

Results for the year ended March 31, 2005 compared to previous year ended March 31, 2004

Financial Highlights

Quarter ended March 31, 2005 vs Quarter ended March 31, 2004

- Income from operations up from Rs 517.31 mn to Rs. 544.17 mn, an increase of 5.19%
- Profit after tax up from Rs 93.46mn to Rs 96.47mn, an increase of 3.23%
- Operating profit down from Rs 166.86 mn to Rs 143.56 mn

Year ended March 31, 2005 vs Year ended March 31, 2004

- Income from operations up from Rs1782.96mn to Rs1967.48mn, an increase of 10.35%
- Profit After Tax down from Rs 554.08 mn to Rs 412.96 mn, a decrease of 25 .47 %
- Realization per hour marginally down from Rs 1.2 mn to Rs 1.13 mn, a decrease of 5%
- Operating profit down from Rs 867.58mn to Rs 673.54mn

Operational highlights during the year ended March 31, 2005

- Realization per hour from Commissioned Programming maintained at Rs1.77 mn
- Programming hours up from 1485.5 hours to 1719.5 hours, an increase of 15.75%
- Kkavyanjali and Kaisa Ye Pyar Hai, both launched during the last quarter, have been well accepted by the viewers.
- During the year 14 new shows were launched across various channels.
- Five new state of the art studios became operational, thereby further improving the quality of programming
- Invested Rs.107.72 mn in production & post-production equipments and studios
- Exploited the software library by achieving an export turnover of Rs.10.94 mn.
- Balaji's programming continues to dominate 30 of the top 50 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended 02.04.2005, Female 15 Plus, C & S, 29 Cities).

· Cash and Cash Equivalents of Rs. 1167.5 mn as on 31 st March, 2005

Results for the year ended March 31, 2005

The audited financial results for the year ended March 31, 2005 were taken on record by the Board at its meeting held on May 20, 2005.

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

Particulars	Year ended March 31,		Growth%
	2005	2004	
INCOME FROM OPERATIONS	1967.48	1782.96	10.35%
TOTAL EXPENDITURE	1293.94	915.38	
OPERATING PROFIT	673.54	867.58	-22.37%
Interest	1.86	0.23	25.89%
Depreciation	97.40	77.37	
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	574.28	789.98	-27.30%
Other Income	49.42	61.53	-19.68%
PROFIT BEFORE TAX	623.70	851.51	-26.75%
Provision for Taxation	210.73	297.43	-29.15%
Deferred Revenue Expenditure w/off	-	-	-
NET PROFIT AFTER TAX	412.97	554.08	-25.47%
EARNINGS PER SHARE (weighted average) (Face Value is Rs. 2)	7.61	10.75	-29.21%
DIVIDEND PER SHARE (Face Value is Rs. 2)	16.00	3.00	-
Dividend declared as a % of par value	800%	150%	
KEY RATIOS			
Operating Profit Margin (%)	34.23%	48.66%	
Net Profit Margin (%)	20.99%	31.08%	

Results for the quarter ended March 31, 2005

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

Particulars	Quarter ended March 31,		Growth%	Quarter ended Dec 31 2004	Growth % in Q4 FY05 over Q3 FY05
	2005	2004			
INCOME FROM OPERATIONS	544.17	468.47	16.16%	517.31	5.19%
TOTAL EXPENDITURE	400.61	275.67	45.32%	350.46	14.31%
OPERATING PROFIT	143.56	192.80	-25.54%	166.85	-13.96%
Interest	1.35	0.17	23.56%	0.27	31.90%
Depreciation	31.05	25.13		23.54	
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	111.16	167.50	-33.64%	143.04	-22.29%
Other Income	24.27	21.81	11.28%	3.60	
PROFIT BEFORE TAX	135.43	189.31	-28.46%	146.64	-7.64%
Provision for Taxation	38.96	65.94	-40.91%	53.19	-26.75%
NET PROFIT AFTER TAX	96.47	123.37	-21.80%	93.45	3.23%
EARNINGS PER SHARE	1.47	2.39	-38.49%	1.81	-18.78%
(Face Value is Rs. 2)					
DIVIDEND PER SHARE				16	
(Face Value is Rs. 2)					
Dividend declared as a % of par value		50%		800%	
KEY RATIOS					
Operating Profit Margin (%)	26.38%	41.16%		32.25%	
Net Profit Margin (%)	17.73%	26.33%		18.06%	

Management discussion and analysis on Audited Financial Results of the Company for the Quarter and Year ended 31.03.2005

Revenues

The Company recorded income from operations of Rs. 544.17 mn during the quarter, up 16.16% y-o-y. Revenue contribution from commissioned programming was Rs.459.15 mn, up 19.89% y-o-y, while that of sponsored programming was Rs. 85.02 mn. The share of commissioned programming in the revenues during the quarter was 85%, while that of sponsored programming was 15%.

During the year the Company achieved export revenues of Rs. 10.94 mn representing revenues from the export of television software to UAE & USA.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended March 31, 2005, March 31, 2004 and December 31, 2004, is as follows:

Programming	Rs. mn			Percentage		
	Q4FY05	Q4FY04	Q3FY05	Q4FY05	Q4FY04	Q3FY05
Commissioned	459.15	382.99	425.93	84	82	82
Sponsored	85.02	85.48	91.38	16	18	18
	544.17	468.47	517.31	100	100	100

Channel Wise Revenue

The Channel wise Revenue distribution during the quarter ended March 31, 2005, March 31, 2004 and December 31, 2004, is as follows:

Channels	Rs. Mn			Percentage		
	Q4FY05	Q4FY04	Q3FY05	Q4FY05	Q4FY04	Q3FY05
Star, Sony, Zoom, MTV, Hungama	459.15	382.99	425.93	84	82	82
Sun	7.62	-	1.36	1	-	-
Gemini	32.82	47.82	45.38	6	10	9
Udaya	24.80	29.01	22.61	5	6	5
DD Network	7.48	6.60	8.13	1		2
Surya	9.59	-	11.23	2		2
	-	-	-	-		-
	541.46	466.42	514.64			

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended March 31, 2005, March 31, 2004 and December 31, 2004 , is as follows:

Programming	No. Of Hours			Percentage		
	Q4FY05	Q4FY04	Q3FY05	Q4FY05	Q4FY04	Q3FY05
Commissioned	282.50	215.00	246.00	55	60	54
Sponsored	233.50	142.00	207.00	45	40	46
Total	516.00	357.00	453.00	100	100	100

Other Income

The Other Income during the quarter was Rs. 24.27 mn against Rs. 21.81 mn in the corresponding quarter in the previous year.

Dividend

The Board of Directors considered the interim dividend of Rs 16 per share paid during the year as the final dividend for the year ended 31 st March, 2005. The dividend recommended for the year is Rs 16 per share (800 % on par value of Rs. 2 per share) amounting to Rs. 824.26 mn. Gross Block

The Company's gross block increased from Rs. 438.31 mn in FY04 to Rs. 559.28 mn as on March 31 2005.

During the period, the Company invested over Rs. 107.72 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 .

Investments

As on 31.03.2005, the Company's investments were at Rs. 1137.46 mn. The Company invested surplus funds in liquid/floating rate funds with the principal aim of safety *The market value of investments as on 31.03.2005 was Rs. 1153.03 mn.*

Debtors

The Company's debtors (in days of income) has increased from 83 days in FY04 to 99 days in FY05.

Inventories

The Company's inventories (in days of turnover) increased from 15 days in FY0 to 44 days in FY05 due to the carrying of inventory of feature films slated to be released in 2005-06

Loans and advances

Loans and advances increased from Rs 120.71 mn in FY04 to Rs 174.53 mn in FY05. The Company's principal loans and advances comprised lease deposits for offices / studios.

Change in Programming during the quarter

- The Company launched following serials during the quarter ended 31st March, 2005

Serial	Channel	Frequency
Kkavyanjali	Star TV	4 days
Kaisa ye pyaar hai	Sony	4 days
Kartheeka deepam	Gemini	5 days

The Following serial/s of the Company went off air during the quarter ended 31 st March, 2005.

Serial	Channel	Frequency
Karma	Star	1 day
Koi Dil Mein Hai	Sony	1 day
Kkavyanjali	Gemini	5 days

Serials on air

As on 31.03.2005 the following 21 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (37 Shows)				
Karthikadeepam	Gemini TV	5 Days	12.19	18.63
Kkalavari Kodalu		5 Days	10.77	
Kanyadaana	Udaya TV	5 Days	12.43	12.43
Kumkuma Bhagya		5 Days	10.30	
Kadambarii		5 Days	7.05	
Kayaamat	Doordarshn	2 Days	25.72	25.72
Kanavaru Kkaha	Sun TV	5 Days	12.90	35.76
Kavyanjali	Surya TV	5 Days	24.73	24.73

Commissioned Serials (44 Shows)				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	4 Days	13.81	13.81
Kahaani Ghar Ghar Kii		4 Days	12.20	
Kstreet Pali Hill		4 Days	2.85	
Kasautii Zindagi Kay		4 Days	12.26	
Kaahin To Hoga		4 Days	8.70	
Kkavyanjali		4 Days	7.48	
Kesar		4 Days	4.61	
Kkusum		Sony TV	4 Days	
Kaisa ye pyaar hai	Zoom	4 Days	1.94	0.18
Kya Kahein	Hungama	1 Day	0.18	0.68
Kosmiic Chat	MTV	1 Day	0.06	0.34
Karthika		2 Days	0.26	
Kitni Mast Hai Zindagi		4 Days	0.19	

{Source – TAM Ratings for the week ended 02/04/05, Category – Female 15 Plus) except Zoom, MTV and Hungama- category MF 4+}

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

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Safe Harbor

Certain statements in this update concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.