



Balaji Telefilms Limited

Investor Presentation
FY 2012-13

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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



Business Overview - Television

- Television entertainment has been the foundation stone for Balaji Telefilms Ltd(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 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

- Serials such as like 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



Source - FICCI REPORT 2012

Business Overview – Motion Pictures

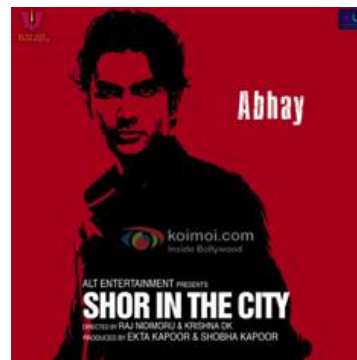
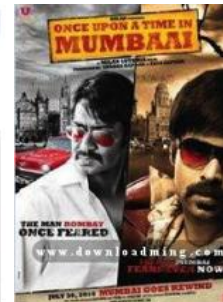


- Leveraging creative abilities and experience to produce films with rich and well appreciated content yet maintaining efficient cost structures
- Successful offerings till date include 'Raagini MMS', 'Shor In the City', 'Once upon a time in Mumbai', 'Shootout at Lokhandwala', 'Kya Kool Hain Hum' and 'Dirty Picture'
- New offerings planned include 'Ek Thi Daayan', 'Raagini MMS 2', 'Once Upon a Time Again', 'Shootout at Wadala', 'Lootera' and 'Kuku Mathur ki Jhand Ho Gayi'
- Successfully released 'Ek Thi Dayan and 'Shootout at Wadala'
 - 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 - 2013

Good visibility of its future film slate / line-up. These include:

Film Name	Star Cast/(Director)	Scheduled Release (Fiscal Year)
Ek thi Daayan	Emraan Hashmi / Vishal Bhardwaj	Released
Shootout at Wadala	Anil Kapoor, John Abraham, Tusshar Kapoor, Kangana Ranaut, Ronit Roy, Manoj Bajpai, Sanjay Gupta	Released
Lootera	Ranveer Singh & Sonakshi Sinha / Vikramaditya Motwane	July 05, 2013
Kuku Mathur Ki Jhand Ho Gayi	New comers/Bejoy Nambiar	June 07, 2013
Once Upon A Time In Mumbaai 2	Akshay Kumar, Imran Khan, Sonakshi Sinha & Sonali Bendre/Milan Luthria-Rajat Aroraa-Pritam	August 08, 2013
Raagini MMS 2	Sunny Leone	October 11, 2013

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 - directly to exhibitors
- 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
 - Visible appreciation for strong content



- Film catalogue monetised through television syndication deals by providing digital content for DTH satellite, music, IPTV & video on demand and internet channels
 - Diversified revenue stream





FY2013 Earnings Overview

Operating Highlights

FY 2013 (Standalone)

- Net sales grew by 14% to Rs. 135,01.25 lacs (Rs. 118,11.52 lacs in FY2012)
- BTL exited the Sponsored segment during the year
- Share of commissioned programming revenues has improved both in terms of volume and realization
- Hours for Hindi Commissioned programs stood at 135
- Positive EBITDA delivered in all quarters of FY13 against a loss in the previous year
- EBITDA was at Rs. 6,39.48 lacs against a loss of Rs. 7,09.67 lacs in FY12 owing to better cost control measures
- Profit grew by 14.8% to Rs. 13,32.96 lacs due to improving operations and other income
- Diluted EPS was at Rs. 2.04 per share (Rs.1.78 in FY 2012)

Show report for the year ended March 31, 2013

Shows	Channel	Time	Schedule	Position
Bade Achhe Lagte Hain	Sony TV	22.30-23.00	Monday to Thursday	No.1 Fiction show of the Channel
Kya Hua Tera Vaada	Sony TV	22.00-22.30	Monday to Thursday	No.2 Fiction show of the Channel
Parichay (Upto March 15, 2013)	Colors	22.30-23.00	Monday to Friday	Among Top Three shows of the Channel
Pavitra Rishta	Zee TV	21.00-21.30	Monday to Friday	No.1 Fiction show of the Channel
Ek Thi Nayika	Life OK	23.00-24.00	Saturday & Sunday	Popular show of the Channel
Savdhaan India	Life OK	22.30-23.30	Friday	Popular show of the Channel
The Serial (From Nov 26, 2012 upto March 7, 2013)	Channel [V]	17.30-18.00	Monday to Thursday	Popular show of the Channel

Financial Table - Q4 FY13 (Standalone)

Particulars	QoQ Comparision			₹ in Lakhs
	Q4 FY 12-13	Q4 FY 11-12	% PY	
Revenue from Operations	31,76.69	27,83.87	14%	
Other Operating Income	2,32.06	9,02.97	-74%	
Operating Revenue	34,08.75	36,86.84	-8%	
Cost of Production of television serials / movies	(25,55.49)	(14,97.85)	71%	
Gross Margin	6,21.20	12,86.00	-52%	
Gross Margin %	19.6%	46.2%		
Overheads	(7,28.98)	(23,53.32)	-69%	
EBITDA	1,24.33	(1,64.35)	176%	
Depreciation	(1,87.95)	(1,60.11)	17 %	
Other Income	7,68.87	2,52.88	204%	
Finance Cost	(8.52)	-	100%	
PBT	6,96.74	(71.58)	1073%	
Current tax	1,79.98	(225.70)	180%	
PAT	5,16.76	1,54.12	235%	

Financial Table - FY13 (Standalone)

Particulars	YoY Comparison			
	YTD March '13	YTD March '12	% PY	
Revenue from Operations	135,01.25	118,11.52	14%	₹ in Lakhs
Other Operating Income	5,83.99	11,24.08	-48%	
Operating Revenue	140,85.24	129,35.60	9%	
Cost of Production of television serials / movies	(109,19.85)	(86,61.35)	26%	
Gross Margin	25,81.40	31,50.57	-18%	
Gross Margin %	19.1%	26.7%		
Overheads	(25,25.91)	(49,83.92)	-49%	
EBITDA	6,39.48	(7,09.67)	190%	
Depreciation	(7,86.37)	(7,10.84)	11%	
Other Income	18,16.81	26,48.95	-31%	
PBT	16,61.41	12,28.44	35%	
Current tax	(3,28.45)	(90.41)	463%	
PAT before discontinuing operations	13,32.96	13,18.85	1%	
Profit / (Loss) from discontinuing operations	-	(1,57.88)		
Net Profit	13,32.96	11,60.97	15%	

Segmental Performance

Show Type	Revenue for the Quarter Ending (Rs Lacs)			Percentage		
	Mar-13	Dec-12	Mar-12	Mar-13	Dec-12	Ma-12
Commissioned*	30,11	31,81	22,32	100%	100%	90%
Sponsored	-	-	2,41	-	-	10%
Total	30,11	31,81	24,73	100%	100%	100%
*Excludes regional segment and Event Business						

Show Type	Hours for the Quarter Ending			Percentage		
	Mar-13	Dc-12	Mar-12	Mar-13	Dec-12	Mar-12
Commissioned*	135	146	120	100%	100%	49%
Sponsored	-	-	126	-	-	51%
Total	135	146	246	100%	100%	100%
*Excludes regional segment and Event Business						

Balance Sheet As At Mar 31, 2013

	As at Mar 31, 2013	As at Mar- 31, 2012
Shareholders' funds		
Share capital	13,04.21	13,04.21
Reserves and surplus	404,18.67	393,90.88
	417,22.88	406,95.09
Current Liabilities		
Trade payables	20,01.39	19,21.38
Other current liabilities	2,98.16	7,38.66
Short-term provisions	3,14.47	1,61.58
	26,14.02	28,21.62
Total	443,36.90	435,16.71
Non- current Assets		
Tangible Asset	25,92.73	31,67.81
Capital work-in-progress	3.15	69.92
Non-current investments	61,76.69	47,59.30
Deferred tax assets (net)	1,49.06	1,03.23
Long-term loans and advances	34,50.23	21,24.23
	123,71.86	102,24.49
Current Assets		
Current investments	118,65.78	209,96.21
Inventories	3,46.27	6,85.17
Trade receivables	36,40.07	31,55.08
Cash and cash equivalents	9,71.49	5,39.01
Short-term loans and advances	150,01.44	78,51.27
Other current assets	1,40.00	65.48
	319,65.05	332,92.22
Total	443,36.90	435,16.71

₹ in Lakhs

Sr.no	Contingent Liabilities	Current Status
1	Subsequent to the year-end, 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 report/demand notice 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.	N.A.
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 year is as per the shareholders' approval, it exceeds by ₹ 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	During the previous financial years, the Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai aggregating to ₹9,245.00 lacs (excluding interest and penalty) pertaining to Service tax for the period from April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal, the matter pertaining to the period from 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, including for the balance period from April 2008 to March 2010.	92,45.00
4	During the previous financial year, the Company had received notices of demand from the Department of Sales Tax, Government of Maharashtra, to the extent of ₹ 17,107.87 lacs (including interest and penalty) 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.	171,07.87

₹ in Lakhs

Operating Highlights

FY 2013 (Consolidated)

- Total income is at Rs. 185,97.48 lacs (Rs. 187,79.90 lacs in FY2012)
- BMPL posted revenues of Rs. 44,63.62 lacs compared to Rs. 58,45.50 lacs in FY12 as there were no movie released
- BOLT Media Ltd a wholly owned subsidiary of BTL incorporated during the year posted revenues of Rs. 49.51 Lacs
- Satellite and music rights were signed for three upcoming movies next year
- EBITDA is at Rs. 7,94.84 lacs (Rs. 1,15.74 lacs in FY2012) owing to positive EBITDA from television at Rs. 6,39.48 lacs and movies Rs. 2,15.79 lacs
- Profit after tax stood at Rs. 1458.18 lacs, (Rs. 2044.17 lacs in FY 2012)
- Diluted EPS was at Rs. 2.24 per share (Rs.3.13 in FY 2012)
- The Board has recommended a dividend of 20% which includes a special dividend of 10% as the Company successfully entered its 20th year of operations

Financial Table - Q4 FY2013 (Consolidated)

Sr. No	Particulars (Rs. Lacs)	BTL Q4 2012 - 13 Standalone Un - Audited	BMPL Q42012 - 13 Standalone Un - Audited	Bolt Q42012 - 13 Standalone Un - Audited	BTL Q4 2012 - 13 Consolidate d Un - Audited	BTL Q4 2011 - 12 Consolidate d Un - Audited
1	a) Net Sales / Income from Operations	31,76.69	6,45.26	49.51	38,71.46	42,03.12
	b) Other Operating Income	2,32.06	-	-	2,32.06	9,01.77
	Total	34,08.75	6,45.26	49.51	41,03.52	51,04.89
2	Expenditure					
	a) (Increase) / Decrease in stock in trade	-1,53.19	-47,84.14	-37.99		
	b) Cost of Production / Acquisition and Telecast Fees	27,08.68	5179.61	76.35	29,89.30	24,12.96
	c) Staff Cost	1,57.31	1,63.24	57.61	3,78.16	4,67.20
	d) Depreciation	1,87.95	6.70	-	1,94.65	1,61.09
	e) Other Expenditure'	5,71.62	5,99.96	5.53	11,85.58	10,44.35
	Total	34,72.37	11,65.37	101.5	47,47.69	40,85.6
3	Profit / (Loss) from Operation Before Other Income and Finance Cost (1-2)	-63.62	-520.11	-51.99	-6,44.17	10,19.29
4	Other Income	7,68.87	1.22	-	7,70.09	2,54.10
5	Profit / (Loss) before Finance Cost (3+4)	7,05.25	-5,18.88	-51.99	1,25.92	12,73.39
6	Finance Costs	8.52	-	-	-	-
7	Profit / (Loss) from Ordinary Activities Before Tax (5-6)	6,96.74	-518.88	-51.99	1,25.92	12,73.39
8	Tax Expenses	-1,79.98	105.49	-	-74.49	2,25.70
9	Excess / (Short) Provision for Tax in respect of earlier years	-	0.00	-	0.00	-
10	Net Profit / (Loss) from continuing operations (7-8+9)	5,16.76	(4,13.39)	-51.99	51.43	14,99.10
11	Net (Loss) from dis-continuing operations (before tax)	0.00	0.00	-	-	-
12	Tax Expenses on dis-continuing operations	0.00	0.00	-	-	-
13	Net Profit / (Loss) for the Period / Year (10+11-12)	5,16.76	(4,13.39)	-51.99	51.43	14,99.10
14	Share of (Loss) / profit of associates	0.00	0.00	-	6.07	0.39
15	Net Profit / (Loss) after tax, share of profit of associates (13+14)	5,16.76	(4,13.39)	-51.99	57.50	14,99.49

Financials Table – FY13

Particulars	YoY Comparision		
	YTD Mar '13	YTD Mar '12	% PY
Revenue from Operations	179,78.65	176,57.02	2%
Other Operating Income	6,18.83	11,22.88	45%
Operating Revenue	185,97.48	187,79.90	1%
Cost of Production of television serials / movies	(130,19.34)	(125,37.87)	-4%
Gross Margin	49,59.31	51,19.15	-3%
Gross Margin %	27.6%	29%	
Overheads	(47,83.30)	(61,26.29)	22%
EBITDA	7,94.81	(1,15.74)	587%
Depreciation	(8,01.95)	(7,14.75)	-12%
Other Income	18,38.08	27,24.17	33%
PBT	18,30.95	21,11.25	-13%
Current tax	(3,72. 94)	(90.41)	-512%
PAT	14,58.01	22,01.66	-34%
(Loss) from discontinuing operations		(1,57.88)	
Share of profit of associates	0.17	0.39	
Net Profit	14,58.19	20,44.17	-29%

₹ in Lakhs

Business Outlook – FY2013

- A true content creator across Television and Motion Pictures
- Focus on creating original and diverse show content to retain leadership position
- Explore opportunities across channels, languages
- Create films across budgets – leverage brand, scale, presence
- Build film marketing and distribution capabilities
- Diverse movie slate to capture audiences across genres
- Leverage opportunities in regional markets by expanding network in GECs

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Monday to Thursday at 11:00 PM on Sony



Monday to Friday at 8:30 PM on Colors



Monday to Thursday at 10:30 PM on Sony Ent. Tv



Monday to Friday at 8 PM on Zee Tv

Thank You

