



# Balaji Telefilms Limited

Investor Presentation  
Q1FY2014

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# Financials - Q1 FY14

# Financial & Operating Highlights

## Q1FY14 (Standalone)

- Revenues for the quarter at ₹ 21,95 lacs (₹ 35,93 lacs in Q1FY13)
- Lower revenues owing to discontinuance of 2 shows
- Commissioned programming revenues will drive both volume and realization
- Hours for Hindi Commissioned programs stood at 123 hours
- Average realisation per hour was at ₹ 17.61 lacs
- During the quarter, Jodha Akbar a first time ever costume drama was successfully launched on Zee TV
- In the following quarters new serials are expected on Star Plus, Life OK and Doordarshan
- EBITDA loss of ₹ 1,27 lacs as against profit of ₹ 2,57 lacs in Q1FY13 - due to drop in revenues
- Other overheads costs continues to be lower due to cost control
- PAT grew by 69% to ₹ 7,43 lacs mainly due to other income as compared to Q1FY13
- Diluted EPS was at ₹ 1.14 per share (₹ 0.67 in Q1FY13)

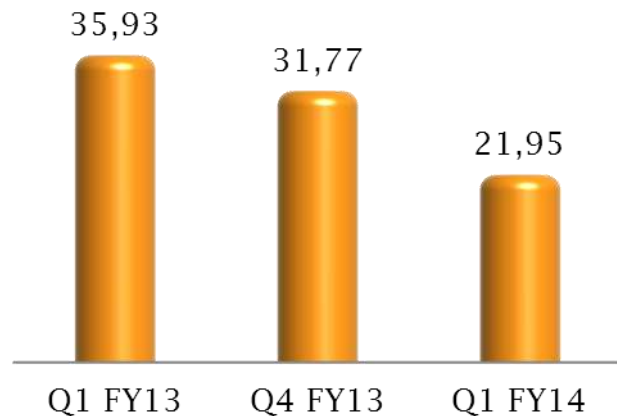
# Show report for the quarter ended June 30, 2013

Shows	Channel	Time	Schedule	Position
<b>Bade Achhe Lagte Hain</b>	Sony TV	22.30-23.00	Monday to Thursday	No.1 Fiction show of the Channel
<b>Jodha Akbar</b> (June 18, 2013 Launch)	Zee TV	20.00-20.30	Monday to Friday	Popular show of the Channel
<b>Pavitra Rishta</b>	Zee TV	21.00-21.30	Monday to Friday	No.1 Fiction show of the Channel
<b>Kya Hua Tera Vaada</b> (May 23, 2013 off-air)	Sony TV	22.00-22.30	Monday to Thursday	No.2 Fiction show of the Channel
<b>Ek Thi Nayika</b> (Limited Episode)	Life OK	23.00-24.00	Saturday & Sunday	Popular show of the Channel
<b>Savdhaan India</b> (Limited Episode)	Life OK	22.30-23.30	Friday	Popular show of the Channel

# Financial Performance - Standalone

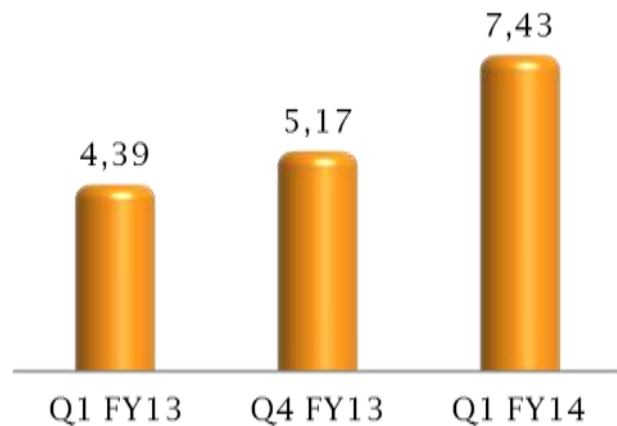
## Total Income

₹ Lacs



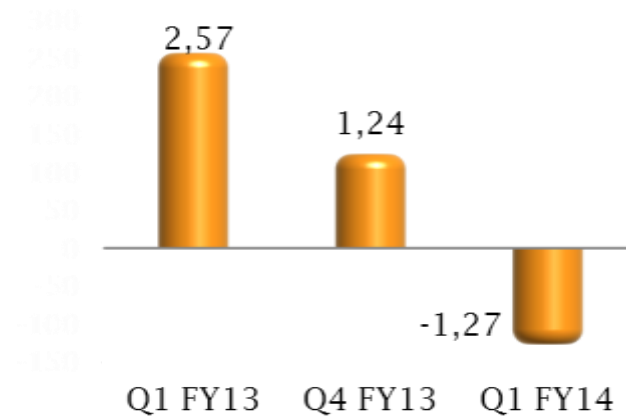
## PAT

₹ Lacs



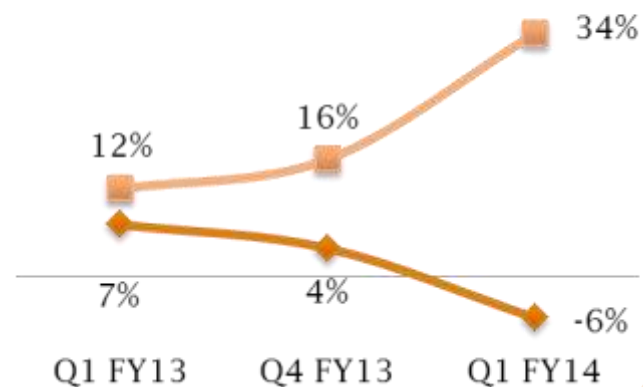
## EBIDTA

₹ Lacs



## Margins

EBITDA Margin PAT Margin



# Financial Table - Q1 FY14 (Standalone)

Particulars	YoY Comparision			QoQ Comparison		
	Q1 13-14	Q1 12-13	% PY	Q4 12-13	% PY	YTD March 13
Revenue from Operations	21,94.71	35,93.27	-38.92%	31,76.69	-31%	135,01.25
Other Operating Income	44.87	1,85.03	-75.75%	2,32.06	-81%	5,83.99
Operating Revenue	22,39.58	37,78.30	-40.73%	34,08.75	-34%	140,85.24
Cost of Production	(18,83.97)	(29,81.08)	-36.80%	(25,55.49)	-26%	(109,19.85)
<b>Gross Margin</b>	<b>3,60.75</b>	<b>6,12.19</b>	<b>-41%</b>	<b>6,21.20</b>	<b>-42%</b>	<b>25,81.40</b>
<b>Gross Margin %</b>	<b>16.40%</b>	<b>17.00%</b>		<b>19.60%</b>		<b>19.10%</b>
Overheads	(5,32.39)	(5,39.83)	-1.38%	(7,37.45)	-28%	(25,34.43)
<b>EBITDA</b>	<b>(1,26.78)</b>	<b>2,57.39</b>	<b>-50.74%</b>	<b>1,24.33</b>	<b>-202%</b>	<b>6,39.48</b>
Depreciation	(1,79.49)	(2,02.33)	-11.29%	(1,87.95)	-5%	(7,86.37)
Other Income	12,86.28	5,04.35	155%	7,68.87	67%	18,16.81
<b>PBT</b>	<b>3,07.01</b>	<b>5,59.41</b>	<b>-45%</b>	<b>7,05.25</b>	<b>-56%</b>	<b>16,75.81</b>
Current tax	2,37.46	1,20.76	97%	1,79.98	32%	(3,28.45)
<b>PAT</b>	<b>7,42.55</b>	<b>4,38.65</b>	<b>69%</b>	<b>5,16.76</b>	<b>44%</b>	<b>13,32.96</b>

₹ in Lakhs

# Segmental Performance

Show Type	Revenue for the Quarter Ending (₹ Lacs)			Percentage		
	Jun-13	Mar-13	Jun-12	Jun-13	Mar-13	Jun-12
Commissioned*	21,67	30,11	26,02	100%	100%	92%
Sponsored**	-	-	2,43	-	-	8%
<b>Total</b>	<b>21,67</b>	<b>30,11</b>	<b>2,845</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
*Excludes regional segment and Event Business						
** Exited less profitable Sponsored segment in the previous year						

Show Type	Hours for the Quarter Ending			Percentage		
	Jun-13	Mar-13	Jun-12	Jun-13	Mar-13	Jun-12
Commissioned*	123	135	132	100%	100%	51%
Sponsored**	-	-	129	-	-	49%
<b>Total</b>	<b>123</b>	<b>135</b>	<b>261</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
*Excludes regional segment and Event Business						
** Exited less profitable Sponsored segment in the previous year						



# Balance Sheet As At June 30, 2013

	As at June 30, 2013	As at March 31, 2013	₹ in Lakhs
<b>Shareholders' funds</b>			
Share capital	13,04.21	13,04.21	
Reserves and surplus	411,61.22	404,18.67	
	<b>424,65.43</b>	<b>417,22.88</b>	
<b>Current Liabilities</b>			
Trade payables	15,50.77	20,01.39	
Other current liabilities	4,60.19	2,98.16	
Short-term provisions	53.63	3,14.47	
	<b>20,64.59</b>	<b>26,14.02</b>	
<b>Total</b>	<b>445,30.02</b>	<b>443,36.90</b>	
<b>Non- current Assets</b>			
Tangible Asset	24,17.78	25,92.73	
Capital work-in-progress	13.63	3.15	
Non-current investments	61,76.69	61,76.69	
Deferred tax assets (net)	1,22.22	1,49.06	
Long-term loans and advances	38,16.51	34,50.22	
	<b>125,46.83</b>	<b>123,71.86</b>	
<b>Current Assets</b>			
Current investments	113,56.80	118,65.78	
Inventories	5,59.93	3,46.27	
Trade receivables	26,16.50	36,40.07	
Cash and cash equivalents	3,31.04	9,17.49	
Short-term loans and advances	169,90.93	150,01.44	
Other current assets	1,28.00	1,40.00	
	<b>319,83.20</b>	<b>319,65.05</b>	
<b>Total</b>	<b>445,30.02</b>	<b>443,36.90</b>	

Sr.no	Contingent Liabilities	Current Status
1	On April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company is yet to receive any communication from the Income-tax Department. Since the proceedings are pending completion, the Company is not in a position to reliably estimate the tax liability, if any, arising out of these proceedings. The same will be assessed and further steps taken on receipt of the communication from the Income-tax Department as aforesaid.	Amount Uncertain
2	Pursuant to the Shareholders' approval at the Annual General Meeting on September 5, 2012, the Company has paid remuneration to the Managing Director and Joint Managing Director. Though the remuneration for the quarter ended June 30, 2013 is as per the shareholders' approval, it exceeds by ₹ 28.13 lakhs (Previous year ₹ 75.38 lakhs) as determined under Section 349 of the Companies Act, 1956 for which the Company has already filed its application with the Central Government for approval. The said approval is under process.	
3	The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company. The Commissioner has further filed an appeal against the adjudication with the Customs, Excise & Service Tax Appellate Tribunal. The matter is pending hearing	92,45.00
4	The Company has received notices of demand from the Department of Sales Tax, Government of Maharashtra pertaining to the years 2000 to 2004 . The department has sought to tax the Sales revenue of the company under the 'Commissioned Programs' category to Sales tax under the Bombay Sales Tax Act, 1959. The Company has appealed against the said order of the Sales Tax Officer to the Deputy Commissioner (appeals) and the same is pending adjudication.  The Company has applied to the Office of the Commissioner of Sales- tax, Mumbai, to ascertain whether the Company's sales are liable to tax under the Sales- tax laws. The matter is still pending before the Sales -tax authority. However the Commissioner of Sales Tax has not decided the said application till today. Therefore, Company has filed a Writ Petition before Honourable Bombay High Court for necessary direction. The Court heard the matter on July 9, 2013 and directed the Commissioner of Sales Tax to decide the determination application pled by the Company not later than September 30, 2013	171,07.87

₹ in Lakhs

# Financial & Operating Highlights

## Q1FY14 (Consolidated)

- Revenue was at ₹ 84,04 lacs (₹ 36,38 lacs in Q1FY13)
- 3 new releases during the quarter
  - 'Ek Thi Daayan'(NBOC - ₹ 13.95 crore)
  - 'Shootout At Wadala' (NBOC - ₹ 30.25 crore)
- BMPL posted revenues of ₹ 61,65 lacs as compared to ₹ 78 lacs in Q1FY13 mainly due to theatrical revenues realised from its recent two movie releases
- Non-theatrical revenues for the three released movies are expected to be realised in the coming quarters
- Non-theatrical rights amounting to ₹ 112,00 lacs for four movies signed till date
- Actual BMPL EBITDA profit is ₹ 3,52 if M&D expenses of ₹ 7,02 Lakhs for the upcoming movies namely Lootera & OUATIMD is excluded

Contd.....

# Financial & Operating Highlights

## Q1FY14 (Consolidated) contd....

- During the quarter BOLT Media Limited a wholly owned subsidiary of BTL successfully completed
  - A new advertisement for a leading personal care brand
  - Produced 2 episodes for Ek Thi Naayika for Life OK
  - Working on two historical documentary drama for EPIC television
  - Completed a pilot project for Life OK, awaiting approval
  - Discussions on for other projects
- EBITDA loss at ₹ 5,02 lacs against a profit of ₹ 19 lacs in Q1FY13 owing to discontinuance of television serials and deferment of non-theatrical revenues
- Profit after tax was at ₹ 3,62 lacs (₹ 1,39 lacs in Q1FY13)
- Diluted EPS was at ₹ 0.55 per share (₹ 0.21 per share in Q1FY13)

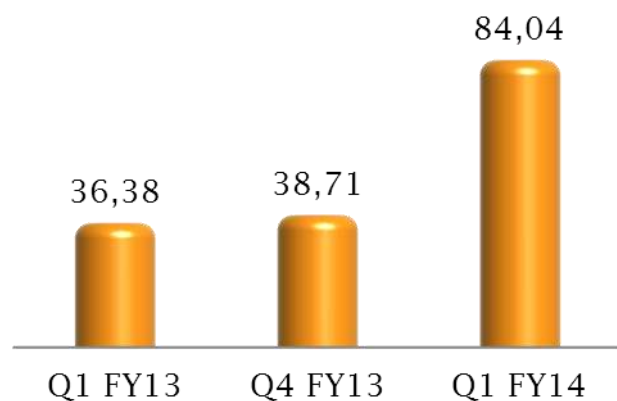
# Financial Table - Q1 FY2014 (Consolidated)

Sr. No	Particulars (₹ Lacs)	BTL Q1 2012-13 Standalone Un - Audited	BMPL Q1 2013-14 Standalone Un - Audited	BOLT Q1 2013 - 14 Standalone Un - Audited	Eliminations	BTL Q1 2013 - 14 Consolidated Un - Audited
1	a) Net Sales / Income from Operations	21,94.71	61,65.86	82.89	40.00	84,03.46
	b) Other Operating Income	44.87	0.20	-	3.00	41.87
	Total	22,39.58	61,66.06	82.89	43.00	84,45.33
2	Expenditure					
	a) Cost of Production / Acquisition / M&D	18,33.97	61,58.12	66.91	40.00	80,59.00
	b) Staff Cost	1,77.01	1,68.57	32.72	-	3,78.30
	c) Depreciation	1,79.49	6.86	0.07	-	1,86.439
	d) Other Expenditure	3,55.38	1,89.55	5.09	3.00	5,46.89
	Total	25,45.85	65,23.11	1,04.79	-	91,33.59
3	<b>(Loss) from Operation Before Other Income and Finance Cost (1-2)</b>	<b>(3,06.27)</b>	<b>(3,57.04)</b>	<b>(21.90)</b>	-	<b>(6,88.26)</b>
4	Other Income	12,86.28	-	-	-	12,86.28
5	<b>Profit / (Loss) from Ordinary Activities Before Tax (3+4)</b>	<b>980.18</b>	<b>(3,57.04)</b>	<b>(21.90)</b>	-	<b>5,98.02</b>
6	Tax Expenses	2,37.46	-	-	-	2,37.46
7	<b>Net Profit / (Loss) for the Period / Year (5-6)</b>	<b>7,42.55</b>	<b>(3,57.04)</b>	<b>(21.90)</b>	-	<b>3,60.56</b>
8	Share of profit of associates	-	-	-	-	1.06
9	<b>Net Profit / (Loss) after tax, share of profit of associates (7+8)</b>	<b>7,42.55</b>	<b>(3,57.04)</b>	<b>(21.90)</b>	-	<b>3,61.62</b>

# Financial Performance - Consolidated

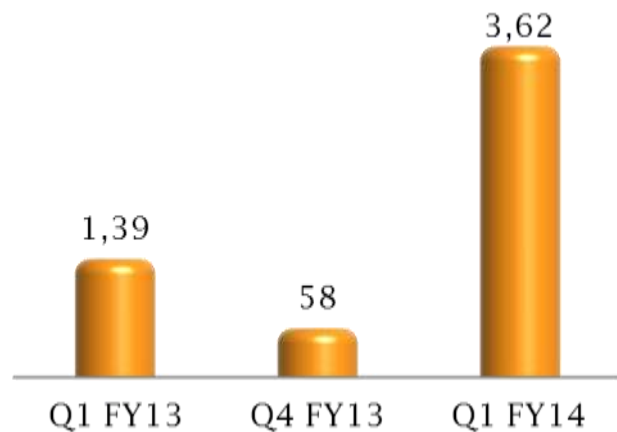
## Total Income

₹ Lacs



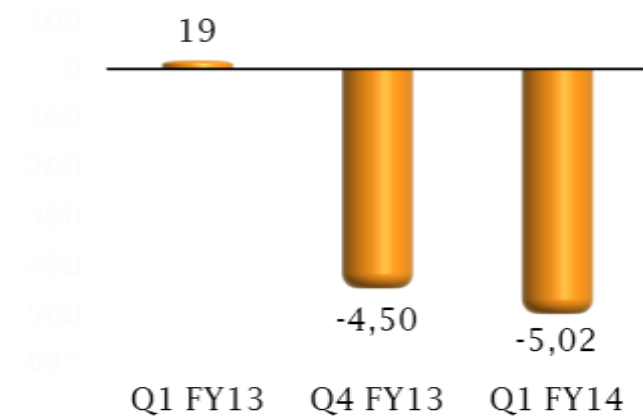
## PAT

₹ Lacs

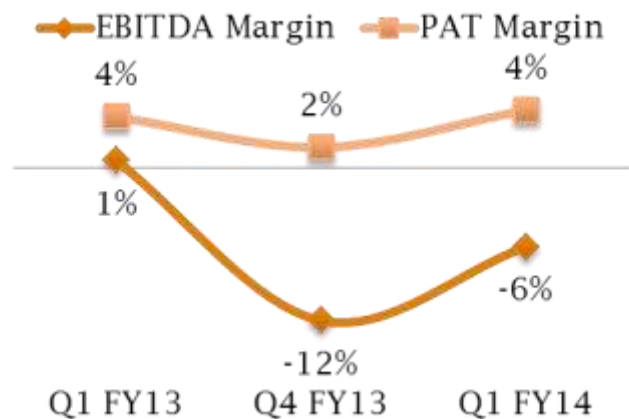


## EBIDTA

₹ Lacs



## Margins



# Financials Table - Q1FY14

₹ in Lakhs

Particulars	YoYComparison				
	Q1 June '13	Q1 June '12	% PY	Q4 Mar '13	YTD Mar '13
Revenue from Operations	84,03.46	36,37.49	131%	38,71.47	179,78.65
Other Operating Income	41.87	2,18.06	-80%	2,32.06	6,18.83
Operating Revenue	84,45.33	38,55.55	119%	41,03.53	185,97.48
Cost of Production / M&D of television serials & movies	(80,22.00)	(30,45.59)	163%	34,21.71	(130,19.34)
Gross Margin	3,81.47	5,91.90	-36%	4,49.76	49,59.31
Gross Margin %	5%	16.3%		11.6%	27.6%
Overheads	(9,25.15)	(7,91.35)	17%	11,31.33	(47,83.33)
<b>EBITDA</b>	<b>(5,01.82)</b>	<b>18.61</b>	<b>-2796%</b>	<b>(4,49.52)</b>	<b>7,94.81</b>
Depreciation	(1,86.39)	(2,03.32)	8%	1,94.65	(8,01.95)
Other Income	12,86.28	5,04.46	155%	7,70.09	18,38.08
<b>PBT</b>	<b>5,98.07</b>	<b>3,19.75</b>	<b>87%</b>	<b>1,25.92</b>	<b>18,30.94</b>
Current tax	(2,37.46)	(1,80.76)	17%	74.49	(3,72.93)
<b>PAT</b>	<b>3,60.56</b>	<b>1,38.99</b>	<b>178%</b>	<b>51.43</b>	<b>14,58.01</b>
Share in the profit of associates	1.06	-	-	6.07	0.17
<b>Net Profit</b>	<b>3,61.62</b>	<b>1,38.99</b>	<b>179%</b>	<b>57.51</b>	<b>14,58.19</b>

# About Balaji Telefilms

A faint, light gray background illustration of a film reel and a film strip, suggesting a cinematic or television theme.



# About Balaji Telefilms

- A leading entertainment house in India since 1994
- Demonstrated ability to create high quality content
- Executed over 15,000 hours of television content in Hindi, Tamil, Telugu, Kannada, Malayalam and Bengali entertainment across genres
- Owning 19 modern studios and 31 editing suites - more than any Indian company in Media Entertainment Sector
- Strong presence in Hindi General Entertainment Channels (GECs) and Regional GECs across India
- Moved towards HD programming to enhance viewing experience
- Youngest entrant in motion pictures - quickly recognized amongst the top 5 studios in film production in India
- Expanding presence in Motion Pictures across genres and budgets - ALT Entertainment & Balaji Motion Pictures





# Television

# Business Overview - Television

- Television entertainment has been the foundation stone for Balaji Telefilms Limited (BTL)
- Ability to create newer and diverse story lines owing to strong creativity
- High TRP ratings - a testimony of Company's strength in creativity
- Rich experience in entertainment and a proven ability in gauging the pulse of masses
- Almost all programs are aired at prime time. Key programmes like Pavitra Rishta, Bade Achche Lagte Hai, Parichay and Kya Hua Tera Vaada well accepted by viewers, reflected in its strong TRPs
- Gumraah, a new show based on juvenile crime gained popularity among viewers
- Serials broadcasted across a number of channels including Colors, Sony, Zee, Channel V and Life OK
- Entry of newer broadcasters and digital media - leading to more demand for variety and content



# Key Revenue Drivers - Television

- Commissioned programming is the key revenue driver for the television division

- Improving realisation in the Commissioned programming



- Television revenues expected to expand owing to demand from satellite channels for our premium television serials

- Pavitra Rishta, Bade Achche Lagte Hai, Parichay and Kya Hua Tera Vaada are all amongst the top 30 programs

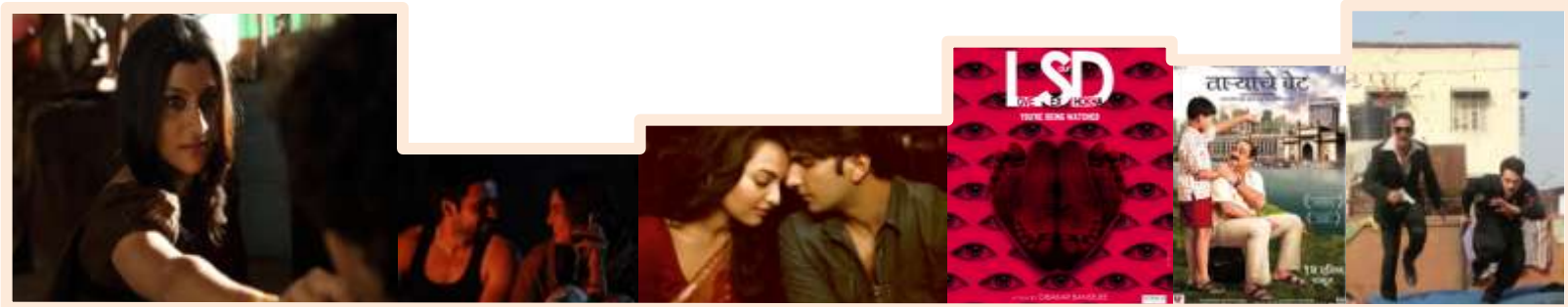
- India is the world's third largest television market in terms of number of households





# Motion Picture

# Business Overview – Motion Pictures



- Leveraging creative abilities and experience to produce films with rich and well appreciated content yet maintaining efficient cost structures
- Successful offerings till date include 'Raagini MMS', 'Shor In the City', 'Once upon a time in Mumbai', 'Shootout at Lokhandwala', 'Kya Kool Hain Hum' and 'Dirty Picture'
- Successfully released 'Ek Thi Dayan', 'Shootout at Wadala' and 'Lootera'
- New offerings planned include 'Raagini MMS 2', 'Once Upon a Time Again', 'Kuku Mathur ki Jhand Ho Gayi' and 'Shaadi Ke Side Effects'
- Strategic thrust on sequels and series :
  - ❖ Hugely successful model internationally – Harry Potter, Batman, X-Men, American Pie
  - ❖ Strong brand franchise – easier acceptance and connect with audiences
    - Continuing theme
    - Same star cast



# Growth in Creative Content Library

## Content Library: Key Competitive Advantage

- Increase in film library
- Diversified, balanced product mix of Movies
- Swiftly ramping up scale
- Opportunity to exploit old content on new emerging platforms
- Provides stable, recurring cash flows and de-risks the business model



# Content Pipeline

Sr. No.	Film Name	Star Cast	Release Date
1	<b>Once upon a Time in Mumbaai Dobaara</b>	Akshay Kumar, Sonakshi Sinha, Imran Khan	Aug-13
2	<b>Kuku Mathur Ki Jhand Ho Gayi</b>	New Comers	Oct-13
3	<b>Ragini MMS 2</b>	Sunny Leone	Oct-13
4	<b>Shaadi ke Side Effects</b>	Farhan, Vidya Balan	Dec-13
5	<b>Main Tera Hero</b>	Varun Dhawan, Ileana D'Cruz	Apr-14
6	<b>Villain</b>	Siddharth Malhotra, Shraddha Kapoor	Jul-14
7	<b>Romesh &amp; Juggal</b>	Newcomers	Aug-14
8	<b>Vanity Fair</b>	Emraan Hasmi and Kareena Kapoor	Nov-14
9	<b>Milan Talkies</b>	Imran Khan & Priyanka Chopra	Dec-14
10	<b>Anurag Kashyap - Untitled</b>	Amitabh Bachchan & others	Feb-15
11	<b>Tigmanshu Dhulia - Untitled</b>	Abhishek Bachchan & others	Mar-15

This list of films is for illustrative purposes only and is not exhaustive. All information for the films that have not yet been released is tentative and subject to change. Due to the uncertainties involved in the development and production of films, the date of their completion can be significantly delayed, planned talent can change and, in certain circumstances, films can be cancelled or not approved by the Indian Central Board of Film Certification.



# Strategies – Motion Pictures

## Forward and Backward Integration

- Strong content creativity leading to better scripts
- Setting up of distribution network in Mumbai and Delhi territories
- Proven ability to identify the right idea and content which is a long drawn process



## Robust Movie Slate

- Building a strong movie pipeline including small, medium and high budget films for the next couple of years

## Satellite Syndication

- Exploring best possible deals for cable & satellite licensing deals including music rights
- Pre-licensing deals help de-risk the Company's revenues assuring returns



## Distribution and marketing

- Theatrical rights sold closer to the date of release to achieve optimal value
- Presence across large, medium and small budgeted movies - Ability to bundle the package with broadcasters
- Leverage on strong industry relationships and experience

## Strategic Partnerships

- Co-production with leading production houses across the spectrum
- Tying up with well regarded star casts and directors



# Key Revenue Drivers - Films

- Expanding number of multiplexes resulting in growth opportunities and better reach
- Company's theatrical performance improved owing to strong content driven by increasing number of multiplex theatres with rising average ticket prices
- Balaji's content portfolio comprises of more than 25 films - expected to hit the silver screen in the near term
- Film catalogue monetised through television syndication deals by providing digital content for DTH satellite, music, IPTV & video on demand and internet channels





# Business Outlook

# Business Outlook – FY2014

- A leading content creator across Television and Motion Pictures
- Exploring newer show formats for television content through a wholly owned subsidiary
- Focusing on creating original and diverse show content to retain leadership
- Exploring opportunities across channels, languages
- Creating films across budgets - leverage brand, scale, presence
- Building film marketing and distribution capabilities
- Diverse movie slate to capture audiences across genres
- Leverage opportunities in regional markets by expanding network

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For further information please visit: <http://www.balajitelefilms.com>

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# Thank You

