

Results for the year ended March 31, 2003 compared to previous year ended March 31, 2002

Financial Highlights

Year ended March 31, 2003 vs Year ended March 31, 2002

- Income from operations up from Rs 1102.95 mn to Rs. 1859.66 mn, an increase of 68.6%
- Profit Before Write off and Tax up from Rs 476.82 mn to Rs 914.80 mn, an increase of 91.86%
- Profit After Tax up from Rs 290.15 mn to Rs 574.14 mn, an increase of 97.88%
- Earnings per share up from Rs 5.63 to Rs 11.14, an increase of 97.88%
- Realization per hour up from Rs 0.72 mn to Rs 1.11 mn, an increase of 53.02%
- Operating profit margins up from 41.68% to 50.70%
- Net profit margins up from 26.31% to 30.87%

Quarter ended March 31, 2003 vs Quarter ended March 31, 2002

- Income from operations up from Rs 328.23 mn to Rs. 445.34 mn, an increase of 35.68%
- Profit Before Write off and Tax up from Rs 172.51 mn to Rs 202.14 mn, an increase of 17.17%
- Profit After Tax up from Rs 89.39 mn to Rs 119.68 mn, an increase of 33.9%
- Earnings per share up from Rs 1.74 to Rs 2.32, an increase of 33.9%
- Realization per hour up from Rs 0.92 mn to Rs 1.11 mn, an increase of 20.73%
- Operating profit margins marginally down from 47.28% to 44.73%
- Net profit margins marginally down from 27.23% to 26.88%

Operational highlights during the year ended March 31, 2003

- The fresh programming hours increased from 1507 hrs to 1681 hours, an increase of 11.55%
- Realization per hour from Commissioned Programming increased from Rs. 0.89 mn to Rs. 1.5 mn, an increase of 67.60%
- Six new state of the art studios became operational, thereby further improving the quality of programming and operational efficiencies
- Invested over Rs.140 mn in production & post-production equipments and studios
- Expanded the satellite channel presence by launching one daily soap on Sahara TV
- Successfully entered the weekend programming with a thriller series namely, "Kya Haadsa Kya Haqueqat"
- Software Library increased to 3077 hours as on 31st March, 2003
- Strengthened the creative team by adding 3 creative heads and 7 executive producers

- Balaji's programming continues to dominate 12 of the top 20 programmes in Hindi Cable & Satellite Channels
- Recommended final dividend of Rs. 1.50 per share (75% on par value of Rs. 2 per share) amounting to Rs. 77.27 mn. Total Dividend for the year of Rs. 3 per share (150% on par value of Rs. 2 per share) amounting to Rs.154.55 mn
- Cash and Cash Equivalents of Rs. 499.19 mn as on 31st March, 2003

Commenting on the company's performance, **Mrs. Shobha Kapoor, CEO and Managing Director** said,

"Year 2002-2003 was a year of excellent performance, during which we successfully launched new genres of programmes and invested heavily to build state of art infrastructure and systems within the organization to further improve the quality of our programming. Now, times are challenging as well as exciting for the industry as a whole. We have drawn up what we believe will be the winning strategies to deliver more entertainment to our viewers and further improve revenues for our channel partners. I am confident that Balaji is well-equipped to meet new challenges and set new precedents as we have always focused on building long term competitiveness."

Results for the year ended March 31, 2003 (Rs. In Lakhs)

The audited financial results for the year ended March 31, 2003 were taken on record by the Board at its meeting held on May 22, 2003.

The profit and loss account is summarized below: (in Rs. mn except per share data)

Particulars	Year ended March 31,		Growth%
	2003	2002	
INCOME FROM OPERATIONS	1859.66	1102.95	68.61%
TOTAL EXPENDITURE	916.76	643.23	42.52%
OPERATING PROFIT	942.90	459.73	105.10%
Interest	0.59	0.39	52.1%
Depreciation	42.43	10.66	298.03%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	899.88	448.68	100.56%
Other Income	14.91	28.14	-47.01%
PROFIT BEFORE TAX & WRITE OFFS	914.79	476.82	91.85%
Provision for Taxation	331.06	155.28	113.20%
Deferred Revenue Expenditure w/off	9.58	31.39	-69.48%
NET PROFIT AFTER TAX	574.14	290.15	97.88%

EARNINGS PER SHARE (Face Value is Rs. 2)	11.14	5.63	97.88%
DIVIDEND PER SHARE (Face Value is Rs. 2)	3.00	1.00	200%
Dividend declared as a % of par value	150%	50%	
KEY RATIOS			
Operating Profit Margin (%)	50.70%	41.68%	
Net Profit Margin (%)	30.87%	26.31%	

Results for the quarter ended March 31, 2003

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Particulars	Quarter ended March 31,		Growth%	Quarter ended Dec 31 2002	Growth % in Q4 FY03 over Q3 FY03
	2003	2002			
INCOME FROM OPERATIONS	445.34	328.23	35.68%	526.95	-15.49%
TOTAL EXPENDITURE	246.14	173.03	42.25%	245.38	0.31%
OPERATING PROFIT	199.20	155.20	28.35%	281.57	-29.25%
Interest	0.04	0.08	-50.00%	0.32	-87.50%
Depreciation	11.09	3.09	258.90%	12.10	-8.35%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	188.07	152.03	23.71%	269.15	-30.12%
Other Income	14.05	20.48	-31.40%	0.47	2921.51%
PROFIT BEFORE TAX & WRITE OFFS	202.12	172.51	17.16%	269.61	-25.03%
Provision for Taxation	80.04	75.28	6.32%	92.47	-13.44%
Deferred Revenue Expenditure w/off	2.40	7.85	-69.43%	2.40	-
NET PROFIT AFTER TAX	119.68	89.39	33.89%	174.75	-31.51%
EARNINGS PER SHARE	2.32	1.74	33.89%	3.39	-31.51%
(Face Value is Rs. 2)					
DIVIDEND PER SHARE					
(Face Value is Rs. 2)					
Dividend declared as a % of par value					

KEY RATIOS						
Operating Profit Margin (%)	44.73%	47.28%			53.43%	
Net Profit Margin (%)	26.87%	27.23%			33.16%	

Management discussion and analysis on Audited Financial Results of the Company for the Quarter and Year ended 31.12.2002

Revenues

The Company recorded income from operations of Rs. 445.34 mn during the quarter, up 35.68% y-o-y. Revenue contribution from commissioned programming was Rs.384.85 mn, up 38.58% y-o-y, while that of sponsored programming was Rs. 60.49 mn, up 19.71% y-o-y. The share of commissioned programming in the revenues during the quarter was 86.42%, while that of sponsored programming was 13.58%.

During the quarter, the revenues and margins from sponsored programming were under pressure due to the ICC Cricket World Cup resulting in the major share of advertising revenues shifting from general entertainment channels to Doordarshan Network and Sony Max. The revenues from commissioned programming were under pressure due to some of the lower margin commissioned programmes going off air, which resulted in average realizations per hour of commissioned programming increasing from Rs. 1.48 mn in Q3FY03 to Rs. 1.70 mn in Q4FY03.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended March 31, 2003, March 31, 2002 and December 31, 2002, is as follows:

Programming	Rs. mn			Percentage		
	Q4FY03	Q4FY02	Q3FY03	Q4FY03	Q4FY02	Q3FY03
Commissioned (incl. Repeat programming)	384.85	277.71	433.05	86	85	82
Sponsored	60.49	50.53	93.90	14	15	18
	445.34	328.24	526.95	100	100	100

Channel Wise Revenue

The Channel wise Revenue distribution during the quarter ended March 31, 2003, March 31, 2002 and December 31, 2002, is as follows:

Channels	Rs. mn			Percentage		
	Q4FY03	Q4FY02	Q3FY03	Q4FY03	Q4FY02	Q3FY03
Star, Sony, Zee &	384.85	269.34	433.05	86	82	82

Sahara						
Sun		-	-		-	-
Gemini	23.84	29.29	39.67	6	9	8
Udaya	36.64	15.89	54.23	8	5	10
DD Network	-	5.37	-	-	2	-
SABe TV	-	1.02	-	-	0	-
Vijay TV	-	7.33	-	-	2	-
	445.34	328.24	526.95	100	100	100

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended December 31, 2002, December 31, 2001 and September 30, 2002, is as follows:

Programming	No. Of Hours			Percentage		
	Q4FY03	Q4FY02	Q3FY03	Q4FY03	Q4FY02	Q3FY03
Commissioned	226.50	235	292.50	57	66	64
Sponsored	173	120.50	168	43	34	36
Total	399.50	355.50	460.50	100	100	100

Other Income

The Other Income during the quarter was Rs. 14.05 mn against Rs. 20.48 mn in the corresponding quarter in the previous year. The other income has come down due to the Company's decision of switching the mutual fund investments from dividend option to growth option, since the dividend income has become taxable with effect from 1st April, 2002.

Other Expenses

The other expenses have gone up significantly to Rs. 33.27 mn as against Rs. 18.91 mn in the corresponding quarter in the previous year due to the bad debts to the extent of Rs. 1.38 crores being written off during the quarter.

Dividend

The Board of Directors recommended a final dividend of Rs. 1.50 per share (75% on par value of Rs. 2 per share) for the year ended 31st March, 2003, amounting to Rs. 77.27 mn. Including the interim dividend of Rs. 1.50 per share (75% on par value of

Rs. 2 per share) amounting to Rs. 77.27 mn, the total dividend recommended for the year is 3 per share (150% on par value of Rs. 2 per share) amounting to Rs. 154.55 mn.

Gross Block

The Company's gross block increased from Rs. 190.35 mn in FY02 to Rs. 350.41 mn as on March 31 2003.

During the period, the Company invested over Rs. 140 mn in production / post-production equipments and construction of the state-of-the art studios in order to meet the increased programming requirements and further improve the quality of programming

The above investments will lead to substantial improvement in operational efficiencies as well as higher production values and also give the Company a significant cost and quality advantage over competition.

Investments

As on 31.03.2003, the Company's investments were at Rs. 486.92 mn. The Company invested surplus funds in debt mutual funds and high quality debt paper with the principal aim of safety *The market value of investments as on 31.03.2003 was Rs. 511.23 mn.*

Debtors

Inventories

Loans and advances

Change in Programming during the quarter

- The Company launched following serials during the quarter ended 31st March, 2003

Serial	Channel	Frequency
Kante Kuturune Kanali	Gemini TV	5 Days
Kahani Terrii Merrii*	Sony TV	4 Days

- The Following serials of the Company went off air during the quarter ended 31st March, 2003.

Serial	Channel	Frequency
Kuchh Jukhie Palkain	Sony TV	4 Days
Kohi Apna Sa	Zee TV	4 Days

Kutumb	Sony TV	4 Days
Kammal	Zee TV	4 Days
Pavithrabandham	Gemini TV	5 Days

Serials on air

- As on 31.3.2003 the following 15 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (32 Shows)				
Kante Kuturune Kanali	Gemini TV	5 Days	17.66	21.92
KkalavariKkodalu		5 Days	18.48	
Kavaludaari	Udaya TV	5 Days	11.38	13.34
Kannadi		5 Days	7.51	
Kshana Kshana		5 Days	4.58	
Kapi Cheshte		2 Days	8.38	
Kumkuma Bhagya**		5 Days		
Commissioned Serials (31 Shows)				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	4 Days	12.08	12.83
Kahaani Ghar Ghar Kii		4 Days	12.83	
Kaahin Kissii Roz		4 Days	6.00	
Kasautii Zindagi Kay		4 Days	12.71	
Kkusum	Sony TV	4 Days	2.89	2.89
Kahani Terrii Merrii*		4 Days	1.68	
Kya Hadsa Kya Haqueqat		3 Days	2.3	
Kahi To Milenge	TV	4 Days	0.25	

(Source – TAM Ratings for the week ended 18/01/03, Category – Female 15 Plus)

* - serial going off air with effect from 22/5/03, ** - serial went on air with effect from 12/5/03

Forthcoming Launches

The Company has lined up series of new launches during the second quarter on the major satellite channels. The announcement in this connection will be made very shortly on the telecast dates of the new launches being finalized.

Balance sheet (Rs. in mn)

Particulars	As at March 31, 2003	As at March 31, 2002
Sources of Funds		
Shareholders' Funds		
Equity share capital	103.03	103.03
Reserves and surplus	961.40	558.51
Total	1064.43	661.54
Application of Funds		
Fixed Assets		
Gross Block	350.41	190.35
Less: Depreciation	58.22	15.99
Net Block	292.19	174.36
Investments	486.93	243.98
Current Assets Loans and Advances		
Inventories	46.92	35.36
Sundry Debtors	356.70	216.04
Cash and Bank balances	12.26	33.52
Loans and Advances	92.94	91.48
	508.82	376.40
Less: Current Liabilities and Provisions		
Current Liabilities	100.98	82.95
Provisions	92.16	47.04
Total	193.14	129.99
Net Current Assets	315.68	246.42
Deferred Tax Asset / (Liability)	(303.69)	(128.12)
Miscellaneous Expenditure	-	9.60

Total	1064.43	661.54

PARTICULARS		31.03.03	31.03.02
A.	Cash flow from Operating Activities		
	Net Profit Before Taxation	905.20	476.82
	Adjustments for		
	Depreciation	42.43	10.66
	Bad debts written off	13.84	0.72
	Loss/(profit) on sale of Fixed Assets (Net)	0.84	4.20
	Diminution in carrying value of long term investments	0.32	5.02
	Profit on sale of long term investments	(11.28)	-
	Excess provision written back	(2.27)	-
	Interest Expenses	0.59	0.39
	Interest & Dividend Income	(1.09)	(27.99)
	Preliminary expenses written off	0.02	0.00
	Deferred revenue expenditure written off	9.58	31.39
	OPERATING PROFIT BEOFRE WORKING CAPITAL CHANGES	958.19	501.22
	Adjustments for changes in working capital		
	Sundry Debtors	(154.97)	(82.08)
	Inventories	(11.56)	14.35
	Sundry Creditors	20.30	5.98
	Cash generated from operations	811.96	439.46
	Income Tax paid	(337.60)	(134.45)
	Net Cash Flow from Operating Activities	474.36	305.01
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(161.91)	(77.23)
	Sale of Fixed Assets	0.81	-
	Purchase of Investments	(519.87)	(236.40)
	Sale of Investments	287.87	231.87
	Income from Investments	1.09	1.00
	Net Cash used for Investing Activities	(392.00)	(245.23)
C.	Cash Flow from Financing Activities		
	Interest paid	(0.59)	(0.38)
	Dividend paid	(103.03)	(45.42)
	Net Cash Flow from Financing Activities	(103.62)	(45.80)

D.	Net Increase in Cash and Cash equivalents during the year	(21.26)	13.97
	Cash and Cash Equivalents at the beginning of the year	33.52	19.55
	Cash and Cash Equivalents at the end of the year / nine months	12.26	33.52

Cash flow statement
(Rs. in mn)

For further information on results, please contact us on following nos.:

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