

Results for the quarter ended June 30, 2004 compared to previous quarter ended March 31, 2004

Financial Highlights

Income from operations marginally down from Rs 468.47 mn to Rs. 453.54 mn, a decrease of 3.19%

Operating profit margins have sustained at 41%

Operating profit down from Rs 192.79 mn to Rs 186.01 mn, a decrease of 3.52%

Profit After Tax down from Rs 123.37 mn to Rs 110.20 mn, a decrease of 10.67%

Operational highlights

Balaji's programming continues to dominate 12 of the top 12 programmes and 31 of the top 50 programmes in Hindi Cable & Satellite Channels

Successfully launched the Malayalam show, Kavyanjali. Result: the show has been rated as the No. 1 show on Surya TV since launch.

Re-entered the afternoon slot with ' Kesar ' on Star Plus. The programme has been well received by the viewers and has consistently featured in the Top 50 shows since launch.

Other highlights

The company received an average increment of 10% on most of the serials on Star Plus effective July 2004.

The company has signed contract with Times channel, MTV and UTV for producing programmes/shows that may go on air in the near future.

Results for the quarter ended June 30, 2004

The un audited financial results for the quarter ended June 30, 2004 were taken on record by the Board at its meeting held on July 30, 2004.

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

Particulars	Quarter ended June 30,		Growth%	Quarter ended Mar 31 2004	Growth % in Q1 FY05 Over Q4FY04	Year ended March 31, 2004 (Audited)
	2004	2003				
INCOME FROM	453.54	445.95	-3.19	468.47	1.70	1782.96

OPERATIONS						
TOTAL	267.53	233.80	-2.95	275.67	14.43	915.38
EXPENDITURE						
OPERATING PROFIT	186.01	212.16	-3.52	192.80	-12.32	867.58
Interest	0.00	0.00	-	0.17	-	0.23
Depreciation	20.83	15.25	-17.09	25.13	36.62	77.37
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	165.18	196.91	-1.38	167.50	-16.11	789.98
Other Income	6.24	24.66	-71.38	21.81	-74.69	61.53
PROFIT BEFORE TAX & WRITE OFFS	171.42	221.57	-9.45	189.31	-22.63	851.51
Provision for	61.22	80.06	-7.15	65.94	-23.53	297.43
Taxation	0.00	0.00	-	0.00	-	0.00
Deferred Revenue Expenditure w/off						
NET PROFIT AFTER TAX	110.20	141.51	-10.67	123.37	-22.12	554.08
EARNINGS PER SHARE	2.14	2.75	-10.46	2.39	-22.18	10.75
(Face Value is Rs. 2)						
DIVIDEND PER SHARE	-	-		1.00		3.00
(Face Value is Rs. 2)						
Dividend declared as a % of par value	-	-		50%		150%

KEY RATIOS	41.01%	47.57%		41.16%		48.66%
Operating Profit Margin (%)						
Net Profit Margin (%)	24.30%	31.73%		26.33%		31.08%

Management discussion and analysis on Unaudited Financial Results of the Company for the Quarter ended 30.06.2004

The Company recorded income from operations of Rs. 453.54 mn during the quarter, down 3.19 % q-o-q. Revenue contribution from commissioned programmes was Rs. 380.58 mn, against 382.92 mn in the previous quarter while that of sponsored programmes was Rs 70.53 mn against Rs 83.43 mn. The share of sponsored programming in the revenues during the quarter was 16%, while that of commissioned programming was 84%. The realization per hour for commissioned programming was Rs 1.72 mn and that of sponsored programming was Rs 0.47 mn.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended June 30, 2004, June 30, 2003 and March 31, 2004, is as follows:

Programming	Rs. mn			Percentage		
	Q1FY05	Q1FY04	Q4FY04	Q1FY05	Q1FY04	Q4FY04
Commissioned (incl. Repeat programming)	380.58	364.90	382.99	84	82	82
Sponsored (incl. Exports)	72.96	81.05	85.48	16	18	18
	453.54	445.95	468.47	100	100	100

Channel Wise Revenue

The Channelwise Revenue distribution during the quarter ended June 30, 2004, June 30, 2003 and March 31, 2004, is as follows:

Channels	Rs. mn			Percentage		
	Q1FY05	Q1FY04	Q4FY04	Q1FY05	Q1FY04	Q4FY04
Star, Sony, Zee & Sahara	380.58	364.90	382.99	84	82	86
Gemini	42.61	45.68	47.82	9	10	6
Udaya	20.46	34.77	29.01	5	8	8
Surya	0.56	-	-	-	-	-
DD Network	06.90	-	6.60	2	-	-
	451.11	445.35	466.42	100	100	100

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended June 30, 2004, June 30, 2003 and March 31, 2004, is as follows:

Programming	No. Of Hours			Percentage		
	Q1FY05	Q1FY04	Q4FY04	Q1FY05	Q1FY04	Q4FY04
Commissioned	221.00	208.50	215.00	60	53	60
Sponsored	149.50	188.50	142.00	40	47	40
Total	370.50	397.00	357.00	100	100	100

Other Income

The Other Income during the quarter was Rs. 6.24 mn against Rs. 21.81 mn in the previous quarter.

The operating margins were sustained at 41% during the quarter although the cost of sales was under pressure mainly due to the launch of three serials during the quarter.

Gross Block

The Company's gross block increased from Rs. 438.31 mn to Rs. 463.49 mn as on June 30, 2004.

During the period, the Company mainly invested in equipments to enhance the production values.

Investments

As on 30.06.2004, the Company's investments were at Rs. 832.43mn. The Company invested surplus funds in debt mutual funds with floating rates with the principal aim of safety.

Debtors

The Company's debtors (in days of income) has reduced from 83 days in FY04 to 80 days as on 30.06.2004.

Inventories

The Company's inventories (in days of turnover) fell from 15 days in FY04 to 16 days as on 30.06.2004. The Company's inventories comprise of completed episodes waiting to be aired, incomplete episodes, stock of videotapes and related material and feature films.

Loans and advances

Loans and advances increased from Rs 120.71 mn in FY04 to Rs 139.54 mn as on 30.06.2004. 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 30th June, 2004

Serial	Channel	Frequency
Kesar	Star Plus	4 days
Kavyanjali	Surya TV	5 days
Ka Kaa Ki Kii Ku Kuu Koa	Gemini TV	1 Day

- The Following serial/s of the Company went off air during the quarter ended 30th June, 2004

Serial	Channel	Frequency
Kya Hadsa Kya Haqueqat	Sony TV	2 Days

Serials on air :

- As on 30.6.2004 the following 17 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (28 Shows)				
Kavyanjali	Gemini TV	5 Days	16.52	26.97
Kkalavari Kkodal		5 Days	15.62	
Ka Kaa Ki Kii Ku Kuu Koa		1 Day	9.06	
Kumkuma Bhagya	Udaya TV	5 Days	8.81	13.46
Kanyadaan		5 Days	8.25	
Kayaamat	Doordarshn	2 Days	23.91	24.99
Kavyanjali	Surya TV	5 Days	26.78	26.78
Commissioned Serials (33 Shows)				

Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	4 Days	14.33	14.33
Kahaani Ghar Ghar Kii		4 Days	12.59	
Kaahin Kissii Roz		4 Days	2.93	
Kasautii Zindagi Kay		4 Days	10.51	
Kaahin To Hoga		4 Days	7.59	
Kesar		4 Days	5.30	
Kkusum	Sony TV	4 Days	5.04	5.04
Koi Dil Mein Hain		1 Day	1.63	
King		2 Days	0.90	
Kkehna Hai Kuch Mujko		2 Days		

(Source – TAM Ratings for the week ended 03/07/04, Category – Female 15 Plus)

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.