

Results for the year ended March 31, 2007 compared to previous year ended March 31, 2006

Financial Highlights

Quarter ended March 31, 2007 vs Quarter ended March 31, 2006

- Income from operations up from Rs. 769.12 Mn to Rs. 773.85 Mn, an increase of 0.61%
- Profit after tax up from Rs. 155.03 Mn to Rs. 212.78 Mn, an increase of 37.25%
- Operating profit up Rs. 247.61 Mn to Rs. 304.33 Mn an increase of 22.91%

Year ended March 31, 2007 vs Year ended March 31, 2006

- Income from operations up from Rs. 2,803.71Mn to Rs. 3,174.67 Mn, an increase of 13.23%
- Profit after tax up from Rs. 594.22 Mn to Rs. 794.28 Mn, an increase of 33.67%
- Operating profit increased from Rs. 936.63 Mn to Rs. 1,195.79 Mn, an increase of 27.67%

Operational highlights during the year ended March 31, 2007

- Balaji's programming continues to dominate the ratings charts. For the week ended March 31, 2007, out of the Top 25 shows, 14 shows were from Balaji (Source TAM ratings 9 Cities MF4+ (C&S))
- Realization per hour from Commissioned Programming increased from Rs. 2.20 Mn to Rs. 2.76 Mn
- Average realisation per hour increased from Rs.1.27 Mn to Rs. 1.74 Mn
- 1,819 hours of programming during the year
- Successfully launched new show on Star Plus
- Cash and Cash Equivalents of Rs. 1,834.50 Mn as on March 31, 2007
- The Company has paid interim dividend of Rs. 3.50 per share (175% on face value of Rs. 2 per share). The Board has recommended the same as final dividend.

New Initiatives

- Balaji has entered into a joint venture with Star for launch of channels in regional languages other than Hindi. Balaji will acquire 49% equity in the joint venture which includes the existing star group channel "Vijay", for an initial investment of approximately Rs. 600 Mn. A new Telgu channel launch is planned for September 2007.
- The Company has formed a wholly owned subsidiary M/s. Balaji Motion Pictures Ltd. for undertaking film ventures. The first release of its co-production film, "Shootout at Lokhandwala", is on May 25, 2007.
- M/s. Balaji Telefilms FZE, a wholly owned overseas subsidiary, is ready to launch its first show titled "Khwaish" in June 2007.

Results for the year ended March 31, 2007

The audited financial results for the year ended March 31, 2007 were taken on record by the Board at its meeting held on May 16, 2007.

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

Particulars	Year ended March 31,		Growth%
	2007	2006	
INCOME FROM OPERATIONS	3,174.67	2,803.71	13.23%
TOTAL EXPENDITURE	1,978.88	1,867.08	5.99%
OPERATING PROFIT	1,195.79	936.63	27.67%
Interest	0.04	0.46	
Depreciation	112.48	143.29	-21.50%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	1,083.27	792.88	36.62%
Other Income	94.11	86.94	8.25%
PROFIT BEFORE TAX	1,177.38	879.82	33.82%
Provision for Taxation	383.10	285.60	34.14%
NET PROFIT AFTER TAX	794.28	594.22	33.66%
EARNINGS PER SHARE (Face Value is Rs. 2)	12.23	9.15	33.66%
DIVIDEND PER SHARE (Face Value is Rs. 2)	3.50	3.00	-
Dividend declared as a % of Face Value	* 175%	150%	
* Interim Dividend			
KEY RATIOS			
Operating Profit Margin (%)			
Net Profit Margin (%)	38%	33%	
	25%	21%	

Results for the quarter ended March 31, 2007

The audited financial results for the quarter ended March 31, 2007 were taken on record by the Board at its meeting held on May 16, 2007.

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

Particulars	Quarter ended March 31,		Growth%	Quarter ended Dec. 31 2006	Growth % in Q4 FY07 over Q3FY07
	2007	2006			
INCOME FROM OPERATIONS	773.85	769.12	0.61%	850.30	-8.99%
TOTAL EXPENDITURE	469.52	521.51	-9.97%	509.31	7.81%

OPERATING PROFIT	304.33	247.61	22.91%	340.99	-10.75%
Interest	0.00	0.25		0.00	
Depreciation	28.02	29.87	-6.19%	29.13	3.81%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	276.31	217.49	27.04%	311.86	-11.40%
Other Income	37.05	12.28	201.71%	12.76	190.36%
PROFIT BEFORE TAX	313.36	229.77	36.38%	324.62	-3.47%
Provision for Taxation	100.58	74.74	34.57%	109.86	-8.45%
NET PROFIT AFTER TAX	212.78	155.03	37.25%	214.76	-0.92%
EARNINGS PER SHARE (Face Value is Rs. 2 per Share)	3.26	2.38	36.97%	3.34	-2.40%
DIVIDEND PER SHARE (Face Value is Rs. 2 per Share)	* 3.50	3.00			
* Interim Dividend					
Dividend declared as a % of par value	175%	150%			
KEY RATIOS					
Operating Profit Margin (%)					
Net Profit Margin (%)	39%	32%		40%	
	28%	20%		25%	

Management discussion and analysis on Audited Financial Results of the Company for the Quarter and Year ended March 31, 2007

Revenues

The Company recorded income from operations of Rs. 773.85 Mn during the quarter, up 0.61% y-o-y. Revenue contribution from commissioned programming was Rs. 710.58 Mn, up 2.36% y-o-y, while that of sponsored programming was Rs. 61.58 Mn. The share of commissioned programming in the revenues during the quarter was 92%, while that of sponsored programming was 8%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended March 31, 2007, March 31, 2006 and December 31, 2006, is as follows:

Programming	Rs. Mn			Percentage		
	Q4FY07	Q4FY06	Q3FY07	Q4FY07	4FY06	Q3FY07

Commissioned	710.58	694.01	782.57	92	90	92
Sponsored	61.58	72.11	67.72	8	10	8
	772.16	766.12	850.29	100	100	100

Channel Wise Revenue

The Channel wise Revenue distribution during the quarter ended March 31, 2007, March 31, 2006 and December 31, 2006, is as follows:

Channels	Rs. Mn			Percentage		
	Q4FY07	Q4FY06	Q3FY07	Q4FY07	Q4FY06	Q3FY07
Star, Zee and Sony	710.58	694.01	782.57	92.03	90.59	92.04
Sun	17.02	8.25	17.50	2.20	1.08	2.06
Gemini	19.01	20.56	21.92	2.46	2.68	2.58
Udaya	18.12	26.49	19.31	2.35	3.46	2.27
DD Network	0.14	1.05	2.02	0.02	0.13	0.23
Surya	7.29	15.76	6.97	0.94	2.06	0.82
	772.16	766.12	850.29	100.00	100.00	100.00

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended March 31, 2007, March 31, 2006 and December 31, 2006, is as follows:

Programming	No. of Hours			Percentage		
	Q4FY07	Q4FY06	Q3FY07	Q4FY07	Q4FY06	Q3FY07
Commissioned	201.00	281.50	264.00	55	55	59
Sponsored	162.00	253.00	187.00	45	45	41
Total	363.00	534.50	451.00	100	100	100

Other Income

The Other Income during the quarter was Rs. 37.05 Mn against Rs. 12.28 Mn in the corresponding quarter in the previous year.

Dividend

The Board has recommended the interim dividend of Rs. 3.50 per share (175% on par value of Rs. 2 per share) declared on March 13, 2007, on fully paid-up equity shares of Rs.2 each, aggregating to Rs. 307.67 Mn including dividend distribution tax, as the final dividend.

Gross Block

The Company's gross block increased from Rs. 669.52 Mn in March 31, 2006 to Rs. 776.79 Mn as on March 31, 2007.

Investments

As on March 31, 2007, the Company's investments in mutual fund units and bonds were at Rs. 1,770.69 Mn. The Company invested surplus funds in liquid/floating rate funds and Fixed Maturity Plans with the principal aim of safety. The market value of such investments as on March 31, 2007 was Rs. 1,845.68 Mn.

Debtors

The Company's average collection period (in days of income) have decreased from 82 days in FY06 to 80 days in FY07.

Inventories

The Company's inventories (in days of turnover) decreased from 15 days in FY06 to 8 days in FY07. The Company also transferred film related inventory of approx. 31.86 million to its wholly owned subsidiary.

Loans and advances

Loans and advances increased from Rs. 170.48 Mn in FY06 to Rs. 429.95 Mn in FY07. The Company's principal loans and advances comprised lease deposits for offices / studios, advances to subsidiaries for their business plans and refund/ input credits receivable on account of Income Tax and Service Tax.

Change in Programming during the quarter

- The Company launched following serial during the quarter ended March 31, 2007:

Serial	Channel	Frequency
Kayamath	Star Plus	4 days

- The Following serial/s of the Company went off air during the quarter ended March 31, 2007

Serial	Channel	Frequency
Kya Hoga Nimmo Ka	Star One	4 days
Thodi Si Zameen Thoda Sa Aasma	Star Plus	1 day

Kahin To Hoga	Star Plus	5 days
Kankanna	DD Bangalore	5 days

Serials on air

As on March 31, 2007 the following 12 serials of the Company were on air on various channels:

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (25 Shows) <i>{(Source – TAM Ratings for the week ended March 31, 2007, Fe 15+ABC (C&S))}</i>				
Kalyani	Gemini TV	5 Days	12.97	18.14
Kumkuma Bhagya Kadambarii	Udaya TV	5 Days 5 Days	6.38 9.60	10.95
Kasthuri	Sun TV	5 Days	21.30	28.21
Kalyani	Surya TV	5 Days	12.90	17.09
Commissioned Serials (31 Shows) <i>{(Source – TAM Ratings for the week ended March 31, 2007, 9 Cities, MF 4 + (C&S))}</i>				
Kyunki Saas Bhi Kabhi Bahu Thi Kahaani Ghar Ghar Kii Kasautii Zindagi Kay Kesar Karam Apnaa Apnaa Kayamath	Star Plus	5 Days 4 Days 5 Days 4 Days 4 Days 4 Days	10.38 9.38 5.44 2.54 2.41 4.35	10.38
Kasamh Se	Zee TV	5 Days	4.01	4.61

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.