

# GOLDMINE STOCKS PVT. LTD

## Research Division

Member: National Stock Exchange of India Ltd,  
Bombay Stock Exchange Ltd.

'Goldmine House', 4-Niranjan Nirakar Society, Nr. Shreyas Railway Crossing, Ahmedabad-380007, India.

Tele: +91-79-26641080. Fax 91-79-26607298;

Contact Person: Mr. Darshit Sanghavi [B.E. (PT), PDMS (Finance)].

E-mail: [dksanghavi\\_2000@yahoo.com](mailto:dksanghavi_2000@yahoo.com), Phone No: 26610116

## BALAJI TELEFILMS LIMITED [06/01/2014]

### BALAJI TELE

Rs. Cr.

Equity	13.04
Reserves	412.41
Acc. Dep	45.50
Debt	31.38
FV	2.00
Exp. NP	33.00
Cash Pr.	42.00
EPS	5.06
CEPS	6.44
Debt: Equi	0.07
Book Value	70.31
Cash Book Value	78.67
M. Price	43.00
M. Cap	280.36
P/E	8.50
Dividend Expected	1.00
Dividend Yield (%)	2.33
Total Worth	470.95
Sales	550.00
Future earn. 5 yrs	263.00
Total Worth	733.95
Total Worth/Mcap	2.62
Expected ret	162%
Exp Price	110.04
ROE %	7.76
ROCE %	18.93

### Shareholding Pattern

Promoters	68.92
FII	0.55
Institutions	1.67
Corp. Bodies	10.87
Public	17.99

**Background:** Balaji Telefilms was incorporated in 1994 and has redefined the Indian television space in this period. It started with TV shows like 'Hum Paanch'. Serials like 'Kyunki Saas Bhi Kabhi Bahu Thi' and 'Kahaani Ghar Ghar Ki' garnered unheard of TRPs. The company has produced over 15000 hours of television content since its inception in Hindi, Telugu, Kannada and Malayalam.

ALT Ltd, a subsidiary of the company is into movie production. The company has already released eight movies and they have been superhits. Once Upon a Time in Mumbai, Once Upon a Time in Mumbai Dobaara, Lootera, The Dirty Picture, Ragini MMS, Kya Kool Hai Hum, Shoot Out at Wadala and Shor in the City. One of the very few production houses in Bollywood that has made movies economically and made money out of them consistently.

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The Company has about 23 Modern Studios and 26 Editing Suites.

The Company made an IPO in 2000 at Rs 135 for a Rs 10 paid up share. The share was split to Rs 2 FV in 2002. Preferential allotment to Star was made at Rs 90 in 2007 for a Rs 2 Face Value share.

The company has about Rs 150 crores of liquid investments currently. The company is almost debt free.

**Future Growth Triggers:** Following is the table showing current serials being produced by Balaji Telefilms and shown on various channels.

	Current Serials	Broadcaster	Days
1	Bade Achhe Lagte Hain	Sony TV	Mon-Thurs
2	Jodha Akbar	Zee TV	Mon-Fri
3	Pavitra Rishta	Zee TV	Mon-Fri
4	Pavitra Bandhan	DD	Mon-Fri
5	Savdhaan India	Life OK	Friday
6	Gumraah 3	Channel V	Sunday
7	MTV Webbed	MTV	Saturday
8	Kalyani	Udaya TV	Mon-Fri
9	Kasthuree	Sun TV	Mon-Fri
10	Yuggadi	Udaya TV	Mon-Fri

During the second quarter BOLT Media, a wholly owned subsidiary of BTL successfully completed a new advertisement for a leading personal care brand. The company has produced 2 episodes for 'Ek Thi Naayika' for Life OK. A Pilot project for LIFE OK awaiting approval. Currently also in the process of commissioning two TV serials 'Dharma Kshetra' [26 episodes] and Rakht for EPIC Television networks channel.

Current movies under production and their release dates are given below. Movies are now major part of their business and brings in greater amount of profits.

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Upcoming	Movie Name	Star Cast	Release Date
1	Ragini MMS 2	Sunny Leone	Jan 14
2	Shaadi Ke Side Effects	Farhan, Vidya Balan	Feb 14
3	KuKu Mathur Ki Jhand Ho Gayi	New Comers	March 14
4	Main Tera Hero	Varun Dhawan, Ileana	April 14
5	Villain	Siddharth Malhotra, Shraddha Kapoor	July 14
6	Vanity Fair	Emraan Hashmi, Kareena Kapoor	Nov 14
7	Milan Talkies	Yet to be finalised	Dec 14
8	Anurag Kashyap	Amitabh Bachchan and others	Feb 15
9	Inder Kumar	Yet to be finalised	Mar 15

Star holds about 26% stake in the Company. Currently the company is not making any serials for Star. But that could change in the future.

Movies are going to be major profit centres for the future.

Hoonur.com is a website of the company for showcasing talent for the creative television and film industry, free of cost. ICE [Institute of Creative Excellence] has been promoted by Balaji to cater to training needs of the mentioned industry.

**Risks:** There are some contingent liabilities, but in some of the cases, the company has won in lower courts and the relevant authorities might have appealed in higher courts. We feel that the company is capable of handling the situation quite well.

**Technicals and Comments:** The stock price at one point of time was quoting at Rs 399 about five years back. The stock price has since corrected and has made low of Rs 25 and is currently quoting at a price of Rs 44. The full year EPS for the current year should be about Rs 3-5. The stock is quoting at a P/E of about 14 to 9 levels and is reasonably priced. The stock could be bought at the current levels with planning to accumulate more if the stock price corrects to Rs 35. The stock could generate reasonable returns for the investors in the next few years. One can expect 30-35% CAGR return on the stock for the next few years. The stock is above all its recent averages and is looking good for upsides. Buy in small quantities and accumulate more at declines.

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