

# Balaji Telefilms Ltd.

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Website : [www.balajitelefilms.com](http://www.balajitelefilms.com)  
CIN No.: L99999MH1994PLC082802



February 11, 2022

To,

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
Stock Code: 532382

**National Stock Exchange of India Ltd.**  
"Exchange Plaza",  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051  
Stock Code: BALAJITELE

**Sub: Outcome of Board Meeting held on February 11, 2022**

Dear Sir/Madam,

This is further to our letter dated February 11, 2022 intimating the outcome of Board Meeting for consideration and approval of Unaudited Financial Results for the quarter ended December 31, 2021. We are hereby submitting Quarterly Performance Report and Press Release in this regard.

The above information will also be made available on the Company's website, [www.balajitelefilms.com](http://www.balajitelefilms.com)

You are requested to take the aforementioned information on your record.

Thanking you,

Yours Faithfully,

**For Balaji Telefilms Limited**

SANJAY  
CHANDRABHU  
SHAN DWIVEDI

**Sanjay Dwivedi**  
**Group Chief Financial Officer**

Encl: a/a



# Quarterly Performance Update

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Q3 FY22 and 9M FY22

## ALTBalaji – 3.48m subscriptions sold for the nine month



Consolidated Financials (In Rs Cr)	Q3 FY22	Q2 FY22	Q3 FY21	YTDQ3- FY22	YTD-Q3 FY21
Total Income from operations	76.2	76.7	105.5	217.7	218.8
Cost of Production	71.1	80.9	86.3	209.4	183.3
Gross Margin	5.0	-4.2	19.2	8.3	35.5
Gross Margin %	7%	-5%	18%	4%	16%
EBITDA Loss	-21.3	-38.5	-24.0	-90.3	-62.7
EBITDA Margin %	-28%	-50%	-23%	-41%	-29%
Loss Before Tax	-24.6	-40.7	-29.2	-98.8	-75.6
Loss After Tax	-26.4	-39.4	-31.7	-99.7	-79.0

- ALTBalaji total subscriptions sold for 9MFy22 at 3.48m, direct subscription revenues at Rs 45 cr vs Rs 36 cr.
- ALTBalaji added 11 shows in the nine months, taking the overall library to 89+ shows.
- TV business returned to normal in 9M with 618 hours of production across 7 shows and strong pipeline for the year
  - realisation rates remain low given broadcast uncertainties
  - Current quarter 7 shows maintained there slots, with more number of 6 days shows and 1 hour episode, resulting in increase in telecast hours
- Current movie pipeline include 5 exciting projects

# Digital on track for expansion



## **ALTBalaji's remains focused on Hindi Originals**

- ALTBalaji continues to drive growth on the back of strong content, innovative marketing and affordable pricing
- Continue to pursue with creating original shows, library on ALTBalaji at 89+ includes multiple seasons of hits shows
- Remain focused on high quality of content with strong narratives for younger audiences
- Consumer engagement remains high multiple competing content, focus remains to minimize consumer churn
- Pricing remains at Rs 300 a year (less than Re 1 a day making it affordable to mass audiences)
- Overall revenue for the 9M as per IND-AS at 52cr, however additional 10 cr of revenue to be accounted in next 4 quarters as deferred revenue

## **TV business now returned to normal levels, very robust pipeline of new shows**

- TV business returned to more normal production with 618 hours content produced in the nine month
- 7 shows were on air
  - 7 shows running through the quarter - Kumkum Bhagya, Kundali Bhagya, Bhagya Lakshmi on Zee, Yeh Hai Chhatein on Star, Molkki on Colors and Bade Acche Lagte Hain 2, Kkusum (Marathi) on Sony
  - Hourly realizations remain muted at Rs 26 lakhs per hr and expected to remain soft as broadcasters continue to asses COVID 19 impact.
- 3 new shows lined up, 1 replacements & 2 new shows

## **Movies –working on 5 projects**

- Tightly controlled investments across movies – continue to monitor shooting schedules and availability of theatrical windows
- Company open to various monetization opportunities for existing and future projects including direct to digital launches



## CONTENT – New Launches



2 shows launched  
in last quarter





**IMDb**

## TOP IMDB SHOWS



8.8 ★



8.7 ★



8.6 ★



8.4 ★



8.3 ★



8.2 ★



8.2 ★

ALT shows getting critical acclaim and high IMDb ratings leading to creating franchise

- Cartel
- Broken But Beautiful
- Mai Hero Boll Raha Hu
- Aphan
- The Test Case
- Bose
- Home – it's a feeling

# TV and Movie returns to normal, strong pipeline heading into FY22



- Overall demand for content remains strong however witnessing some softness in rates given the impact on broadcasters revenue and future outlook on broadcasting revenues
- Strong pipeline with 3 new shows (including replacements). Volume growth to drive revenues and pricing remains soft
  - 2 shows on Colors
  - 1 show on Sony

- Shows on Air :

Broadcaster	Show
Zee	<ul style="list-style-type: none"><li>• Kumkum Bhagya</li><li>• Kundali Bhagya</li><li>• Bhagya lakshmi</li></ul>
Star	<ul style="list-style-type: none"><li>• Yeh Hai Chhatein</li></ul>
Colors	<ul style="list-style-type: none"><li>• Molkki</li></ul>
Sony	<ul style="list-style-type: none"><li>• Bade Acche Lagte Hain 2</li><li>• Kkusum (Marathi)</li></ul>

- Direct to digital movies remain a profitable opportunity given the growing demand from digital platforms
- Currently evaluating production schedules and release schedules
- **Status of current projects (tentative and subject to COVID-19 impact)**
  - Villain 2 directed by Mohit Suri and starring John Abraham, shoot nearing completion
  - Goodbye directed by Vikas Behl and starring Mr Amitabh Bachchan, shoot nearing completion
  - Dobaaraa directed by Anurag Kashyap and starring Taapsee Pannu, 100% shoot completed, now under post production
  - U Turn starring Alaya F, remake of hit Kannada movie, 100% shoot completed, now under post production
  - Freddy with Kartik Aaryan, 100% shoot completed, now under post production



## Financials

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# BTL Consolidated Financial Performance



Particulars (In Rs Cr)	Q3 FY22	Q2 FY22	Q3 FY21	9M FY22	9M FY21
Total Income from operations	76.2	76.7	105.5	217.7	218.8
Cost of Production	71.1	80.9	86.3	209.4	183.3
<b>Gross Margin</b>	<b>5.0</b>	<b>-4.2</b>	<b>19.2</b>	<b>8.3</b>	<b>35.5</b>
<i>Gross Margin %</i>	7%	-5%	18%	4%	16%
Marketing and Distribution	3.9	8.3	19.1	28.1	31.6
Employee Benefits Expense	8.2	6.8	7.3	21.2	20.1
Other Expenses	14.4	19.3	16.8	49.2	46.4
<b>EBITDA</b>	<b>-21.3</b>	<b>-38.5</b>	<b>-24.0</b>	<b>-90.3</b>	<b>-62.7</b>
<i>EBITDA Margin %</i>	-28%	-50%	-23%	-41%	-29%
Finance Cost	0.2	0.1	0.2	0.5	0.8
Depreciation and amortisation	3.5	3.8	7.3	11.4	22.6
Other Income	0.5	1.7	2.3	3.4	10.6
<b>Profit / Loss Before Tax</b>	<b>-24.6</b>	<b>-40.7</b>	<b>-29.2</b>	<b>-98.8</b>	<b>-75.6</b>
Tax Expenses	1.9	-1.3	2.4	0.9	3.4
<b>Net Profit After Tax</b>	<b>-26.4</b>	<b>-39.4</b>	<b>-31.7</b>	<b>-99.7</b>	<b>-79.0</b>

Note : Numbers may not add up due to rounding

# Legal Entity Wise Performance : Q3 FY22



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	Ding	Elimination	Consol
Net Sales / Income from Operations	63.5	0.1	12.5	7.0	6.8	76.2
Other Operating Income	0.1	-	-	-	0.1	-
<b>Total Income</b>	<b>63.6</b>	<b>0.1</b>	<b>12.5</b>	<b>7.0</b>	<b>6.9</b>	<b>76.2</b>
Cost of Production	43.0	-	28.2	6.9	-7.0	71.2
Marketing and Distribution Expenses	0.2	-	3.8	-	-0.1	3.9
Staff Cost	3.9	0.4	0.9	0.2	2.5	8.0
Other Expenditure	6.3	0.1	10.0	0.6	-2.5	14.4
<b>EBITDA</b>	<b>10.1</b>	<b>-0.7</b>	<b>-30.5</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-21.3</b>
Finance Cost	0.1	0.1	0.1	-	-0.1	0.2
Depreciation	3.1	-	0.3	0.1	-	3.5
<b>Profit / (Loss) from Operation Before Other Income</b>	<b>6.9</b>	<b>-0.6</b>	<b>-30.8</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-25.1</b>
Other Income	0.4	-	0.1	-	0.1	0.5
<b>Profit / (Loss) from Ordinary Activities Before Tax</b>	<b>7.3</b>	<b>-0.6</b>	<b>-30.7</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-24.6</b>
Tax Expenses	1.9	-	-	-	-	1.9
<b>Net Profit / (Loss) from continuing operations</b>	<b>5.4</b>	<b>-0.6</b>	<b>-30.7</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-26.4</b>

Note : numbers may not add up due to rounding

# Legal Entity Wise Performance : 9M FY22



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	Ding	Elimination	Consol
Net Sales / Income from Operations	170.3	0.0	51.6	8.0	12.4	217.6
Other Operating Income	2.2	-	-	-	2.1	0.1
<b>Total Income</b>	<b>172.8</b>	<b>0.0</b>	<b>51.6</b>	<b>8.0</b>	<b>14.6</b>	<b>217.7</b>
Cost of Production	131.1	-	88.0	7.8	-17.5	209.4
Marketing and Distribution Expenses	0.4	-	27.8	-	-	28.0
Staff Cost	10.9	1.2	3.0	0.4	5.5	21.2
Other Expenditure	18.9	0.6	34.1	1.1	-5.5	49.2
<b>EBITDA</b>	<b>11.3</b>	<b>-1.8</b>	<b>-101.4</b>	<b>-1.4</b>	<b>-3.0</b>	<b>-90.3</b>
Finance Cost	0.4	0.3	0.1	-	-0.4	0.4
Depreciation	10.3	-	1.0	0.1	-	11.4
<b>Profit / (Loss) from Operation Before Other Income</b>	<b>0.6</b>	<b>-2.1</b>	<b>-102.6</b>	<b>-1.5</b>	<b>-3.4</b>	<b>-102.1</b>
Other Income	2.8	0.2	0.6	0.1	0.4	3.4
<b>Profit / (Loss) from Ordinary Activities Before Tax</b>	<b>3.4</b>	<b>-1.8</b>	<b>-102.0</b>	<b>-1.4</b>	<b>-3.0</b>	<b>-98.8</b>
Tax Expenses	0.9	-	-	-	-	0.9
<b>Net Profit / (Loss) from continuing operations</b>	<b>2.5</b>	<b>-1.8</b>	<b>-102.0</b>	<b>-1.4</b>	<b>-3.0</b>	<b>-99.7</b>

Note : numbers may not add up due to rounding



## Accounting Policies for Amortization on Inventory

### **Movies**

- Items of inventory are carried at lower of cost and net realisable value. Cost is determined on the following basis:
  - Films: Actual Cost
  - Unamortised cost of films: The cost of films is amortised in the ratio of current revenue to the expected total revenue. At the end of each accounting period, balance unamortised cost is compared with the net expected revenue. If the net expected revenue is less than unamortised cost, the same is written down to the net expected revenue
- Marketing and distribution expenses are charged to revenue in the period in which they are incurred and are not added to inventory

### **Digital**

- Original content amortised over 3 years, 65% of the cost in the first year and 25% in the second year and 10% in third year
- Acquired content is amortised over license period



# Thank You

**Balaji Telefilms Limited**

**CIN : L99999MH1994PLC082802**

<http://www.balajitelefilms.com>

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## **ALTBalaji direct subscriptions nine-month revenue at Rs 45cr Original show library at 89+**

**February 11<sup>th</sup> 2022:** Balaji Telefilms announced its financial results for the third quarter and nine-months ended 31<sup>st</sup> December 2021.

ALTBalaji remains one of OTT's most consistent hit content creators adding 11 shows in the nine months taking the overall library to 89+ shows. The Company sold 3.48mn subscriptions during nine months ending 31<sup>st</sup> December 2021. This excludes subscribers on partner apps where the content continues to do well. The Company continues its strategy to drive deeper audience engagement by creating content that is targeted at mass India seeking differentiated stories. The platform has over 89+ shows and some of the hits launched in Q3FY22 includes Girgit & Pavitra Rishta 2. At the same time, the engagement time stands at 72 mins, with watch time at 15.45 billion in minutes. Video views stand at 1.26 billion cumulative till date.

During the nine months TV business produced 618 hours of content across 7 shows for 4 broadcasters. 3 new shows have been lined up and should commence shortly.

Movie business resumed production and the Company made good progress. The Company continues to wait for availability for theatrical launch windows and looking at deals across direct to digital as well. As part of its strategy the Company continues to control investments in movies and pursue pre sales and co-production deals where feasible.

**Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited** said, "ALTBalaji continues to drive subscription growth and we added 3.48mn subscriptions during the nine months. We added 11 shows in the nine months and now have a solid line up for the rest of the year. Our strategic content sharing deals will ensure we control on the cash spend while driving overall profitability. Our TV business has shown good recovery in terms of production hours and we hope to improve this momentum as 3 new shows will commence. In the movie business, production for some exciting projects is at various stages of completion. We closely monitor the availability of theatrical releases and direct to digital launches. Overall, the year has been good and expected to continue the momentum."

## **OPERATIONAL and FINANCIAL HIGHLIGHTS**

- ALTBalaji total subscriptions sold in Q3YTD FY21 were 3.3 mn. Q3YTD FY22 is 3.48 mn. Direct subscription revenues at Rs 45cr vs Rs 37 cr
- ALTBalaji 89+ shows live on the platform
- TV business continued at normal in nine months with 618 hours of production across 7 shows and a strong pipeline for the year.
- Movies current pipeline includes 5 exciting projects
- Overall financial performance for the nine months
  - Group revenues at Rs 217cr of which ALTBalaji contributed Rs 52cr
  - Group EBITDA loss at Rs 90cr and Loss after tax at Rs 99cr

## **About Balaji Telefilms Limited:**

Balaji Telefilms is India's leading integrated media conglomerate operating across television, movie and digital content production. The Company, under the stewardship of Mrs. Shobha Kapoor and Ms. Ekta Kapoor, enjoys market leadership in the television content industry for over two decades with an exemplary track record for content creation across genres and target groups.

Balaji Telefilms is a household name which has produced some of the best television serials in the country including the famous K Series of daily soaps such as Kyunki Saas Bhi Kabhi Bahu Thi and Kahaani Ghar Ghar Ki. More recently it has created an extremely successful mystical fantasy series of Naagin 1 to Naagin 5, paving the way for weekend fiction based programming.

Over the years the Company through its movies business has also demonstrated success in pioneering the production of a differentiated cinematic content across different genres. The Company has been involved in creating a number of commercial as well as critically acclaimed movies such as The Dirty Picture, LSD, Once Upon a Time, Ek Villain, Udta Punjab and most recently Veere Di Wedding and Dream Girl

Balaji Telefilms Ltd's foray into original shows on digital platforms, ALT Digital Media Entertainment Limited is a wholly owned subsidiary of the production house. Serving as a multi-device subscription Video on Demand (SVOD) Platform, ALTBalaji's offerings include premium, disruptive content and original series across genres, that audiences can watch at their convenience. With originality, courage and relentlessness at its core, ALTBalaji's content stands out for being non-conformist and inclusive. ALTBalaji is here to set new standards and benchmarks in giving digitally-first audiences an alternate content platform.

## **For further queries please contact:**

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