

# MANAGEMENT DISCUSSION & ANALYSIS



## INDUSTRY REVIEW

### GLOBAL ECONOMY

The world economy experienced subdued growth for another consecutive year in 2013. The global economy grew by approximately 2.9% in 2013, its slowest rate since 2009. Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling in an uphill battle against the lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown

in the past two years, encountered new headwinds during 2013 on both international and domestic fronts.

Recently, the global economy has begun to look much healthier. Because of their scale, a recovery in advanced economies is likely to boost global growth to 3.6% in 2014, accelerating to 3.9% in 2015, according to World Economic Outlook of International Monetary Fund (IMF). In the emerging markets and developing economies, growth is projected to pick up gradually from 4.7% in 2013 to about 5% in 2014 and 5.3% in 2015. Growth will be helped by stronger external

demand from advanced economies, but tighter financial conditions will dampen domestic demand growth.

### INDIAN ECONOMY

The Indian economy weathered the global financial crisis rather well and quickly recovered from the decline in growth rate in 2008-09 to a healthy growth that averaged around 9% annually in 2009-10 and 2010-11. India's Gross Domestic Product grew by 4.7% during FY2014, as against 4.5% in the previous fiscal year of FY2013. The World Economic Outlook (WEO) update released by the International Monetary Fund (IMF) in January 2014



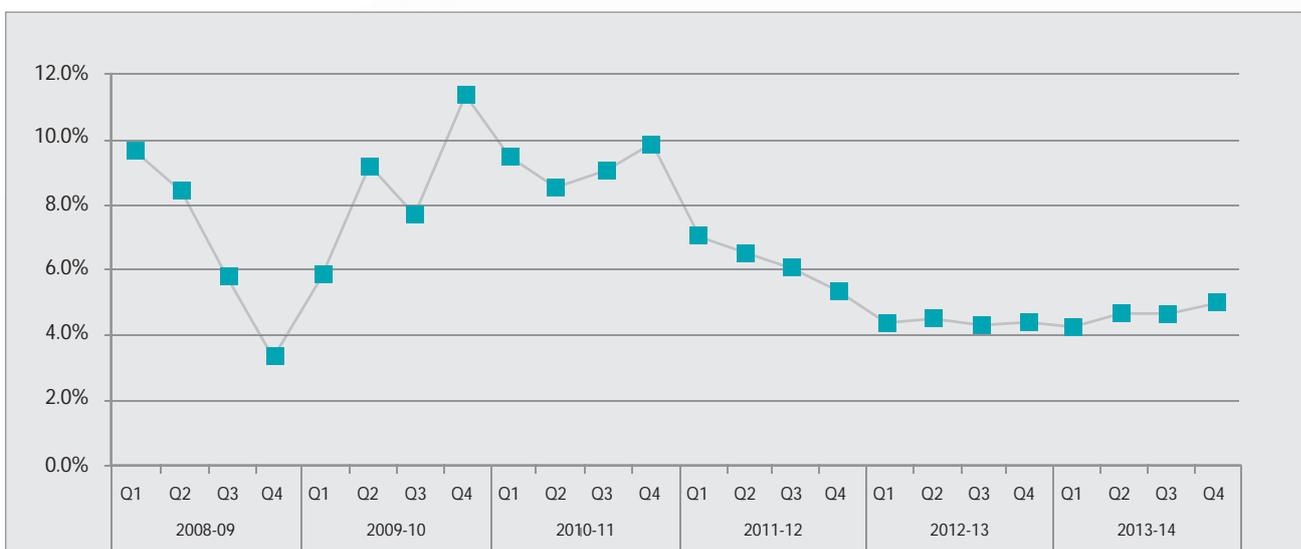
has estimated a better year ahead for the Indian economy. Several reform measures have been undertaken including clearance of several large projects by the Cabinet Committee on Investment, which should help revive the economy and investment sentiments. In addition, resurgence of exports, prospects of revival in the global economy and moderation in inflation observed recently, point to a better outlook for the Indian economy in 2014-15 vis-à-vis 2013-14.

### INDIAN MEDIA & ENTERTAINMENT INDUSTRY

The Indian Media & Entertainment (M&E) industry registered a moderate growth of 11.8% to touch ₹ 918 billion in 2013. This was despite sluggish GDP growth which impacted consumer demand and advertising spend by corporates. The growth was majorly driven by television and print media which together accounted for 72% of industry revenues, having grown by 12.7% and 8.5%, respectively, in 2013. Amidst a subdued operating

environment, the industry continued to benefit from increasing digitisation of media products and services. Gaming and digital advertising were the two prominent industry sub-sectors which recorded strong growth in 2013, albeit on a smaller base. According to KPMG-FICCI estimates up to 2018, digital advertising is expected to display the highest CAGR of 27.7%, while all other sub-sectors are expected to grow at a CAGR in a range of 9-18%. Overall, the industry is expected to register a CAGR of 14.2% to touch ₹ 1,786 billion by 2018.

### GROWTH RATE IN INDIA'S GDP

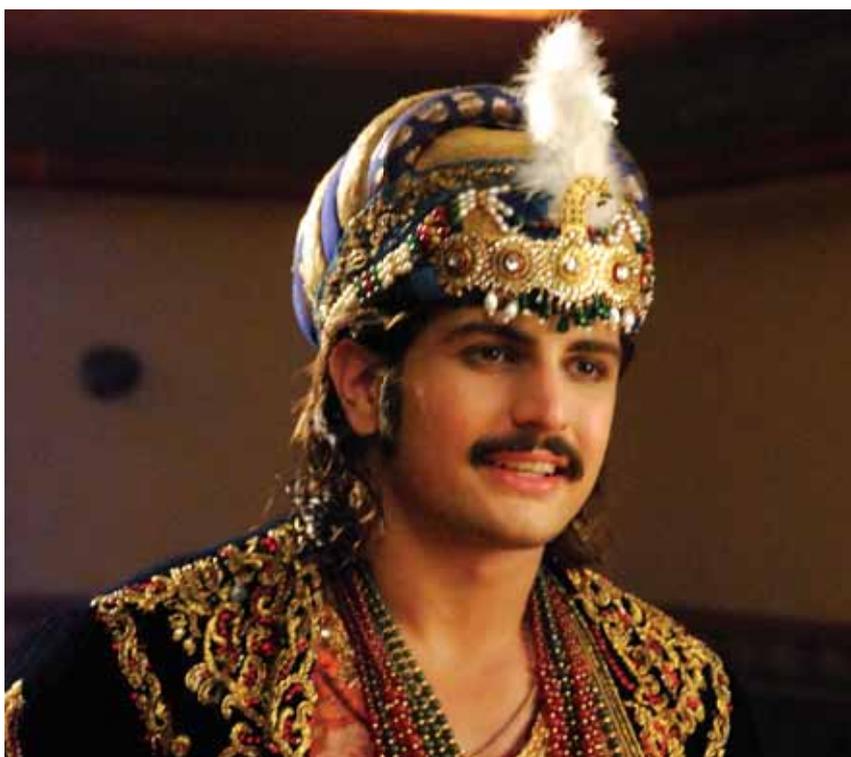


Source: RBI Database

## SIZE OF INDIA'S MEDIA & ENTERTAINMENT INDUSTRY

OVERALL INDUSTRY SIZE	2012	2013	GROWTH IN 2013 OVER 2012 (%)	2014P	2015P	2016P	2017P	2018P	CAGR (2013-18) (%)
TV	370.1	417.2	12.7%	478.9	557.4	672.4	771.9	885.0	16.2%
PRINT	224.1	243.1	8.5%	264.0	287.0	313.0	343.0	374.0	9.0%
FILMS	112.4	125.3	11.5%	138.0	158.3	181.3	200.0	219.8	11.9%
RADIO	12.7	14.6	15.0%	16.6	19.0	23.0	27.8	33.6	18.1%
MUSIC	10.6	9.6	-9.9%	10.1	11.3	13.2	15.1	17.8	13.2%
OOH	18.2	19.3	5.9%	21.2	23.1	25.2	27.5	30.0	9.2%
ANIMATION AND VFX	35.3	39.7	12.5%	45.0	51.7	60.0	70.2	82.9	15.9%
GAMING	15.3	19.2	25.5%	23.5	28.0	32.3	36.1	40.6	16.2%
DIGITAL ADVERTISING	21.7	30.1	38.7%	41.2	55.1	69.7	88.1	102.2	27.7%
TOTAL	821	918	11.8%	1039	1201	1390	1580	1786	14.2%

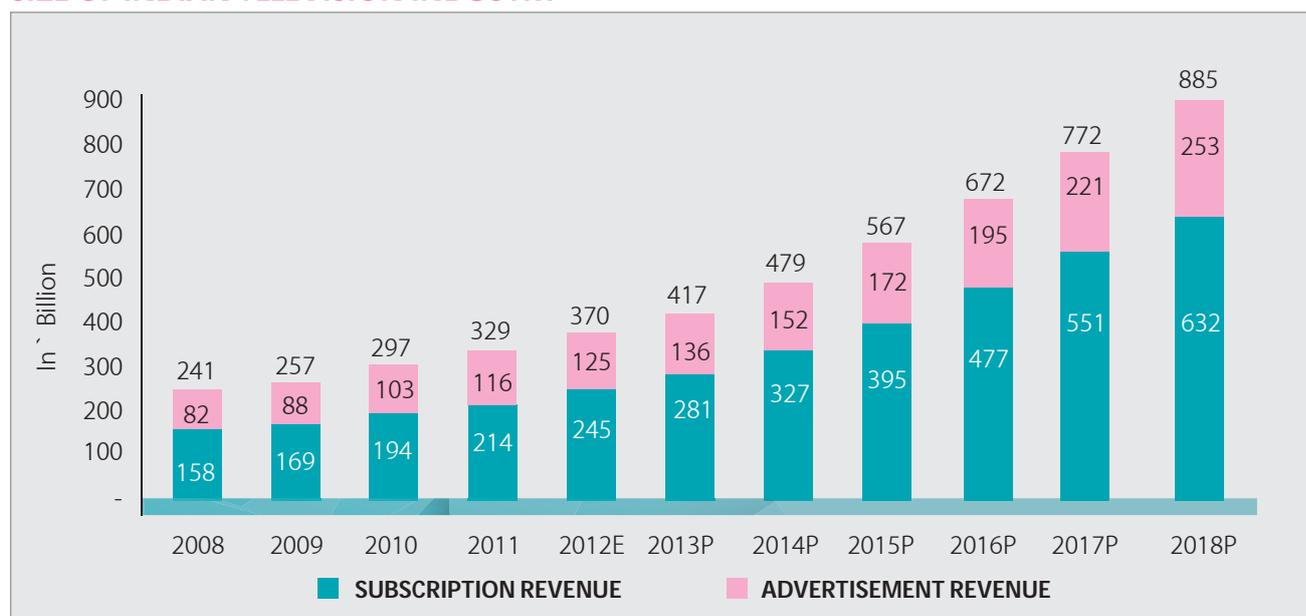
Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013; All Figures in ` Billion



THE TV INDUSTRY GREW BY 12.7% TO ` 417 BILLION IN 2013. THIS WAS PRIMARILY DRIVEN BY HIGHER SUBSCRIPTION REVENUES WHICH GREW BY 15% IN 2013 TO ` 281 BILLION. THIS GROWTH WAS PARTIALLY OFFSET BY A LOWER GROWTH OF 8.8% IN THE ADVERTISING REVENUES.



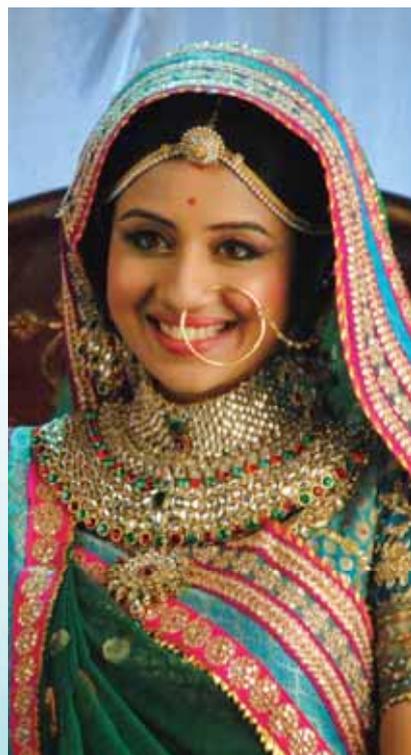
## SIZE OF INDIAN TELEVISION INDUSTRY



Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India  
 Note: Figures are rounded to nearest integers and may not add up exactly to column totals

## INDIAN TELEVISION INDUSTRY

The Indian television (TV) industry went through several key fundamental shifts in 2013. This impacted its current operating environment and will determine its growth prospects in the near future. The TV industry grew by 12.7% to ₹ 417 billion in 2013,



primarily driven by higher subscription revenues which grew by 15% to ₹ 281 billion, partially offset by lower growth of 8.8% in the advertising revenues.

The television advertising had to cope with the economic slowdown which caused the corporates to cut their advertisement spends. In addition, the operating environment further got affected by the Quality of Service regulation introduced by The Telecom Regulatory Authority of India (TRAI) in March 2013, capping the duration of advertisement to 12 minutes per hour.

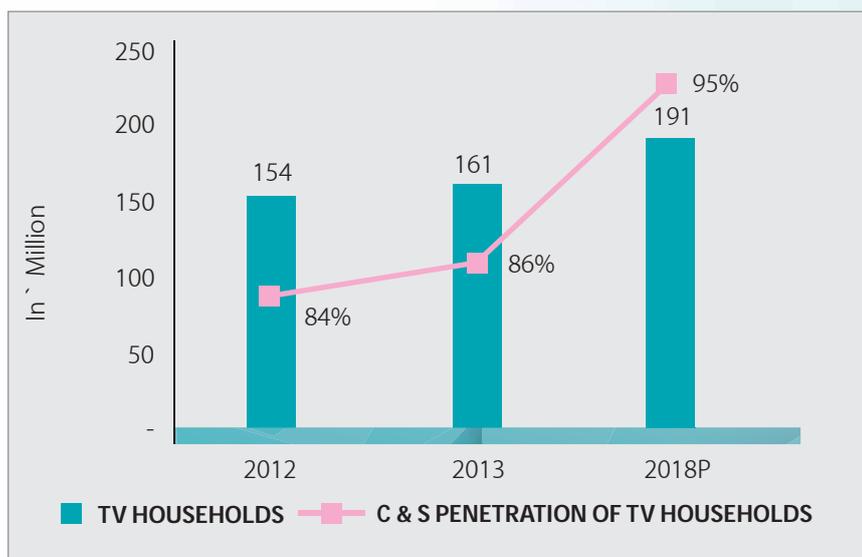
The subscription revenues continued to benefit from increasing digitisation of cable in Phase I & II cities. In addition to better transparency due to digitisation of cable, TRAI also focussed its attention on improved subscriber addressability for which it directed all Multi-system Operators (MSO) to maintain their subscriber management system (SMS) after collection of customer application forms (CAF) and proper customer verification. The MSOs also started moving their subscribers from net billing to gross billing which includes entertainment tax and service tax in the bill amount. While the digitisation of cable has achieved the transparency and subscriber addressability for the

MSOs and broadcasters, it is expected to take another 2-3 years for them to witness the subsequent growth in subscription revenues and Average Revenue per User (ARPU) driven by appropriate channel packs, premium content channels, high definition channels, pay-per-view and other value added services.

### GROWTH DRIVERS

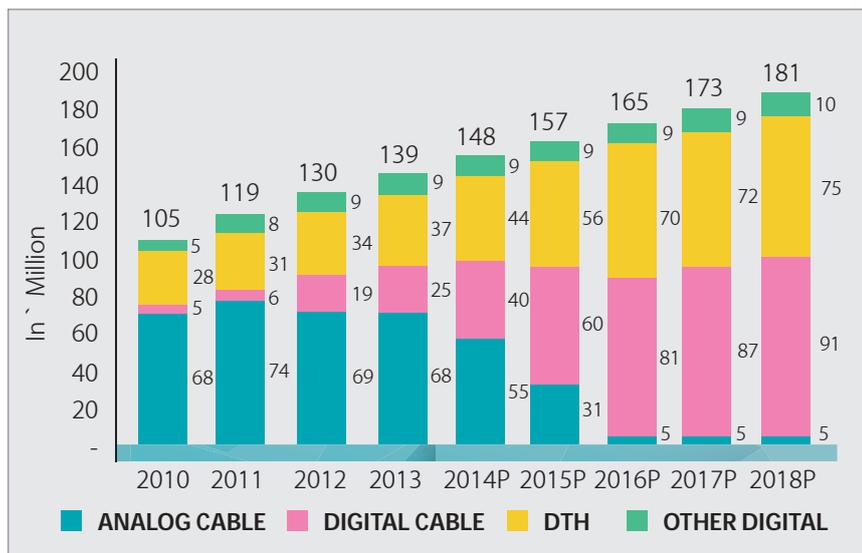
The content producers are also set to capitalise on cable digitisation drive and improvise their business model. Digitisation has pushed content producers to invest more in content, upgrade the content quality, offer customised and localised content and launch of new premium channels with reduced carriage fees. Furthermore, the content producers are also increasingly recognising the need for owning Intellectual Property (IP) rights. A majority of the TV programmes currently produced in India are commissioned, where the IP rights for the content and the characters remain with the broadcaster. Owning of IP rights will help the content producers to gain from multi-platform content monetisation through licensing content and formats in international markets, dubbed or remade versions on regional language channels, and digital media.

### PENETRATION OF CABLE & SATELLITE IN HOUSEHOLDS



Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India

### CABLE & SATELLITE SUBSCRIBER BASE



Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India

The television penetration in India touched 60% in 2013 implying 161 million TV households. The number of Cable & Satellite (C&S) subscribers was 86% of the total TV households and is expected to grow to 95% of the TV households by 2018. While the digitisation of cable is quickly expanding across India, digital cable offered by MSOs continues to retain a larger share of analogue subscribers, as they provide higher number of channels and a better quality of signal at lower price.

Going forward, the television industry is expected to grow at a CAGR of

16% over 2013-18, to reach ~ 885 billion in 2018. Revival in economic growth, increasing penetration of TV households, greater transparency and higher ARPU through digitisation, will be the key benefactors driving the television industry growth. While the television advertising is expected to grow at a CAGR of 13% over 2013-18, subscription revenues are set to be the major driver of growth for broadcasters and MCOs, growing at an estimated CAGR of 18% from 2013 to 2018. Increase in the declared subscriber base and higher revenue share are expected to drive up the share of subscription to total revenues from 67% in 2013 to 71% in 2018.

### INDIAN FILM INDUSTRY

The Indian film industry continued to display its consistent performance year over year in 2013 both in terms of content and box office collections. There has been a significant growth backed by differentiated content, larger releases across digital screens and aggressive promotions by production houses. The growing box office collections indicate the audiences' growing appetite for differentiated content. This has resulted in shift in industry focus from 'blockbuster' movies to movies driven by good quality niche and thematic content. Rapid development of the digital infrastructure including digital movie prints and expansion of multiplexes, has helped the content to reach the audience in the most effective manner. Increasing corporatisation of production houses has also resulted in higher investment and focus in content development.

Furthermore, formation of alliances between production houses from various regional markets has enhanced the availability of quality content through exchange of talent and movie remakes in different languages. The increased focus on content development has however resulted in higher production costs. Corporatisation is leading the industry to become more prudent and structured with greater emphasis on acquisition of script, planning, budgeting and financing activities. Various family run production houses, in order to expand while controlling costs, have started developing in-house producers and providing them with a platform to produce films.



## SIZE AND PROJECTIONS OF INDIA'S FILM INDUSTRY

REVENUES	2012	2013	2012-13 (YoY GROWTH) (%)	2014P	2015P	2016P	2017P	2018P	CAGR (2013-18) (%)
DOMESTIC THEATRICAL	85.1	93.4	9.8%	102.2	116.9	133.3	146.3	160.2	11.4%
OVERSEAS THEATRICAL	7.6	8.3	9.4%	9.4	10.3	11.4	12.0	12.7	8.9%
HOME VIDEO	1.7	1.4	-18.0%	1.2	1.0	0.9	0.8	0.7	-13.0%
CABLE & SATELLITE RIGHTS	12.6	15.1	20.2%	16.1	18.4	20.9	23.0	25.2	10.7%
ANCILLARY REVENUE STREAMS	5.4	7.0	29.3%	9.1	11.7	14.7	17.8	21.0	24.7%
<b>TOTAL</b>	<b>112.4</b>	<b>125.3</b>	<b>11.5%</b>	<b>138.0</b>	<b>158.3</b>	<b>181.3</b>	<b>200.0</b>	<b>219.8</b>	<b>11.9%</b>

All Figures in ` Billion

The Indian film industry touched ` 125.3 billion in 2013. Domestic theatres continued to be the major contributor accounting for 75% of industry revenues. Wider acceptance of digital technology, with around 80-100% of films being digitally distributed and 90-95% of theatre screens digitised, and larger number of movie screens across India, have been the key revenue drivers for the domestic theatrical segment. With more than 4,500 screens across the country, it has been possible to manage a wider and coordinated release of movies across the country.

Overseas theatres contributed only 7% of the total revenues. North America, U.K. and the Middle East are the key markets accounting for around 80 percent of the total overseas revenues. Of late, the industry is experiencing increasing demand from new markets such as Japan, South Korea and Peru where films are distributed with subtitles in the native language. C&S rights formed a major portion of revenues for film producers and accounted for 12% of the industry revenues. C&S revenues grew 20.2% in 2013 with average C&S rights for high budget Bollywood movies being sold at an average of ` 400-500 million compared to ` 300-400 million in 2012.

While digitisation of movies has reduced piracy to certain extent, it still continues to remain one of the major concerns of the film industry, accounting for 55 percent of revenue loss due to piracy. The Cinematograph

Act of 2013, constituted by the Ministry of Information & Broadcasting (MIB) has proposed to address the issue of intellectual property theft by declaring piracy as a non-bailable offense. The Ministry has made it mandatory for the multiplex owners to screen anti-piracy clips and violation of which will have implications on the license issued to multiplex owners. The committee has also recommended a fine extending from ` 500,000 to ` 2.5 million and an imprisonment up to 3 years for unauthorised duplication of certified films.

While digitisation of movies and movie screens has led to the domestic theatre growth in recent years, the next wave of growth is now expected to result from rapid expansion of multiplex infrastructure in India. This in turn is a function of performance of real estate industry and growth of organised retail in India. Furthermore, factors such as rapid urbanisation, penetration of multiplex in tier II and III cities, increasing sophistication in production and marketing of films and audiences' preference for differentiated content, are together expected to help the industry sustain its growth over the next few years and be worth ` 219.8 billion by 2018.

### INDUSTRY OUTLOOK

With the gradual economic recovery expected post the general elections, the Indian M&E industry is expected to display an improved performance. Advertising revenue which contributes around 50 percent of the total media

revenue including print and television is expected to improve as corporates restore their advertising budgets. As the TV digitisation gains traction pan India, broadcasters and MSOs are set to gain from increasing subscription revenues thus reducing their reliance on cyclical advertising revenues. TRAI has proposed increasing foreign direct investment (FDI) limits in hosts of broadcast subsectors such as broadcast carriage service, television content services and FM radio. This could lead to increased investor interest in the sector which is already getting enlarged by the digitisation drive.

Changing lifestyles and increasing penetration of internet-enabled mobile devices are setting the stage for digital media in India. According to TRAI, the number of subscribers accessing Internet on mobile devices was 176.5 million in June 2013, increasing from 143 million in March 2013. The double-digit growth is likely to continue in 2015. Increasing Internet penetration is also leading to TV channels offering their mobile applications, live TVs on websites, a trend in line with developed countries with high Internet penetration.

The Indian M&E industry shall continue to benefit from India's favourable demographics. Being one of the youngest nations in the world, with high content consumption, strong content creation and favourable regulatory framework, India is an attractive investment destination for global M&E companies.

## COMPANY OVERVIEW: OUR TELEVISION BUSINESS



**OUR WELL-SPREAD REACH ACROSS GECs AND VARIOUS REGIONS AND OUR STRATEGIC TIE-UPS WITH A HOST OF CHANNELS MAKE US PREDICTABLE, WHILE OUR CONTINUED FOCUS ON COST OPTIMISATION GIVES US SUSTAINABILITY. A HEALTHY PIPELINE OF FORTHCOMING PROJECTS GIVES US A POSITIVE UPSIDE, MAKING OUR TV BUSINESS MORE SCALEABLE.**

Television entertainment has been the foundation stone for our business. Fiscal year 2013-14 has been one of the best years for Balaji Telefilms's TV business in terms of number of shows, quality of content and operating margins. This has been the only year in the history of Balaji when each quarter posted positive cash flows. Our TV shows are among the top-rated across entertainment channels and are constantly raking in higher

TRPs, a testimony to our industry standing. Going forward, we aim to make inroads into the regional space too by creating content in southern languages, besides in Bangla and Marathi. We have a deep pipeline of long-format and short-format TV series with a strong foothold across channels, giving us clear visibility of revenues and screen space over the next few years.

## OUR TV SHOWS ON AIR DURING FY2014

TV SHOW	RUNNING SINCE	RUNNING TILL	CHANNEL
PAVITRA RISHTA	June 1, 2009	Present	Zee TV
BADE ACHHE LAGTE HAIN	May 30, 2011	July 10, 2014	Sony TV
KYA HUA TERA WAADA	January 30, 2012	May 23, 2013	Sony TV
EK THI NAAHIKA	March 09, 2013	April 28, 2013	Life Ok
JODHA AKBAR	June 18, 2013	Present	Zee TV
GUMRAH (SEASON 3)	July 7, 2013	February 9, 2014	Channel V
PAVITRA BANDHAN	September 9, 2013	Present	DD National
MTV WEBBED (SEASON 1)	September 14, 2013	December 7, 2013	MTV
CONFESSIONS OF AN INDIAN TEENAGER	November 25, 2013	May 20, 2014	Channel V
YE HAI MOHABBATEIN	December 3, 2013	Present	Star Plus
MTV WEBBED (SEASON 2)	April 4, 2014	July 18, 2014	MTV
KUMKUM BHAGYA	April 15, 2014	Present	Zee TV
MERI AASHIQI TUMSE HI	June 24, 2014	Present	Colors
GUMRAH (SEASON 4)	August 17, 2014	NA	Channel V
UNTITLED	August, 2014	NA	Life OK



## OUR TELEVISION BUSINESS: OPERATIONAL OVERVIEW

# SERIALS

CURRENTLY  
ON AIR



**Premiered:** June 2013  
**Lead Actors:** Rajat Tokas,  
 Paridhi Sharma, Chetan Hansraj  
**Genre:** Historical love story  
**Channel:** Zee TV

*Jodha Akbar* is a 16<sup>th</sup> century love story about a political marriage of convenience between Mughal emperor Akbar and the Rajput princess Jodha. Being hard-nosed, rough, tough and heartless, Akbar kept expanding his empire at the cost of other's lives, emotions and love. Whilst Jodha, the fiery Rajput

princess and daughter of the King of Amer, was the one to value emotions. Once married, Akbar embarked on the journey of true love. Akbar's biggest challenge was in winning the love of Jodha, which was hidden deep below resentment and extreme prejudice.



**Premiered:** April 2014  
**Lead Actors:** Shabbir  
 Ahluwalia, Sriti Jha  
**Genre:** Family Drama  
**Channel:** Zee TV

*Kumkum Bhagya* is about a women-centric Punjabi family based in Chembur. The underlying concept of the show is about how different people come together from different backgrounds and perspectives and yet adjust into each other's lives. The family's two daughters, Pragya and Bulbul, are poles apart and the story

revolves around their love lives. Pragya likes Suresh who is a simple guy, whereas Bulbul dreams about Abhi. Being a rockstar, Abhi is obsessed with money and fame and does not believe in love. Pragya, on the other hand, believes in love and money doesn't matter much to her.





*Ye Hai Mohabbatein* is a love story between a mother and a child who are brought closer to each other through a unique bond and under weird circumstances. It is this bond that also brings Raman and Ishita into each other's lives. A Tamilian, Ishita has been abandoned by her fiancé and would-be parents-in-law due to her inability to bear a child. Raman, who is a Punjabi was once an affable person, but is now hardened by the cruel end of his marriage as his wife marries his

**Premiered:** December 2014

**Lead Actors:** Karan Patel, Divyanshi Tripathi

**Genre:** Fiction

**Channel:** Star Plus

boss, a much richer and suave person. The wife Shagun leaves behind 4-year old Roohi, but since she looks exactly like her mother, Raman neglects the child. Amidst the hilariously turbulent friction between the Punjabi and South Indian family, Ishita's motherly

love blooms for Roohi due to which Ishita agrees to marry Raman. He agrees as he too is scared of losing his daughter in the custody to his wife. Through the test of time, Raman and Ishita not only share each other's pain, but love too blossoms between them.



**Premiered:** September 2013

**Lead Actors:** Yash Tonk, Hritu Dudani

**Genre:** Family Drama

**Channel:** DD National

*Pavitra Bandhan* is a metaphorical take on the story of a young and free-spirited woman whom destiny and circumstances push into a situation, which is like a dark and endless night. She has to face the situation all alone and is constantly lightening up other people's lives. The TV show is a poignant and passionate tale of this young woman. It is not a love story, but a story about love set in the backdrop of the beautiful landscapes of Bengal and the enriched Bengali culture.



## OUR TELEVISION BUSINESS: OPERATIONAL OVERVIEW

# SERIALS CURRENTLY ON AIR



**Premiered:** May 2011  
**Lead Actors:** Ram Kapoor, Sakshi Tanwar  
**Genre:** Mature love story  
**Episodes Completed:** 644  
**Channel:** Sony TV

*Bade Achhe Lagte Hain* is a love story between two completely different kind of people, Ram Kapoor and Priya Sharma. Ram Kapoor is a well-reputed, rich and powerful businessman in his early 40s, while Priya is from a middle-

class family and is sensible, philosophical and mature. The story is about how their dislike for each other slowly changes to respect, and eventually love. However, every time Priya and Ram grow closer, situations drive them apart. After story

takes a 20-year leap, their daughter Pihu and several other antagonists are introduced. The show ended in July 2014 with the theme on how their love stands the test of time, after years of a turbulent love life.



**Premiered:** June 2009  
**Lead Actors:** Hiten Tejwani, Ankita Lokhande, Karan Mehra  
**Genre:** Family drama  
**Episodes Completed:** 1,352  
**Channel:** Zee TV



*Pavitra Rishta* is the story of Manav Deshmukh, a mechanic, and his wife Archana, an uneducated young woman, and how they fall in love and marry each other. Following an 18-year leap,

the story showcased the lives of their children, adopted daughter Purvi and her marriage with business tycoon Arjun Digvijay Kirloskar. After another 20-year leap, the story now focusses

on their grown-up grand-children. It shows the marriage of the daughter of Sohan, Manav and Archana's son; and that of their grand-daughter Ankita with business tycoon Naren Karmarkar.



**Premiered:** July 2013  
**Anchored By:** Kritika Kamra  
**Genre:** Thriller  
**Episodes Completed:** 32  
**Channel:** MTV

*Webbed* is a TV show hosted by Kritika Kamra depicting real-life stories to create awareness on cyber abuse. The propogates the thinking and formula: "Think before you click", depicting how

internet is a great place to make friends, but is not bereft of faceless predators. Every like, share, comment, tweet has a butterfly effect and the power to change someone's life. The stories, inspired from

real-life plots, spread awareness against the viscous web. It helps convey the message effectively and demonstrates how crimes are committed in the deep dark world of the World Wide Web.



**Premiered:** July 2013  
**Anchored By:** Karan Kundra  
**Genre:** Thriller  
**Episodes Completed:** 32  
**Channel:** Channel V

*Gumrah* aims at touching the core teenage issues prevailing in India. Every episode deals with a new teenage problem, which is based on a real-life

event. The story focusses on the teenage psyche of how and why a teenager gets carried away and committed a crime at a small age.



**Premiered:** November 2013  
**Genre:** Teen Drama  
**Episodes Completed:** 52  
**Channel:** Channel V

*Confessions of an Indian Teenager* is a show that gives strong hope to teenagers. The show not only focusses on teenage issues, but provides adequate resolution to each problem

showcased. Each episode has a different story and is based on some real-life problems faced by teenagers in India.



**Premiered:** June 2014  
**Lead Actors:** Shakti Arora,  
 Radhika Madan  
**Genre:** Family Drama  
**Channel:** Colors

*The* main protagonist of *Meri Aashiqui Tumse Hi* is Ranveer. At the age of 10 years, he falls in love with Ishaani who is 9-years old, even as he is dealing with his mother's death. Ironically, Ranveer's father Kamlesh bags the job of that of a driver with Ishaani's father Harshad

Mehta, who also helps Ranveer get himself educated. Gradually, Ranveer's sharp talent and quick thinking is noticed and he becomes Mehta's 'right hand' man. Mehta entrusts Ranveer the job of making Ishaani and Chirag, the son of one of Mehta's friend, fall in love. With great honesty, Ranveer fulfills this responsibility. But as the story progresses, Ishaani realises Ranveer's love for her.

## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN TELEVISION

# WE ARE PRESERVING WHAT WE'VE BUILT AND SCALING NEW HEIGHTS BY STRENGTHENING OUR PROGRAMMING LINE-UP



We have proven our content capabilities and established a niche market position, driven by the type and quality of content delivered through a mix of our top-rated TV shows.

*Jodha Akbar*, which premiered on Zee TV in June 2013, scaled an impressive TRP, emerging as the No. 2 TV show across all entertainment channels. It is rapidly finding place among the top-rated shows on Indian television. Being the highest rated historical drama on the small screen, it enabled Zee TV

move up from its No.4 to the No.2 slot among entertainment channels.

### BEING PACE-SETTERS

Amongst our new shows, *Ye Hai Mohabbatein*, the family drama launched in December 2013 on Star Plus is raking in a TRP of 3. It has clocked the record of being the show with the largest time spent on any channel with an average of 19 minutes. In April this year, we launched *Kumkum Bhagya* on Zee TV at 9.00 pm, shifting our ongoing top-rated TV show

*Pavitra Rishta* to the 6.30 pm slot. On the immediate horizon, *Meri Aashiqui Tumse Hi* was recently aired on Colors. There are two new shows slated to be broadcasted in August. One of these is a cult show titled starring Sonali Bendre, Harsh Chhaya and Apurva Agnihotri and will be featured on Life OK. Another show will be aired soon on Sony's new channel PAL. Besides another family drama, we are working on another one on the lines of a teen show depicting the lives of 8-9 school kids and their transition to college.

**OUR FUTURE SLATE FOR FY2015 AND FY2016 GIVES US GOOD VISIBILITY INTO OUR NEAR-TERM FUTURE. WE AIM TO LAUNCH AT LEAST 6-7 NEW HIGH-QUALITY, HIGH-CONCEPT SHOWS OF DIVERSE GENRES ACROSS CHANNELS. SCALING UP OUR TV CONTENT VOLUME HELPS US FURTHER OPTIMISE COSTS.**



## ATTAINING COST EFFICIENCIES

A healthy slate of TV shows in the pipeline leads to an increased scope for cost rationalisation and optimisation. We continue to focus on optimum utilisation of our production sets, resources, manpower, production staff, occupation in building, editing machines, among others. Instead of investing in creation of new sets, we are refurbishing existing ones. Even as the basic fixed cost of each project remains the same, we are achieving economies of scale and reducing costs through set amortisation. We continue to monitor weekly costs through an MIS that gets viewed regularly even at the promoter's level. Our infrastructure is being utilised more judiciously and our costs are kept fully in control. Our efficient planning and execution

ensures the highest productivity and output among all production houses across India.

## BETTERING OUR MARGINS

Our strategies help us add to our bottom line. Prior to any new TV show, we conduct workshops, mock shoots and dress rehearsals with our actors, helping us better plan and enhance our profitability. This ensures we do not waste too much time on the production sets, trimming down our costs even further. Cost optimisation has been a result of efficient planning and execution of each project. Our new show on Doordarshan has been executed at highly competitive prices, enhancing our profitability.



## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN TELEVISION

# EXPLORING DIVERSE GENRES AND CONTENT INNOVATION TO DRIVE GROWTH IN VIEWERSHIP

WHILE LONG-FORMAT FAMILY DRAMAS HAVE BEEN OUR KEY GROWTH DRIVER, WE ARE NOW EXPLORING DIVERSE GENRES. OUR AIM IS TO PROVIDE FRESH, INNOVATIVE AND DIFFERENTIATED CONTENT TO AVOID CLUTTER AND DRIVE GROWTH IN VIEWERSHIP. OUR CONTINUED SUCCESS WILL DEPEND ON HOW WELL WE DIFFERENTIATE OURSELVES FROM COMPETITION. OUR OBJECTIVE IS TO CREATE A BASKET OF ASSORTED AND INNOVATIVE TV SHOWS THAT APPEAL TO OUR EXISTING AUDIENCES AND HELP US WIN NEW ONES.

At Balaji, we have well established ourselves as the leading TV production house in long-format TV shows. Having been credited for our successful K-series *saas-bahu* shows which created a loyal viewer base, we are experimenting with short-format, season-based and high-concept shows to satiate viewers' growing appetite. We are focusing on genres as diverse as thriller, youth, horror, reality and teen crime in the Hindi GEC space, the most watched genre on Indian television. Our new programming line-up includes niche and radically

different TV shows, not limiting ourselves to conventional *saas-bahu* serials with mass orientation. Our *mantra* is to deliver differentiated and fresh content to audiences without compromising on quality.

### EXPLORING DIVERSE GENRES

After the successful launch of three seasons of our popular show *Gumrah*, its 4<sup>th</sup> season is slated to take off on Channel V. Based on teen crime, this sensational thriller is aimed at

the youth. *Confessions of an Indian Teenager*, a show we launched on Channel V based on cyber abuse, has been widely appreciated. We successfully created a niche with careful positioning through youth-focused content. As we move ahead, TV will continue to be our mainstay business. Although we have achieved scale in our TV business, going forward our aim will be to establish meticulous forward planning that allows us the luxury of uninterrupted revenue streams with as many GECs and niche channels as possible





## BEING SLOT CHANGERS AND CHANNEL DRIVERS

Having established an undisputed leadership in the TV domain, we are concentrating on building new prime-time slots. We have already earned the reputation of turning around prime-time TV slots with our top-rated shows. With our hit and successful TV series *Bade Acche Lagte Hain* which runs on Sony TV, prime-time moved to the 10.30-11.00 pm slot. Now with *Ye Hai Mohabbatein* on Star Plus, we migrated prime-time back to 11.00-11.30 time band. Despite being premiered as late as 11.00 pm, this new show is managing a TRP of 3, while repeat shows too are pulling in a 1.5 TRP.

Earlier, our Tamil TV show *Kudumbam* on Sun TV had moved prime-time band to 10.00-10.30 pm; later, with a thriller TV show in the Hindi GEC space *Kahin Kisi Roz*, we again changed prime-time to 11.30-11.00 pm time band. We are developing and strengthening our presence and making significant inroads in the regional markets through new launches in South, Bangla and Marathi programming.



## COMPANY OVERVIEW: OUR MOVIES BUSINESS

WE UTILISED THE YEAR FY2014 IN UNDERSTANDING THE SCIENCE BEHIND THE ART OF MAKING MOVIES. WE GAINED BETTER UNDERSTANDING OF THE MOST PRODUCTIVE TICKET SIZE PER INVESTMENT THAT IS APPROPRIATE FOR BALAJI. MOST OF OUR MOVIES IN FY2014 RAKED IN AN OPERATING PROFIT. OUR FUTURE FILMS ARE SURE TO BE YIELDING ASSETS GIVING US SUPERIOR RETURNS.



Even as Television continues to be our 'Bread & Butter', Movies clearly represents an upside opportunity. Our key growth drivers have been innovative ideas and great packaging. With our television business as our backbone, the movies vertical has enabled us to evolve as one of the leading entertainment houses. During the year, we produced 6-7 movies across genres and of various ticket sizes. We collaborated with the best industry talent to pool collective wisdom in the interest of creating high-quality, high-concept product.



## OUR MOVIE SLATE DURING FY2014 AND FY2015

MOVIE	ACTORS	YEAR AND MONTH OF RELEASE
<b>RELEASES IN FY2014</b>		
<b>RAGINI MMS-2</b>	Sunny Leone	March, 2014
<b>SHAADI KE SIDE EFFECTS</b>	Farhan Akhtar, Vidya Balan	February, 2014
<b>ONCE UPON A TIME IN MUMBAI DOBAARA</b>	Akshay Kumar, Imran Khan, Sonakshi Sinha	August, 2013
<b>LOOTERA</b>	Ranveer Singh, Sonakshi Sinha	July, 2013
<b>SHOOTOUT AT WADALA</b>	John Abraham, Anil Kapoor, Tusshar, Manoj Bajpai, Kangana Ranaut	May, 2013
<b>EK THI DAAYAN</b>	Emraan Hashmi, Konkona Sen Sharma, Kalki Koechlin, Huma Qureshi	April, 2013
<b>RELEASES IN FY2015</b>		
<b>MAIN TERA HERO</b>	Varun Dhawan, Ileana D'Cruz, Nargis Fakhri	April, 2014
<b>KUKU MATHUR KI JHAND HO GAYI</b>	Siddharth Gupta, Ashish Juneja, Simran Kaur Mundi	May, 2014
<b>EK VILLAIN</b>	Sidharth Malhotra, Shraddha Kapoor, Riteish Deshmukh	June, 2014



## OUR MOVIES BUSINESS: OPERATIONAL OVERVIEW

# movies

RELEASED  
IN FY2014



**Release Date:** March 21, 2014

**Genre:** Horrex

**Actors:** Sunny Leone

**Produced By:** ALT Entertainment

**Director:** Bhushan Patel

When a young enthusiastic crew and an over-the-top film director, Rocks, visit a farmhouse on the outskirts of Mumbai to make a horror-thriller film, the director casts Sunny Leone, a famous adult film entertainer, as his lead to play the character of Ragini. He also casts Satya, a young and bitter man, as the film's writer, who has researched the previous incident with Ragini for his novel. He decides to shoot this film at the actual location, where the Ragini event had occurred earlier, as seen in the original (*Ragini*



*MMS*). Little did the team know that the house was haunted by twin ghosts. The horror turns real and menacing as strange and creepy things begin to happen on the sets and amongst the crew as there is a bigger, untold truth. *Ragini MMS-2*, a sequel to the biggest sleeper hit of 2011, provided a thrilling cinematic experience for the youth, laced with music, spooks and sensuousness. It outperformed at the box office and created new benchmarks for the genre.

## shaadi ke side/effects

This delightful and intimate romantic comedy, shot in Mumbai and Australia, peeks into the life of the newly-married Sid and Trisha fighting for space in their marriage. A sequel to *Pyaar Ke Side Effects*, this one starring Farhan Akhtar and Vidya Balan is the story of a newly-married couple in an urban set-up.

The iconic characters, Sid and Trisha, come to life in the sequel as husband and wife. Sid has beaten his fear of marriage and Trisha has finally gotten around to saying her vows the third time round. The movie is about how the 'now married' couple succeeds in addressing the impossible task of coping with each other's fantasies and realities.



**Release Date:** February 28, 2014

**Genre:** Romance, Drama

**Actors:** Farhan Akhtar, Vidya Balan

**Produced By:** Balaji Motion Pictures & Pritish Nandy Communications

**Director:** Saket Chaudhary

## ONCE UPON A TIME IN MUMBAI DOBAARA!



*Once Upon A Time In Mumbai Dobaara* was a sequel to the 2010 hit *Once Upon a Time in Mumbaii*. The movie sheds light on the underbelly of crime in Mumbai, the entertainment capital of India. The film was different from its prequel, which was about a power struggle. This one was a romantic trail underlining the mentor-protege relationship.

**Release Date:** August 15, 2013

**Genre:** Romance, Thriller

**Actors:** Akshay Kumar, Sonakshi Sinha, Sonali Bendre-Behl, Imran Khan

**Co-Produced By:** Balaji Motion Pictures

**Director:** Milan Luthria

## LOOTERA

**Release Date:** July 5, 2013

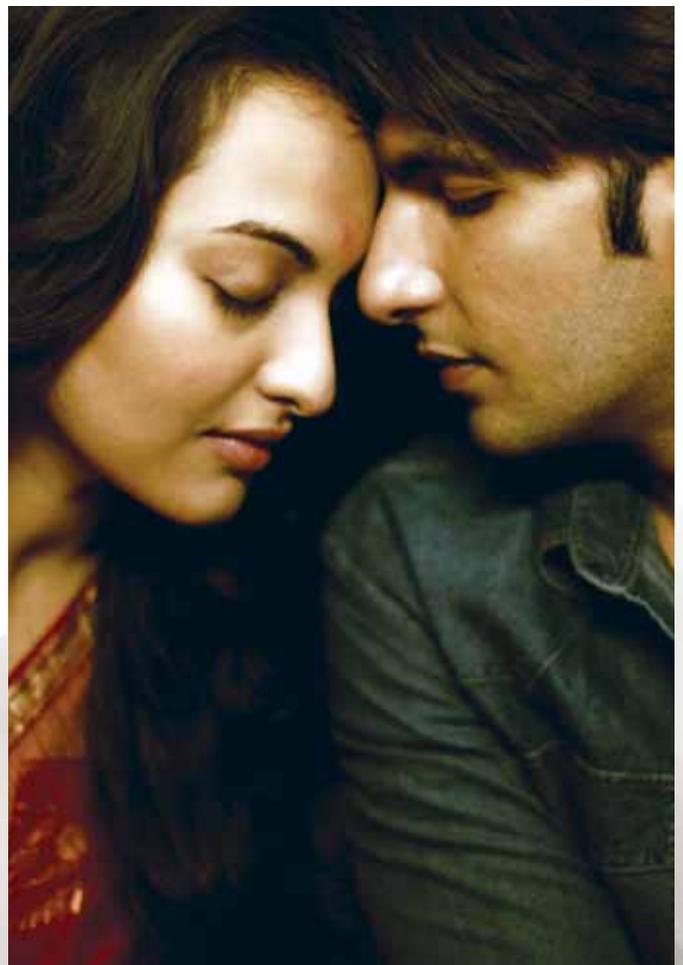
**Genre:** Romance

**Actors:** Ranveer Singh, Sonakshi Sinha

**Co-Produced By:** Balaji Motion Pictures & Phantom

**Director:** Vikramaditya Motwane

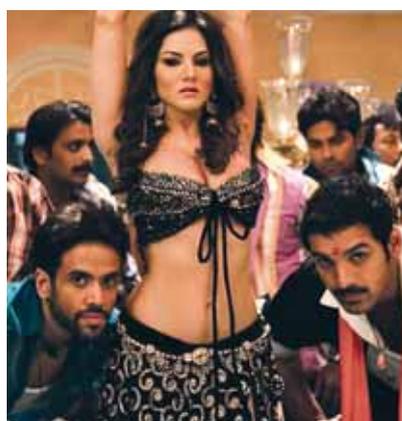
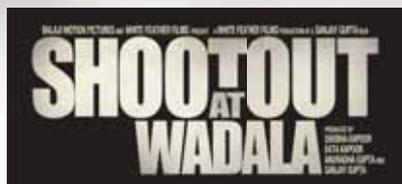
*Lootera* is an epic period love story which marks the first-time pairing of Ranveer Singh and Sonakshi Sinha. It was an old-fashioned period romance inspired by American author O'Henry's *The Last Leaf*. It was an uplifting story of two lovers – of heart-break, betrayal and ultimate redemption. This was a period drama set in 1950s in rural Bengal and Dalhousie, with the backdrop of the zamindari system prevalent then. The movie was shot on 35mm and filmed mostly on locations in cavernous mansions, emerald fields and snow-covered hills. It emerged as the most loved and acclaimed film of the year.



## OUR TELEVISION BUSINESS: OPERATIONAL OVERVIEW

# movies

RELEASED  
IN FY2014



**Release Date:** May 2013

**Genre:** Action, Crime, Thriller, Drama

**Actors:** John Abraham, Anil Kapoor, Kangana Ranaut, Tusshar, Manoj Bajpai, Sonu Sood

**Produced By:** Balaji Motion Pictures & White Feather Films

**Director:** Sanjay Gupta

The multi-starrer gangster flick, a prequel to *Shootout At Lokhandwala*, was based on the first police encounter of Manya Surve who took on Dawood Ibrahim and challenged his supremacy over Mumbai. The movie dramatised the first-ever registered encounter of Surve by Mumbai police, one of the most realistic presentations of an encounter that the Indian judiciary has ever witnessed. The movie was based on S. Hussain Zaidi's account of the rise and fall of a mafia don in Mumbai of 1970s, projected in his book 'Dongri to Dubai'. The movie was a mass entertainer with smart dialogues and a stylised cinematic version of what is a journalist's account of the true story.



**Release Date:** April 2013

**Genre:** Supernatural Thriller

**Actors:** Emraan Hashmi, Konkona Sen Sharma, Huma Qureshi, Kalki Koechlin

**Produced By:** ALT Entertainment

**Director:** Kannan Iyer

Set in contemporary Mumbai, *Ek Thi Daayan* narrated a believable story of a magician who is a master in his craft. Woven beautifully between the world of magic, occult and suspense, the movie made for compulsive viewing, providing some spine-chilling thrills at short gaps. It was one of the most unique horror movies to have been launched in Indian film industry in a long time. It was addressed as a new concept movie and widely appreciated by the audiences and critics.

# movies

RELEASED  
IN FY2015



**Release Date:** April 4, 2014

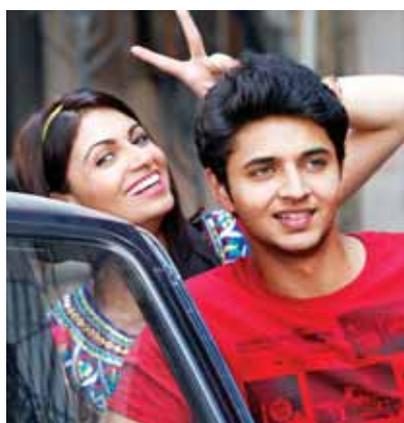
**Genre:** Comedy, Romance

**Actors:** Varun Dhawan, Ileana D'Cruz, Nargis Fakhri

**Produced By:** Balaji Motion Pictures

**Director:** David Dhawan

A romantic action-comedy, *Main Tera Hero* is the story of 21 year-old Seenu. He goes to Bangalore to prove his mettle, and once there, he falls in love with Sunaina, who is being blackmailed by an immoral cop into marrying him. As Sunaina falls in love with Seenu, she is kidnapped by a don in Bangkok called Vikrant. Apparently, Vikrant's daughter is also in love with Seenu. He then goes to Bangkok to rescue Sunaina, the love of his life, and to get rid of the Don's love-obsessed daughter. This first-time pairing of father and son (David and Varun) was a huge USP and left the viewers enthralled, generating tremendous excitement and curiosity.



**Release Date:** May 30, 2014

**Genre:** Comedy, Drama

**Actors:** Siddharth Gupta, Ashish Juneja, Simran Kaur Mundi

**Produced By:** Balaji Motion Pictures & Getaway Films

**Director:** Aman Verma

*Kuku Mathur ki Jhand Ho Gayi (KMKJHG)* is an entertaining slice-of-life feature, revolving around two friends Kuku Mathur and Ronnie Gulati in a suburban middle class colony of Delhi. The two friends have passed their Class 12 exams and are celebrating their good scores. Although he dreams of opening a restaurant, Kuku gets the job of an assistant on a Bhojpuri music video set. On the other hand, Ronnie's father gifts him with a blouse-and-petticoat shop to run. The crux of this charming and heart-warming coming-of-age movie is about friendship in modern times.



**Release Date:** June 27, 2014

**Genre:** Romance, Thriller

**Actors:** Sidharth Malhotra, Shraddha Kapoor, Riteish Deshmukh

**Produced By:** Balaji Motion Pictures

**Director:** Mohit Suri

Guru is a quiet, tough and ruthless man with a dark past. He meets Aisha who despite suffering from a terminal illness, lives life to the fullest. Guru falls in love with Aisha and the two eventually get married and move to Mumbai. Miraculously, Aisha shows an improvement in her medical condition, but is unfortunately killed. Guru is shocked to learn about the killer who is a quirky and seemingly innocuous, middle-class man. The rest of the story is about what prompted this man to murder Aisha and how does Guru succeed in getting even with him. The movie is ranked among the year's biggest blockbusters.

## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN MOVIES

# CATERING TO MASS SENSIBILITIES THROUGH DIFFERENTIATED CONTENT AND A DIVERSE MOVIE SLATE



AT BALAJI MOTION PICTURES, WE RECOGNISE THE POWER OF CONTENT. WE ARE DABBLING WITH DIFFERENTIATED CONTENT, DIVERSE SENSIBILITIES AND HAVE BECOME A MAGNET FOR TALENT. WE REMAIN PROUD OF OUR SCRIPT BANK. OUR CREATIVE SENSIBILITIES AND CONTENT CAPABILITIES ARE OUR KEY STRENGTHS. WE AIM TO CATER TO DIVERSE GENRES – FAMILY ENTERTAINMENT FORMATS, EDGE-OF-THE-SEAT, THRILLER, YOUTH-ORIENTED AND NICHE CONTENT.

A prime growth driver for our movies vertical is our highly innovative ideas – storylines that appeal to mass sensibilities. Unlike earlier when the success of a film hinged on its star-cast, recent times have proven that Indian audiences have matured. They are appreciating films driven by strong scripts and not necessarily star power. The year gone by too reinforced the idea that good content sells, no matter what. Our movies proved that content is king and overpowers everything. As a creative powerhouse, our belief lies in the power of an idea, which reflects in our diverse slate of movies.

### OUR ROBUST MOVIE SLATE

Our portfolio of movies enhanced our top line to new records, while enhancing bottom line too. We gradually scaled up our movie production and created an ecosystem, that ensures a steady pipeline of movies over the next few years. We believe in



creating a strong brand franchise to help our audiences connect with us better. We are leveraging our brands *Kya Kool Hain Hum* and *Ragini MMS* to build a franchisee model with a key strategic thrust on sequels and series. We embraced diverse subjects and different genres. We have been able to gain credibility as an established production house that can win audiences across age-groups.

### RELEASES ON THE UPSWING

From 3 movie releases during FY2013, we scaled up and doubled to 6 releases during FY2014. We produced and successfully released *Ek Thi Dayan*, *Shootout at Wadala*, *Lootera*, *Once Upon a Time in Mumbai Dobaara*, *Shaadi Ke Side Effects* and *Ragini MMS-2*. By virtue of the number of releases, we emerged as one of India's Top 5 movie production houses. Going forward, we plan to release 4-5 movies in FY2015. Of these, *Main Tera Hero*, *Kuku Mathur Ki Jhand Ho Gayi* and *Ek Villain* have already released. Given our slate approach, at any given point of time we have as many as 15-20 movies in various stages of development.



## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN MOVIES

# WE LEVERAGE ON SUPERB PACKAGING, EFFECTIVE MARKETING AND SMART FINANCING TO INCREASE OUR SCALE



The year gone by was all about evangelising our movies and leveraging innovative marketing strategies for promotion. For the promotion of super-natural thriller *Ek Thi Daayan*, we created 16 hours of TV programming aired through the 8-series show *Ek Thi Naayika* on Life OK, casting lead actresses of our popular long-format shows on TV. For *Shaadi Ke Side Effects*, the movie's lead actors Farhan Akhtar and Vidya Balan advised audiences on marriage-related issues as marriage counsellors. For *Ragini MMS-2*, our lead actress Sunny Leone teased audiences across India by performing to "The Baby Doll" song on a live stage dance.

### SMART FINANCING... THE WAY TO BE

Since our movie budgets are not overpriced, we did not incur any table losses. We consciously keep costs low, manage day-to-day budgets, maintain MIS with a lean, yet effective, team.

We maintain our Above-The-Line (ATL) costs and economies of scale optimally. We subject ourselves to rigorous budgeting for each movie to ensure adequate return ratios. We consciously choose shooting locales where we get rebates, such as Mauritius. We leverage our co-production model to build our film slate and pool creative wisdom. For example, a proposed co-production between Balaji Telefilms and Dharma Productions promises to be the biggest creative partnership in the industry, which would enhance terms of trade as well.

### DERISKING BY ENHANCING NON-THEATRE BUSINESS

Our theatre revenue growth is strongly driven by pre-sales. Our objective continues to be to cover nearly 50% of production cost from our non-theatre business. We have optimised our risk-return trade-off by

pre-selling the movie's music, satellite and overseas rights. We de-risk to the maximum level by increasing our non-theatre revenues. We negotiate with TV channels and music companies for best rates for satellite and music rights. The entire production cost for *Main Tera Hero* was covered through non-theatre revenues. Our overseas theatre rights for *Shaadi Ke Side Effects* earned from Eros International also helped us improve our revenues. For *Ragini MMS-2*, we covered the entire production cost from theatre revenues and also earned a handsome profit.

### STRENGTHENING DISTRIBUTION CAPABILITIES

Our highly-experienced distribution resulted in stable revenues from distribution business. Besides Mumbai, we also distributed our own movies in the Delhi territory selectively. Our aim is to capture territories with potential and set up our own distribution at



WE UNDERSTAND THE NEED FOR CUSTOMISED, TAILOR-MADE MARKETING FORUMS TO ATTRACT AUDIENCES AND INCREASE VIEWERSHIP. INNOVATIVE AND CLUTTER-BREAKING MARKETING HAS BEEN ONE OF OUR KEYS TO SUCCESS AT THE BOX OFFICE.

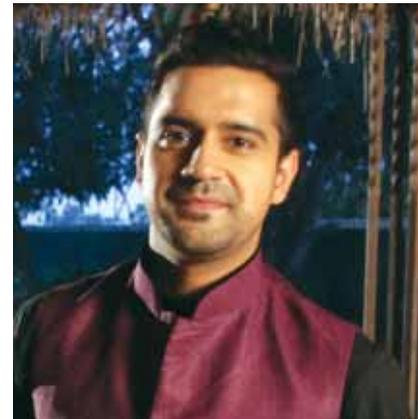
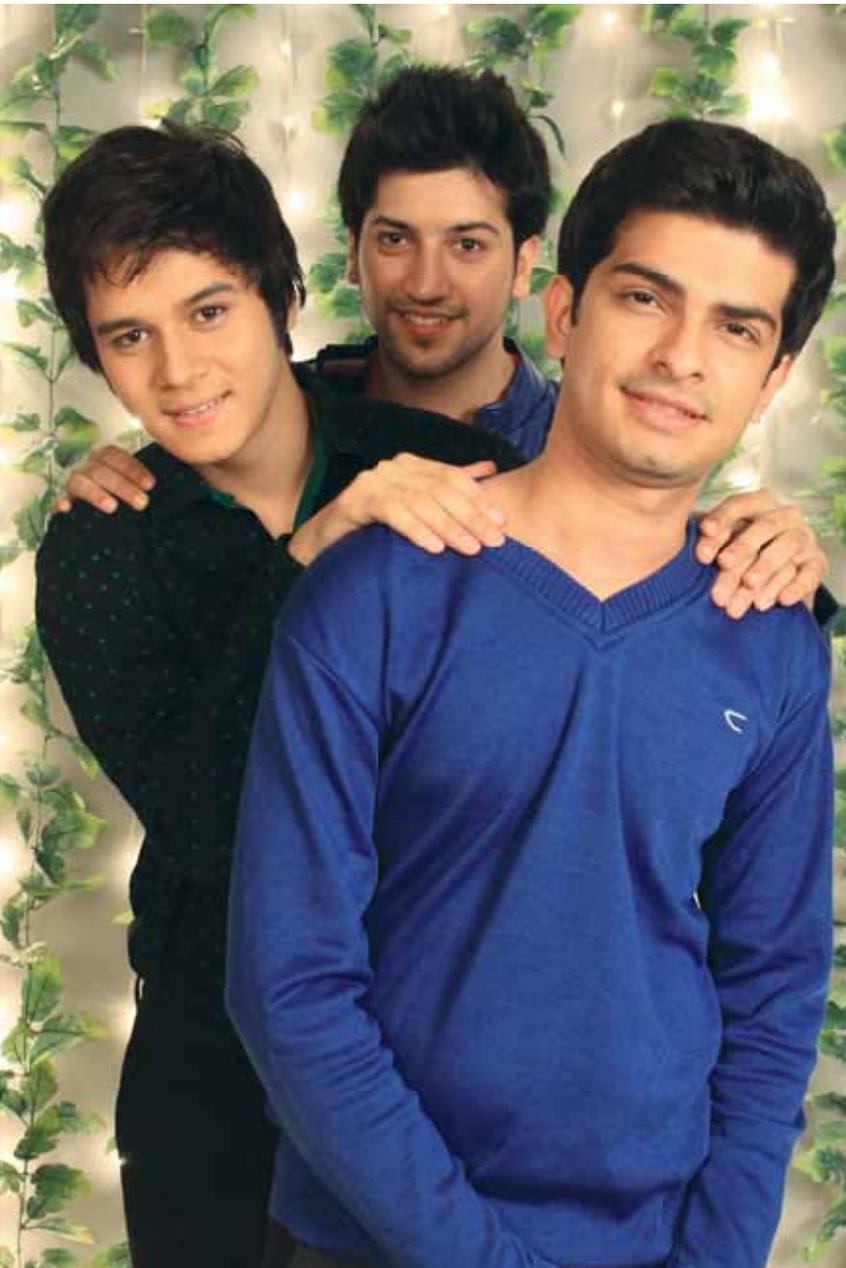


Mysore, Punjab and Rajasthan over a course of time. However, we take distribution calls depending upon our scrutiny and feasibility study for every new release. Going forward, we are studying the distribution model effectively to strategise how to enhance our revenues. Our insights in this business will enable us to optimise our revenue earning potential.



## EXPANDING THE BASKET DARING TO BE DIFFERENT

BOLT MEDIA LIMITED IS ALL ABOUT DOING DIFFERENT THINGS, DIFFERENTLY. BESIDES DOING DIFFERENTLY-POSITIONED TV SHOWS, WE ARE EXPANDING OUR PROFILE TO INCLUDE SHORT-FORMAT TV SERIES IN YOUTH AND HUMOUR GENRE, PRODUCT ADVERTISEMENTS, EVENTS, AND VARIOUS OTHER FORMATS EFFECTIVELY.



Having completed one year of operations, Bolt Media Limited has established itself well in the entertainment fraternity and is well acknowledged for its deliverables under the Balaji stable. During the year under review, Bolt Media created and put on air two TV shows. *Ye Jawaani Tara Riri*, a 78-part series for a bi-weekly show on Channel V, is a coming-of-age story of three brothers. *Love by Chance*, a weekly episodic romcom on Bindaas TV, opened with the best launch TRPs witnessed in the last couple of years. The show's theme is how love happens by chance, when least expected. The light-hearted show comprises 26 delightful love stories of



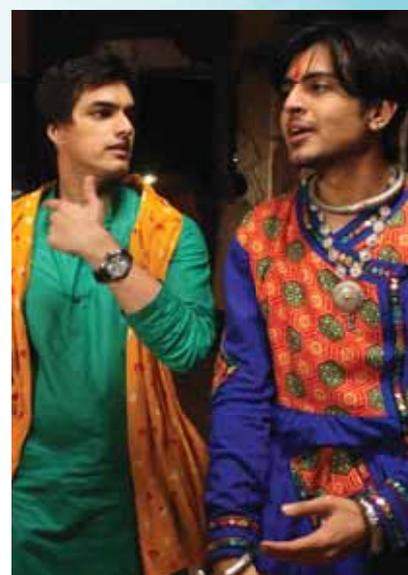
couples who bumped into each other by chance and still gave love a chance.

Two of our TV shows created in FY2014 are now in the process of getting aired by broadcasters. Among these, *Rakht* is a 10-series epic documentary; while *Dharma Kshetra* is a 26-series neo-mythological courtroom drama.

Besides short-format shows, we are also specialising in making TV series for the youth and are serious about exploring the humour genre in a big way. Poised by its capabilities, Bolt Media aims to double its top line by the end of FY2015.

## BEYOND TV

During the year, we signed an AFP with consumer products major Johnson & Johnson India (J&J India) to create a specialised TV show for Life OK. We conceptualised the show from a scratch. The show focussed on how successful women achieved their true calling in the light of change. Some of the women covered under the show were Ekta Kapoor, Kiran Bedi, Anjali Bhagwat, Deepika Kumari, Chhavi Rajawat, among others. This created more opportunities of working with J&J India, producing more TV commercials and creating 5 web-based advertisements.



## EXPANDING THE BASKET NEW AVENUES, NEW PLATFORMS

HAVING TAPPED THE TV & FILM PLATFORMS SUCCESSFULLY, WE AIM TO FURTHER ENGAGE WITH OUR AUDIENCES AND PROVIDE THEM WITH A MORE APPEALING PLATFORM TO VIEW OUR CONTENT. OUR OBJECTIVE IS TO LEVERAGE THE DIGITAL PLATFORM TO BE ABLE TO REACH OUT TO YOUNGER AUDIENCES AS WELL.



Having achieved success in creating content for the TV and Films domain, we are now taking a pioneering step in creating original content dedicated for the digital medium – a ‘first’ in the industry. We have entered into an agreement with YouTube to leverage an additional platform to showcase our content. We are creating a new revenue model by creating original series for the web, starting with 3 shows and slowly expanding our portfolio. We mean to tap varied genres such as drama, comedy, non-fiction, documentary and thriller.

For this, we aim at exploring the co-production model in a meaningful way. We are joining our hands with several small-time and fresh content



producers. We are nurturing their immense talent and potential by funding shows they produce and by utilising Balaji's infrastructure and production equipment. To keep costs economical, we are also leveraging Balaji's bank of actors at an earlier pricing format.

## LEVERAGING OTHER PLATFORMS

We are amongst the first TV production house to successfully foray into original content creation for the web. Over the last few years, we have been syndicating and monetising our content across all digital platforms and increasing our revenues through these platforms. We have been licensing

our content through platforms such as Spuul, Bigflix, Vuclip, Digitainment, Singtel and BoxTV, among others. We also recently released our films over new international platforms such as Hulu, Amazon Prime, iTunes and DailyMotion.

## THE YOUTUBE CONNECTION

To better monetise our film catalogue, we joined hands with YouTube in January 2013 to create an exclusive channel to showcase movies produced by Balaji Motion Pictures Limited (BMPL). The BMPL channel on YouTube serves both as a promotional tool for our upcoming films as well as a revenue generator where we earn

revenues through advertising. The channel showcases content such as trailers, teasers, behind-the-scenes, making-of-the-movie, bloopers and deleted scenes in addition to full length films. The channel has raked in over 1.2 lakh subscribers (and growing), generating additional revenues. In FY2014, we entered into another joint agreement with YouTube and the FMCG major Hindustan Unilever Limited (HUL). As per this agreement, our content on YouTube will be preceded by advertisements of various FMCG products manufactured by HUL. In return, HUL has bought our channel inventory at an attractive premium.

# HUMAN RESOURCES LEADING EFFECTIVE CHANGE

**WE BELIEVE IN HAVING A LEAN, YET EFFECTIVE, WORKFORCE. WE MOTIVATE OUR EMPLOYEES TO BE ENTREPRENEURIALY DRIVEN. RATHER THAN HIRING LARGE TEAMS WITH SINGLE POINT OF ACCOUNTABILITY, WE ENCOURAGE OUR PEOPLE TO BE ACCOUNTABLE FOR THEIR OWN WORK. WE BELIEVE IN IDENTIFYING STAR PERFORMERS AND MAKING THEM THE LEADERS FOR TOMORROW.**



By virtue of being in the media & entertainment industry, HR@Balaji Telefilms Limited deals with a great deal of people with pedigree. Human Resource is not a mere department or support system for recruiting employees, but a significant function within the organisation which partners with Business Teams. It is not just an organisation offering careers, but an institution in itself

## UNITY IN DIVERSITY

Employees are our strategic assets – our key to success. Each employee at Balaji Telefilms Limited is special and unique in his/her own way. We have a diverse employee base – a combination of creative people and those with technical and functional

abilities. We, as an organisation, cherish our employees' diversities and multi-fariousness. In addition to this, our open-door policy encourages our employees to interact directly with the senior management. The policy not only ensures quick information flow to the lowest level, it also results in faster turnaround time with no scope for red tapism and bureaucratic delays in the decision making process.

## THINK LIKE AN ENTREPRENEUR

Employees at Balaji Telefilms Limited drive their own domain along with the Senior Management. A key policy we internally follow is that of inculcating a sense of entrepreneurial spirit

within our employees. We motivate employees to be independently driven and empower them to innovate and ideate freely. Instead of hiring large teams with a single point of accountability, we encourage each single employee to be accountable for their own individual work. Having a lean, yet effective, workforce is our key mantra. The belief not only makes our human capital more liable, but also enables them to enjoy the upsides

## GROWTH STORY@BALAJI

We offer our employees an exponential growth story and a rewarding career within the system which is performance driven and proves to



be gratifying over a period of time. We also acquire regular perception and feedback from employees on practices, culture and career growth, which is then used to set an edifice in formulating our HR activities. Our objective is to make our company 'the most preferred workplace'. We hand hold each new employee, providing them quick and valuable insights about the organisation. The aim behind this is to ensure their seamless transition within the organisation's

culture and to help our employees identify their goals in a collaborative and proactive manner.

### **TALENT ACQUISITION & MANAGEMENT**

Our aim is to clearly stand out as an organisation which attracts the best talent which is pedigreed. As part of succession planning, we hire employees and nurture them within the organisation with the

aim of making them the "Leaders of Tomorrow." Through elaborate and extensive campus placements from reputed institutes, we hand pick each employee matching with exact skill-sets. In the forthcoming year, we envisage in building our human capital to an effective Rewards & Recognition programme which is strictly adhered to rewarding "Star Performers" and creating an atmosphere of appreciation.



# MANAGEMENT OUTLOOK

Globally, the Indian M&E industry is one of the fastest growing and we aim to leverage the growth prospects optimally. The industry in India, particularly in mature markets, is in a differentiated stage of evolution. The potential for growth in this sector is significantly higher.

We are looking at successfully ramping up our numbers. Our aim is growth, sustainability and wealth creation for shareholders. We have a strong visibility of our film and TV slate for 2015 and 2016 which underpins a positive outlook. For both these segments, we are going the long-drawn path of creating content in-house from a scratch. We want to emerge as a media powerhouse. We aim to be recognised as content creators in movies too by creating cutting-edge and box office commercially successful cinema.

We realise that the 'Balaji' brand is getting bigger each day. We aim to experiment with new business and monetisation models and leverage every single opportunity that comes our way. We aim to focus on collaboration and innovation to achieve our vision and drive unprecedented growth in viewership in the TV and movies segment.

With our audiences having begun patronising the Balaji brand, our key focus is profits. Since most of our shows are still driven by Ekta Kapoor, we aim to be process-driven, rather than personality-driven. Also, having achieved scalability, we will focus on becoming sustainable and predictable in this business and leverage every opportunity that comes our way and TV will continue to be our mainstay.

**OUR AIM IS GROWTH, SUSTAINABILITY AND WEALTH CREATION FOR SHAREHOLDERS. WE HAVE A STRONG VISIBILITY OF OUR FILM AND TV SLATE FOR 2015 AND 2016 WHICH UNDERPINS A POSITIVE OUTLOOK. WE AIM TO EXPERIMENT WITH NEW BUSINESS AND MONETISATION MODELS AND LEVERAGE EVERY SINGLE OPPORTUNITY THAT COMES OUR WAY.**

## OUR STRATEGIC PRIORITIES IN FY2015

- Creating newer show formats for television content through a wholly-owned subsidiary
- Creating original and diverse show content to retain leadership
- Exploring opportunities across channels and languages
- Creating films across budgets – leveraging our brand, scale and presence
- Building our marketing and distribution capabilities
- Creating a diverse movie slate to capture audiences across genres
- Leveraging opportunities in regional markets by expanding network





## RISKS & CONCERNS

Our audit committee ensures statutory and regulatory control and transparency of all financial disclosures. Our internal audit team monitors and enhances operational efficiencies and ensures optimum effectiveness of the Company.

Piracy of content produced can adversely affect our revenues and profitability. The film industry has set up the Anti-Piracy Society to combat this peril. Delays or cost overruns can impact the completion and release of our films. Further, the unorganised nature of this industry can impact revenues. However, an inclination towards corporatisation of our industry, better planning and execution can help us mitigate these risks.