

MANAGEMENT DISCUSSION & ANALYSIS

Economic growth in India is expected to be strong on the back of structural reforms introduced by the Government, pick-up in investment, rebounding consumer demand and rising capital expenditure.

GLOBAL ECONOMY

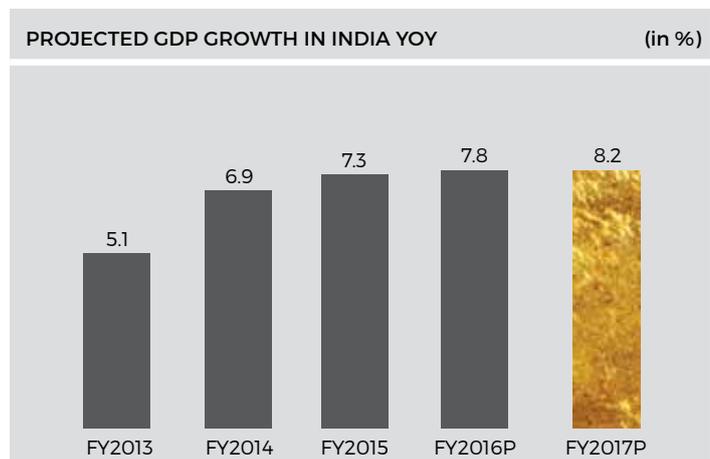
According to the World Bank, global growth during 2014 picked up marginally in 2014 to 2.6%, from 2.5% in 2013. While United States and the United Kingdom gathered positive momentum, recovery has been sputtering in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks. China, meanwhile, is undergoing a carefully managed slowdown. Several major forces such as soft commodity prices, persistently low interest rates, increasingly divergent monetary policies across major economies, and weak world trade have been driving the global

outlook. In particular, the sharp decline in oil prices since mid-2014 is expected to support global activity and help growth prospects in oil-importing developing economies. Overall, global growth is expected to rise to 3.0% in 2015, and average at about 3.3% through 2017. High-income countries are likely to see growth of 2.2% in 2015-17, up from 1.8% in 2014, due to gradually recovering labour markets, fiscal consolidation and low financing costs. In developing countries, growth is projected to gradually accelerate, rising from 4.4% in 2014 to 4.8% in 2015 and 5.4% by 2017 (worldbank.org).

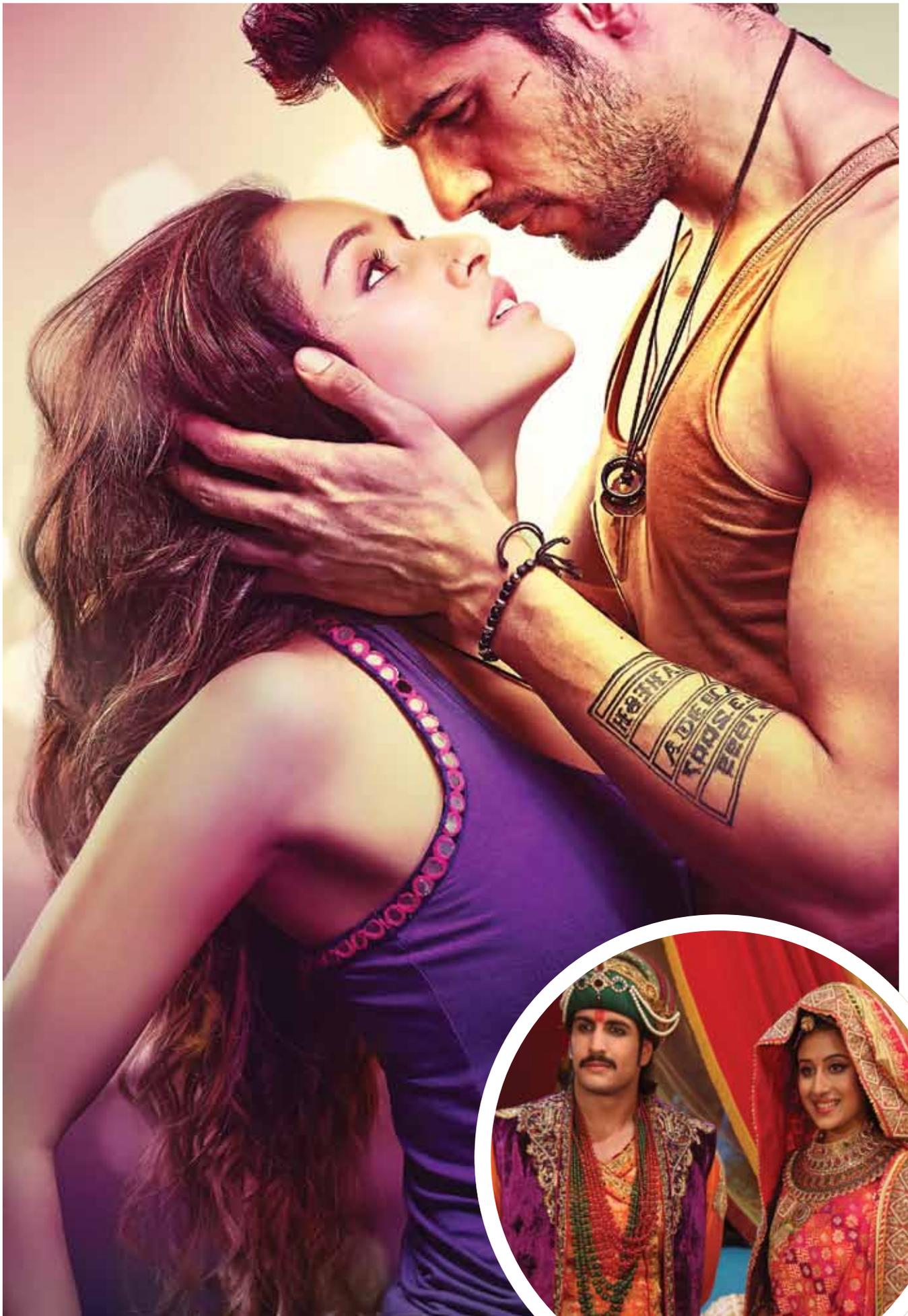
INDIAN ECONOMY

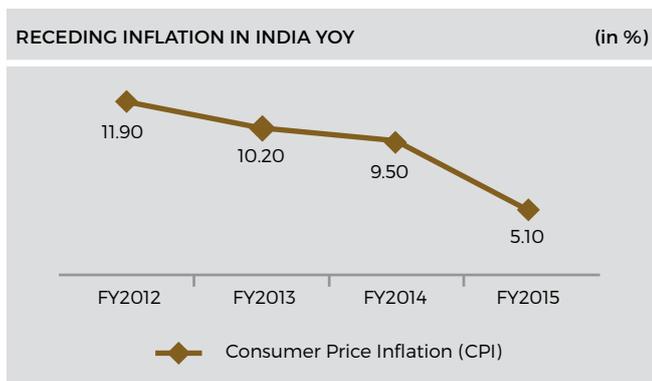
The Indian economy expanded 7.3% in FY2015, marginally higher than 6.9% recorded in the previous year, as per the data released by India's statistics office. The Indian economy stood up to the challenges of consumer inflation, policy paralysis, weakening of the Indian rupee, widening twin deficits and an unstable global environment and is now on a firm path of a revival. Post-elections in May 2014, in which Narendra Modi Government came into power with a resounding victory, there is a wave of optimism. The strong uptick in GDP growth has been accompanied by a

The Indian economy stood up to the challenges of consumer inflation, policy paralysis, weakening of the Indian rupee, widening twin deficits and an unstable global environment and is now on a firm path of revival.



Source: Asian Development Bank





Source: RBI Website

receding inflation which stood at 5.1% in January 2015, considerably lower than double-digit figures in 2013. The current account deficit and fiscal deficit, the prime causes of concern in 2013, are now within manageable levels.

Growth is expected to be strong over the coming years on the back of reforms introduced by the government, pick-up in investments, rebounding consumer demand and lower prices. The Asian Development Bank (ADB) foresees India's economy to grow by 7.8% in FY2016 and by 8.2% in FY2017, making it one of the fastest growing emerging markets, possibly outpacing China. This will be on the back of a pro-investment attitude of the new Government, progress in implementing structural reforms

a pick-up in capital expenditure. With a high growth potential, India is increasingly seen as a bright spot in the global economic landscape.

INDUSTRY REVIEW

INDIA MEDIA & ENTERTAINMENT INDUSTRY

Renewed optimism and improved business sentiments flowing throughout the Indian economy has also extended across the Media & Entertainment (M&E) sectors. In fact, the theme for the current year's FICCI Frames Conference was 'Making India a Global Entertainment Superpower'. From ₹ 918 billion in 2013, the industry grew at healthy pace of 11.7% to ₹ 1,026 billion in 2014, led by rapid

growth in digital advertising and a strong growth in the television segment, which contributes 53% of the total growth in the industry. With the popularity of Digital Media growing with each passing day, the stupendous growth in digital advertising continued in 2014. Due to this, the segment registered a growth of 44.5% in 2014 over 2013. Traditional media continued to grow at a healthy pace, with the television sector continuing on its path of cable digitisation, advertising across media buoyed by general election spends and the emergence of e-commerce as a significant new category. Companies in the e-commerce space are estimated to have spent around ₹ 7.5 billion to ₹ 10 billion on advertising spends. The new Government also took several positive steps to accelerate growth in the industry. With proposals to defer the General Anti Avoidance Rules (GAAR), reduce tax on royalties and fees for technical services (FTS), and implement Goods & Services Tax (GST) regime from April 1, 2016. The Finance Bill 2015 has set an optimistic roadmap for the M&E sector from a tax perspective. The implementation of GST is expected to greatly benefit by doing away with dual taxation.

Figures in ₹ Billion

Size of Indian Media & Entertainment Industry

Segments	2008	2009	2010	2011	2012	2013	2014	Growth in 2014 over 2013
TV	241.0	257.0	297.0	329.0	370.1	417.2	474.9	13.8%
Print	172.0	175.2	192.9	208.8	224.1	243.1	263.4	8.3%
Films	104.4	89.3	83.3	92.9	112.4	125.3	126.4	0.9%
Radio	8.4	8.3	10.0	11.5	12.7	14.6	17.2	17.6%
Music	7.4	7.8	8.6	9.0	10.6	9.6	9.8	2.3%
OOH	16.1	13.7	16.5	17.8	18.2	19.3	22.0	14.0%
Animation & VFX	17.5	20.1	23.7	31.0	35.3	39.7	44.9	13.1%
Gaming	7.0	8.0	10.0	13.0	15.3	19.2	23.5	22.4%
Digital Advertising	6.0	8.0	10.0	15.4	21.7	30.1	43.5	44.5%
Total	580	587	652	728	821	918	1026	11.7%

Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015

The Indian Media and Entertainment (M&E) Industry, one of the most vibrant and exciting industries in the world, has had a tremendous impact on the Indian economy. As the M&E industry widens its reach, it plays a critical role in creating awareness on issues, channelling the energy of and building aspirations among India's millions. As it entertains and informs the country, the M&E industry has been a catalyst for the growth of large parts of the Indian economy. The media plays a significant role in our lives today and is all pervasive with touch points ranging from television to newspapers to films to radio to outdoor properties. With the addition of new media such as social networking services, animation and VFX, online gaming and applications running on mobile devices, a new dimension has been added to the world of media.

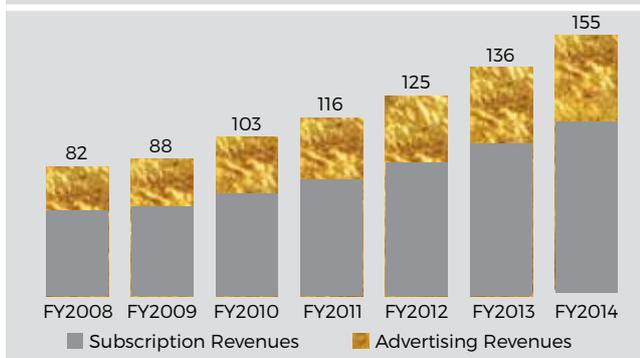
The industry is poised to grow at a CAGR of 13.9%, from ₹ 1,026 billion in 2014 to ₹ 1,964 billion by 2019. Today, the industry reaches millions of people: 161 million TV households, 94,067 newspapers (12,511 dailies), close to 2,000 multiplexes, 214 million internet users, including 130 million mobile internet users. These platforms can drive change and be the transformational catalysts. The big hope for the future of the M&E industry continues to be digital. With a fast-growing internet user base of over 200 million, the potential of the industry to enhance engagement with customers and generate revenue from digital media is indeed vast.

INDIAN TELEVISION INDUSTRY

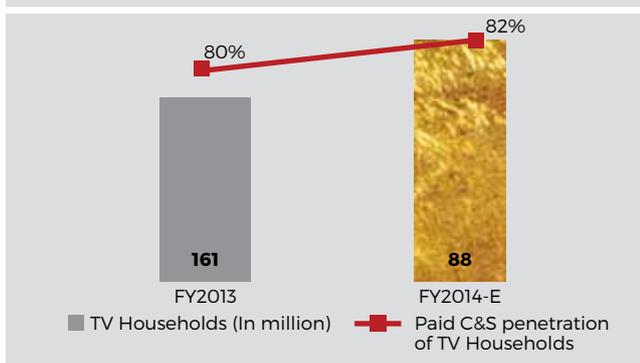
The size of the Indian Television Industry is estimated to be ₹ 475 billion in 2014, growing by 13.4% over 2013, experiencing a dynamic operating environment. By 2019, it is expected to almost double to ₹ 975 billion. The Digital Addressable System (DAS) rollout in Phase 1 & 2 was largely complete and 2014 was expected to be the year when gross billing and

Figures in ₹ Billion

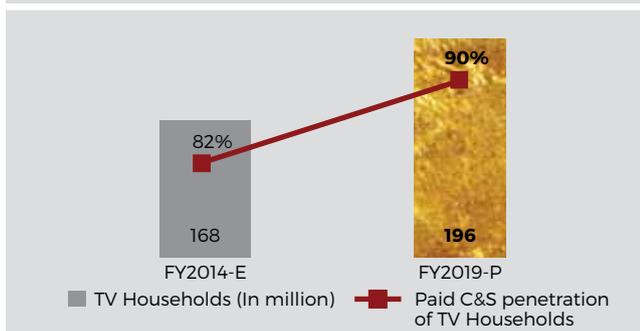
SUBSCRIPTION AND ADVERTISING REVENUES BETWEEN 2008 TO 2014



PENETRATION OF TV IN HOUSEHOLDS AND PAID C&S

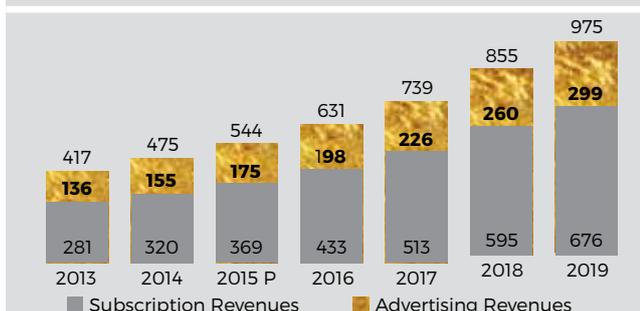


PROJECTED RISE IN TV HOUSEHOLDS VS PAID C&S



Figures in ₹ Billion

PROJECTED GROWTH IN TV INDUSTRY



Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015

roll-out of channel packages would progress. However, increase in the much-awaited addressability and resultant improvement in economics of Multi System Operators (MSOs) and broadcasters continued to evade the industry in 2014, due to several challenges on the ground. The MIB has subsequently extended the deadlines for Phase 3 & 4 to December 2015 and 2016, respectively.

On the positive front, television advertising bounced back significantly on account of elections and an improved macro-economic environment, leading to companies increasing their advertising spends. E-commerce emerged as a key sector driving growth, followed by mobile handset companies, while traditional advertising bigwigs such as FMCG and automobiles also witnessed renewed growth. Also, the number of TV households in India increased to 168 million in 2014, implying a TV penetration of 61% and the number of paid C&S subscribers is estimated to be 139 million, implying a paid C&S penetration of 82%.

TV ADVERTISING

The TV advertisement industry is valued at ₹ 15,500 crore in 2014, which increased 12% compared to last year. By 2019, it is expected to reach the ₹ 30,000 crore mark. Expansion of Direct to Home (DTH) service is also growing at a healthy rate with 16% subscription revenues in urban and rural areas. Advertisements revenue in TV, on the other hand, is growing at a rate of 14% annually. Around 61% of all households in India is now equipped with a television, as 16.8 crore Indians view TV at least once a week. This makes India the world's second-largest TV viewership market, first being China. The number of Cable and Satellite (C&S) subscribers grew to 14.9 crore, increasing 10 million last year, and are seen swelling to 17.5 crore by 2019, which will be 90% of all TV households. Subscription revenues from DTH services amounted to ₹ 7,500 crore, which is projected to grow by 22% CAGR to touch ₹ 20,000 crore by 2019. The television sector witnessed a healthy

advertising growth due to the boost from general elections spends and the emergence of E-Commerce as a significant spender across media in 2014.

DIGITAL ADVERTISING

Digital media continued to show growth in 2014. India became the second-largest country in terms of number of Internet users. The digital advertising industry grew from ₹ 30.1 billion in 2013 to ₹ 43.5 billion in 2014 – a rise of 44.5%, driven by a steady growth in advertising spends across most digital platforms. Digital advertisements experienced maximum growth of 44.5% to reach ₹ 4,350 crore in 2014, which is seen snowballing to ₹ 16,000 crore by 2019. India became the second-largest country in terms of number of Internet users.

(₹ in Billion)

Digital Advertising Market in India 2015-2019

Year	Desktop Advertising	Mobile Advertising	Total
2015	54.8	7.7	62.5
2016	72.4	11.6	84.0
2017	98.6	16.8	115.3
2018	116.1	22.1	138.2
2019	135.4	27.1	162.5

Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015

(₹ in Billion)

Wireline and Wireless Internet Connections

Year	Wireline	Wireless	Total
2015	22	273	295
2016	25	337	362
2017	27	402	429
2018	30	469	499
2019	32	528	560

Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015

The industry is poised to grow at a CAGR of 13.9%, from ₹ 1,026 billion in 2014 to ₹ 1,964 billion by 2019. The potential of the industry to enhance engagement with customers and generate revenue from digital media is indeed vast.



CONTENT PRODUCTION - OTT & VOD - THE NEXT BIG GROWTH DRIVER

The size of the TV content production industry is ₹ 30 billion, excluding news, animation and sports with Hindi language contributes 2/3rd of the market. Original programming for Video-on-Demand (VoD) and Over-the-top (OTT) video platforms present a huge opportunity and can be the next big growth driver for TV content producers. According to industry discussions, platforms such as Hotstar.com and Eros Now already have plans to experiment with original programming, similar to Netflix in the United States. While revenue models for these platforms will take another 2-3 years to evolve, they are focussed on building their business around subscription revenues and original programming is expected to be critical to ensure subscription revenues on digital platforms. Original programming for the digital medium is expected to grow to a reasonable size in the next 2-3 years. The TV audience

measurement system from BARC, proposed as an alternative to the current system being operated by TAM India, has been rolled out in April 2015.

Content producers are also capitalising on the cable digitisation drive and improving their business model. Digitisation has pushed content producers to invest more in content, upgrade content quality, offer customised and localised content and launch premium channels with reduced carriage fees. Furthermore, content producers are also increasingly recognising the need for owning IP rights. A majority of the TV programmes currently produced in India are commissioned, where IP rights for content and characters remain with the broadcaster. Owning of IP rights will help content producers to gain from multi-platform content monetisation through licensing content and formats in international markets, dubbed or remade versions on regional language channels and the digital media.

OUTLOOK FOR TV INDUSTRY

The Indian Television industry is expected to grow at a CAGR of 15.5% to reach ₹ 975 billion in 2019. Subscription revenue growth at an annualised growth rate of 16% is expected to outstrip the advertising revenue annualised revenue growth of 14% on the back of improving monetisation due to increasing digitisation. Also, the paid C&S subscriber base is expected to grow to 175 million by 2019, representing 90% of the households.

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INDIAN FILM INDUSTRY

The Indian film industry witnessed muted growth in 2014 in terms of content and box office collections. It grew by 0.9% to reach ₹ 126.4 billion during the year, marginally up from ₹ 125.3 billion in 2013. The main reasons behind a slow growth have been a lacklustre performance of the two key revenue segments – theatrical and cable & satellite rights.

Moving ahead, however, there is significant growth seen in the industry, backed by differentiated content, larger releases across digital screens and aggressive promotions by production houses. The box-office collections indicate audiences' growing appetite for differentiated content, which has resulted in a shift in industry focus from "blockbuster" movies to movies driven by "good quality, niche and thematic content".

Rapid development of digital infrastructure, including digital movie prints and expansion of multiplexes, helped content to reach the audiences in the most effective manner. Furthermore, formation of alliances between production houses from various regional markets enhanced availability of quality content through exchange of talent and movie remakes in different languages. Various family-run production houses, in order to expand while controlling costs, have started developing in-house producers and providing them with a platform to produce films. Increasing corporatisation of production houses has resulted in higher investment and focus on content development. Institutionalisation is leading the industry to become more prudent and structured, with greater emphasis on acquisition of script, planning, budgeting and financing activities.

DOMESTIC THEATRE

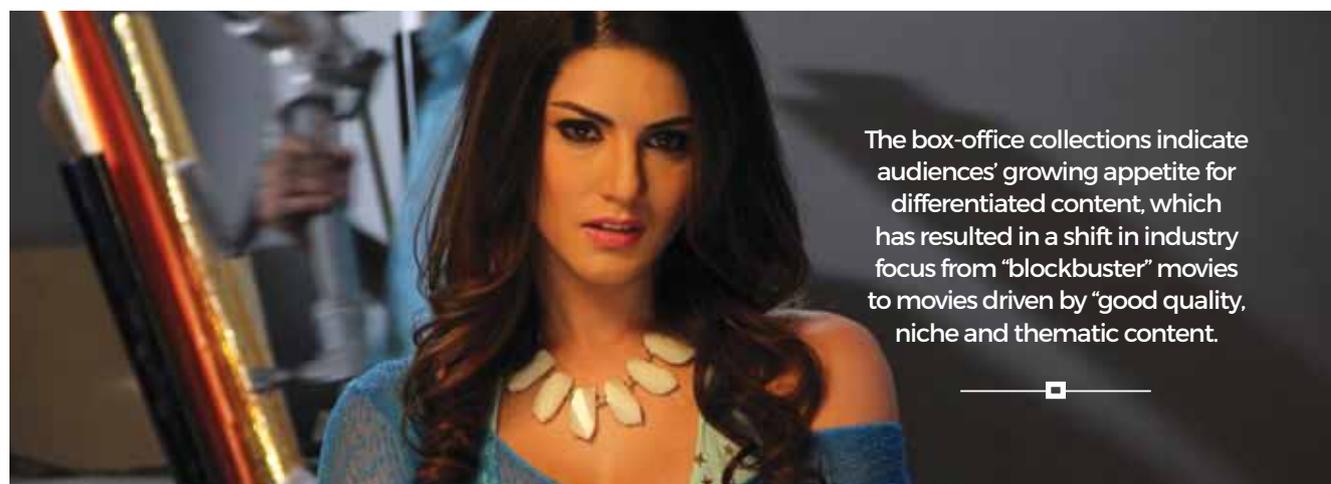
Domestic theatre revenues constitute a lion's share, contributing 74% of the industry's total revenue. Growth essentially remained nearly flat – from ₹ 93.4 billion in 2013 to ₹ 93.5 billion in 2014. During 2014, performance of the domestic theatre segment was affected owing to a drop in theatre footfalls in the first three quarters and slower growth in average ticket prices (ATP), resulting in poor performance. As per industry discussions, 2014's content did not deliver on par with 2013. While there were strong content-driven films which delivered high returns on investment, proportions of such movies were lesser compared to the previous year. Due to high ticket prices and with the availability of alternate entertainment platforms today, the audience has become more discerning when it comes to watching movies in theatres.

Figures in ₹ Billion

Performance of Indian Film Industry

Category	2010	2011	2012	2013	2014	Growth in 2014 over 2013 (%)
Domestic Theatrical	62.0	68.8	85.1	93.4	93.5	0.1%
Overseas Theatrical	6.6	6.9	7.6	8.3	8.6	3.5%
Home Video	2.3	2.0	1.7	1.4	1.2	-15.0%
Cable & Satellite Rights	8.3	10.5	12.6	15.2	14.7	-2.7%
Ancillary Revenue Segments	4.1	4.7	5.4	7.0	8.4	19.7%
Total	83.3	92.9	112.4	125.3	126.4	0.9%

Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015



The box-office collections indicate audiences' growing appetite for differentiated content, which has resulted in a shift in industry focus from "blockbuster" movies to movies driven by "good quality, niche and thematic content."





EXHIBITION

India is highly under-penetrated in terms of number of screens to people. There are only 7 screens per million people in India, compared to 125 screens in United States. The distribution of screens is highly concentrated in large urban centres with Mumbai, Delhi and Uttar Pradesh districts together constituting 60% of the box-office collections. However, these markets are now nearing a saturation point and the next wave of growth is expected to emanate from an expansion into Tier 2 & 3 cities, which can be tapped by capitalising on lower screen penetration. In 2014, around 100 screens were added by leading multiplex chains across the country.

OVERSEAS THEATRICAL

Overseas theatrical performed better than its domestic counterpart as it grew 3.5% in 2014 – up from ₹ 8.3 billion in 2013 to ₹ 8.6 billion, contributing 7% to the industry's net revenues. Indian films further widened their reach with the movie 'PK' being released across 6,000 screens worldwide. Besides the traditional

key markets of Middle East, North America and United States, constituting 70% of the overseas market, new geographies such as Lebanon, Iraq and Burma are being increasingly tapped. Middle East is ranked as the best performing market overseas registering 25-30% growth, even as the newer markets of Japan, China, South Korea and Peru continue to witness mushrooming demand.

CABLE & SATELLITE RIGHTS, HOME VIDEO & ANCILLARY REVENUE STREAMS

Cable & Satellite (C&S) rights represent the second-largest source of revenue in India's film industry with a share of 12%. Performance of this segment was disappointing as revenue from sale of C&S rights contracted 2.7% to ₹ 1,470 million in 2014. Broadcasters became increasingly judicious and took a tough stance against exorbitant prices demanded by filmmakers. The prime reasons for these are: a decline in viewership of TV premieres, 12 minutes ad-cap ruling, increased emphasis on non-film content, strong existing movie pipeline and lower-priced dubbed version of regional films. Due to rapid migration towards



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digital platforms, the home video segment continued spiralling downwards as the industry contracted by 14% from ₹ 1,400 million in 2013 to ₹ 1,200 million in 2014. The Ancillary Revenue Streams was the best performing segment which registered a growth of 19.7% from ₹ 7 billion to ₹ 8.4 billion, thereby increasing its share in the overall revenue pie.

INDUSTRY OUTLOOK FOR FILMS

In FY2015, the film industry saw growth improving by 7.8% to ₹ 136.3 billion, up from ₹ 126.4 billion in FY2014. Over the next few years, growth is expected to be driven by greater penetration of screens in Tier 2 & 3 cities, enhancement of advertising revenues, increased ticket sales and F&B spends as a result of rising disposable incomes of the Indian population. From 2016 onwards, the industry will see more traction and resume double-digit growth touching ₹ 204 billion in revenues by 2019, registering a CAGR growth of 10.6% between 2016 and 2019.

With positive demographics creating a large consumer base, strong macro-economic outlook, a pro-growth Government at the helm and a business-friendly regulatory environment, the requisite ingredients are in place to power the Indian M&E industry to greater heights. With a strong fundamental backdrop, the medium-term outlook for the sector is strong. It is poised to grow at a CAGR of 13.9% from ₹ 1,026 billion to touch ₹ 1,964 billion by 2019, a growth rate which is almost double that of the global M&E industry. This is led by an impressive growth of 30.2% CAGR in digital advertising and other sub-sectors growing between 8-18%.





Figures in ₹ Billion

Outlook of Indian Film Industry

Segments	2014	2015 P	2016 P	2017 P	2018 P	2019 P	CAGR 2014-19
Domestic Theatrical	93.5	99.9	113.6	123.5	133.7	145.1	9.2%
Overseas Theatrical	8.6	9.6	10.9	11.9	12.9	13.9	10.1%
Home Video	1.2	1.0	0.9	0.7	0.7	0.6	-12.2%
Cable & Satellite Rights	14.7	15.5	17.6	19.2	20.8	22.5	8.8%
Ancillary Revenue Segments	8.4	10.3	12.5	15.4	18.3	21.8	21.0%
Total	126.4	136.3	155.5	170.7	186.4	203.9	10.0%

Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015

Figures in ₹ Billion

Outlook of Indian Media & Entertainment Industry

Segments	2014	2015 P	2016 P	2017 P	2018 P	2019 P	CAGR 2014-19
TV	474.9	543.2	631.2	739.6	854.6	975.5	15.5%
Print	263.4	284.5	307.1	331.9	358	386.8	8.0%
Films	126.4	136.3	155.6	170.7	186.3	204	10.0%
Radio	17.2	19.6	22.3	27	32.7	39.5	18.1%
Music	9.8	10.4	12	14.2	16.9	18.9	14.0%
OOH	22.0	24.4	27.1	29.6	32.2	35.1	9.8%
Animation & VFX	44.9	51	58.7	68.5	80.6	95.5	16.3%
Gaming	23.5	27.5	31.8	35.4	40	45.8	14.3%
Digital Advertising	43.5	62.5	84	115.3	138.2	162.5	30.2%
Total	1026	1159	1330	1532	1740	1964	13.9%

Source: FICCI-KPMG Indian Media & Entertainment Industry Report, 2015



OUR TELEVISION BUSINESS

Being present in all categories of TV programming—Hindi GECs, youth-based entertainment, regional shows, and others, we are now edging deeper into each of these.



We maintain our leadership position in the TV business with adequate creative bandwidth, production capacity and financial capital to create top-rated shows for varied segments of the audience. Being present in all categories of TV programming, be it Hindi GECs, youth-based entertainment, regional shows, and others, we are now edging deeper into each of these categories. There are two significant changes, we have inculcated in the past few years. One is to create a comfortable script bank of 5-6 episodes for each show and two, we have become cost conscious and ensure maximum optimisation of our resources.



Shows on Air during FY2015

Name of the Show	Channel	Release Date (Running Since)	Current Status/ Running Till
Pavitra Rishta	Zee TV	1 June, 2009	25 October, 2014
Bade Achhe Lagte Hain	Sony	30 May, 2011	10 July, 2014
Jodha Akbar	Zee TV	18 June, 2013	On Air
Pavitra Bandhan	DD National	9 September, 2013	On Air
Ye Hai Mohabbatein	Star Plus	3 December, 2013	On Air
Ajeeb Daastaan Hai Ye	Life Ok	7 October, 2014	6 March, 2015
Kumkum Bhagya	Zee TV	15 April, 2014	On Air
Meri Aashiqui Tum Se Hi	Color's	24 June, 2014	On Air
Itna Karo Na Mujhe Pyaar	Sony TV	18 November, 2014	On Air
Gumraah Season 5	Channel V	22 March, 2015	On Air
Kalash - Ek Vishwaas	Life Ok	23 March, 2015	On Air
Nach Baliye 7	Star Plus	26 April, 2015	19 July, 2015

Our Upcoming TV Shows in FY2016

Name of the Show	Channel	Frequency of Broadcast	Expected Period of Launch
Nagin	Colors	1-Hour each show (Two times/Week)	To be Decided
To be Decided	Sony	4 days/Week	September 2015 104 Episode
Kuch To Hai Tere Mere Darmiyaan	Star Plus	Six days/Week	July 2015
To be Decided	Zee TV	Five days/Week	September 2015

OUR TELEVISION BUSINESS

TV SHOWS ON AIR DURING FY2015



NACH BALIYE-7

Premiered: April 2015

Hosted By: Rithvik Dhanjani and Karan Patel

Judges: Preity Zinta, Chetan Bhagat and Marzi Pestonji

Channel: Star Plus

Nach Baliye 7 is a dance competition where 11 celebrity couples compete against each other in their dance performances. The contestants dance to a different tune, theme and style every week and gain scores from the judges. Each week, one couple is eliminated based on public voting and the judges scores.

JODHA AKBAR

Premiered: June 2013

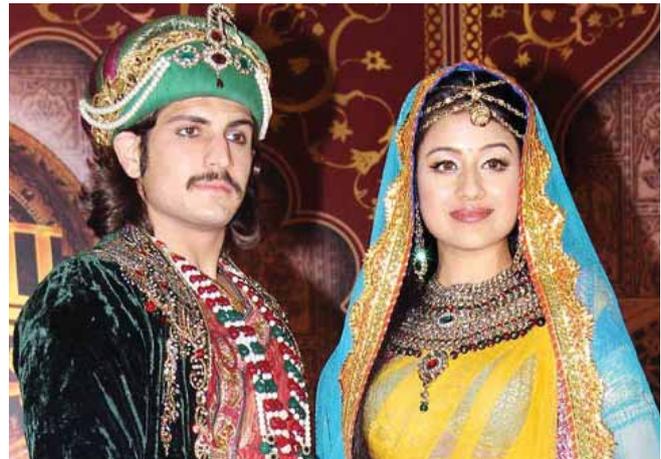
Lead Actors: Rajat Tokas, Paridhi Sharma, Chetan Hansraj

Genre: Historical Love story

Channel: Zee TV

Episodes Completed: 473 (As on March 31, 2015)

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



KUMKUM BHAGYA

Premiered: April 2014

Lead Actors: Shabbir Ahluwalia, Sriti Jha

Genre: Family Drama

Channel: Zee TV

Episodes Completed: 253 (As on March 31, 2015)

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



YE HAI MOHHABATEIN

Premiered: December 2013

Lead Actors: Karan Patel, Divyanka Tripathi

Genre: Drama

Channel: Star Plus

Episodes Completed: 404 (As on March 31, 2015)

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



PAVITRA BANDHAN

Premiered: September 2013

Lead Actors: Yash Tonk,
Hritu Dudani

Genre: Family Drama

Channel: DD National

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



MERI ASHIQUI TUM SE HI

Premiered: June 2014

Lead Actors: Shakti Arora,
Radhika Madan

Genre: Love Story

Channel: Colors

Episodes Completed: 211 (As on March 31, 2015)



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

OUR TELEVISION BUSINESS

TV SHOWS ON AIR DURING FY2015



ITNA KARO NA MUJHE PYAAR

Premiered: November 2014

Genre: Soap Opera

Actors: Ronit Roy, Pallavi Kulkarni

Channel: Sony

Episodes Completed: 77 (As on March 31, 2015)

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

KALASH - EK VISHWAAS

Premiered: March 2015

Genre: Indian Soap Opera, Drama

Actors: Krip Suri, Aparna Dixit, Neena Cheena

Episodes Completed: 7 (As on March 31, 2015)

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



GUMRAAH - SEASON 4

Premiered: August 2014

Genre: Scripted Reality

Anchor: Karanveer Bohra

Episodes Completed: 35
(As on March 31, 2015)

GUMRAAH - SEASON 5

Premiered: March 2015

Genre: Scripted Reality

Anchor: Karan Patel

Channel: Channel V

of Episodes Completed: 3
(As on March 31, 2015)

Gumraah is a scripted reality show inspired from real-life events of teenagers. It is a teenage crime series where innocent boys and girls select the wrong path due to internal or external pressures. Owing to peer pressure, jealousy, greed, envy, sloth and wrath, they end up committing a serious lawful crime.



SHOWS THAT ENDED DURING FY2015

BADE ACHHE LAGTE HAIN

Premiered: May 2011

Show Ended In: July 2014

Lead Actors: Ram Kapoor, Sakshi Tanwar

Genre: Mature love story

Channel: Sony TV

Bade Achhe Lagte Hain, which came off air in July 2014, was a love story between two completely different kind of people, Ram Kapoor and Priya

Sharma. Ram Kapoor was a well-reputed, rich and powerful businessman in his early 40s, while Priya was from a middle-class family and was sensible, philosophical and mature. The story was based on how their dislike for each other slowly changed to respect, and eventually love. However, every time Priya and Ram grew closer, situations drove them apart. After story took a 20-year leap, their daughter Pihu and several other antagonists were introduced. The show ended with how their love stood the test of time.

PAVITRA RISHTA

Premiered: June 2009

Show Ended In: October 2014

Lead Actors: Hiten Tejwani, Ankita Lokhande, Karan Mehra

Genre: Family Drama

Channel: Zee TV

Pavitra Rishta was the story of Manav Deshmukh, a mechanic, and his wife Archana, an uneducated young

woman, and how they fell in love and marry each other. Following an 18-year leap, the story showcased the lives of their children, adopted daughter Purvi and her marriage with business tycoon Arjun Digvijay Kirloskar. After another 20-year leap, the story focused on their grown-up grand-children. It showed the marriage of the daughter of Sohan, Manav and Archana's son; and that of their grand-daughter Ankita with business tycoon Naren Karmarkar.

AJEEB DAASTAN HAI YE

Premiered: October 2014

Show Ended In: March 2015

Lead Actors: Sonali Bendre, Apurva Agnihotri

Genre: Family Drama

Channel: Life OK

Ajeeb Daastan Hai Ye is about a woman in love with her husband, but she discovers that he had been cheating on her when he gets caught in a sexual scandal. As he lands in jail, the wife takes up a job where she develops a connection with her boss. It is a funny rhetoric connection called friendship and is completely non-sexual. He too finds a friend in her and there is a deep mental connection between them.

YE DIL SUN RAHA HAI

Premiered: October 2014

Show Ended In: February 2015

Lead Actors: Navi Bhangu, Aparna Dixit

Genre: Love Story

Channel: Sony

Yeh Dil Sun Raha Hai is an intense love story of two lovers set in Patna, Bihar who are destined to never come together. Purvi, the daughter of two IAS Officers, is an educated and highly moralistic person. Arjun is everything she always despised – uncouth, uneducated, sexist and the son of Baccha Yadav, a political goon. The serial explores the love story between these two protagonists who study in the same college. As life moves ahead, the two fall in love with each other, only to be separated again by luck.

OUR TELEVISION BUSINESS

OUR NEW GROWTH PILLARS

Continuing our entrepreneurial approach, we have formulated a business strategy to set up newer ventures by entering into collaborative deals with strategic partners. Thus, in addition to tv (balaji telefilms limited), movies (balaji motion pictures limited) and short-format series (bolt media), we are leveraging our other key strengths to captivate our audiences through new show formats.

EVENTS MEDIA LLP

Incorporated on October 1, 2014, Events Media LLP is a Limited Liability Partnership (LLP) registered under the Limited Liability Partnership Act, 2008. Balaji Telefilms Limited (BTL) and Select Media Holdings Private Limited are the dual partners in the event management firm with BTL having a controlling stake. During the year, BTL and Events Media LLP joined hands to produce the Star Box Office India Awards, 2014. Events Media will be engaged in organising and/or managing all kinds of events, including events relating to film and TV industry. This also includes creation of new intellectual property or value addition and events related to Films & TV Awards, Promotional Events and other events related to the Film & TV industry. Events Media LLP is a sunrise venture which enables BTL to make a foray into an allied segment of Event Management. It also facilitates BTL in creating a new IP in the promising sector and monetising a growing market with low-risk culpability. To begin with, Event Media produced and broadcasted shows on Valentine's Day and Mother's Day.

MARINATING FILMS PRIVATE LIMITED

During the year, BTL bought a 51% stake in Mumbai-based Marinating Films Private Limited. Marinating Films owns the concept, format and all proprietary rights and intellectual property rights in Box Cricket League (BCL), The Indian Telly Calender (ITC) and Television Style Awards (TSA) and organises these on a yearly basis. The Box Cricket League is an interesting IP with 8 teams owned by different celebrities. These are an interesting mix of people including RJs, sports commentators, and some ex-players. The format has both male and female stars playing on-field together, catapulting the drama and entertainment to new heights.

CHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED

We set up a new subsidiary during the year – Chhayabani Balaji Entertainment Private Limited, in partnership with the Kolkata-based Chhayabani Private Limited. The collaboration aims to promote the best of creative talent by exploring new formats of television content, presentation and also creating new creative opportunities from both the industries. Chhayabani has a glorious past of producing extremely notable films from equally notable directors in the past which have been award winners and also hold rights to at least 250 Bengali films.

OUR NEW PROPERTIES

BOX CRICKET LEAGUE

Box Cricket League (BCL) is a celebrity sports reality show where cricket is played indoors in a box with a soft ball. With teams named after cities, the players battle it out in these 10-over matches with an interesting challenging over mid-inning. Having its own set of rules, BCL is the first cricket tournament which involves heavy participation from female members who are not mere cheerleaders, but leaders in the game.

Release Date: December 14, 2014

Channel: Sony TV

TELEVISION STYLE AWARDS

Television Style Awards is the first-ever award show that acknowledges the style quotient of the Indian TV industry both on and off screen. With a jury comprising famous industry names, the award show was attended by the industry bigwigs. It was hosted by Karan Johar and Manish Paul. Following some mesmerising performances, the Brand EK was also launched amidst much fanfare.

Release Date: May 03, 2015

Channel: Colors

THE STAR BOX OFFICE AWARDS

Star Box Office Awards' takes into account the achievements of Hindi films based on their performance at the box office .



TELLY CALENDAR (NON-TELEVISED)

Telly Calendar features the top female faces of the Indian television industry, who ruled the roost in the past year. Each year, the calendar divas tour exotic locations and treat their audiences to an annual fair of style and beauty. Telly Calendar 2015 has been shot amidst the scenic locales of Jordan, which is famous for its new 7th Wonder of the World – Petra.



STAR VALENTINE'S DAY

Star Valentine's Day was telecast on February 15, 2015 on Star Plus channel to celebrate Valentine's Day, with *Muskurane Ki Wajah Tum Ho* as the theme. Several Bollywood actors and stars who participated in the event were: Jacqueline Fernandez, Varun Dhawan, Divyanka Tripathi, Karan Patel, Shivin Narang, Farnaz Shetty, Sahil Mehta, Shamata Anchan, Rohan Gandotra, Sahil Salathia, Karan Wahi and Mihika Verma.

THANK YOU MAA

Mother's Day was celebrated by creating a special show Thank You Maa which was telecast on Star Plus. The show had actors and stars from Bollywood and Indian television performing to pay tribute to their respective mothers and all the mothers in the world.





NEW FRONTIERS RENEWED VISION

We are concentrating on short format, high concept and non-fiction shows. We are making programming more relevant to the new audiences.





BOLT MEDIA: RIDING IT OUT WITH STRENGTH AND STABILITY

DIGITAL... THE SPACE TO BE IN

Digital is a critical space we have clearly identified for ourselves. Our aim is to constantly enhance our incremental equity and profits in the digital space. We are stepping on the gas in this segment through creating quality programming. Some of our achievements in the digital segments are:

- A special 100-part web series “*Kelloggs Wale Guptaji ki Family*”. Aired in March, the show has already garnered rave reviews hitting over 5 million views in a month. With reputed chef Ajay Chopra, the show displays recipes where Kelloggs is used as a key ingredient through hypothetical situations.
- A two-part documentary series for National Geographic channel based on the 1990s. Besides archival footage on the 1990s, eminent personalities such as P. Chidambaram, Ram Gopal Verma, Rajdeep Sardesai, Diya Mirza, Pankaj Kapoor, Shekhar Suman, Uday Shankar, among others, provide a retrospective landmark, social and political view on the decade.
- A digital and print campaign on Sonata Watches included creating pictures for PoP, working on the catalogue/ brochure for their festive line of merchandise with Karan Kundra and Kritika Kamra.

In the last two years of operations, we have established ourselves well. We not only managed to create our niche space in a competitive environment, but gradually became a force to reckon with. During the year, we aired *Ye Jawaani Tara Riri* on Channel V, *Dharmakshetra* and *Rakht* on EPIC channel. After two full years of operations, we are poised to move ahead with financial stability and hope to enhance our top line in the year ahead.

With the first season of *Love by Chance* gaining a 10-week extension, we are looking at Season 2 of the franchisee. We are hoping to move towards becoming an identifiable and recognisable entity “doing different things differently”.





We are getting new talent on board, tapping new verticals and diversifying into new genres of business. We are making programming more relevant to audiences.



We are in the business of telling stories. Our sole aim is to create content that connects with the hopes and lives of people watching at home. We are focussed on developing a robust, deep internal creative engine, which will be best-in-class when it comes to ideation. For us, entertainment is about creating core IP through drama and formats. We are stepping up our content values

in big-tickets genres – youth and reality TV shows. We are creating a platform for a more diversified offering catering to varied interests and attracting bigger audiences.

The profile of entertainment has changed. GEC is gradually becoming Niche Entertainment Channel (NEC), which is a large section and a mainstream channel of the viewing experience. We have established substantial leadership in every genre and learnt the fine art of anticipating viewers' interest. We provide the next level of interactive programming by reinventing TV and catering to a wide variety of audiences.

OUR BUSINESS STRATEGIES IN TELEVISION

Creating a wide variety of engaging TV programming and audience experiences, keeping pace with the digital age

NEW-AGE FICTION

Besides creating mass-market dramas for the Hindi GEC segment, we are also focusing our energies on reality shows. While our core business is to create content for fiction programming, we are gradually tapping the mainstream non-fiction segment. *Nach Baliye 7*, a high-gloss weekly dance format show on Star Plus, is a revolutionary show combining two different formats of Dance and Reality. Contestants will not only perform to encapsulate the audiences, their footage will be captured and broadcasted, akin the Big Boss show. With this, we foray into the non-fiction segment as a credible player.

FORAY INTO REGIONAL CONTENT

We are gradually moving into regional content by tying up with locally operating partners as our entry strategy. To begin with, we have joined hands with Kolkata-based Chhayabani Private Limited to form Chhayabani Balaji Entertainment Private Limited to produce fresh content in Bengali for Zee Bangla. Going forward, we may look at using our existing Hindi content for regional channels. For example, there are plans to broadcast *Kumkum Bhagya* on Zee Bangla. We are also looking at tie-ups in the regional market in South India, which will yield 3-4 shows.

Our plan is to have 3-5 shows each in Bengali and Southern languages by the end of FY2016.

FOCUSSING ON SHORT FORMAT SERIES

We are concentrating on short format, high concept and non-fiction shows. Our upcoming TV shows are radically different. They are aimed towards appealing to the existing audiences and winning new audiences. Our overall basket of assorted shows now contains a good mix of different genres such as thrillers, crime and youth in the format of short series. Our youth-based entertainment shows and the niche content it displays are well appreciated. This is encouraging us to come up with different seasons. We have done four successful seasons of *Gumraah*:

End of Innocence on Channel V based on teen crime in association with Lost Boy Productions and are now working on Season 5. The Confessions of an Indian Teenager earlier launched on MTV Webbed was also highly appreciated.

LEVERAGING GEN-Y

We are making programming more relevant to the new audiences. Our youth-based shows such as *Gumraah*, MTV Webbed and Confessions of an Indian Teenager, which ran during the year under review, are extremely popular among the younger generation.

Although, we are already the No. 1 television producer in India, there is certainly more headroom available for future growth. We are getting new talent on board, tapping new verticals and diversifying into new genres of business.



OUR BUSINESS STRATEGIES IN TELEVISION

Building new properties through creative collaboration to develop strong brand equity

We are looking to do things differently. Our aim is to continue to aggregate larger audiences and deliver important momentum by bringing a novelty factor in TV entertainment. We are creating content of affinity and one that drives audiences by entering into strategic partnerships. We wish to do high impact, finite shows with mass appeal. We are creating IP that has the potential to be monetised. We are building an unparalleled franchise in creation of television content and developing strong brand equity.

CREATIVE COLLABORATION

Collaboration is the “action of the hour”. At BTL, we are entering into production deals, bringing great strength to our existing catalogue of content. Our co-production tie-ups also bring us unprecedented access to our partners’ catalogue in the past and future. We are positioning ourselves as the “Go to People” for creative energy and access to attain scalability in business. We are actively collaborating by hiring external creative talent and having them lead projects by way of tripartite agreements. While BTL creates ideas, bank rolls and produces them, all the creative work is handled by an external Creative Director who acts as the interface for channels and broadcasters.

OUR SLOT CHANGERS BUILDING NEW PROPERTIES

Of the 8 daily shows currently on air, 4 are slot leaders and aired during prime time. *Ye Hai Mohhabatein* is our top-rated show on Star Plus. Being run on two parallel slots at 7.30 pm and 11.30 pm, the show rakes in a TRP of 4.8 and 1.5, respectively. *Jodha Akbar* and *Kumkum Bhagya* are the top-rated shows on Zee TV. *Meri Ashiqui Tumse Hi* is running as the No 2 show on Colors, while *Itna Karo na Mujhe Pyar* on Sony is slowly picking up among audiences. *Meri Ashiqui Tumse Hi* and *Kumkum Bhagya* have TRP ratings of 3-plus.

MOVING AHEAD

With our audiences patronising the Balaji brand, our key focus is to improve our bottom line during FY2016. We aim to be more process-driven, rather than personality-driven. With changing dynamics of the industry, we are aiming to capitalise our capabilities in making high-concept fiction and non-fiction shows. To begin with, we are coming up with a high concept, high fiction show for Star TV. We are confident of the ratings of our news shows, especially reality based shows.

Another completely different segment we are aggressively tapping on TV is events. We have joined hands with Marinating Films Private Limited for producing Television Style Awards (TV awards), Box Cricket League and Tele Calendar with TV actors. In addition to this, we formed Event Media LLP for Box Office Awards (for movies), with BTL owning 50% of the award IP. Box Office and TV Style Awards will be our IP retained for this annual event. Moving ahead, Box Cricket League may be pushed in regional markets too.

EXCITING FUTURE PIPELINE

We are scaling higher year-on-year with at least 6-7 new shows launched each year. For FY2016, we have an exciting pipeline of nearly 6 shows to be aired. This includes shows for Sony, Colors, Life Ok, Star Plus and other channels. We are also working on impactful mini-series which will run between August 15 and January 26. This apart, we are also working on a comedy show, much on the lines of the Great Indian Laughter Challenge. Not leaving any stone unturned, we are producing content for televised events too. With our show on Valentine’s Day being a great hit, we repeated the magic with Mother’s Day.





OUR MOVIES BUSINESS

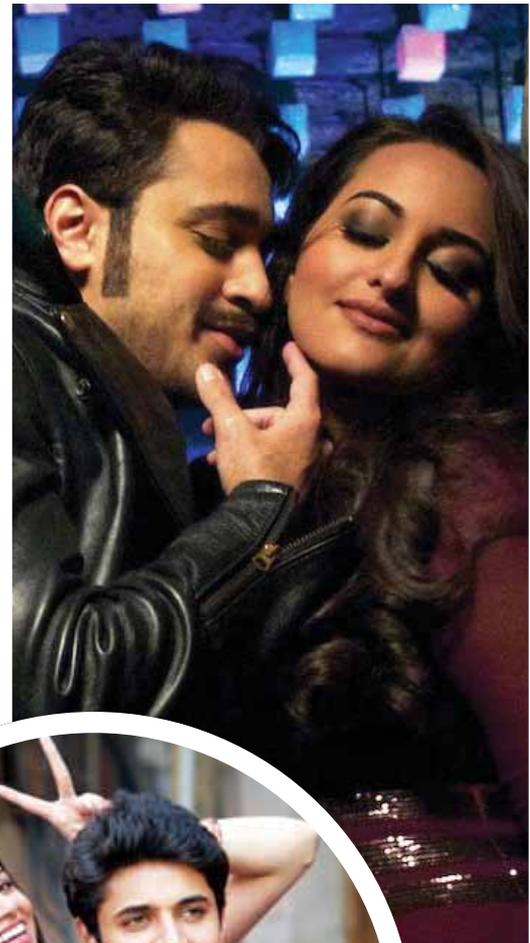
While Balaji Motion Picture Limited showcased our strengths in unparalleled cinema, a 20-year BTL legacy and strong story-telling, the ALT segment displayed our capabilities in edgy and irreverently young movies.



Balaji Motion Pictures Limited (BMPL), the films division of Balaji Telefilms Limited, spent FY2015 in introspection, solid planning and in renegotiating of deals. During the year, we passed through a learning curve and focussed our energies on understanding the science behind the art of making movies. Faced with a huge correction in satellite pricing, we stepped back and looked at the future. During the year, we produced and released *Kuku Mathur Ki Jhand Ho Gai*, *Main Tera Hero* and *Ek Villain*, and all these movies were profitable. Our best revenue-generating asset was *Ek Villain* with a box office collection of over ₹ 100 crore.

We are in a good space with our movies business with the

right marketing, branding and distribution power. While BMPL showcased our strengths in unparalleled cinema and strong story-telling, the ALT segment displayed our capabilities in edgy and irreverently young movies. We are working on becoming a trend-setting studio and getting our slate right to release at least one movie each quarter. What other studio houses achieve with big stars, we plan to achieve the same with big ideas. We are derisking our business by getting into a profit sharing model with directors and actors. Also, we are distributing our own movies to further derisk our business.



OUR MOVIES BUSINESS

MOVIES RELEASED IN FY2015



KUKU MATHUR KI JHAND HO GAI

Release Date: May 30, 2014

Genre: Comedy, Drama

Actors: Siddharth Gupta, Ashish Juneja, Simran Kaur Mundi

Produced By: Balaji Motion Pictures & Getaway Films

Director: Aman Verma

Kuku Mathur Ki Jhand Ho Gayi (KMKJHG) is an entertaining slice of life feature, revolving around two friends Kuku Mathur and Ronnie Gulati in a suburban middle class colony of Delhi. After passing their Class 12 exams, they dream of accomplishing great things in future. But their destiny has something completely different in store for them. The crux of this charming and heart-warming coming-of age movie is about friendship in the modern times.

MAIN TERA HERO

Release Date: April 4, 2014

Genre: A Romantic Action-Comedy

Actors: Varun Dhawan, Ileana D'Cruz, Nargis Fakhri

Produced By: Balaji Motion Pictures Limited

Director: David Dhawan

Main Tera Hero is the story of 21 year-old Seenu, who falls in love with Sunaina. As their love affair begins, Sunaina gets kidnapped by a don in Bangkok called Vikrant. In a twist to the tale, Vikrant's daughter is also in love with Seenu. This crazy love triangle, layered with the impeccable comic timing of David Dhawan, became one of the most entertaining movies of 2015.



EK VILLAIN

Release Date: June 27, 2014

Genre: Romance, Thriller

Actors: Sidharth Malhotra, Shraddha Kapoor, Riteish Deshmukh

Produced By: Balaji Motion Pictures

Director: Mohit Suri



Guru is a quiet, tough and ruthless man with a dark past. He meets the "happy-go-lucky" Aisha who suffers from a terminal illness. Guru helps her complete her bucket list and in process falls in love with her. They eventually get married. Aisha's health improves and she even conceives a baby. But soon doom casts over their little heaven when a serial killer on the loose Rakesh Mahadkar kills Aisha. The rest of the story is about how Guru gets even with Aisha's killer. This blockbuster also became the biggest revenue generator for the production house.

MOVIES TO BE RELEASED IN FY2016



X.X.X

Release Date: March 2016

Genre: Erotica

Actors: Kyra Dutt, Ritwick Dhanjani, Aparna Sharma, Priyanca Talukdar, Meherzan and Aadar Malik

Produced By: Balaji Motion Pictures Limited

Director: Ken Ghosh

XXX is India's first mainstream erotica movie with five stories themed around sex, but with a cunning twist at the end that will leave the audiences on the edge of their seats. The film opens on a dark desolate highway with a young man driving towards his destination. On the way, he bumps into a woman straight out of his fantasies. She is in need of help and the young man offers to be her knight in shining armour. Sexy and charming in equal measure, the woman is friendly but unyielding and has a striking air of mystery about her that fuels the young man's ambition of a sexual conquest. They start narrating arousing tales to each other in the course of their journey. However as the game of stories climaxes and the woman reaches her destination, we realise things aren't really what they seem. Both the young woman and the man have a sexual agenda and are hell bent on getting what they want from each other in this game of sexual one upmanship.

KYAA KOOL HAI HUM 3

Release Date: December 2015

Genre: Sex Comedy

Actors: Tusshar Kapoor, Aftab Shivdasani, Krushna Abhishek, Mandana Karimi

Produced By: Balaji Motion Pictures Limited

Director: Umesh Ghadge

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

AZHAR

Release Date: May 2016

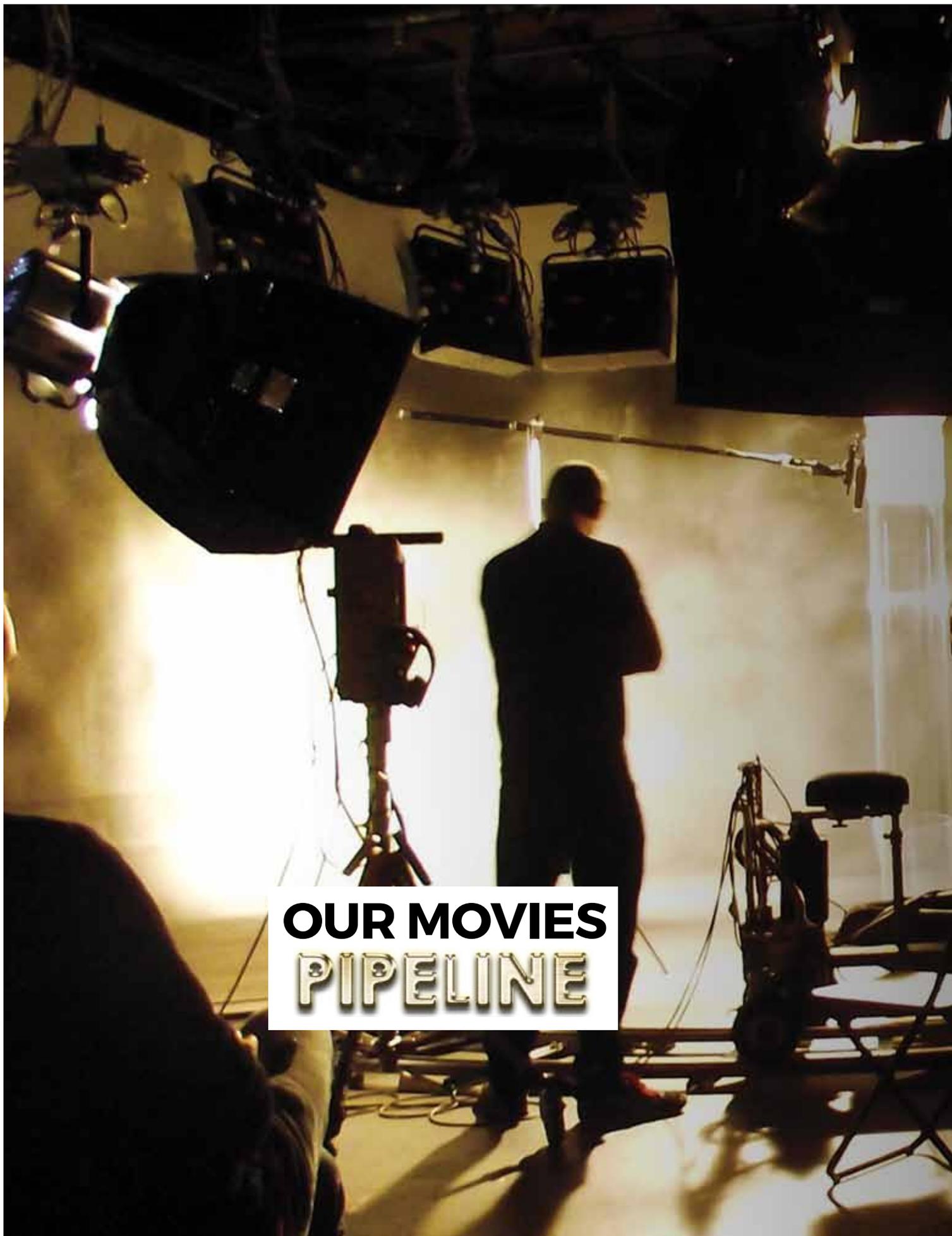
Genre: Drama

Actors: Emraan Hashmi, Prachi Desai, Nimrat Kaur

Produced By: Balaji Motion Pictures Limited

Director: Tony D Souza

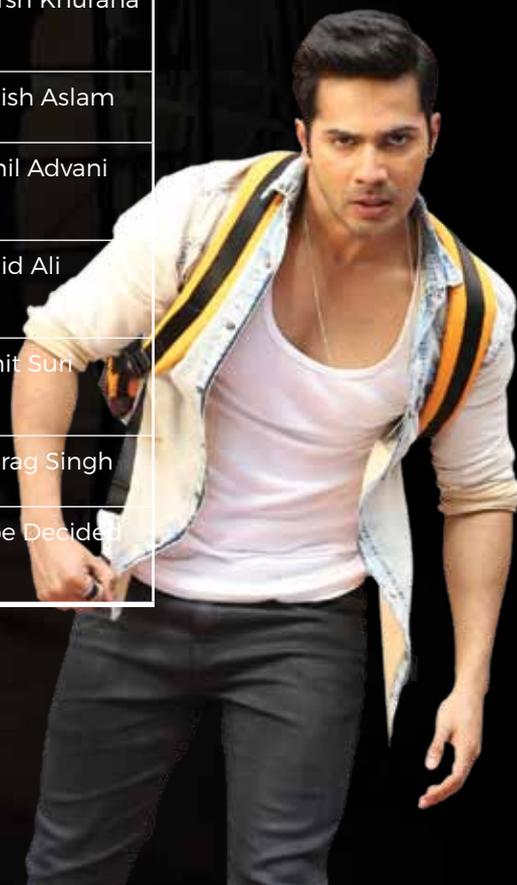
'Azhar' is a rhetoric journey of a once celebrated hero (Mohammad Azharuddin) and the contradiction of his questioned highs and self-sustained lows. In a country where cricket is no lesser than a religion that unites, 'Azhar' (portrayed by Emraan Hashmi), is given an additional responsibility of being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



**OUR MOVIES
PIPELINE**

MOVIES IN THE PIPELINE (FY2016 - FY2017)

Movie	Genre	Produced By	Director	Actors
Grand Masti 3	Paranormal Sex Comedy	Maruti Films and Balaji Motion Pictures	Inder Kumar	Ritesh Deshmukh, Aftab Shivdasani and Vivek Oberoi
Udta Punjab	Drama	Balaji Motion Pictures and Phantom Films	Abhishek Chaubey	Shahid Kapoor, Kareena Kapoor Khan, Alia Bhatt and Diljit Dosanjh
A Flying Jatt	Super Hero Action, Comedy	Balaji Motion Pictures	Remo D Souza	Tiger Shroff, Jaqueline Fernandes
Suspect X	Thriller	Boundscript Films, Balaji Motion Pictures, Illuminati Films	Sujoy Ghosh	Kangana Ranaut, Saif Ali Khan, Nawazuddin Siddiqui
Bhoole Se Naam Na Lo Pyaar Ka	Romance	Balaji Motion Pictures	Tigmanshu Dhulia	Imraan Khan
Naatak	Crime Thriller	Anurag Basu Productions and Balaji Motion Pictures	Akarsh Khurana	
Toxic	Thriller	Balaji Motion Pictures	Danish Aslam	
Bazaar	Drama	Balaji Motion Pictures and Abundantia Entertainment	Nikhil Advani	
Laila Majnu	Romantic Drama	Balaji Motion Pictures and Highway Films	Saajid Ali	
Half Girlfriend	Romantic Comedy	Balaji Motion Pictures, Mohit Suri and Chetan Bhagat	Mohit Suri	
Silver Jubilee	Romance	Balaji Motion Pictures	Anurag Singh	
Veeray Di Wedding	Romantic Comedy	Anil Kapoor Films and Balaji Motion Pictures	To be Decided	



OUR BUSINESS STRATEGIES IN MOVIES

Optimising our creative strengths to build the pipeline and maintain our film studio vision

Our key growth driver has been innovative ideas and storyline that are appealing and catering to mass sensibilities – whether in TV or films. Movies and TV shows with strong and differentiated content are getting appreciated, proving the audiences’ maturity. We are proud of our script bank and creatives. We realise that a good idea and script sells. Our small-budget and edgy movies such as *Ragini MMS 1*, *Ragini MMS 2* and *Ek Thi Daayan*, among others, have collectively rewritten box-office rules in the entertainment industry. We will continue to leverage on our creative sensibilities in the years ahead to create out-of-the-box products.

We are adopting a studio approach towards movies to cover our costs. With a 3-tier approach – year for release, production and incubation – we are aiming to release at list

one move a quarter. We are working on our genre potential. We are taking up projects with clarity on what we are aiming to achieve from them. We are in the process of building franchises, creating characters and focussing on genres.

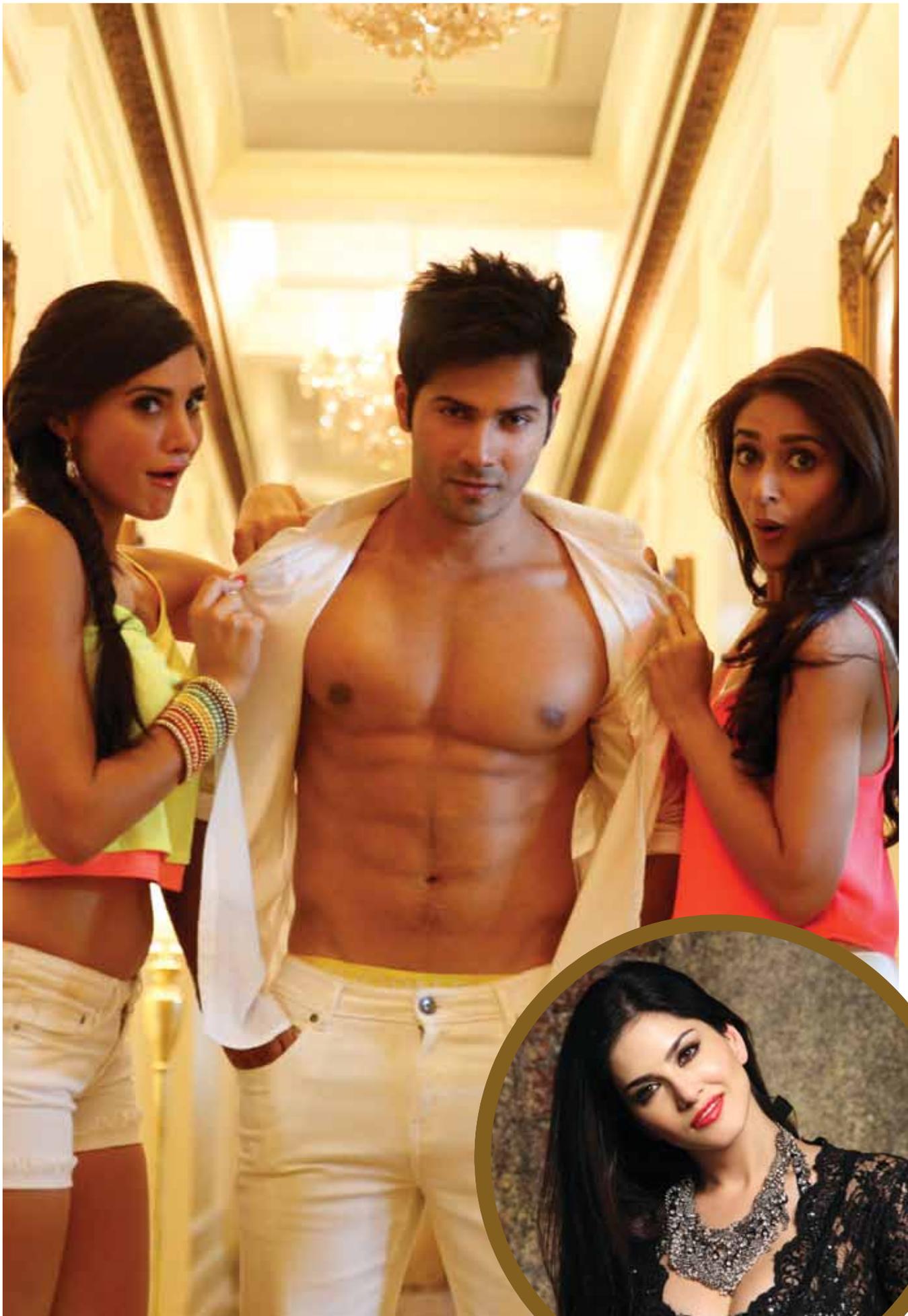
AN EXCITING PIPELINE

We have put together a strong line-up with great variety. A significant ramp-up in our slate demonstrates the seriousness and passion with which we are growing the movies business. We believe that an equal focus on co-productions and acquired properties is not only a financially prudent approach for us, but should also accelerate our growth momentum. Our future movie slate is strong, which has been a result of solid planning. We shall have a total of

8-10 movie releases in FY2017. These movies are with concepts as diverse as a cricket biopic, a youth erotic franchise, a movie based on a novel by Chetan Bhagat and one with Mohit Suri as a first time producer. In the immediate future, we are co-producing *Udta Punjab* with Phantom Films, starring Shahid Kapoor and Kareena Kapoor. With Emraan Hashmi, we are creating a biopic on cricketer Azharuddin. We are also looking to leverage our franchise value by exploring sequels of *Kya Kool Hain Hum*. We are also joining hands with Imtiaz Ali for an iconic love story with two newcomers. In addition to this, we are also producing a superhero franchise.

We have put together a strong line-up with a lot of variety. The significant ramp-up in our slate demonstrates the seriousness and passion with which we are growing the movie business.





OUR BUSINESS STRATEGIES IN MOVIES

Moving to the next level of building the movies business

Our movies business will be our prime area of growth. We are ready to move to the next level to scale up the business and get more collaborative - nationally and internationally. Our plan is to become a powerhouse which can generate content for all genres of media by encashing our inherent strengths. Our pipeline will include small, medium and big-budget films and our exciting content portfolio comprises more than 25 movies. We have creative ingenuity, a knack of spotting powerful content and a zeal to make good films.

We are heading towards a golden era with strong content-oriented films. As India's leading content creators, we are hands-on in considering new content opportunities in movies and looking at newer ways of reaching the consumer. We wish to deliver

compelling and quality content and focus on translating viewers' aspirations into vibrant realities. As a content-driven studio, we believe in making engaging and entertaining feature films.

BUILDING FOR THE FUTURE

We have over 8-10 movies lined up for release in FY2017. Moving ahead, our aim is to release at least one movie per quarter to build our string of successes. We wish to gain credibility as an established production house and win audiences across age groups with diverse subjects and different genres. Our aim is to emerge as one of the Top 5 movie production houses in India, with a strategic thrust on sequels, and exploring different models of production. Our movies enable us to evolve as a full-fledged studio and media powerhouse.

We are in a good space for our movies business with the right marketing, branding and distribution power. We are derisking our business by getting into a profit sharing model with directors and actors. Also, we are distributing our own movies to further derisk our business.

CAPITALISING ON DIGITAL REVOLUTION

We are capitalising the opportunity to create our own IP and making genuine B2C content for this totally new genre which is the digital platform such as Video on Demand (VOD) which allows consumers to pay for consuming the content. With most top-end shows on YouTube being Balaji teleserials, we foresee a vast opportunity in creating fresh content with edgier, younger stories.







KEY FOCUS AREAS FOR FY2016

We treat each of our movies as persons and not products. For us, each movie we produce has certain strengths, attributes and weaknesses. Our strategy is to create AFPs or standalone properties for each movie.



INVENTIVE AND CLUTTER-FREE MARKETING

Crafting powerful and unique content marketing strategies for our upcoming movies

Movie marketing is all about the art and science of convincing consumers to buy movie tickets. We craft powerful and unique content marketing strategies for our upcoming movies. We revolutionise the regular mediums of marketing and try to be as innovative as possible in the medium itself.

We break our own templates and go by the belief that creating visibility and buzz are the only ways to click. We follow a two-tier strategy for marketing to cater to the youth and another distinct kind of audience that cannot be divided geographically, but psychologically. Our objective is to ensure the marketing campaigns do not alienate people. Our campaigns become conversation drivers. We treat each of our movies as persons and not products. For us, each movie we produce has certain strengths, attributes and weaknesses. Our strategy is to create AFPs or standalone properties for each movie.

As a creative studio, we are research junkies, and do not follow trends. We push the envelope and look at a multi-fold approach to market our movies. We strongly believe that trade perception is always hugely different from consumer perception. We understand the universe for films is much larger than the trade in Mumbai and look at deeper territories to penetrate. Before a movie release, we work around

how every actor is seen and perceived. We position our actors in a certain way and make them our mouthpiece. More importantly, we begin marketing of our movies much in advance since we believe in creating perceptions.

KEY MARKETING STRATEGIES

CREATING PERCEPTION:

Ragini MMS 2 being an edgy and bold movie falling in the horrex category, we positioned it differently. We catapulted the actress Sunny Leone in the minds of the audience and created her perception as the “fantasy woman”.

USER-GENERATED CONTENT

Through user generated content, we created spoofs around the song Baby Doll.

SHOULDER CONTENT

We did a cage dance with Sunny Leone in every metro city.

CREATING AFPs

For *Ek Villain*, we created a property with the actor Siddharth Malhotra showcasing 11 villains of Bollywood.

ETIQUETTE PROMOS

We leveraged this category for *Once Upon a Time in Mumbai Dobaara*. For *Ragini MMS 2*, a clip was created with the actress telling audiences “Think Dirty, don’t do dirty”.

GUERRILLA MARKETING

For *Ek Villain*, we adopted the technique of guerrilla marketing in the metro cities of Mumbai, Delhi and Bangalore. Men wearing guerrilla attire roamed around malls and other public places subtly indicating the movie’s key message “darkness can be lurking around anywhere.”



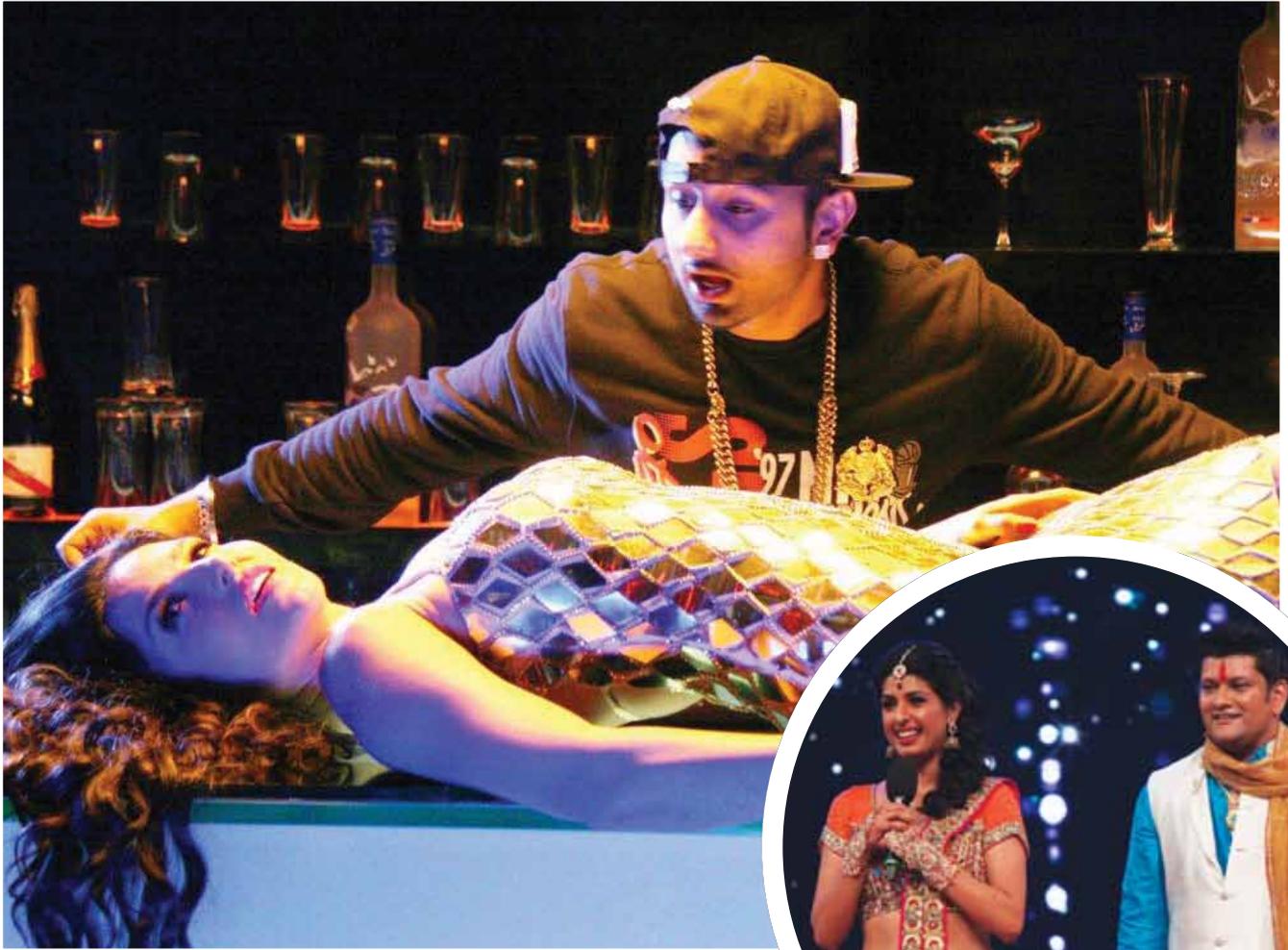
BUILDING THE VALUE CHAIN BY LEVERAGING THE DIGITAL PLATFORM



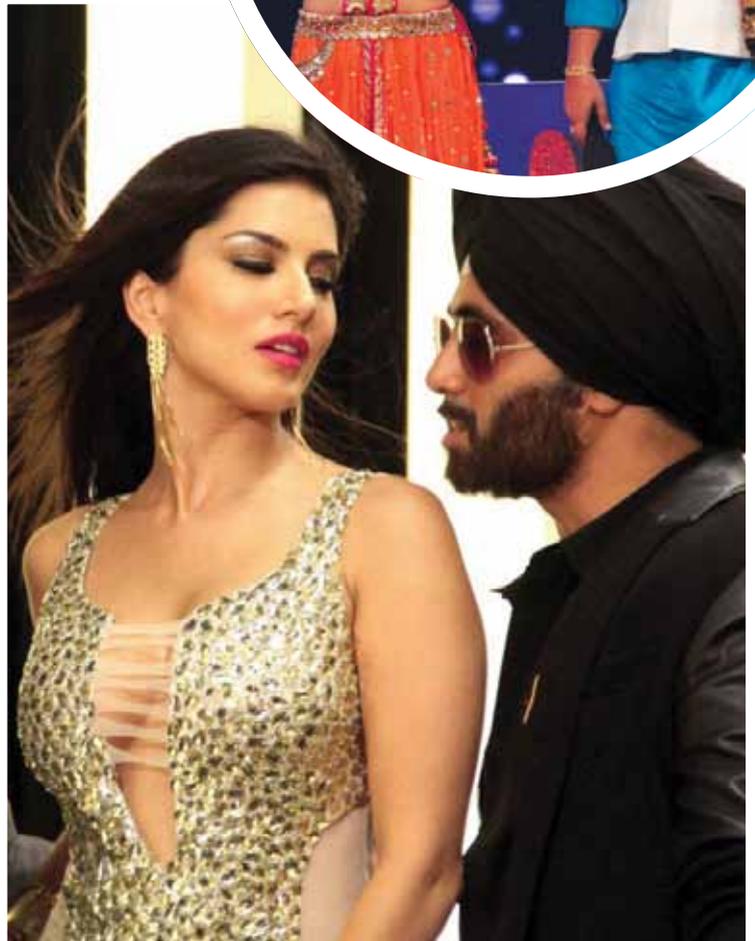
If content is king, distribution is God. We are syndicating and monetising our content and tapping the platform on different formats. We want to become the No. 1 content provider for the digital platform and gain the first-mover advantage.



We are leveraging exciting and new platforms of Hot Star, Amazon and Mukesh Ambani-owned Geo. We use our library of 21 films and our Hindi and regional TV shows to create content to be disseminated on the digital platform. This way, we aim to earn incremental revenues from existing properties. About 3-4 minute clips of deleted scenes, bloopers and in-the-making scenes are showcase on digital (Internet and mobile) platforms. Main Tera Hero; The Dirty Picture; Ragini MMS; Ragini MMS 2; Love, Sex aur Dhokha; Once Upon a Time in Mumbai; Once Upon a Time in Mumbai Dobaara; and Shootout at Wadala are some of our existing titles we are capitalising the digital platform.



Going forward, our game plan is to retain lifetime digital rights of our movie titles. We plan to use the digital platform to sell content from existing and upcoming titles, and also capitalise the opportunity by selling shoulder/derivative content, clips for mobile aggregators and exclusive content. Exploring different platforms in the digital space is our key priority. We are also toying with the idea of producing movies exclusively for the Internet platform, such as Netflix. For the upcoming movie XXX, we are selling content to mobile and content aggregators, such as iTunes, Vista, Saavn, Film Caravan. The 'Pay and View' model will also be explored on Facebook and YouTube to upload content. Spool, Box TV, Big Flix are some other platforms being leveraged.



CREATING A WELL-FUNCTIONING IP SYSTEM

Intellectual property is a romanticised idea, but needs to have the potential to be monetised. We realise the relevance and importance of intellectual property (IP) in the work we create – prequels, sequels, remakes, copyright, trademark for catchphrases, superheroes, and others. We are looking to create our own IP through an innovative business model. We are defining and implementing a process whereby IP is developed and nurtured in a systematic manner and results in the creation of an IP bank. We are revamping our governance and enforcement system to bring about effective intellectual property management. We are working out a long-term solution with proactive compliance, stricter vigilance and quicker enforcement. Our focus is on educating stakeholders and spreading awareness about the deterrents of pirated content.



STRENGTHENING OUR DISTRIBUTION

Our distribution business is going through an evolution. During the year under review, we worked towards expanding our presence pan-India to increase revenues and ensure better profitability. Besides having forayed into Mumbai, Delhi and Rajasthan territories, we leveraged some key south Indian markets including Karnataka, Andhra Pradesh and pockets of Chennai. Apart from strengthening our distribution capabilities and tapping markets with a definite flavour for Hindi movies, our strategy is helping us save over 50% on commission cost and earn incremental revenues. This way, we can capitalise on the asset better and avoid being sold cheaply. Digital platform

will be tapped keenly. In the years to come, we plan to increase the pie of digital platform in aggregate distribution revenues from 10-20% to 80%. In addition to this, we will retain lifetime digital rights (internet and mobile) of our movie titles. We will only sell theatre rights in the overseas market, while retaining the digital rights.



STYLE QUOTIENT

DEFINED BY THE BRAND EK

Adding a new feather to its ever-growing media empire, the Balaji Group has made a mark in the fashion segment by launching Brand EK- By Ekta Kapoor, a premium and affordable brand for apparels and accessories. Brand EK was launched amidst much fanfare at the Television Style Awards on Colors TV.

Television and style are consumed by viewers in different forms and Brand EK is an attempt to marry the two. Capitalising on the popularity of Balaji's television shows and their iconic characters, the fashion line is an endeavour for the Group to strike a chord with millions of Indian audiences inspired by tele-actors across the globe. Brand EK officially gives the consumers a chance to dress like their favourite TV stars.

Currently, the brand line comprises ethnic wear – sarees and jewellery, but will soon add indo-western trends and accessories to its current line of merchandise. With the new venture, the Group's objective is to make the brand easily available to its audiences through various distribution channels and platforms. The fashion line is currently exclusively available on Best Deal TV in the TV commerce space. Balaji is also in the process of tying up with top e-Commerce sites and leading online portals to sell the merchandise.

Brand EK is a natural culmination of the significant legacy built by Ekta Kapoor in the world of entertainment and glamour. The brand enables her to establish the heritage of the Balaji business and further explore her passion towards entertainment, besides giving audiences a chance to buy into their long-cherished dreams.





BY EKTA KAPOOR



MANAGEMENT OUTLOOK

We are targeting to become the No. 2 entertainment studio going forward. Our aim continues to be growth, sustainability and wealth creation for our shareholders

The 'Balaji' brand is getting bigger each day. We have a strong visibility of our TV and movies slate for 2016 and 2017 which underpins a positive outlook. Our key drivers in FY2016 will be great ideas, packaging and marketing. We will continue to focus on building strong brand franchises to better connect with our TV and film audiences. We will continue to leverage our creative abilities and produce films with well-appreciated content, while keeping an eye on maintaining efficient cost structures. With a fresh and young team equipped with diverse capabilities, we are evaluating our opportunities in the distant space. We want to expand our wings in four verticals - TV, movies, digital and new-age fiction, with an ultimate aim on Return on Investment (RoI).

We aim to experiment with new business and monetisation models and leverage every single opportunity that comes our way. We shall live up to

market expectations and strive to be differently entertaining. We aim to focus on collaboration and innovation to achieve our vision and drive unprecedented growth in viewership in the TV and movies segment to create further shareholder value. As a matter of fact, we had arranged a Shareholders' Visit to Click Nixon Studio at Kandivali in March 2015, where around 100 shareholders were taken around the set of our tele-serial Ye Hai Mohabbatein.

In the movies business, our aim is to increase visibility and strengthen our position, besides attaining profitability. We are targeting to become the No. 2 entertainment studio going forward. Our aim continues to be growth, sustainability and wealth creation for our shareholders. Having achieved scaleability in the TV business, we are focusing on becoming sustainable and predictable and leveraging every opportunity coming our way.

OUR STRATEGIC PRIORITIES DURING FY2016

- Creating newer show formats for television content through a wholly-owned subsidiary
- Creating original and diverse show content to retain leadership
- Exploring opportunities across channels, languages
- Creating films across budgets - leverage our brand, scale and presence
- Building our marketing and distribution capabilities
- Creating a diverse movie slate to capture audiences across genres
- Leveraging opportunities in regional markets by expanding network



RISK MANAGEMENT & INTERNAL CONTROLS

Our internal audit team monitors and enhances operational efficiencies and optimum effectiveness at every level. Statutory and regulatory control and transparency of all financial disclosures and the compliance tool is being well adhered to. Piracy of content produced is being handled with stricter controls and procedures. Through the Whistle Blower policy, Sexual Harassment policy and the IT policy are being strictly followed, with internal committees being put in place for each of these. As a major initiative, we are streamlining our processes and automating the agreement process by putting in place a contract management process. As part of an integrated system, we are creating a deck for the production activity for BMPL, putting forth all the rights on intellectual property (IP) for theatrical, digital and satellite rights.

Being a content driven entity, we are actively implementing softwares to enable forward contracting agreements. A readily available database of the IP built, such as scripts, dialogues, clips and other content from our movies, will be leveraged to earn incremental revenues and improve profitability. Given the nature of our business, we are implementing softwares to track litigations and monitor them easily. We are planning cloud-based software which will help us retain our



rights by creating a script bank to streamline the process of script writing. There will also be a software, which our artists can utilise to register and script an idea conceived. However, delays or cost overruns in movies can impact the completion, production and release of our films. In addition to this, the unorganised nature of the media & entertainment industry can impact our revenues, although industry corporatisation, better planning and execution can help us mitigate our risks.



HUMAN RESOURCES

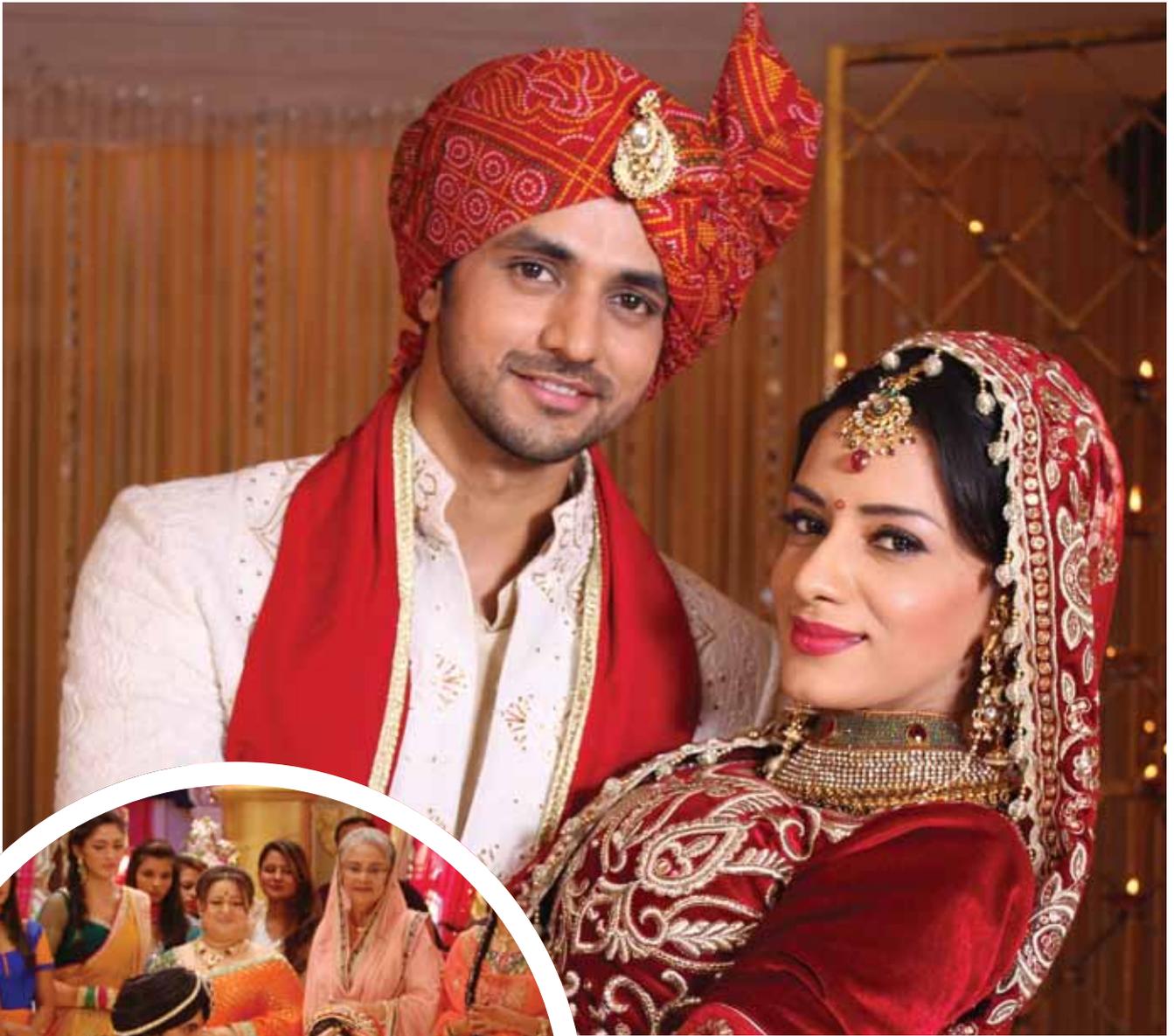
The core of our HR strategy is to prepare deliverables and guidelines, focussing on people management

Our organisational culture is fully geared to move into a space of growth, culture and strategy. We are encouraging our workforce to innovate and achieve the short-term and long-term objectives. Through our strategised HR processes, our aim is to achieve our business goals. On a ground-level basis, we are working towards a common platform to enable HR to be driven through online systems. The database platform will be rolled out soon. In another initiative, we are building an HR ecosystem with department-wise Standard Operating Procedures and also all existing policies and procedures to ensure quality deliverable at each step. Moving forward, the core of our HR strategy is to implement the processes and prepare deliverables and guidelines, focussing on people management.

KEY INITIATIVES IN HR:

- a. With a key focus on employee development, we are nurturing our human capital and create a talent pool to drive business goals.
- b. We are also inculcating a culture of high-performance culture within the organisation through effective internal communication with stakeholders and making them highly accountable.
- c. We are increasingly focusing on attracting corporate and qualified talent with cross-industry experience for creative execution and marketing of our scalable projects.
- d. With a scalable business, we are able to showcase the career path and progression to each of our employees.
- e. A Performance Management System has been implemented with a documented approach. This is aimed towards institutionalising the Company and holistic development of each of our employees. This is aimed towards crafting organisational competencies and providing an inspiring perspective on team synergy and goal setting.
- f. We are continually focussed on professional and personal development programs and in creating performance-driven employees by making the work environment faster and smoother.
- g. Training is increasingly imparted to employees to inculcate and implement processes, enhance the usage of systems and to keep pace with technological developments.





CAUTIONARY STATEMENT

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied.

Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.