	<b>-</b>
Expenses recognised in the Statement of Profit or Loss for Current period	-	-
Current Service Cost	8.10	3.70
<b>Net interest cost</b>	<b>0.29</b>	<b>-</b>
Expenses Recognized	8.39	3.70
<b>I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31</b>		
1. Present value of defined benefit obligation as at March 31	(16.67)	(3.70)
2. Fair value of plan assets as at March 31	17.17	-
3. Surplus/(Deficit)	0.50	(3.70)
4. Net (liability)/ Asset recognized in the Balance sheet	0.50	(3.70)
<b>II. Change in the obligation during the year ended March 31</b>		
1. Present value of defined benefit obligation at the beginning of the year	3.70	-

## NOTES

forming part of the financial statements

Particulars	(₹ in Lacs)	
	<b>Funded Plan</b>	
	<b>Gratuity</b>	
	<b>2017</b>	<b>2016</b>
2. Expenses Recognised in Profit and Loss Account	-	-
- Current Service Cost	8.10	3.70
- Interest Expense (Income)	0.29	-
Assumptions	1.03	-
Actuarial (Gains)/ Losses on Obligations- Due to experience	3.55	-
3. Present value of defined benefit obligation at the end of the year	<b>16.67</b>	<b>3.70</b>
<b>III. Change in fair value of assets during the year ended March 31</b>		
1. Fair value of plan assets at the beginning of the year	-	-
2. Contributions by employer	16.30	-
3. Return on Plan Assets, excluding Interest Income	0.87	-
4. Fair value of plan assets at the end of the year	<b>17.17</b>	-

### Expenses Recognized in the Statement of Profit or Loss for Next Year

Particulars	(₹ in Lacs)	
	<b>2017</b>	<b>2016</b>
Current Service cost	8.10	3.70
Net Interest Cost	0.29	-
(Expected Contribution by the Employees)	-	-
Expenses Recognized	<b>8.39</b>	<b>3.70</b>

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

Particulars	(₹ in Lacs)	
	<b>2017</b>	<b>2016</b>
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>16.67</b>	<b>3.70</b>
Delta Effect of +1% Change in Rate of Discounting	(1.71)	(0.39)
Delta Effect of -1% Change in Rate of Discounting	2.01	0.46
Delta Effect of +1% Change in Rate of Salary Increase	1.93	0.45
Delta Effect of -1% Change in Rate of Salary Increase	(1.69)	(0.39)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.88)	(0.20)
Delta Effect of -1% Change in Rate of Employee Turnover	0.95	0.22

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 15.77 lacs to the gratuity trusts during the next financial year of 2018.

### Maturity profile of defined benefit obligation:

Projected Benefits Payable in future years from Date of Reporting	(₹ in Lacs)	
	<b>2017</b>	<b>2016</b>
1st Following year	0.03	0.01
2nd Following year	0.04	0.01
3rd Following year	0.04	0.01
4th Following year	0.83	0.01
5th Following year	1.77	0.43
Sum of Years 6 to 10	<b>8.55</b>	<b>2.09</b>

## NOTES

forming part of the financial statements

### Plan Assets

The fair value of Company's pension plan asset as of March 31, 2016 and 2015 by category are as follows:

(₹ in Lacs)		
Particulars	2017	2016
Asset category:		
Deposits with Insurance companies	17.17	-
	<b>100%</b>	

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

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

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

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

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

### 24.3 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:

(₹ in Lacs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Amount due within 1 year	130.08	13.63
<b>TOTAL</b>	<b>130.08</b>	<b>13.63</b>

Amount of lease rentals charged to the profit and loss account in respect of operating leases is ₹ 106.43 lacs

### 24.4 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 Ind AS 108 on 'Operating Segment' constitutes a single reportable segment.

- 24.5** The Company did not have any long-term contracts including derivative contracts for which any provision is required for foreseeable losses.

- 24.6** 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.

- 24.7** 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.

- 24.8** The company was incorporated on July 1, 2015. Accordingly financial statements were prepared for the period from July 1, 2015 to March 31, 2016. Hence, figures for the current year are strictly not comparable with those of the previous period.

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### 24.9 Disclosure on Specified Bank Notes (SBNs)

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

	Specified bank notes (SBNs)*	Other denomination notes	(₹ in Lacs) Total
<b>Closing cash in hand as on November 8, 2016</b>	-	-	-
Add: Permitted receipts	7.50	-	7.50
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
<b>Closing cash in hand as on December 31, 2016</b>	<b>7.50</b>	-	<b>7.50</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs member S.O. 3407(E), dated the November 8, 2016. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.

### 24.10 Capital management

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

#### Financial Risk Management objectives

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

#### 1) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

#### 2) Liquidity risk management

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

#### 3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

## NOTES

forming part of the financial statements

### 24.11 Deferred Tax Balances

#### (i) Movement in deferred tax balances

Particulars	For Year Ended March 31, 2017		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Other Temporary Differences (Ind AS adjustment)	12.13	270.54	282.67
	<b>12.13</b>	<b>270.54</b>	<b>282.67</b>
Tax effect of items constituting deferred tax assets			
Other Temporary Differences (please specify)	-	-	-
	-	-	-
<b>Net Tax Asset (Liabilities)</b>	<b>12.13</b>	<b>270.54</b>	<b>282.67</b>

(₹ in Lacs)

Particulars	For the period July 1, 2015 to March 31, 2016		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Other Temporary Differences (Ind AS adjustment)	-	12.13	12.13
	-	<b>12.13</b>	<b>12.13</b>
Tax effect of items constituting deferred tax assets			
Other Temporary Differences (please specify)	-	-	-
	-	-	-
<b>Net Tax Asset (Liabilities)</b>	-	<b>12.13</b>	<b>12.13</b>

(₹ in Lacs)

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

## 25 FIRST-TIME IND AS ADOPTION RECONCILIATION

### 25.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016

Particulars	As at March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	19.80	19.80
(b) Capital work-in-progress	4	228.38	228.38
(c) Financial Assets			
(i) Other financial assets	5(i)	21.00	(4.28)
(ii) Other financial assets			
			16.72
<b>(2) Current assets</b>			
(a) Inventories	6	-	-
(b) Financial assets			
(i) Investments	7	13,000.00	35.05
(ii) Cash and cash equivalents	8	1,074.40	-
(iii) Other financial assets	5(ii)	-	-
(c) Other current assets	9	75.76	4.11
			79.87
<b>TOTAL ASSETS</b>		<b>14,419.34</b>	<b>34.88</b>
			<b>14,454.22</b>

(₹ in Lacs)

## NOTES

forming part of the financial statements

Particulars	As at March 31, 2016			(₹ in Lacs)
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Share capital	10	15,005.00	-	15,005.00
(b) Other equity	11	(793.14)	22.75	(770.39)
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Provisions	12	3.70	-	3.70
(b) Deferred tax liabilities (net)		-	12.13	12.13
<b>(2) Current liabilities</b>				
<b>(a) Financial liabilities</b>				
(i) Short-term borrowings	13	23.63	-	23.63
(ii) Trade and other payables	14	134.89	-	134.89
(ii) Other financial liabilities	15	15.56	-	15.56
(b) Other current liabilities	16	29.70	-	29.70
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,419.34</b>	<b>34.88</b>	<b>14,454.22</b>

### 25.2 Reconciliation of total equity as at March 31, 2016

Particulars	As at March 31, 2016	(₹ in Lacs)
<b>Total equity (shareholder's funds) under previous GAAP</b>	<b>14,211.86</b>	
<b>Add: Total of adjustment carried forward from opening balance sheet</b>		
(i) Impact of creation of prepaid rent	4.11	
(ii) Profit on fair valuation of current investments	35.05	
(iii) Amortisation of prepaid rent element of rental security deposit	(4.28)	
(iv) Deferred Tax Liabilities	(12.13)	
<b>TOTAL ADJUSTMENT TO EQUITY</b>	<b>22.75</b>	
<b>TOTAL EQUITY UNDER IND AS</b>	<b>14,234.61</b>	

### 25.3 Effect of Ind AS adoption on the statement of profit and loss for the period July 1, 2015 to March 31, 2016

Particulars	For the period July 1, 2015 to March 31, 2016			(₹ in Lacs)
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS	
(I) Revenue from operations	17	-	-	-
(II) Other Income	18	-	36.41	36.41
<b>(III) TOTAL INCOME</b>		-	<b>36.41</b>	<b>36.41</b>
<b>(IV) Expenses</b>				
(a) Cost of Production / Acquisition and Telecast Fees	19	-	-	-
(b) (Increase) / in stock-in-trade	19	-	-	-
(c) Employee benefits expense	20	254.33	-	254.33
(d) Depreciation and amortization expense	21	3.56	-	3.56
(e) Finance cost	22	16.36	-	16.36
(f) Other operating expenses	23	518.89	1.53	520.42
<b>TOTAL EXPENSES</b>		<b>793.14</b>	<b>1.53</b>	<b>794.67</b>
<b>(V) (Loss) Before Tax (III+IV)</b>		<b>(793.14)</b>	<b>34.88</b>	<b>(758.26)</b>
<b>(VI) Tax expense:</b>				
(a) Current tax (provision for taxation)		-	-	-
(b) Deferred tax (including MAT credit entitlement)		-	12.13	12.13
<b>TOTAL TAX EXPENSE</b>		-	<b>12.13</b>	<b>12.13</b>
<b>(VII) (LOSS) FOR THE YEAR (V+VI)</b>		<b>(793.14)</b>	<b>22.75</b>	<b>(770.39)</b>

### 25.4 Reconciliation of total comprehensive income for the period July 1, 2015 to March 31, 2016

## NOTES

forming part of the financial statements

		(₹ in Lacs)
Sr. No.	Particulars	For the period July 1, 2015 to March 31, 2016
	<b>Profits as per previous GAAP</b>	<b>(793.14)</b>
(i)	Amortisation of prepaid rent element of rental security deposit	(1.53)
(ii)	Profit on fair valuation of current investments (net of tax)	35.05
(iii)	Recognition of notional interest income on rental security deposit	1.36
(iv)	Provision for Deferred tax	(12.13)
	<b>TOTAL EFFECT OF TRANSITION TO IND AS</b>	<b>22.75</b>
	<b>PROFIT FOR THE YEAR AS PER IND AS</b>	<b>(770.39)</b>

### 25.5 Effect of Ind AS adoption on Statement of Cash Flow for the period July 1, 2015 to March 31, 2016

Particulars	(₹ in Lacs)		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities	(686.29)	-	(686.29)
(b) Net Cash Flow from Investing Activities	(13,251.74)	-	(13,251.74)
(c) Net Cash Flow from Financing Activities	15,012.42	-	15,012.42
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,074.40</b>	<b>-</b>	<b>1,074.40</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,074.40</b>	<b>-</b>	<b>1,074.40</b>

Signatures to notes 1 to 25

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

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

**Shobha Kapoor**  
(Chairman)  
DIN: 00005124

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

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

**Ketan Vora**  
(Partner)

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

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

**Nachiket Pantvaidya**  
(Chief Executive Officer)

Place : Mumbai  
Date : May 23, 2017

Place : Mumbai  
Date : May 23, 2017

## DIRECTORS' REPORT

Your Directors present the 2nd Annual Report together with the audited statement of accounts of the Company for the financial year ended March 31, 2017.

### COMPANY PERFORMANCE FINANCIAL HIGHLIGHTS

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

	(₹ in lacs)	
Particulars	2016-17	2015-16
Total Income	386.33	181.93
Total expenditure	440.20	185.87
<b>Operating (Loss)</b>	<b>(53.87)</b>	<b>(3.94)</b>
Finance costs	2.86	0.18
Depreciation	1.64	0.13
<b>(Loss) for the year before tax</b>	<b>(58.37)</b>	<b>(4.25)</b>
Provision for tax	-	-
<b>(Loss) for the year after tax</b>	<b>(58.37)</b>	<b>(5.58)</b>
<b>Balance carried to the Balance Sheet</b>	<b>(58.37)</b>	<b>(5.58)</b>

**Note:** The Financial Statements of the Company is prepared as per Indian Accounting Standards (Ind AS) for the first time for the year ended March 31, 2017. The financial statements for the year ended March 31, 2016 have been restated in accordance with IND AS for comparative information.

### RESULTS OF OPERATIONS

During the year under review, the Company made a net loss of ₹ 58.37 lacs as compared to a net loss of ₹ 5.58 lacs during the last period.

### DIVIDEND

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

### TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to the reserves in view of loss incurred by the Company.

### BORROWINGS

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

### SHARE CAPITAL

The paid up share capital of the Company as on March 31, 2017 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. The Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2017, the Company is a subsidiary of Balaji Telefilms Limited.

### PUBLIC DEPOSITS

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

### CHANGE IN NATURE OF BUSINESS

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

### REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate and joint venture Company. Thus, the Audited Financial Statements, Auditors report thereon and Board's report along with applicable annexures are not annexed herewith.

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

No material events have occurred between the end of financial year 2016-2017 and the date of this report, which have effect over the financial position of the Company.

### DIRECTORS AND KMP

There was no change in Directorship of the Company during the year under review. Further, the provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable.

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, Ms. Ekta Kapoor, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment and your Board recommends her 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 STATUTORY AUDIT**

Pursuant to Section 139 of Companies Act, 2013 and Rule 6 of The Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company on May 22, 2017 has recommended the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting. The first year of Audit will be of the financial statements for the year ended March 31, 2018.

### **COST AUDIT**

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

### **SECRETARIAL AUDIT**

In accordance with the Section 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit is not applicable to the Company.

### **OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017**

The Audit Report for the financial year ended March 31, 2017 does not contain any qualifications, reservations and adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

## **DISCLOSURES RELATED TO BOARD AND POLICIES**

### **I) BOARD MEETINGS**

During the year under review, four (4) meetings of the Board of Directors were held on May 16, 2016, July 26, 2016, November 18, 2016 and February 13, 2017. The intervening gap between two Board Meetings was not more than One Hundred and Twenty Days.

### **II) BUSINESS RISK MANAGEMENT**

The Holding Company i.e. Balaji Telefilms Limited has Risk Management Policy which is applicable to all its subsidiaries. The Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators. The Board co-ordinates with the various heads of Departments with respect to risk identification, assessment, analysis and mitigation.

### **III) DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Holding Company i.e. Balaji Telefilms Limited has Corporate Social Responsibility Policy which is applicable to all its subsidiaries. However the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

## **OTHER DISCLOSURES**

### **I) EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT 9 is appended as Annexure I to the Boards' Report.

## **DIRECTORS' REPORT (CONTD.)**

### **II) INTERNAL FINANCIAL CONTROL SYSTEM AND ADEQUACY**

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

### **III) RELATED PARTY TRANSACTIONS**

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts/arrangements/transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

### **IV) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review the Company does not have any loans, guarantees or investments under the provisions of section 186 of the Companies Act, 2013, hence no disclosure is required to be given in this regard.

### **V) FIXED DEPOSITS**

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

### **VI) 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 2016-17, no sexual harassment complaints has been registered with the Company.

### **VII) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

### **CONSERVATION OF ENERGY AND 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.

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

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

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

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

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

### **BOARD EVALUATION**

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

The evaluation of all the Directors and Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board thus approved the evaluation process results.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, 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, 2017, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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, 2017 had been prepared on a 'going concern' basis;

- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### ACKNOWLEDGEMENTS

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

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

Sd/-

**Shobha Kapoor**

Chairperson

(DIN: 00005124)

Place: Mumbai

Date: May 22, 2017

## ANNEXURES TO THE DIRECTORS' REPORT

### ANNEXURE I FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2017

[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	<b>CIN</b>	U74999MH2015PLC266206
2	<b>Registration Date</b>	1/07/2015
3	<b>Name of the Company</b>	Chhayabani Balaji Entertainment Private Limited
4	<b>Category/Sub-category of the Company</b>	Company Limited by Shares
5	<b>Address of the Registered office &amp; Contact details</b>	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra. Tel: 91-022-4069000, Fax: + 91-022-40698181 Email: <a href="mailto:simmi.bisht@balajitelefilms.com">simmi.bisht@balajitelefilms.com</a> Website: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
6	<b>Whether listed company</b>	No
7	<b>Name, Address &amp; Contact details of the Registrar &amp; Transfer Agent, if any.</b>	N. A.

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

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
Balaji Telefilms Limited <b>Registered Office-</b> C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400053, Maharashtra.	L99999MH1994PLC082802	Holding Company	50	2 (46)

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

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0	0
b) Central Govt	0	0	0	0.00	0	0	0	0	0
c) State Govt(s)	0	0	0	0.00	0	0	0	0	0
d) Bodies Corp.	0	50,000	50,000	100	0	50,000	50,000	100	0
e) Banks / FI	0	0	0	0.00	0	0	0	0	0
f) Any other	0	0	0	0.00	0	0	0	0	0
<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>
<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>	<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>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>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
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	0	0	0	0.00	0	0	0	0.00	0.00
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>	<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>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2) :-</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>

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1) + (B)(2)</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>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</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>

### ii) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the year i.e. March 31, 2017			% 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>

### iii) Change in Promoters' Shareholding:

There are no changes in the Promoter's shareholding during the Financial Year 2016-17

### iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31, 2017

The entire share capital of the Company is held by the Holding Company and promoters of the Company.

### v) Shareholding of Directors and Key Managerial Personnel:

The Directors of the Company did not hold any shares in the Company during the financial year ended March 31, 2017. The Company is not required to appoint Key Managerial Personnel.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

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	-	-	-	-
<b>Net Change</b>	-	-	-	-
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>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Mr. Saugata Nandi Managing Director</b>	
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>	-	
	<b>Ceiling as per the Act (per annum)</b>	<b>N. A.*</b>	

\* Mr. Saugata Nandi, Managing Director does not receive any remuneration from the Company.

**ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)****B. Remuneration to other Directors:**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
<b>1.</b>	<b>Independent Directors</b>	<b>Mr. V. B. Dalal</b>			
	Fee for attending Board and Committee meetings		1,00,000		1,00,000
	Commission				-
	Others, please specify		-		-
	Total (1)		1,00,000		1,00,000
<b>2.</b>	<b>OTHER NON- EXECUTIVE DIRECTORS</b>	<b>Mrs. Shobha Kapoor</b>	<b>Ms. Ekta Kapoor</b>	<b>Mr. Ramlal Nandi</b>	
	Fee for attending Board and 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>CEILING AS PER ACT</b>	N. A.*	N. A.*	N. A.*	N. A.*

\* The Independent Directors of the Company receive sitting fees for attending the Board / Committee meetings of the Company which is excluded under Section 197 of the Companies Act, 2013.

- Non-Executive Directors does not receive any remuneration from the Company.

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

Provisions of Section 203 of the Companies Act, 2013 for the appointment of Key Managerial Personnel are not applicable.

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

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

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

Sd/-

**Shobha Kapoor**

Chairperson

(DIN: 00005124)

Place: Mumbai

Date: May 22, 2017

## **INDEPENDENT AUDITOR'S REPORT**

---

To The Members of  
Chhayabani Balaji Entertainment Private Limited

### **REPORT ON THE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of Chhayabani Balaji Entertainment Private Limited (the Company), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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.

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

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

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its (loss), total comprehensive (loss), its cash flows and the changes in equity for the year ended on that date.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information

of the branches and joint operations, referred to in the Other Matters paragraph above 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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, as amended, 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.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. (Refer Note 21.9)

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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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**Re: Chhayabani Balaji Entertainment 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 Chhayabani Balaji Entertainment Private Limited (the Company) as of March 31, 2017 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, 2017, 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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

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**Re: Chhayabani Balaji Entertainment 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 (ii) 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 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, 2017 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, 2017.
- (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 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.

(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)

**Ketan Vora**

Partner

(Membership No. 100459)

Mumbai, dated: May 22, 2017

**BALANCE SHEET**

As at March 31, 2017

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	4.08	4.38
(b) Current Income tax (net)		9.89	10.27
		<b>13.97</b>	<b>14.65</b>
<b>(2) Current assets</b>			
(a) Inventories	5	-	195.60
(b) Financial assets			
(i) Trade receivables	6	0.45	126.04
(ii) Cash and cash equivalents	7	31.80	34.76
(iii) Other financial assets	8	-	0.50
(c) Other current assets	9	19.72	0.80
		<b>51.97</b>	<b>357.70</b>
<b>TOTAL ASSETS</b>		<b>65.94</b>	<b>372.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	10	5.00	5.00
(b) Other equity	11	(63.95)	(5.58)
		<b>(58.95)</b>	<b>(0.58)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	96.15	96.15
(b) Deferred tax liability		1.33	1.33
		<b>97.48</b>	<b>97.48</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	13	27.09	192.05
(ii) Other financial liabilities	14	0.32	83.40
		<b>27.41</b>	<b>275.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>65.94</b>	<b>372.35</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

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

**Shobha Kapoor**  
(Chairman)  
(DIN: 00005124)

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

Place : Mumbai  
Date : May 22, 2017

**Saugata Nandi**  
(Managing Director)  
(DIN: 00620045)

**V. B. Dalal**  
(Director)  
(DIN: 00247971)

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

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
(I) Revenue from operations	15	385.87	178.08
(II) Other Income	16	0.46	3.85
<b>(III) Total income</b>		<b>386.33</b>	<b>181.93</b>
<b>(IV) Expenses</b>			
(a) Cost of Production	17	218.31	366.99
(b) Change in inventories of stock-in-trade	17	195.60	(195.60)
(c) Depreciation and amortisation expense	18	1.64	0.13
(d) Finance Costs	19	2.86	0.18
(e) Other expenses	20	26.29	14.48
<b>(V) Total expenses</b>		<b>444.70</b>	<b>186.18</b>
<b>(VI) (Loss) for the Year</b>		<b>(58.37)</b>	<b>(4.25)</b>
<b>(VII) Tax expenses</b>			
Deferred tax		-	1.33
<b>(VIII) (Loss) for the Year after tax</b>		<b>(58.37)</b>	<b>(5.58)</b>
<b>(IX) Earnings per equity share (of ₹10/- each)</b>		<b>(116.73)</b>	<b>(11.16)</b>
Basic and diluted earnings per share			

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

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

**Shobha Kapoor**  
 (Chairman)  
 (DIN: 00005124)

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

Place : Mumbai  
 Date : May 22, 2017

**Saugata Nandi**  
 (Managing Director)  
 (DIN: 00620045)

**V. B. Dalal**  
 (Director)  
 (DIN: 00247971)

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

**CASH FLOW STATEMENT**

for the year ended March 31, 2017

(₹ in Lacs)

Particulars	For the year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before tax for the Year	(58.37)	(4.25)
<b>Adjustments for:</b>		
Depreciation	1.64	0.13
Net (gain) recognised in profit or loss on financial liabilities designated as at fair value through profit or loss	-	(3.85)
Operating profit/(loss) before working capital changes	<b>56.72</b>	<b>(7.97)</b>
Decrease/(Increase) in trade and other receivables	107.18	(127.34)
Decrease/(Increase) in inventories	195.60	(195.60)
(Decrease)/Increase in trade and other payables	(248.05)	275.45
	<b>54.73</b>	<b>(47.49)</b>
Income-tax refund/(paid)	0.38	(10.27)
<b>NET CASH (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(1.62)</b>	<b>(65.73)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1.34)	(4.51)
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(1.34)</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>-</b>	<b>105.00</b>
<b>Net (Decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(2.96)</b>	<b>34.76</b>
<b>Cash and cash equivalents at the beginning of the Year</b>	<b>34.76</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>31.80</b>	<b>34.76</b>

See accompanying notes forming part of the financial statements.

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

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

**Shobha Kapoor**  
(Chairman)  
(DIN: 00005124)

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

Place : Mumbai  
Date : May 22, 2017

**Saugata Nandi**  
(Managing Director)  
(DIN: 00620045)

**V. B. Dalal**  
(Director)  
(DIN: 00247971)

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

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

<b>A. EQUITY SHARE CAPITAL</b>		(₹ in lacs)
<b>Particulars</b>		
<b>As at April 1, 2015</b>		<b>5.00</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2016</b>		<b>5.00</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2017</b>		<b>5.00</b>

<b>B. OTHER EQUITY</b>		(₹ in lacs)
<b>Particulars</b>		<b>Reserves and surplus</b>
		<b>Retained earnings</b>
<b>As at April 1, 2015</b>		-
Add : (Loss) for the year		(5.58)
<b>As at March 31, 2016</b>		<b>(5.58)</b>
(Loss) for the year		(58.37)
<b>As at March 31, 2017</b>		<b>(63.95)</b>

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

**Ketan Vora**  
 (Partner)

Place : Mumbai  
 Date : May 22, 2017

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

**Shobha Kapoor**  
 (Chairman)  
 (DIN: 00005124)

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

Place : Mumbai  
 Date : May 22, 2017

**Saugata Nandi**  
 (Managing Director)  
 (DIN: 00620045)

**V. B. Dalal**  
 (Director)  
 (DIN: 00247971)

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

## **NOTES**

forming part of the financial statements

### **1. GENERAL INFORMATION**

Chhayabani Balaji Entertainment Private Limited was incorporated on February 16, 2015 under the Companies Act, 1956.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

a) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from April 1, 2016.

The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All values are rounded to the nearest lacs, unless otherwise stated.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements.

b) The financial statements were approved by the Board of Directors and authorised for issue on May 22, 2017.

c) Use of estimates and judgments  
The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

d) First-time adoption of Ind AS – mandatory exceptions and optional exemptions :

### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

### **De-recognition of financial assets and financial liabilities**

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### **Past business combinations**

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015.

### **Deemed cost for property, plant and equipment and intangible assets**

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of April 1, 2015 (transition date) as deemed cost. Consequently, cost in

## NOTES

forming part of the financial statements

respect of property, plant and equipment and intangible assets has been retrospective remeasured in accordance with Ind AS.

### **Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### **Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI)**

The Company has designated certain investment in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### **Investments in subsidiaries, joint ventures and associates**

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Property, plant and equipment**

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

### **b) Depreciation and amortisation**

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

### **c) Impairment of tangible**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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

### **d) Inventories**

Inventory comprise of television serials which are at lower of cost and net realizable value. Cost is determined on the basis of average cost. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale

### **e) Financial Instruments**

Financial assets and financial liabilities are recognised when Company entity becomes a party to the contractual provisions of the instruments.

## **NOTES**

forming part of the financial statements

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- ▶ the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

Debt instruments that meet the following conditions are subsequently measured at

fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

### **Investments in equity instruments at FVTOCI:**

On initial recognition, the Company has made an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Reserves. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments.

Financial assets at fair value through profit or loss (FVTPL): Investments in equity instruments are classified as at FVTPL, unless the Company has irrevocably elected on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments.

### **Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss

## NOTES

forming part of the financial statements

would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

### Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

### Financial Liabilities:

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

### Investments in subsidiaries, associates and joint ventures:

The Company accounts for its investments in subsidiaries, associates and joint venture at cost.

#### f) 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.

#### g) Leases

The company as lessee:  
Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the

rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### i) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

## NOTES

forming part of the financial statements

### 4 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Description of Assets	As at March 31, 2017	As at March 31, 2016
<b>Carrying Amount of:</b>		
Plant and machinery - Computers	2.33	2.93
Plant and machinery - Others	1.10	1.22
Computers	0.65	0.23
<b>TOTAL</b>	<b>4.08</b>	<b>4.38</b>

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Plant and machinery - Others	Computers	Total
<b>I. Cost or deemed cost</b>				
Balance as at April 1, 2015	-	-	-	-
Additions	3.02	1.23	0.26	4.51
<b>Balance as at March 31, 2016</b>	<b>3.02</b>	<b>1.23</b>	<b>0.26</b>	<b>4.51</b>
Additions	0.60	-	0.74	1.34
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>3.62</b>	<b>1.23</b>	<b>1.00</b>	<b>5.85</b>

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Plant and machinery - Others	Computers	Total
<b>II. Accumulated depreciation and impairment</b>				
Balance as at April 1, 2015	-	-	-	-
Depreciation expense	(0.09)	(0.01)	(0.03)	(0.13)
<b>Balance as at March 31, 2016</b>	<b>(0.09)</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.13)</b>
Depreciation expense	(1.20)	(0.12)	(0.32)	(1.64)
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>(1.29)</b>	<b>(0.13)</b>	<b>(0.35)</b>	<b>(1.77)</b>

(₹ in Lacs)

Description of Assets	Plant and machinery - Computers	Plant and machinery - Others	Computers	Total
<b>III. Carrying Amount</b>				
Balance as at April 1, 2015	-	-	-	-
Additions	3.02	1.23	0.26	4.51
Depreciation expense	(0.09)	(0.01)	(0.03)	(0.13)
<b>Balance as at March 31, 2016</b>	<b>2.93</b>	<b>1.22</b>	<b>0.23</b>	<b>4.38</b>
Additions	0.60	-	0.74	1.34
Depreciation expense	(1.20)	(0.12)	(0.32)	(1.64)
<b>BALANCE AS AT MARCH 31, 2017</b>	<b>2.33</b>	<b>1.10</b>	<b>0.65</b>	<b>4.08</b>

### 5 INVENTORIES

(At lower of cost and net realisable value)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Television Serials	-	195.60
<b>TOTAL</b>	<b>-</b>	<b>195.60</b>

Note : The mode of valuation has been stated in Note 3(d)

## NOTES

forming part of the financial statements

### 6 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables		
Unsecured, considered good	0.45	126.04
<b>TOTAL</b>	<b>0.45</b>	<b>126.04</b>

#### 6.1 Age of receivables

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Within the credit period	0.45	126.04
1-30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days	-	-

### 7 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balances with banks in current account	31.80	34.76
<b>TOTAL</b>	<b>31.80</b>	<b>34.76</b>

### 8 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposit	-	0.50
<b>TOTAL</b>	<b>-</b>	<b>0.50</b>

### 9 OTHER CURRENT ASSETS (NON-FINANCIAL)

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Balances with government authorities	0.28	-
(b) Advance to vendors	19.44	0.80
<b>TOTAL</b>	<b>19.72</b>	<b>0.80</b>

### 10 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>(a) Authorised</b>		
25,00,000 Equity Shares of ₹ 10/- each	250.00	250.00
	<b>250.00</b>	<b>250.00</b>
<b>(b) Issued, Subscribed and fully paid-up</b>		
50,000 Equity Shares of ₹ 10/- each	5.00	5.00
(Out of above shares 25,000 shares are held by Balaji Telefilms Limited, the Holding Company & its nominees)		
	<b>5.00</b>	<b>5.00</b>

## NOTES

forming part of the financial statements

Notes :

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

(₹ in Lacs)

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Balaji Telefilms Limited	25,000	50.00%	25,000	50.00%
Chhayabani Private Limited	25,000	50.00%	25,000	50.00%

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

### 11 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	(5.58)	-
Add: (Loss) for the Year	(58.37)	(5.58)
<b>TOTAL</b>	<b>(63.95)</b>	<b>(5.58)</b>

### 12 BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
1,000,000 Zero Dividend Redeemable Preference Shares of ₹10/- each	96.15	96.15
<b>TOTAL</b>	<b>96.15</b>	<b>96.15</b>

### 13 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade payables	27.09	192.05
<b>TOTAL</b>	<b>27.09</b>	<b>192.05</b>

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## NOTES

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### 14 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Other payables		
(i) Statutory liabilities	0.32	33.90
Advance from customers	-	49.50
<b>TOTAL</b>	<b>0.32</b>	<b>83.40</b>

### 15 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
<b>Sale of services:</b>		
Commissioned Sales	385.87	178.08
<b>TOTAL</b>	<b>385.87</b>	<b>178.08</b>

### 16 OTHER INCOME

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
(a) Interest income		
On Income-tax Refund	0.46	-
(b) Net gain arising on financial liabilities designated as at FVTPL	-	3.85
<b>TOTAL</b>	<b>0.46</b>	<b>3.85</b>

### 17 COST OF PRODUCTION

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
Opening stock of television serials	195.60	-
Add: Cost of production		
Purchase of costumes and dresses	2.43	2.32
Artists, Directors and other technicians	115.52	173.90
Shooting and location expenses	57.85	58.62
Set properties and equipment hire charges	26.49	103.24
Other production expenses	16.02	28.91
	218.31	366.99
Less: Closing stock of Serials	-	195.60
<b>TOTAL</b>	<b>413.91</b>	<b>171.40</b>

### 18 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	1.64	0.13
<b>TOTAL</b>	<b>1.64</b>	<b>0.13</b>

**NOTES**

forming part of the financial statements

**19 FINANCE COST**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
Interest on delayed payment of taxes	2.86	0.18
<b>TOTAL</b>	<b>2.86</b>	<b>0.18</b>

**20 OTHER EXPENSES**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
Communication expenses	0.49	0.30
Director Sitting Fees	1.00	1.25
Legal and Professional charges	18.75	5.93
Rates and taxes	0.32	6.15
Repair and Maintenance	0.12	-
Travelling and conveyance Expenses	3.41	0.08
Miscellaneous expenses*	2.20	0.77
<b>TOTAL</b>	<b>26.29</b>	<b>14.48</b>

\* Miscellaneous expenses include Printing and stationery, bank charges etc.

**20.1 Payments to auditors**

(₹ in Lacs)

Particulars	For the Year ended March 31, 2017	For the period February 16, 2015 to March 31, 2016
For Statutory Audit	3.00	3.00
For Others	1.50	1.50
For service tax	0.68	0.65
<b>TOTAL</b>	<b>5.18</b>	<b>5.15</b>

**21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS**

21.1 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.

**21.2 Related Party Transactions****(a) Name of related parties and description of relationship**

Name of the Related Party	Relationship
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
Chhayabani Private Limited	Minority Shareholder

## NOTES

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

Particulars	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)
Chhayabani Private Limited	-	-	-	-
	-	(3.03)	-	(3.03)
<b>Shooting and location expenses</b>				
India Film Laboratories Private Limited	-	-	10.00	10.00
	-	-	(15.00)	(15.00)
<b>Issue of Equity Share Capital</b>				
Balaji Telefilms Limited	-	-	-	-
	(5.00)	-	-	(5.00)
Chhayabani Private Limited	-	-	-	-
	-	(5.00)	-	(5.00)
<b>Issue of Preference Share Capital</b>				
Balaji Telefilms Limited	-	-	-	-
	(50.00)	-	-	(50.00)
Chhayabani Private Limited	-	-	-	-
	-	(50.00)	-	(50.00)

### (c) Closing balances as at the year end March 31, 2017

Particulars	Holding Company	Minority shareholder	Company in which Key Management Person has significant influence	(₹ in Lacs)
				Total
<b>Amount payable as at March 31, 2017</b>				
India Film Laboratories Private Limited	-	-	15.00	15.00
	-	-	(11.68)	(11.68)
Balaji Telefilms Limited	-	-	-	-
	(3.01)	-	-	(3.01)
Chhayabani Private Limited	-	-	-	-
	-	(3.03)	-	(3.03)

## **NOTES**

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### **21.3 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 ended March 31, 2017	For the Year ended March 31, 2016
(a) (Loss) for the period attributable to equity share holders (₹ in Lacs)	(58.37)	(4.25)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	50,000	50,000
(c) (Loss) per share - Basic and diluted (₹)	(116.73)	(8.50)
(d) Nominal value of shares (₹)	10	10

**21.4** In accordance with the Ind AS 12 on "Income Tax", 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 Ind AS 12 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 Ind AS 12.

### **21.5 Segment Information**

The Company is primarily engaged in the business of production of television content, which, in the context of Ind AS 108 on "Operating Segments" constitutes a single reportable segment.

**21.6** 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.

**21.7** The Company did not have any long-term contracts including derivative contracts for which any provision is required for the foreseeable losses.

**21.8** The Company was incorporated on February 16, 2015 and hence there are no figures of the previous period. Accordingly financials statement were prepared for period from February 16, 2015 to March 31, 2016. Hence figures for the current year strictly not comparable with those of the previous period.

**21.9** Disclosures relating to Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016: Notification No. 308(E) dated March 30, 2017 requires every company to disclose certain details relating to specified banking notes. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 and accordingly, the above disclosure requirement is not applicable to the Company.

### **21.10 Capital management**

The Company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

## NOTES

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The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

### Financial Risk Management objectives

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

#### 1) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

#### 2) Liquidity risk management

The responsibility for liquidity risk management rests with the Board of directors, which has an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

#### 3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

### 21.11 Movement in deferred tax balances

(₹ in Lacs)

Particulars	For Year Ended March 31, 2017		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Other Temporary Differences (Ind AS adjustment)	1.33	-	1.33
	<b>1.33</b>	-	<b>1.33</b>
Tax effect of items constituting deferred tax assets			
	-	-	-
<b>Net Tax Asset (Liabilities)</b>	<b>1.33</b>	-	<b>1.33</b>

**NOTES**

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Particulars	(₹ in Lacs)		
	For Year Ended March 31, 2016		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Other Temporary Differences (Ind AS adjustment)	-	1.33	1.33
	-	<b>1.33</b>	<b>1.33</b>
Tax effect of items constituting deferred tax assets			
	-	-	-
<b>Net Tax Asset (Liabilities)</b>	<b>-</b>	<b>1.33</b>	<b>1.33</b>

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

**22 FIRST-TIME IND AS ADOPTION RECONCILIATION****22.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016**

Particulars	(₹ in Lacs)		
	As at March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4.38	-	4.38
(b) Advance Income tax asset (net)	10.27	-	10.27
	<b>14.65</b>	<b>-</b>	<b>14.65</b>
<b>(2) Current assets</b>			
(a) Inventories	195.60	-	195.60
(b) Financial assets			
(i) Trade receivables	126.04	-	126.04
(ii) Cash and cash equivalents	34.76	-	34.76
(ii) Other financial assets	0.50	-	0.50
(c) Other current assets	0.80	-	0.80
	<b>357.70</b>	<b>-</b>	<b>357.70</b>
<b>TOTAL ASSETS</b>	<b>372.35</b>	<b>-</b>	<b>372.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Share capital	105.00	(100.00)	5.00
(b) Other equity	(8.10)	2.52	(5.58)
	<b>96.90</b>	<b>(97.48)</b>	<b>(0.58)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	-	96.15	96.15
(b) Deferred Tax Liability	-	1.33	1.33
	<b>-</b>	<b>97.48</b>	<b>97.48</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	192.05	-	192.05
(ii) Other financial liabilities	83.40	-	83.40
	<b>275.45</b>	<b>-</b>	<b>275.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>372.35</b>	<b>-</b>	<b>372.35</b>

## NOTES

forming part of the financial statements

### 22.2 Reconciliation of total equity as at March 31, 2016

Particulars	(₹ in Lacs)
	As at March 31, 2016
<b>Total equity (shareholder's funds) under previous GAAP</b>	<b>96.90</b>
Redeemable preference shares classified as a liability under Ind AS	(100.00)
Change in fair value of financial liability (net of tax)	2.52
<b>TOTAL ADJUSTMENT TO EQUITY</b>	<b>(97.48)</b>
<b>TOTAL EQUITY UNDER IND AS</b>	<b>(0.58)</b>

### 22.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

Particulars	(₹ in Lacs)		
	For the year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(I) Revenue from operations	178.08	-	178.08
(II) Other Income	-	3.85	3.85
<b>(III) Total income</b>	<b>178.08</b>	<b>3.85</b>	<b>181.93</b>
<b>(IV) Expenses</b>			
(a) Cost of Production	366.99	-	366.99
(b) Change in inventories of stock-in-trade	(195.60)	-	(195.60)
(c) Depreciation and amortisation expense	0.13	-	0.13
(d) Finance Costs	0.18	-	0.18
(e) Other expenses	14.48	-	14.48
<b>(V) Total expenses</b>	<b>186.18</b>	<b>-</b>	<b>186.18</b>
<b>(VI) (Loss) for the Year</b>	<b>(8.10)</b>	<b>3.85</b>	<b>(4.25)</b>

### 22.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

Sr. Particulars	(₹ in Lacs)
	For the Year ended March 31, 2016
<b>(Loss) as per previous GAAP</b>	<b>(8.10)</b>
(i) Change in fair value of financial liability	3.85
<b>TOTAL EFFECT OF TRANSITION TO IND AS</b>	<b>3.85</b>
<b>(Loss) for the year as per Ind AS</b>	<b>(4.25)</b>
Other comprehensive income for the year (net of tax)	-
<b>TOTAL COMPREHENSIVE INCOME UNDER IND AS</b>	<b>(4.25)</b>

## NOTES

forming part of the financial statements

### 22.5 Effect of Ind AS adoption on Statement of Cash Flow for the year ended March 31, 2016

Particulars	(₹ in Lacs)		
	For the year ended March 31, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(a) Net Cash Flow from Operating Activities	(65.73)	-	(65.73)
(b) Net Cash Flow from Investing Activities	(4.51)	-	(4.51)
(c) Net Cash Flow from Financing Activities	105.00	-	105.00
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>34.76</b>	<b>-</b>	<b>34.76</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>34.76</b>	<b>-</b>	<b>34.76</b>

Signature to notes 1 to 22

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

**Ketan Vora**  
(Partner)

Place : Mumbai  
Date : May 22, 2017

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

**Shobha Kapoor**  
(Chairman)  
(DIN: 00005124)

**Saugata Nandi**  
(Managing Director)  
(DIN: 00620045)

**V. B. Dalal**  
(Director)  
(DIN: 00247971)

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

Place : Mumbai  
Date : May 22, 2017

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

# NOTICE

## Balaji Telefilms Limited

CIN: L99999MH1994PLC082802

**Regd. Office:** C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai - 400 053, Maharashtra. **Tel No:** 022 40698000 **Fax No:** 022 40698181  
**Website:** [www.balajitelefilms.com](http://www.balajitelefilms.com) **Email-id:** [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)



### NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Thursday, August 31, 2017 at 12.00 noon at "The Club" 197, D. N. Nagar, Andheri (West), Mumbai-400 053, Maharashtra, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tusshar Kapoor (DIN: 00005088), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare final dividend for the financial year ended on March 31, 2017.
4. 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 of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of Audit Committee, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors, to hold office for a period of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year 2021-22, subject to ratification of appointment by the members of the Company at every subsequent Annual General Meeting on a remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

**RESOLVED FURTHER** that any one of the Directors and the Group Head Secretarial of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as are necessary to give effect to the above resolution."

#### SPECIAL BUSINESS:

5. Payment of Commission to Non-Executive Director for a period of 5 years w.e.f. April 1, 2017

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

**"RESOLVED** that pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to recommendations of Nomination & Remuneration Committee, the approval of members be and is hereby accorded for the payment of commission for each financial year to the Director(s) of the Company who is/are neither in the whole-time employment nor Managing Director(s), in accordance with and upto the limits laid down under the provisions of Section 197 of the Act, computed in the manner specified hereunder, for a period of 5 years from the financial year commencing April 1, 2017.

Mr. Jeetendra Kapoor (Non-Executive Director)	0.80% of the Net Profits of the Company computed in the manner laid under Section 198 of the Act.
Other Non-Executive Director(s)	0.20% of the Net Profits of the Company computed in the manner laid under Sections 198 of the Act, subject to limit of ₹ 5,00,000/- (Five lacs) per Director

## **NOTICE (CONTD.)**

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**RESOLVED FURTHER** that any one of the Directors and the Group Head Secretarial of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as are necessary to give effect to the above Resolution."

**Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai - 400 053, Maharashtra.  
CIN: L99999MH1994PLC082802  
Email: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)  
Website: [www.balajitelefilms.com](http://www.balajitelefilms.com)

Place: Mumbai  
Date: May 23, 2017

**By order of the Board of Directors  
For Balaji Telefilms Limited**

Sd/-  
**Simmi Singh Bisht**  
Group Head Secretarial  
(Membership No. A23360)

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### **NOTES:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item no. 5 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 and Secretarial Standard-2 on General Meetings 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. Members 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. If a proxy is appointed for more than 50 Members, the proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the Meeting. In case proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. 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. Attached is a Proxy Form with instructions for filling, stamping, signing and depositing the Proxy Form.
3. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
4. Members/Proxies should fill in the Attendance slip for attending the meeting and carry the same to the meeting.
5. The Register of Members and Share Transfer Books will remain closed from Friday, August 25, 2017 to Thursday, August 31, 2017 (both days inclusive).
6. The Final Dividend for the financial year ended March 31, 2017 as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after Tuesday, September 5, 2017 to those Members whose name appears in the Register of Members of the Company as on Thursday, August 24, 2017.
7. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository

Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.

8. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to Karvy Computershare Private Limited/Investor Service Department of the Company immediately.
9. The Board of Directors, at their meeting held on Tuesday, May 23, 2017 has appointed Mr. Bhavesh Desai, Practicing Company Secretary, as Scrutinizer for conducting the E-voting and poll process in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman or person authorized by him 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 Saturday, September 2, 2017 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 Stock Exchanges, Registrar and Share Transfer Agent on the said date. The Board of Directors has appointed the Group Head Secretarial as the person responsible for this process.
10. 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 remote 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 venue of the meeting on Thursday, August 31, 2017.
11. Please note that the Members can opt for only one mode of voting i.e., either by voting at the meeting or remote E-voting. If Members opt for remote E-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote E-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.
12. A Member cannot exercise his vote by proxy on E-voting.
13. The E-voting period commences on Sunday, August 27, 2017 (11.30 a.m. IST) and ends on Wednesday, August 30, 2017 (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. Friday, August 25, 2017 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.
14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, Friday, August 25, 2017. Any person who is in receipt of this notice but is not a member as on the cut-off date, should treat this notice for information purpose only.
15. 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, may obtain the login ID and password by sending a request at [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com). However, if such person is already registered with Karvy Computershare Private Limited, for remote E-voting, he may use his existing user ID and password for casting their vote.
16. 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.
17. 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 Lakshadeep, in Marathi having wide circulation in the district where the Registered Office of the Company is situated.

## **NOTICE (CONTD.)**

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18. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID 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 Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Karvy Selenium Tower - B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana.
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 and 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. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the depository participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Karvy Computershare Private Limited/Investor Service Department of the Company.
23. The Ministry of Corporate Affairs has notified provisions relating to unpaid/unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed/claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules mandate the companies to transfer the shares of shareholders whose dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period. The details of the unpaid/unclaimed amounts lying with the Company as on Wednesday, August 31, 2016 (date of last Annual General Meeting) are available on the website of the Company <https://www.balajitelefilms.com> and on Ministry of Corporate Affairs' website. The shareholders whose dividend/shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
24. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules after the due date of May 31, 2017.
25. 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 Telefilms Limited.
7. On the voting page, the number of equity shares (which represents the number of votes) as held by the member, on the cutoff 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:**

1. 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.
2. 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 Private Limited on **1800 345 4001** (toll free).
3. 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, Friday, August 25, 2017.
4. Mr. Bhavesh Desai, Practicing Company Secretary (Membership No. 7899 & CP No. 7711) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
5. 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.
6. 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 Registrar and Share Transfer Agent (RTA) website [www.karvycomputershare.com](http://www.karvycomputershare.com) within 48 hours of the conclusion of Annual General Meeting (AGM) of the Company and communicated to the BSE Limited and National Stock Exchange Limited.

## **NOTICE (CONTD.)**

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7. The resolution(s) shall be deemed to be passed on the date of the general meeting, subject to receipt of sufficient votes.
8. 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 [bn-desai4u@gmail.com](mailto:bn-desai4u@gmail.com). They may also upload the same in the E-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
9. In case of any query or grievance, please refer to the Help & FAQ section of the website of Karvy Computershare Private Limited at [www.karvycomputershare.com](http://www.karvycomputershare.com) or call on 040 67161510 or contact Mrs. Simmi Singh Bisht, Group Head Secretarial at [simmi.bisht@balajitelefilms.com](mailto:simmi.bisht@balajitelefilms.com).

**Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai - 400 053, Maharashtra.  
CIN: L99999MH1994PLC082802  
Email: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)  
Website: [www.balajitelefilms.com](http://www.balajitelefilms.com)

Place: Mumbai  
Date: May 23, 2017

**By order of the Board of Directors  
For Balaji Telefilms Limited**

Sd/-  
**Simmi Singh Bisht**  
Group Head Secretarial  
(Membership No. A23360)

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 5**

All Non-Executive Directors of the Company including the Chairman, Mr. Jeetendra Kapoor have been making outstanding advisory contribution to the business of the Company. Company has been benefitting from their collective experience and expertise in various fields of business. The Management of the Company constantly draws upon their experience/knowledge and the Company immensely benefits by their mature advice. Keeping in view the augmented contribution made by the Non-Executive Directors of the Company and based on the recommendation of Nomination & Remuneration Committee, it is proposed that such contribution be

suitably rewarded by way of payment of commission on net profits of the Company for a period of 5 years commencing from April 1, 2017.

The Board recommends the Special resolutions as set out in Item No. 5 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.

**Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai - 400 053, Maharashtra.  
CIN: L99999MH1994PLC082802  
Email: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)  
Website: [www.balajitelefilms.com](http://www.balajitelefilms.com)

Place: Mumbai

Date: May 23, 2017

**By order of the Board of Directors  
For Balaji Telefilms Limited**

Sd/-

**Simmi Singh Bisht**  
Group Head Secretarial  
(Membership No. A23360)

**NOTICE (CONTD.)****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 and Secretarial Standard-2 on General Meetings]

**1. Tusshar Kapoor:**

Mr. Tusshar Kapoor, aged 40 years, is the Non-Executive Director of the Company and has been associated with the Company since January 23, 2004. 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. He has experience of over 15 years in Media & Entertainment Industry.

He being a Non-Executive Director is liable to retire by rotation. He was paid sitting fees of ₹ 5,00,000/- for the financial year 2016-17. The Company had held 5 (Five) Board Meetings during the year 2016-17 and all the meetings were attended by him.

Mr. Tusshar Kapoor is related to Mr. Jeetendra Kapoor, Mrs. Shobha Kapoor and Ms. Ekta Kapoor who are also directors of the Company. As on date he holds 20,30,250 shares of Face Value ₹2/- each in the Company.

<b>Directorships including the Company</b>	<b>Committee Memberships</b>
Balaji Telefilms Limited	NIL
Balaji Motion Pictures Limited	NIL
Balaji Teleproducts Limited	NIL
Ekta K. Securities & Investment Private Limited	NIL
Bolt Media Limited	NIL
Alt Digital Media Entertainment Limited	Audit Committee-Member Nomination & Remuneration Committee - Member
Balaji Films & Telly Investments Limited	NIL
Balaji Teledevelopers Private Limited	NIL
Screentestindia.Com Private Limited	NIL

**ROUTE MAP TO THE VENUE OF THE 23RD ANNUAL GENERAL MEETING OF THE COMPANY**



Landmark : Opp. D. N. Nagar Police Station.



# Balaji Telefilms Limited

CIN: L99999MH1994PLC082802

Regd. Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West),  
Mumbai – 400 053, Maharashtra. Tel No: 022 40698000 Fax No: 022 40698181

Website: [www.balajitelefilms.com](http://www.balajitelefilms.com) Email-id: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)



## ATTENDANCE SLIP

### 23<sup>rd</sup> Annual General Meeting – August 31, 2017

**Venue of the Meeting:** "The Club", 197, Juhu Versova Link Road, Opp. D. N. Nagar Police Station, Andheri (W), Mumbai – 400 053, Maharashtra.

**Day, Date & Time:** Thursday, August 31, 2017, at 12.00 noon.

Members attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

Joint shareholders may obtain Additional Slip at the Venue of the Meeting.

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

\* Applicable for Members holding shares in Electronic form.

\_\_\_\_\_  
Signature of Member/Proxy

# Balaji Telefilms Limited

CIN: L99999MH1994PLC082802

Regd. Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West),  
Mumbai – 400 053, Maharashtra. Tel No: 022 40698000 Fax No: 022 40698181

Website: [www.balajitelefilms.com](http://www.balajitelefilms.com) Email-id: [investor@balajitelefilms.com](mailto:investor@balajitelefilms.com)



## PROXY FORM

### 23<sup>rd</sup> Annual General Meeting – August 31, 2017

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), 2014]

Name	
Registered Address	
Email Id	
DP Id*	
Client Id*	
Folio No.	

\* Applicable for Members holding shares in Electronic form.

I/We, \_\_\_\_\_ of \_\_\_\_\_ being the member/members of Balaji Telefilms Limited hereby appoint the following as my/our proxy to attend vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on Thursday, August 31, 2017 at 12.00 noon at "The Club", 197, Juhu Versova Link Road, Opp. D. N. Nagar Police Station, Andheri (W), Mumbai – 400 053, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

- Name: \_\_\_\_\_  
Registered Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- Name: \_\_\_\_\_  
Registered Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
- Name: \_\_\_\_\_  
Registered Address: \_\_\_\_\_  
Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

\*\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sr. No.	Resolution	No. of Shares held	For	Against
1.	Adoption of the Audited Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2017 and the Reports of the Directors and Auditors thereon.			
2.	Appointment of a Director in place of Mr. Tusshar Kapoor (DIN: 00005088), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Declaration of final dividend for the financial year ended March 31, 2017.			
4.	Appointment of Statutory Auditors and fixing their remuneration.			
5.	Payment of Commission to Non-Executive Directors for a period of 5 years w.e.f April 1, 2017.			

This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature(s) of Member(s)

1. \_\_\_\_\_ 2. \_\_\_\_\_



Signature of the Proxy holder(s)

\_\_\_\_\_  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**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) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) 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.



**Registered Office:**

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