

Q3 2011 Earnings Call - Eros International

Dt- 1 Feb'11

Operator

Ladies and gentlemen, good day and welcome to the Eros International Media Limited Quarterly Earnings Conference Call. As a remainder, for the duration of this conference, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Please note that this conference is being recorded. At this time, I would like to hand the conference over to Mr. Anoop Poojari from Citigate Dewe Rogerson. Thank you and over to you sir.

Anoop Poojari

Thank you.

Good afternoon everyone and thank you for joining us on Eros International Media Limited's Q3 and 9M FY 2011 results conference call.

We have with us Mr. Kishore Lulla, Executive Director of Eros International; Mr. Sunil Lulla, Managing Director; and Mr. Kamal Jain, Group CFO of the company. We will begin the call with opening remarks from the management, following which we'll have the forum open for an interactive question-and-answer session.

Before we begin, I would like to point out that some statements made in this call maybe forward-looking and a disclaimer to this effect has been included in the conference call invite emailed to you earlier.

I would now like to invite Mr. Kishore Lulla to make his opening remarks.

Kishore Lulla, Executive Director

Good afternoon everyone.

A very warm welcome to everyone present and thank you for joining us today at the conference call to discuss Eros International Media's Limited operating and financial performance for the third quarter and nine months ended December 31, 2010.

I would like to begin my discussion with my perspective on the sector, and then to discuss the company's operational performance with you. Following which, Kamal will provide you with the financial highlights of the company during the quarter.

The Indian media and entertainment industry is at a threshold for major growth, in a country of a over a billion people where entertainment is the most popular medium of recreation the sector has witnessed a considerable transformation in the past few years.

Factors that favor the industry comprise the country's macroeconomic variables including a growing middle-class with a greater spending capacity and an increased influence of the international trends and developments.

In addition other factors that will accelerate the growth of the sector include the increasing the number of the multiplex screens, digital screens, facilitating wide releases, traction in TV licensing, improving collections from the overseas markets and supplementary revenue streams like DTH, digital downloads, etc. The changing dynamics of the industry has led to the emergence of the studio model. This facilitates better monetization across multiple platforms, thereby reducing the dependance on theatrical revenues only, resulting in better revenue predictability and greater sustainability in the business.

Eros International, the largest integrated film studio model has been the pioneer in emergence of the studio model in the Indian film business.

Our presence in the media and entertainment sector for the last 33 years has enabled us to establish a strong foothold in the industry. Through our robust business model which leverages our key strengths such as the 1,000 plus film movie library.

Extensive and growing distribution network and our portfolio poster films along with our distinct derisking strategy of content monetization through pre-sales further considering our sector expertise and the strategic capabilities which tend to benefit from the new developments, opportunities provided by the current market environment.

Moving on, let me brief you on the operational developments across the business segments this quarter. In Q3 FY 2011 we released 25 films across Hindi and regional languages, and for the nine months period we have successfully released a total of 64 films, which is the highest by any player in the sector.

During the quarter, we released a number of Hindi films such as Golmaal 3, No Problem, Toonpur ka Superhero, Aakrosh. Our film Golmaal 3 has grossed over 160 crores. At the box office, thereby making it the second highest grosser of the year and the fourth highest grosser of all times in the Indian cinema.

This proliferation of the multiplex access and increased enthusiasm amongst the moviegoers to watch regional new films. There is a greater traction for regional films. We have also increased our presence in regional cinema further in this quarter by releasing number of movies across different languages such as Marathi, Tamil and Punjabi. Some of the films such as Ideachi Kalpana in Marathi, Myna, Viruthagiri, Nandalala and Uthama Puthiran in Tamil have been appreciated and have delivered notable box office collection, consequently resulting in strong revenues.

One of the operation highlights for this quarter has been our new media initiative for setting up the digital asset management platform, under which we will convert the extensive movie library into digital format for exploitation of content across multiple formats. Thereby enhancing monetization capabilities and also capitalizing extensively on the new media developments.

Also with the emergence of the new media, we have seen notable increase in revenues through the spread of DTH, mobile and internet. Going forward the arrival of 3G and 4G technologies in mobile telephony will contribute considerably to earnings from this segment.

Coming to our VFX facility EyeQube, one of the India's leading VFX studios has been working on several projects to provide high-end visual effects comparable to Hollywood standards. In this quarter, EyeQube executed a large part of overall shorts of Disney's feature film Tron Legacy. Tron was one of our biggest hits of 2010, has been nominated for the best VFX Oscar this year.

Another important series EyeQube worked on was the television adaptation of Herman Melville, eternal classic, Moby-Dick, whereby EyeQube executed a large part of shots and a range of VFX, including complicated storm sequences. This is a first time a studio in India executed this kind of work.

In the India market, EyeQube Studio is executing complicated VFX shots for RA.One starring Shahrukh Khan, Desi Boyz, which is starring Akshay Kumar, and Shakti, a South Indian superstar Junior NTR, and a prominent Tamil film star, a national award winner Vikram. EyeQube will be executing never seen VFX in India and continuing raising the bar for the VFX.

Moving ahead, let me discuss the financial performance of the quarter under review. It gives me immense pleasure to announce that Eros International has delivered a commendable performance in Q3 FY 2011. I am pleased to say that we are seeing both revenues and earnings growth across all over business segments which has been principal driver to value appreciation this quarter.

Q3 FY 2011, our total income was 2,797.5 million, an increase of 86.8% compared to Q3 FY 2010. Our net profit for the quarter improved by 167% and stood at over 127.9 million compared to same quarter in FY 2010. For the nine-month period ended 31 December, 2010 our total income was 5,943.2 million as against 4,875 million in nine month FY 2010.

During the same period, our net profit stood at 1,036.3 million, a growth of 64.4% as compared to the previous year.

Going forward, we expect strong revenues from our diversified movie stake to be rolled out in FY 2012 and FY 2013. Some of our much awaited films include Shahrukh Khan's RA.One, Hrithik Roshan's Zindagi Na Milegi Dobara, Abhishek Bachchan's Game, Shahid Kapoor's Mausam, Saif Ali Khan's Agent Vinod, Akshay Kumar's Desi Boyz and Ranbir Kapoor's Rockstar.

In essence, we are extremely happy with the way our business has progressed over the past few years. And believe that we have been successful in strengthening our position in the Indian media and entertainment space.

Going forward, we are confident that our integrated business model built over the last several years coupled with the innovative business strategies will enable us to fortify our footprint in the industry.

I would now like to hand over to Kamal Jain, our Group CFO, who will take through our financial performance.

Kamal Jain, Group Chief Financial Officer

Thank you, Kishore. And good afternoon and thank you all for joining us today.

I am delighted to report the financial performance of the third quarter and nine months ended period, 31 December, 2010.

Q3 FY 2011 was another strong quarter of profitable growth for Eros International. I am glad to share with you, that the quarter ended 31 December, 2010 has witnessed a remarkable top-line growth and robust profitability. The significant improvement in the financial and operational performance during the quarter can be attributed to the successful implementation of innovative business strategies towards capitalizing on the opportunities across all our business segments.

During Q3 FY 2011, total income has increased substantially by 86.8% and stood at 2797.5 million compared to Rs. 1497.8 million in Q3 FY 2010. The revenue growth was primarily on account of increase in the number of movies co-produced and distributed, increased focus on pre-selling our film content across different formats and remarkable box office successes of Golmaal 3, followed by notable performances of films such as No Problem, Ideachi Kalpana, Myna, Viruthagiri, Nandalala and Uthama Puthiran.

Now let me brief you on the profitability position of the company. For Q3 FY 2011, EBIT was at Rs. 607.3 million and our operating margins improved from 14.6 to 21.7%. The improvement in operating margins can be largely attributed to the traction in satellite, music and new media licensings, adoption of the earning model to monetize our catalog most effectively, and our new marketing initiatives such as brand tie-ups and in-film placements of brands, which significantly reduce our marketing costs.

Our PAT for the quarter ended December 31, 2010 was Rs. 427.9 million, a growth of 167.1% compared to Rs. 160.2 million in Q3 FY 2010. The corresponding PAT margin stood at 15.3% and 10.7% respectively.

Moving on to the nine months FY 2011, our total income was Rs. 5943.2 million, a growth of 21.9% compared to Rs. 4875 million in the same period last year, EBIT stood at 1416.6 million as against Rs. 890.7 million in nine months FY 2010.

The corresponding EBIT margins were 23.9% and 18.3% respectively. In nine month FY 2011, our net profit position was also improved significantly by 64.4% to Rs. 10361 million compared to the 630 million in same period for the previous year.

Overall, we are pleased with our performance in Q3 FY 2011. The Indian media and entertainment space is poised to grow at a very healthy rate and we are well positioned to capture the favorable business opportunities, provided by the dynamic operating environment.

As a company we are highly committed and focused to rapidly grow our business and continuously create value for our stakeholders. This brings us to an end of discussion and we would be glad to take your suggestions and answer any questions that you would like to discuss.

Questions And Answers

Operator

Thank you. [Operator Instructions]. We have the first question from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy

Sir congratulations for great performance.

Kishore Lulla, Executive Director

Thank you.

Abneesh Roy

My first question is, Q4 will see lot of cricket matches happening, Word Cup and after that T20; Q3 was great. Could you tell us how the Q4 look currently?

Kishore Lulla, Executive Director

See Q4 we don't -- we have not planned and deliberately any big releases because of the T20 and all the cricket which is happening. We have lot of small regional releases and small Indian films releases internationally. So we are just looking to plan one big release maybe on 1st of April, which is Game by the time the T20 should finish. And we will be in the line with the expectation what the market is expecting for the Q4.

Abneesh Roy

And sir, regarding cost, how is the key cost element of the stars for the movies? How is that looking for FY12? Because one of your other listed players, I mean competitors, said that they will now focus more on the mid budget rather than completely on the high budget.

Kishore Lulla, Executive Director

Yeah.

Abneesh Roy

So does that really reduce the pressure in terms of celebrity cost or you also plan a similar strategy?

Kishore Lulla, Executive Director

See, I don't know about other studios' strategy, but if you remember the Eros strategy since last three years, has been a co-production model, whereby most of the cost of the stars are back ended. We don't normally give them front-end cost on the project. And hence the viability of the project is much better is. And also as you know if it's a big star, we are working with Shahrukh Khan, Hrithik Roshan, Saif Ali Khan, Akshay Kumar, and all this productions we are doing, actually we are partners with them. So they have taken a very low fee on the budget of the film first and they have taken the back end.

So and that, actually it makes it viable for Eros because we have the full visibility of the satellite syndication. And also on, you have seen that when you release a movie, theatric release, 70% of the box office comes on the first week. And of that 70%, 65% comes from the first weekend.

So Eros is not a one head driven model. So we are not delivering growth or the profits because we will deliver hits. So it's about how do we actually achieve the revenues and the stars will help us.

Abneesh Roy

And sir the back-ended cost model is also there in regional films or it's more in Hindi genre?

Kishore Lulla, Executive Director

See it was never in the regional films. It's the first time this has happening, you must have seen the announcement this morning with Rajinikanth. Rajinikanth has done a co-production model with Eros for the first time in his life, whereby you would see that Rana, which is a movie with Rajinikanth we have announced. It's a co-production model. Whereby lot of fees of the artist in the South are back-ended, whereby making the cost for Eros very viable for this movie.

And the Director of which again we have tied-up K.S. Ravikumar has delivered two big hits with Rajinikanth, which is Muthu and Padayappa and he has completed this movie in 70 days. So the cost has always to be minimize the cost and have the pre-sale strategy, and derisking strategy again is mantra at Eros.

Abneesh Roy

And sir any sense on the cost because if Rajinikanth, I am sure it's not front-ended at least in terms of the celebrity, but in terms of the production and all that. So is this very high cost or is it mid-budget.

Kishore Lulla, Executive Director

No, it's not very high cost at all. In fact if you look at the last two films K.S. Ravikumar has done Padayappa and Muthu, they were very economical, and in fact delivered in 70 days of shoot. So we have kept that in mind and Rajini being first time his production company is executing this project, wants to ensure that it's a very economical, budget movie and everybody across the value chain makes money.

When I was having discussion with Rajini on this, Rajini said, Kishore we should ensure that everybody across the value chain, not only Eros, but even the distributors who will be buying the movie in South and the other exhibitors across the country should make money on this project.

Abneesh Roy

And sir one last question further to this. Rana again is being planned in three languages, Tamil, Hindi and Telugu.

Kishore Lulla, Executive Director

Yeah.

Abneesh Roy

Going by how Endhiran shaped up. How much does the Hindi really contribute? Is it more of a value-add or is it really significant in terms of contribution?

Kishore Lulla, Executive Director

Not -- you see, if you look at SUN TV's results and SUN TV's contribution for Endhiran to the financial, it contributed about 186 crores to their, the SUN TV shares. Out of that, I reckon, out of a 186 crores which came to SUN, 18 crores must have come from Hindi.

Abneesh Roy

Okay. Yeah, but it's almost, cost must be hardly 1 crore, right, in terms of translation...

Kishore Lulla, Executive Director

Yes, correct.

Abneesh Roy

Or say marketing?

Kishore Lulla, Executive Director

Whatever the marketing cost, yeah.

Abneesh Roy

Okay. Okay, sir thanks a lot and all the best, sir.

Kishore Lulla, Executive Director

You are welcome. Thanks.

Operator

Thank you. The next question is from the line of Sanjeev Hota from Sharekhan. Please go ahead.

Sanjeev Hota

Yeah, thanks for taking my question and congratulation for a great quarter.

Kishore Lulla, Executive Director

Thank you.

Sanjeev Hota

My question is for Kamal. Kamal, could you give us the state of revenue from India theatrical versus television right and new media?

Kamal Jain, Group Chief Financial Officer

Yeah, as we have said in the past also Sanjeev, generally the revenue for Hindi films, what we get is about, around 40% we get it from theatrical and about 25% from satellite. And about 30% from overseas and balance from other rights such as music and home video and all that new media. So we are more or less continuing the same line and as of now that is what the breakup is and going forward definitely we will share those numbers and the outline also with you.

Sanjeev Hota

Any change in the EBITDA margin trajectory in this, all this segment most prominently in the new media and satellite rights?

Kamal Jain, Group Chief Financial Officer

No, as far as EBITDA margins are concerned, that's also, I mean as of now it's consistent and I mean we are looking forward in terms of the margins also, on upwards, given the outlook what we have going forward. As you can see in the new media, there is lot of traction now and generally the catalog revenues and all are high margin revenues.

Sanjeev Hota

My second question is, you have said, in the past 240 crores deal in the satellite and the licensing bid. So average book currency in this quarter?

Kamal Jain, Group Chief Financial Officer

Yeah, we have overall, till in this nine months, we have overall, almost booked about 50% of the overall deal, and the balance 50% we'd, I think we'll be booking in FY12 and all that.

Sanjeev Hota

You have booked almost, about 20 crores?

Kamal Jain, Group Chief Financial Officer

Yeah. I am not saying in this particular quarter. I mean nine months is what we have booked, 120 crores.

Sanjeev Hota

And what the margin for this year?

Kamal Jain, Group Chief Financial Officer

Sorry?

Sanjeev Hota

What's the margin you made from this, EBITDA margin?

Kamal Jain, Group Chief Financial Officer

I mean as I said, the overall EBIT margins and EBITDA margins are the same and which is slated for growth from here on.

Sanjeev Hota

Okay.

Kamal Jain, Group Chief Financial Officer

Yeah.

Sanjeev Hota

And currently what is the cash and debts on the book and how much money we've already incurred, if you could give a current work-in-progress for the movies on the floor?

Kamal Jain, Group Chief Financial Officer

We have -- as far the balance sheet position is concerned we have a very, very strong balance sheet and specifically given the IPO funds and all that, we are cash positive as of now on overall basis.

And even in fact on a debt-equity ratio also if you look at, we are very, very strong at 11.3. And the -- substantially the FY12 and FY13 clearly substantially already funded. So given that kind of a situation, that is already funded and the outlook we are looking very promising and debt-equity of 11.3. I mean I think it's a very, very strong cash and financial position as of now.

Sanjeev Hota

Okay. And in the last nine months we have already turned around close to 103 crores and the -- we have given like 110 to 120 crores. So are we revisiting our guidance or to be inline with this?

Kamal Jain, Group Chief Financial Officer

As Kishore has just now mentioned that we are -- as far as quarter four is concerned we have not kept deliberately or strategically any big release. For a simple reason, you have a World Cup in the subcontinent and IPL. So more or less we are keeping the guidance on the same way and of course the FY12 looks much promising.

Sanjeev Hota

Okay. And last question is on the, this Rana, how much days it will take to complete the movie as you said, Mr. Lulla has said that the earlier movie is completed in 70-80 days. So we are also planning to complete in 70-80 days?

Kamal Jain, Group Chief Financial Officer

As Kishore has...

Kishore Lulla, Executive Director

Let me answer this question.

Kamal Jain, Group Chief Financial Officer

Yeah.

Kishore Lulla, Executive Director

Sanjeev, yes we are planning -- it's a 82 days shoot total.

Sanjeev Hota

Okay.

Kishore Lulla, Executive Director

And I think the whole, Rajini's production company is planning that. I think by the next month, by March 15th we will have the full clear picture, which day the shoot will start and definitely it will be in two schedule, the film will complete. And this should, the film should actually complete shooting before September this year.

Sanjeev Hota

Okay. And one question on the margin side. This quarter if you could give us the break-up on the amortization because this quarter we must have booked higher amortization, because two of our big movies have released. So if you could share the amortization figure for the quarter?

Kishore Lulla, Executive Director

Yeah, we'll certainly share you the, Sanjeev, the amortization figures offline with you.

Sanjeev Hota

Okay. Thanks a lot and all the best.

Kishore Lulla, Executive Director

Thank you.

Operator

Thank you. The next question is from the line of Dhaval Gada from Edelweiss. Please go ahead.

Analyst

Yeah. Hi sir. Congratulations on a good set of numbers. Sir, I had a few questions. If you could just tell me how many Hindi movies are we distributing overseas this quarter, Q4?

Kamal Jain, Group Chief Financial Officer

See -- sorry. Yeah Kishore.

Kishore Lulla, Executive Director

Yeah. We'll be distributing about four movies.

Analyst

Four Hindi movies?

Kishore Lulla, Executive Director

Yes and about, Tamil will be about, I think 50.

Analyst

Okay. Sir for FY12, how many movies do we plan to distribute internationally? I believe lot of movies we only take for international rights. So what is the general average that the company follows for a international distribution?

Kishore Lulla, Executive Director

Actually, we don't follow any average, it's depending upon the international, it's depending upon the movies we select and the movies which are available for the international rights.

Analyst

Okay.

Kishore Lulla, Executive Director

For the whole year, it will be around, more than 50 films we have planned, including the Hindi and regional at least. So it could be anywhere between 50 to 70 movies.

Analyst

Okay. One question for Kamal, actually.

Kamal Jain, Group Chief Financial Officer

Yes.

Analyst

Kamal, you said that this fiscal we'll see a lot of renewals from our library coming up. So is this, the Q3 numbers, are they more the growth that is being seen in margin, is it more to do with the renewals from library, because I believe that is something which is 85-90%, EBIT as in. So is it to do something of that because of which our margins have shot up this quarter?

Kamal Jain, Group Chief Financial Officer

See, in fact we have done quite a few renewals as far as the catalog titles are concerned in this particular quarter also. I mean as I said, that's being the part of the overall revenue strategy. We generally get about 10 to 15% our overall revenue from the catalog monetization. So we have done couple of deals in this particular quarter as well. And, but -which we'll continue to do. And, but more to do in this particular quarter. We have apart from that, we have added push from the success of Golmaal 3.

Analyst

Yeah. So okay, sir and one more question. The 64 crore deal that we did in October with the -- do we book the entire 64 crore in this quarter only?

Kamal Jain, Group Chief Financial Officer

As I said, the overall, out of the overall 240 crore deal we have booked almost close to 50% in the first nine month. We will not be able to provide you specific to -- and all because of NTR as you said last time.

Analyst

Okay.

Kamal Jain, Group Chief Financial Officer

Yeah.

Analyst

And one more question on the VFX, we said that Tron -- the VFX of Tron was done by Eros. So just wanted to understand, what percentage of the overall spending on VFX would EyeQube must have done?

Kamal Jain, Group Chief Financial Officer

Sorry. I didn't get your exact question.

Analyst

Just wanted to understand, how much percentage of the visual effects contribution did EyeQube do to the movie, Tron?

Kamal Jain, Group Chief Financial Officer

Okay.

Kishore Lulla, Executive Director

I don't think so we will have that because Disney's internal budget.

Analyst

Right.

Kishore Lulla, Executive Director

You know the movie, I think Tron costed maybe, I don't know 150 million. I don't know how much was their VFX budget internally

and how much they have allocated which budget to which actually VFX studio. But whatever the shots we delivered, Disney was very happy and in fact they have come back.

Analyst

Okay.

Kishore Lulla, Executive Director

To do some other future work also.

Analyst

Sir in terms of value -- okay, you may not be able to provide, but in terms of the general sense if you -- I mean from the movie, what percentage, if you can just give me, would be done by Eros, I mean from that movie?

Kamal Jain, Group Chief Financial Officer

I think we have done close to 16, 17% of the overall shots.

Analyst

Overall shots.

Kamal Jain, Group Chief Financial Officer

Yeah.

Analyst

Okay, fine. And one more question on the Plc. Sir what is the current amount that is remaining from the Plc in our liabilities?

Kamal Jain, Group Chief Financial Officer

You are asking the advances?

Analyst

Yeah, advances

Kamal Jain, Group Chief Financial Officer

Yeah, that remains more or less the same, which was there and which we said last time. It's around close to 230, 240 crores.

Analyst

Okay. And it is likely to remain at these levels for even next year, I mean...?

Kamal Jain, Group Chief Financial Officer

As we mentioned last time, it's -- all the Plc transactions are also at arms length, like, so as and when we deliver the movie, those advances will get knocked off. So when we sell any movie to them we get, I mean distribute the -- deliver the movie it gets sort of. So

I mean it's like any other arms length transaction which you do with any satellite channel or any pre-sell client?

Analyst

One, just one last question. Kamal, if you can explain what is the business that's there in the standalone and consolidated. So what is the difference between standalone and consolidated?

Kamal Jain, Group Chief Financial Officer

See, we get almost around 15 to 17% of revenue comes from other, which is the regional, Ayngaran and EyeQube and all other entities.

Analyst

Right.

Kamal Jain, Group Chief Financial Officer

So that's what you can see is in terms of consolidated overall and balance actually is from the standalone.

Analyst

Okay, fine. Thanks. Thanks a lot.

Operator

Thank you. The next question is from the line of Srinivas Seshadri from RBS Equities. Please go ahead.

Srinivas Seshadri

Yeah, hi. Thanks for giving me the opportunity and congrats on a great quarter. My first question is pertaining to the Game, which I believe earlier was slotted for fourth quarter. So I mean if one is releasing the movie on April 1st, would you be like booking a majority of the revenues in the previous quarter, like all pre-sales and minimum guarantees and all that? Just wanted some clarification.

Kamal Jain, Group Chief Financial Officer

Yeah.

Srinivas Seshadri

As to how we should be building it for the fourth quarter?

Kamal Jain, Group Chief Financial Officer

Correct. It will be the same as I mentioned, Srini last time that on the deliveries what we book the revenues. So if we would have delivered music or we would have delivered television or we would have delivered the MGs, we would be booking in that percentage of revenue in this particular quarter.

Srinivas Seshadri

Okay. So even the television syndication and all those things would be coming?

Kamal Jain, Group Chief Financial Officer

Yeah. If it gets delivered before that surely.

Srinivas Seshadri

Okay. And the second question is on the Tamil slate. What I notice was -- I mean compared to what you shared in terms of the slate of the previous quarter. About three movies seem to have been moved from FY11 to FY12. So just wondering, I mean is there any kind of problem as such with the Tamil industry at this stage in terms of execution or some industry specific issue or what is that regarding?

Kishore Lulla, Executive Director

Sri, I think these are the movies which -- the major problem with the film's success is the release date. Release date is a very important part which plays into the success of the film. So hence this decision has been taken. Along with the -our co-producer in India and the Ayngaran management team whereby maximizing the returns for Eros.

Srinivas Seshadri

Okay. So there is no I mean execution related issue as such?

Kishore Lulla, Executive Director

No. They are all ready, the film is all ready. These three films are totally ready.

Srinivas Seshadri

I see. Okay. And the other thing is, I mean in terms of the margins if I have a look at this quarter and compare it with the previous quarter, I mean though I mean we have had a very good revenue booking in this quarter, on a margin basis last quarter the EBIT margin was close to 30% while this quarter it's close to 22%. So just wanted to understand, I mean why was second quarter so great versus third quarter, being good, but not that great. So just to get some perspective on that.

Kishore Lulla, Executive Director

Srini, when we spend time, last time when you were building your model.

Srinivas Seshadri

Sure.

Kishore Lulla, Executive Director

I had also explained to you that please look at Eros two-three things, one annualized basis; annualized basis our margins will definitely improve. See we are not a quarterly driven company whereby strategies are not driven to give quarterly just results. It is about how do we maximize the bottom-line and the cash flow for the company. So it is annual business and the cash flow and the EBIT margins will definitely improve annually.

Srinivas Seshadri

I see, okay.

Kishore Lulla, Executive Director

If you want you could meet Kamal.

Srinivas Seshadri

Yeah, sure.

Kishore Lulla, Executive Director

And he will explain to you the annual margins and how in the next two years annual margins will improve and what are the reasons for that.

Srinivas Seshadri

Sure. Yeah, and the other thing is, I mean you have said that you'll giving a major initiative in terms of digital asset management. So just wanted to understand, I mean what kind of expenditure we have envisaged for this thing and what kind of revenue offset and potential we see from this particular schedule?

Kishore Lulla, Executive Director

Yeah. See the total, I think the whole library is getting included whereby in that everybody is talking about new media. And if you look at Eros has been in the forefront in exploiting the new media revenues. Especially the broadband pick up in India is very slow, but internationally if you look at the Eros YouTube channel, in fact it has crossed 1 billion views, which has become the largest ever Indian player on YouTube with those views.

And India broadband of -- when it starts off taking, you will see more of those views coming. So once the whole -- the library is encoded you could exploit it on 3G-4G networks, whether on DTH and all those initiatives actually work on 90 to 95% EBITDA margin daily, once the whole library is actually encoded.

The total cost is not that much. We are planning maximum CapEx of about 5 to 7 crores on this initiative of DAM and the encoding of the library. And whereby the upside, whereby we have lot of visibilities of the revenues which are going to come from these initiatives which is launching of the S-verse on digital cable and S-verse on Airtel and different other platforms we are negotiating, which will give us a quite a revenue from our library and as well as the new films.

Srinivas Seshadri

And Kishore, any sense on the time-line in terms of when we could have these S-verse channels up and running?

Kishore Lulla, Executive Director

I think in the by second quarter of this year or third.

Srinivas Seshadri

Right. Okay, great. And the final thing is, I just wanted to understand I mean -- have you for maybe some of the new releases or something, have you seen any kind of impact of the inflation which has been a very hot topic now, in terms of any box office revenues or maybe the occupancies or something going -- showing some negative signs as of now or what are your expectations for this...

Kishore Lulla, Executive Director

My take has always been three things, Indians love; cricket, movies, religion. These three things doesn't get affected.

Srinivas Seshadri

Okay. Alright.

Kishore Lulla, Executive Director

From inflation.

Srinivas Seshadri

Okay, alright. Okay, thanks. I'll come back if I have any additional...

Kishore Lulla, Executive Director

Sure.

Srinivas Seshadri

Yeah, sure go on, go on.

Kishore Lulla, Executive Director

Thanks. Thank you.

Operator

Thank you. The next question is from the line of Vinay Paharia from Religare Mutual Fund. Please go ahead.

Vinay Paharia

Yeah. Good afternoon to the management.

Kishore Lulla, Executive Director

Good afternoon.

Vinay Paharia

Yeah, I had a few questions on the financials. As Kishore rightly mentioned that the company has to be looked around from cash flow perspective. I just wanted to know from you what was the cash from operations for the nine months and the CapEx?

Kishore Lulla, Executive Director

Kamal?

Kamal Jain, Group Chief Financial Officer

Yeah. As far as, what Kishore has said is absolutely right. I mean we are actually a cash flow driven company, we are focused on cash flow. Generally the content CapEx what we spent is almost over 350 to 400 crore in the past. But now I think going forward we are looking in the line of 4, 500 to 550 crore in terms of content CapEx.

As far as this nine months are concerned, as we are cash positive on there as well. And as I said the IPO -- with IPO funds also for the -- I mean we are cash positive and the debt-equity ratio is even less...

Vinay Paharia

Right. You said the debt-equity is 0.3. What I wanted is, what is the actually cash from operations generated in the nine months FY11?

Kamal Jain, Group Chief Financial Officer

Yeah, that I'll just get back to you. I think we can check on offline on that.

Vinay Paharia

Fine. And then what is the total debt on the books and the outstanding slate of movies, which I think stands as investments and or loans?

Kamal Jain, Group Chief Financial Officer

The total debt on, our net debt on book is, I mean if I eliminate IPO funds is around 100 crore. And which is I think the net-debt and I mean without IPO funds. And as far as I said, the slate profile well in effect I think it is substantially funded already. So not much of liability spending on that front.

Vinay Paharia

So right. So what is the outstanding slate which sets in the books? I think the number as in FY10 was like 450 crores.

Kamal Jain, Group Chief Financial Officer

Yeah.

Vinay Paharia

So how much is that number as on nine months FY11? Can we get that or would that also be...

Kamal Jain, Group Chief Financial Officer

Yeah, we can share with you offline.

Vinay Paharia

And finally, how much was -- in the nine months, how much was the total catalog revenue?

Kamal Jain, Group Chief Financial Officer

As I said, almost 10 to 15% of the overall revenue comes from the catalog titles. And around 15% is what we have got in these nine months.

Vinay Paharia

In these nine months.

Kamal Jain, Group Chief Financial Officer

Yeah.

Vinay Paharia

Okay. Thanks, I am through with my questions.

Kamal Jain, Group Chief Financial Officer

Thank you.

Kishore Lulla, Executive Director

You are welcome.

Operator

Thank you. The next question is from the line of Amit Kumar from Kotak. Please go ahead.

Amit Kumar

Thank you so much for the opportunity sir. I just wanted, and most of my questions have already been answered, I just wanted to have some sense, I mean there has been this debate, of sorts, going on between -- on this issue of music royalty. I just wanted to understand, I mean -- earlier as I understand the case has been that producers have had complete control over the rights to the music also created for the purpose of a particular movie, but going forward, the Government of India is making -- is planning to make some changes in that. I just wanted to understand exactly what are the proposed changes and how will they impact a producer like Eros and the overall film value chain so to speak?

Kishore Lulla, Executive Director

Sure. Good morning, Amit. I think very good question. In fact you are very well aware that Eros also has a publishing division, whereby music publishing we represent, we have a joint venture with EMI internationally and also represent EMI catalog in collecting those royalties in India.

I think this step was going to come definitely. It is a step in the right direction. The way, I will explain to you how it works internationally and that is what they want to do in India. So when the royalties, say they call it, 12-12 share, 12 out of 12 share, the royalties of a music. So when the music label acquires a film or a music label, they keep six-twelfth of the royalties which are collected by the societies across the world which is, whether it's a television favorite or you listen to the music in pubs or anywhere in the restaurants. And the balance six-twelfth of that royalty is divided between the composer and the music publishing house, which collects on their behalf.

And that's what they are talking about, not on the sales, it's on the royalties from the performing rights, which are being collected. And that's what Javed Akhtar and the whole society, which has come across went to the government saying

that why don't we implement exactly the six-twelfth share, which can come to the composers and the six-twelfth shares can go to the music record label.

So in that, what producer will negotiate, see our model is a co-production model. Where the producer has to negotiate, at the moment, the producer pays X amount of the fixed fee to the composer and that's what is done with.

Now, when you will negotiate the contract, it would be the six-twelfth of the royalty, which will be going to him. On that basis, you will negotiate a contract. So it will pass through the value chain and in fact this is a welcome step, whereby we could come to some agreement between the producers and the composers, whereby the transparency in the business will come.

Amit Kumar

Sir, okay. Two questions on that, first is, whether this will be applicable from a prospective effect or a retrospective effect because

earlier, since we have sold the rights to that music entirely to the music label. How will it work out for music, which has been created in the past so to speak? And...

Kishore Lulla, Executive Director

No, it will be from the prospective effect.

Amit Kumar

Okay.

Kishore Lulla, Executive Director

For the new thing. And from the retrospective effect, in fact there is a royalty, which the Indian IPRS is collecting anyway from different, when you perform whether it's on television or television serials or the live shows. So there are money, I think with these right societies, they are dispersing that to the composers anyway.

Amit Kumar

Okay. And the second question is that, so essentially what we are saying is that for any music created roughly half of the right belongs to the producer and half of the right belongs to the composer. So when Eros is actually going out and selling its part of the right to some of the music label like T-Series etcetera, it will essentially be, and won't the value of that music essentially come down by half, would that be the right interpretation?

Kishore Lulla, Executive Director

No. You see there are two things. Aspect one is the publishing aspect, one is the actually the commercial aspect. The commercial aspect, how do you make money? You make money from selling the physical assets, correct, which is CD, which is going down. Then you have that digital, digital is download on the mobile, you pay for the ringtones and you pay for MP3, iTunes and all the various delivery methods.

Now that kind of pricing whatever you are selling the track at, that you don't share with the composer. So that is the commercial aspect that you'll see. Then the publishing aspect is whereby the publishing societies are collecting the royalty, whether from the radio, whether from the television or whether from the live shows or the restaurants. Those organizations, that is the fight about that how much should be shared between the composer and the writer and the

music label.

Amit Kumar

Okay. Just to clarify, earlier all these royalties used to revert back to you or to the music label?

Kishore Lulla, Executive Director

Yeah. It was actually, 50% anyway IPRS was collecting on the behalf of the music composer and 50% used to go to the publishing and that royalties were not very much.

Amit Kumar

Yeah. So that...

Kishore Lulla, Executive Director

It was hardly that much.

Amit Kumar

Okay. So that's what I just wanted to understand that broadly out of the total amount that you realize from music rights associated with a movie. Roughly how much would these royalties be, if you could give us a...

Kishore Lulla, Executive Director

I think the total industry must be paying about 90 to 100 crores totally per year maybe for the whole including the Tamil everything, totally.

Amit Kumar

And the total size of the music industry would be?

Kishore Lulla, Executive Director

It's about 5% of the total entertainment industry.

Amit Kumar

Okay. Fine. That's it from my side.

Kishore Lulla, Executive Director

I think that you will be able to model, if you look at the FICCI report and look at those numbers. So in fact it is a step in the right direction because whatever the money you are losing through piracy today, right, with this implementation

coming in fact you'll make more and the whole value chain will make for. And in fact what will happen, you will be able to negotiate with the composers a lesser fee and a back-hand model, whereby at the moment what was happening there was no trust, they were getting one-off fees. So they were charging you a bigger amount. So once they will know that the revenues are going to come for the next 25 years, they will be at a lesser MG and the risk will be lesser and lesser.

Amit Kumar

So it's similar sort of, I mean some sort of a profit sharing, which you are...

Kishore Lulla, Executive Director

Correct.

Amit Kumar

Which you are doing with talent...

Kishore Lulla, Executive Director

Right. Star, talent and everything, yeah, value chain.

Amit Kumar

Okay. Got it. Thank you so much, sir.

Kishore Lulla, Executive Director

You are welcome, Amit.

Operator

Thank you. The next question is from the line of Dinesh Kumar from Aditya Birla Money. Please go ahead.

Analyst

Yeah, hi this is Avinash. Thanks for the opportunity. Two questions, first is, what is the advance from Eros Plc as on date?

Kishore Lulla, Executive Director

Yeah, as I just now said, it's around 240 crore.

Analyst

And Kamal, what was it on end of September?

Kamal Jain, Group Chief Financial Officer

Yeah, it was around 260.

Analyst

260, it is now 240?

Kamal Jain, Group Chief Financial Officer

Yeah.

Analyst

Okay. And one again question, it's on production side. Basically when we are saying co-production, are we actually incubating that particular production or we are kind of, this is secondary purchases we are making?

Kishore Lulla, Executive Director

I think both model. It could be some secondary purchases and it could be some incubation also. It's a mixture of both the models.

Analyst

Okay. Thanks.

Kishore Lulla, Executive Director

You are welcome.

Operator

Thank you. The next question is from the line of Ankur Periwal from Religare. Please go ahead.

Analyst

Hello, yeah. This is Pallav here. Sir just couple of questions for you. One is that how you are looking at the competitive intensity into this market? And the second one is, when you decide about the co-production with the big artist and obviously those becomes a big budget movies. So how you -- what is the hurdle rate on which you work on to decide that this will be the kind of revenue sharing you will be going with because that becomes critical, although it can't be generalized, but it becomes a critical factor when you -- when it comes to the margin front. So just want your view on that.

Kishore Lulla, Executive Director

Yeah. See on the margins, there are two views. One, when we are structuring the co-production model, so the co-production model is that we have a commission of 15 to 20% from the net revenues, which are being received from the various sources, which company makes and we are not in trading. So in fact we have -- we exploit the content of it whether it's to satellite rights or whether it's music rights or whether it's theatrical rights, we exploit.

Secondly when we are sitting with the actor, so the maximum we give away on the back-end is 50%. And the maximum which we can get is 90 to 100% also we keep and they have certain fixed amounts. So it's a deal-by-deal, it is no generalized thing that what and it depends entirely on the front-end how much the company is taking a risk in front-end and we normally derisk by pre-sales also as we talked about.

So it is not just one model we can follow, it's a very complex model, which is case-by-case, we have to sit and structure it with the co-producer or the talent.

Analyst

I think my second question should actually follow the first one. So like how is the competitive intensity into the market, because I think that actually decides the deal?

Kishore Lulla, Executive Director

Yeah. It is not that, if you look at Eros has been in the forefront and in exploiting the content, and Eros brand name has delivered big hits. Just take for example today Rajinikanth, okay. After the hit of Robo, Rajini could have gone with any company today. Why he chose Eros? Because Eros has a competitive advantage in distribution internationally since 33 years.

We can exploit content in 50 different countries in 27 different dubbed language. So when Rajini called us, he said that I chose Eros because he thought Eros is the right company for his product to be distributed. So it's not the question of that he can get 10, 20 crores more from some other studio or it's a auction process or a bidding process.

Similar kind of relationship we had with Shahrukh Khan, since last 10 years, whereby his -- whatever the production he is making, the first offer is always with us. And we works with us on a margin, whereby he says that Eros should make money, Red Chillies should make money. It is not about that what offer he is having from the other competitive players in the market.

Analyst

Okay. Fair enough. Thanks.

Kishore Lulla, Executive Director

You're welcome.

Operator

Thank you. The next question is from the line of Manas Majumdar from SPA Securities. Please go ahead.

Manas Majumdar

Hello.

Kishore Lulla, Executive Director

Yeah. Good afternoon.

Manas Majumdar

Yeah. Sir if we consider the margins going for this quarter, like we can see a substantial increase by 700 bps over the last year-on-year. But if we are comparing it with the last quarter-on-quarter, they seem to be decreasing by like around 800 bps both the top-line as well as the bottom-line. So considering this quarter was a festival season with Diwali and all, so can you just share -- give me the reason like, why is this anomaly in their margins?

Kishore Lulla, Executive Director

Yeah. Kamal you want to take that?

Kamal Jain, Group Chief Financial Officer

Yeah. As Kishore has mentioned earlier, actually predominately, we're a company to be looked from a margin perspective on annualized basis rather than looking from quarter-on-quarter basis. Because any monetization of the right of a movie, actually is on a little larger, longer curve rather than just getting monetized only on a particular quarter.

And if you look at from last quarter to this quarter, I mean the revenue mix changes every quarter. If you have -- in quarter two we had little more catalog title sale, wherein which are high margin deals, as opposed to what you have in this particular quarter is different, and you have number of movies releases more.

So anyways what you have to look at is, on annualized basis rather than looking on quarter-on-quarter basis. And annualized basis, you rightly said is increased substantially and going forward, we will maintain this kind of increase in the margins.

Manas Majumdar

Okay. So can you just give me a break-up of your revenue mix for this quarter?

Kamal Jain, Group Chief Financial Officer

Which I mentioned earlier, it's generally, for Hindi films we get about 40% from theatrical and about 25% from satellite, and 30% from overseas and balance from other -- so that's how more or less the mix has remained.

Manas Majumdar

Okay. So like -- we should consider like comparing year-on-year since the percentage contribution remains the same?

Kamal Jain, Group Chief Financial Officer

Yeah, I mean that more or less remains the same. And I mean adding to it, I mean you have a catalog title revenues, which ranges between 10 to 15% on maybe annual or quarterly basis, which can range little bit different in quarter-to-quarter.

Manas Majumdar

Okay. And sir, has there -- this EyeQube, has it started contributing to your revenues for this quarter?

Kamal Jain, Group Chief Financial Officer

Yeah, EyeQube has been contributing ever since and EyeQube is a small, as of now I mean it's still in nascent stage and we are looking for a big push on EyeQube, but it's always been profitable since inception.

Manas Majumdar

Okay. So how much was the revenue that came from EyeQube for this quarter? Can you just give me a break-up for that?

Kamal Jain, Group Chief Financial Officer

Yeah, it's generally overall, putting together EyeQube or other subsidies. We generally get about, overall 15 to 17% of overall revenue comes from including Ayngaran and EyeQube and all put together.

Manas Majumdar

Okay. And then just one last question like as you said previously, in the next quarter, World Cup and IPL. So you are going to -- you are not going to have any big releases for the next quarter. So should we consider that your margins will be affected or your margins you expect to be the same?

Kamal Jain, Group Chief Financial Officer

Basically as we said, whatever the margins we have earned till now, I mean we would retain or sustain those kind of margin even going forward as far as linear side one particular quarter, I mean you have to look at again on annualized basis.

Manas Majumdar

Yeah. Okay. That will do for me. That's it. Thank you.

Kamal Jain, Group Chief Financial Officer

Thank you.

Operator

Thank you. The next question is from the line of Arti Shastri from Wealth Managers. Please go ahead.

Analyst

Yeah, good afternoon and thank you for the opportunity. I just wanted to ask one question. What is the capital employed currently?

Kamal Jain, Group Chief Financial Officer

Post-IPO, we had capital planned of about 900 crores.

Analyst

Okay. And what will be the potential capital turnover ratio?

Kamal Jain, Group Chief Financial Officer

Potential capital turnover ratio. I think what we are getting in ROC about 20%, sorry, 27% and ROE about 39% is what we generally get.

Analyst

Okay. And is that sustainable or we will have to increase some more funds for the growth?

Kamal Jain, Group Chief Financial Officer

Yes, as I mentioned earlier. I mean we have fairly very strong balance sheet as of now and a debt-to-equity ratio of less than 0.3. And it's already, the next one year CapEx is substantially already funded and we are planning for a CapEx of about 500 to 550 crore on per annum basis going forward.

Analyst

Okay. Yeah, that's all from my side. Thanks a lot.

Kamal Jain, Group Chief Financial Officer

Welcome.

Operator

Thank you. [Operator Instructions]. The next question is from the line of Rajiv Ghosh from Wealth Management. Please go ahead.

Analyst

Good afternoon, sir.

Kishore Lulla, Executive Director

Good afternoon.

Analyst

Sir, I was just noticing that in your consolidated revenue as well as top-line it is much higher than subsidiaries, I mean it is around 103 crores of the profits for nine months from the consolidated, and 66 crores. So the differential is quite large, so 15-17%, it is much more than that, any particular reasons? Is this a aberration?

Kamal Jain, Group Chief Financial Officer

No. We have, as I said, when I am saying 15 to 17% is what we get from Ayngaran and EyeQube put together and then we have other subsidiaries. So we have subsidiaries in Isle of Man and we have subsidiaries everywhere, on the catalog sales happens and all that. So overall basis, yes, the major contribution still comes from the standalone entity and the balance comes from the subsidiaries.

Analyst

Roughly two-third will be coming from standalone, right?

Kamal Jain, Group Chief Financial Officer

Yeah, correct, that's right.

Analyst

Okay. Sir can you shed some light on the cash flows because that's something that is quite important in terms of understanding how much cash you generated in the business?

Kamal Jain, Group Chief Financial Officer

I think on the cash generation bit, I can take that particular question offline from you. But as I mentioned, we are currently cash positive because of the IPO funds are still there with us. I mean, we have still 159 crores yet to spend, which is right now in the debt mutual funds.

Analyst

Sir just given fairly longer term, I mean over the next two years, how much will be cash flow from operation as a percentage of profit after-tax?

Kamal Jain, Group Chief Financial Officer

See generally we have about, we maintain about 50 to 55% EBITDA margins on overall turnover and that is equivalent to our cash. So if I am carrying about 900 crores or a 700 crore top-line, I mean you can easily say about cash from operations will be about 350 crore.

Analyst

Okay, sir. That is the information I wanted. Thank you, sir.

Kamal Jain, Group Chief Financial Officer

Thank you. You are welcome.

Operator

Thank you. [Operator Instructions]. The next question is a follow-up from the line of Amit Kumar from Kotak. Please go ahead.

Amit Kumar

Hi, thank you. Thanks again. Sir just a clarification. I think you said, you had a net-debt of Rs. 100 crores. Is this including the IPO funding?

Kamal Jain, Group Chief Financial Officer

No, without IPO funding.

Amit Kumar

So I mean in the release I am looking at, it basically says about 160 odd crores of IPO funding still to be deployed.

Kamal Jain, Group Chief Financial Officer

Correct.

Amit Kumar

Would that imply about 60 crores of net cash on an overall basis?

Kamal Jain, Group Chief Financial Officer

Absolutely right. Perfect, you are right.

Amit Kumar

Thank you so much.

Kamal Jain, Group Chief Financial Officer

Yeah.

Operator

Thank you. [Operator Instructions]. The next question is from the line of Amish Kanani from JM Financial. Please go ahead.

Analyst

Yeah. Hi, sir. Sir just wanted to get your historical perspective on this inflation issue, whether at what point in time you see the inflation starting to hit the Indian middle class and you would start to worry about their movie watching habits vis-à-vis this, the disposable income? And would you worry that as a key threat to your business in FY12 and also whether your derisking strategy takes care of that aspect? Thanks.

Kishore Lulla, Executive Director

Yeah. In fact, what I can share with you some experiences of the past, when the inflation had gone up.

Analyst

Yes, that will help clearly.

Kishore Lulla, Executive Director

Yeah. In fact when we saw that, the entertainment business, roughly it was that time the theatrical about 10 years ago or 15 years ago and internationally also. That time theatrically was not very strong but the DVD was very strong and the television was very strong.

Analyst

Okay.

Kishore Lulla, Executive Director

In fact, we saw the DVD sales went up in recession because a lot of people cut down on their holidays and cut down on their going out habits and said okay, it's better to spend money at home or have a cheaper entertainment.

Analyst

Yeah.

Kishore Lulla, Executive Director

So the entertainment always in recession, if you look at Hollywood, the great depression in 1931. How did Hollywood actually prosper? That was in 1931, when the Hollywood graph went up, that was after the great depression. So in fact people want to get out of their depression stress and spend time in larger than life movies whereby they can see their dreams come true.

Analyst

Okay.

Kishore Lulla, Executive Director

So historically speaking, we are quite happy that entertainment never suffers.

Analyst

Okay.

Kishore Lulla, Executive Director

It's not a FMCG, where the people will cut down.

Analyst

Okay.

Kishore Lulla, Executive Director

And I hope the same thing will happen in the years to come if the inflation goes up all.

Analyst

Okay. And in terms of derisking strategy. Do you kind of take care of this aspect in anyways?

Kishore Lulla, Executive Director

Yeah, already. So the FY12, the whole slate has already been syndicated for most of the films, which were already commissioned for satellite and other different rights and even different MGs from different places what the derisking strategy is. And we have got a excellent slate for the FY 2012, which is the best key marquee movies, which everybody wants to buy.

Analyst

Sure.

Kishore Lulla, Executive Director

So we don't see any problem in derisking strategy or the pre-sales strategy for the years to come this year.

Analyst

Okay. And all the best.

Kishore Lulla, Executive Director

You are welcome. Thanks.

Operator

Thank you. The next question is the last question from the line of Ganesh Ram from Kim Eng Securities. Please go ahead.

Ganesh Ram

Yeah. Thanks for the opportunity. Can I have the library revenue number for the quarter?

Kamal Jain, Group Chief Financial Officer

It's around 15% for the quarter.

Ganesh Ram

Okay. And the last question. Is it -- is the new movie, Rajinikanth movie, the Rana is a modified version of Sultan the Warrior because the Ocher Studios are producing it earlier, so just want to know.

Kishore Lulla, Executive Director

No, this is totally a new script. It's a full live action.

Ganesh Ram

Okay.

Kishore Lulla, Executive Director

See what Ocher is producing was Sultan, still they are producing that will come, that's a animation movie.

Ganesh Ram

Yeah.

Kishore Lulla, Executive Director

That's not a live action at all.

Ganesh Ram

Okay.

Kishore Lulla, Executive Director

Whereby this is a movie, which in Rajinikanth is a triple role and a live action movie. Ocher Studios belong to Mrs. Rajinikanth, which is Rajinikanth's wife. And the company which is producing this movie is Hara Production, which is a subsidiary of Ocher Studios.

Ganesh Ram

Okay. Thanks. Just want to know more because that movie was going to be in trouble, so just wanted to know if those two are different movies.

Kishore Lulla, Executive Director

Yeah, I understand. No, no, that's happening.

Ganesh Ram

Thank you very much.

Kishore Lulla, Executive Director

You are welcome.

Operator

Thank you. I would now like to hand the floor back to the management for closing comments. Please go ahead sir.

Kamal Jain, Group Chief Financial Officer

Kishore?

Kishore Lulla, Executive Director

Yeah. So it gives me immense pleasure to interact with you on a regular basis to address your questions and comments on Eros International. We hope to have your valuable support on a continued basis as we move ahead. And if you have any further quires, we would be available outside this forum also.

On behalf of the management, I once again thank you for taking the time to join us on this call. Thank you very much. Have a nice day.

Kamal Jain, Group Chief Financial Officer

Thank you very much.

Corporate Participant

Thank you.

Operator

Thank you, gentlemen of the management. Ladies and gentlemen, on behalf of Eros International Media Limited, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines.