



Balaji Telefilms Limited

Regd. Office: C-13, Balaji House, Dalia Industrial Est., Opp. Laxmi Ind., New Link Road, Andheri (W), Mumbai – 400 053.

Notice

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Wednesday, September 5, 2012, at 4:30 p.m., at "The Club" 197, D.N. Nagar, Andheri (West), Mumbai – 400 053, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended on March 31, 2012.
3. To appoint a Director in place of Mr. Jeetendra Kapoor, who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. D. G. Rajan, who retires by rotation and, being eligible, seeks re-appointment.
5. To appoint M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai, and M/s. Snehal & Associates, Chartered Accountants, Mumbai, as Joint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act or any other modification or re-enactment thereof and pursuant to recommendation of the Remuneration Committee and Board of Directors and subject to approval of the Central Government, if required and subject to such terms and conditions as may be imposed by the Central Government while granting such approval, if any, the consent of the Company be and is hereby accorded for re-appointment of Ms. Shobha Kapoor as Managing Director of the Company for a further period of 3 (three) years commencing from November 10, 2012 on following terms and conditions :

1. Basic Remuneration: an amount not exceeding ₹ 6,25,000 p.m. (i.e. ₹ 75,00,000/- p.a.) as Basic Salary and
2. Commission: not exceeding 2.5 % of Net profit as computed in terms of provisions of Sections 198, 309, 349, 350 of the Companies Act, 1956 and
3. Perquisites, allowances & benefits: Payment of such other perquisites, allowances and /or benefits as detailed in the Explanatory Statement attached to the Notice; however the aggregate value of the all such perquisites, allowances & benefits, including contribution to PF and leave encashment, shall not exceed 100 % of the Basic Remuneration.
4. And payment of such other bonus, performance incentives and other additional perquisites as may be determined by the Board / Remuneration Committee from time to time within the limits provided under Sections 198, 269, Schedule XIII of the Act, or otherwise approved by the Central Government.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of the Managing Director, Ms. Shobha Kapoor will be paid the remuneration by way of Salary, Commission, and Perquisites, allowances & benefits as specified above as minimum remuneration subject to the approval by the Central Government, if required.

"RESOLVED FURTHER THAT the appointment may be terminated by either party by giving twelve months' written notice to the other party."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act or any other modification or re-enactment thereof and pursuant to recommendation of the Remuneration Committee and Board of Directors and subject to approval of the Central Government, if required and subject to such terms and conditions as may be imposed by the Central Government while granting such approval, if any, the consent of the Company be and is hereby accorded for reappointment of Ms. Ekta Kapoor as Joint Managing Director of the Company for a period of 3 (three) years commencing from November 10, 2012 on following terms and conditions :

1. Basic Remuneration: an amount not exceeding ₹ 10,41,667 p.m. (i.e. ₹ 1,25,00,000/- p.a.) as Basic Salary and
2. Commission: not exceeding 2.5 % of Net profit as computed in terms of provisions of Sections 198, 309, 349, 350 of the Companies Act, 1956 and
3. Perquisites, allowances & benefits: Payment of such other perquisites, allowances and or benefits as detailed in the Explanatory Statement attached to the Notice; however the aggregate value of the all such perquisites, allowances & benefits, including contribution to PF and leave encashment, shall not exceed 100 % of the Basic Remuneration.
4. And payment of such other bonus, performance incentives and other additional perquisites as may be determined by the Board / Remuneration Committee from time to time within the limit provided under Sections 198, 269, Schedule XIII of the Act, or otherwise approved by the Central Government.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of the Joint Managing Director, Ms. Ekta Kapoor will be paid the remuneration by way of Salary, Commission, and Perquisites, allowances & benefits as specified above as minimum remuneration subject to the approval by the Central Government, if required.

"RESOLVED FURTHER THAT the appointment may be terminated by either party by giving twelve months' written notice to the other party."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of Resolutions passed earlier and pursuant to Section 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to such permissions, sanctions if any as may be required, the approval of members be and is hereby accorded for the payment of commission for each financial year to the Director(s) of the Company who is / are neither in the whole-time employment nor managing director(s), in accordance with and upto the limits laid down under the provisions of Section 309(4) of the Act, computed in the manner specified hereunder, for the period of 5 years from the financial year commencing April 1, 2012

Mr. Jeetendra Kapoor (Non-executive Director)	: 0.80% of the Net Profits of the Company computed in the manner laid under Sections 198, 349 and 350 of the Act.
Other Non-Executive Director(s)	: 0.20% of the Net Profits of the Company computed in the manner laid under Sections 198, 349 and 350 of the Act, subject to limit of ₹ 5,00,000 (Rupees Five Lacs only) per Director

“AND RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorized to take all actions and do all such deeds matters and things as may be in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING OF THE COMPANY SHALL BE ENTITLED TO APPOINT ANY PERSON WHETHER A MEMBER OR NOT AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF.** Instruments appointing proxies, in order to be valid and effective, must be delivered at the Registered Office of the Company not later than forty-eight hours before the commencement of the meeting.
- Members / proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
- The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 6, 7, and 8 is annexed hereto.
- All the documents referred to in the accompanying notice and annual report and the Register of Directors' Shareholding are open for inspection by the members at the Registered Office of the Company on all working days between 12:30 p.m. to 3:30 p.m.
- The Register of Members and Share Transfer Books will remain closed from September 1, 2012 to September 5, 2012 both days inclusive.
- Pursuant to provisions of Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all the unclaimed/unpaid dividend amount remaining unclaimed / unpaid for a period of seven years from the date of its lying in the unpaid dividend account has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Transfer Agents, for payment in respect of unclaimed / unpaid dividends declared by the Company after August 2006. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividend which remain unclaimed /unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.
- Members whose shareholding is in the electronic mode are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their respective Depository Participants.
- Members are requested to address all correspondences, including dividend mandates, etc. to the Registrar and Share Transfer Agents – Karvy Computershare Private Limited, Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 034, India.
- Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be re-appointed is given in the Annexure 'B' to the Notice.
- Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs (“MCA”) has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode. In view of the Company's strong focus on the environment and eco-sustainability, Balaji Telefilms Limited proposes to send all documents / communications to its shareholders through email. We request you to kindly update your email id with your respective Depository Participant and register the same for receipt of the communication electronically and make this effort of your Company a grand success.

By order of the Board of Directors

Registered Office:

C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industries, New Link Road,
Andheri (West), Mumbai – 400 053.

Alpa Khandor
Company Secretary
May 11, 2012
Mumbai

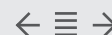
Explanatory statement pursuant to section 173 (2) and section 192A of the companies act, 1956:

ITEM 6

The Present tenure of Ms. Shobha Kapoor as Managing Director of the Company will expire on November 9, 2012. Considering the progress made by the Company under the able guidance and supervision of Ms. Shobha Kapoor and her expertise in financial management matters, it is proposed to re-appoint Ms. Shobha Kapoor as Managing Director for period of 3 (Three) years w.e.f. November 10, 2012. It is also proposed to pay remuneration as detailed herein below for period of 3 years w.e.f. November 10, 2012. The proposed remuneration has been approved by the Board of Directors and Remuneration Committee in their respective meetings.

The terms and conditions of payment of remuneration of Ms. Shobha Kapoor are as detailed hereunder:

- Basic Remuneration:** not exceeding ₹ 6,25,000 p.m. (i.e. ₹ 75,00,000/- p.a.) (excluding commission, allowances, benefits and perquisites payable in twelve (12) equal monthly installments).
- Commission:** Commission upto 2.5 % on the net profits of the Company computed in the manner laid down under Sections 198, 309, 349, 350 of the Act, as may be fixed by the Board of Directors / Remuneration Committee in its absolute discretion from year to year to be determined preferably at the time of adoption of the annual accounts each year by the Board of Directors of the Company.



3. Perquisites, allowances & benefits: The Managing Director, Ms. Shobha Kapoor will also be entitled to receive following perquisites, allowances & benefits in addition to the Basic Remuneration and Commission, as mentioned herein. However, the monetary value of such perquisites, allowances & benefits shall be restricted to a maximum of 100% of Basic Remuneration of the Managing Director. Such value of the perquisites is to be determined in accordance with the relevant rules laid down in this regard under the Income Tax Act, 1961. In the absence of such rules the monetary value of such perquisites shall be determined at cost.

All payments received by the Managing Director pursuant to her appointment as Managing Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act, 1961 and the Rules made there under. The payment of above amount i.e. Basic Remuneration, Commission and Perquisite, allowances & benefits are subject to the overall ceiling laid down under Sections 198, 309, 310 read with limits provided under Schedule XIII of the Act unless otherwise approved by the Central Government.

Perquisites, allowances & benefits:

The Managing Director, Ms. Shobha Kapoor will be entitled to the following Perquisites, allowances & benefits. The Perquisites, allowances & benefits are broadly classified in to three categories:

PART "A"

- (i) Housing:** Managing Director shall be entitled to house rent allowance subject to the ceiling of fifty percent of the basic salary.
- (ii) Leave Travel Concession/Allowance:** Earned Leave and Leave Travel Concession /Allowance for self and family not exceeding 10% of the basic salary.
- (iii) Personal Medical and Accident Insurance:** Personal Medical and Accident Insurance and any other coverage in accordance with the Rules & Regulations of the Company.
- (iv) Club Fees:** Fees of maximum 2 (Two) Clubs (inclusive of Admission and Life Membership fees) to be paid to the Managing Director.
- (v) Medical & Other Allowances:** Medical and other allowances not exceeding 30% of the basic salary.

PART "B"

- i) Company's contribution to Provident and Other Fund:** Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

- i) Car:** The Company shall provide such chauffeur driven cars to the Managing Director as may be desired by her for business of the Company.
- ii) Telephone:** Personal mobile phones and telephone facilities at the residence of the Ms. Shobha Kapoor for use of Company's business.
- iii) Entertainment Expenses:** The reimbursement of actual and properly incurred Entertainment Expenses by the Managing Director for legitimate business of the Company.

Any other perquisites, benefits, facilities, allowances and expense as may be decided by the Board from time to time as per the Rules/Schemes of the Company as applicable to Board Members.

The Company shall also pay such amount of Bonus, Performance Incentives and other compensation as may be decided by the Board of Directors / Remuneration Committee from time to time.

The Company shall pay or reimburse the appointee for all the cost, charges, expenses including but not limited to entertainment and traveling that may be incurred by her for the purpose of the business of the Company.

Where, in any financial year during tenure of office of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to the Managing Director by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 or within such ceiling limits as may be re-codified unless otherwise approved by the Central Government. The perquisites mentioned in Part "C", however shall not be included in the computation of the ceiling on remuneration as stated above.

The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

Statement of information as required under Schedule XIII, Part II, Section II (B) (IV): As per Annexure "A"

OTHER CONDITIONS:

- (a) The Managing Director shall not be liable to retire by rotation as a Director.
- (b) The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

The above terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Managing Director as required under Section 302 of the Companies Act, 1956.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice.

Mr. Jeetendra Kapoor, Mr. Tusshar Kapoor, Ms. Shobha Kapoor and Ms. Ekta Kapoor, Directors of the Company are deemed to be concerned and interested in the above resolution. None of the other Directors are deemed to be concerned or interested in the above resolution.

ITEM 7

The Present tenure of Ms. Ekta Kapoor as Joint Managing Director of the Company will expire on November 9, 2012. Considering the progress made by the Company under the able guidance and supervision of Ms. Ekta Kapoor and her expertise in the industry,

it is proposed to reappoint Ms. Ekta Kapoor as Joint Managing Director for period of 3 (Three) years w.e.f. November 10, 2012. It is also proposed to pay remuneration as detailed herein below for period of 3 years w.e.f. November 10, 2012. The proposed remuneration has been approved by the Board of Directors and Remuneration Committee in their respective meetings.

The terms and conditions of payment of remuneration of Ms. Ekta Kapoor are as detailed hereunder:

1. **Basic Remuneration:** not exceeding ₹ 10,41,667/- p.m. (i.e. ₹ 1,25,00,000 /- p.a.) (excluding commission, allowances, benefits and perquisites payable in twelve (12) equal monthly installments.
2. **Commission:** Commission upto 2.5 % on the net profits of the Company computed in the manner laid down under Sections 198, 309, 349, 350 of the Act, as may be fixed by the Board of Directors / Remuneration Committee in its absolute discretion from year to year to be determined preferably at the time of adoption of the annual accounts each year by the Board of Directors of the Company.
3. **Perquisites, allowances & benefits:** The Joint Managing Director, Ms. Ekta Kapoor will also be entitled to receive following perquisites, allowances & benefits in addition to the Basic Remuneration and Commission, as mentioned herein above. However, the monetary value of such perquisites, allowances & benefits shall be restricted to a maximum of 100% of Basic Remuneration of the Joint Managing Director. Such value of perquisites is to be determined in accordance with the relevant rules laid down in this regard under the Income Tax Act, 1961. In the absence of such rules the monetary value of such perquisites shall be determined at cost.

All payments received by the Joint Managing Director pursuant to her appointment as Joint Managing Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act, 1961 and the Rules made there under. The payment of above amount i.e. Basic Remuneration, Commission and Perquisite, allowances & benefits are subject to the overall ceiling laid down under Sections 198, 309, 310 read with limits provided under Schedule XIII of the Act unless otherwise approved by the Central Government.

Perquisites, allowances & benefits:

The Joint Managing Director, Ms. Ekta Kapoor will be entitled to the following Perquisites, allowances & benefits. The Perquisites, allowances & benefits are broadly classified in to three categories:

PART "A"

- (i) **Housing:** Joint Managing Director shall be entitled to house rent allowance subject to the ceiling of fifty percent of the basic salary.
- (ii) **Leave Travel Concession/Allowance:** Earned Leave and Leave Travel Concession /Allowance for self and family not exceeding 10% of the basic salary.
- (iii) **Personal Medical and Accident Insurance:** Personal Medical and Accident Insurance and any other coverage in accordance with the Rules & Regulations of the Company.
- (iv) **Club Fees:** Fees of maximum 2 (Two) Clubs (inclusive of Admission and Life Membership fees) to be paid to the Joint Managing Director.
- (v) **Medical & Other Allowances:** Medical and other allowances not exceeding 30% of the basic salary.

PART "B"

- i) **Company's contribution to Provident and Other Fund:** Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) **Leave Encashment:** Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

- i) **Car:** The Company shall provide such chauffer driven cars to the Joint Managing Director as may be desired by her for business of the Company.
- ii) **Telephone:** Personal mobile phones and telephone facilities at the residence of the Joint Managing Director for use of Company's business.
- iii) **Entertainment Expenses:** The reimbursement of actual and properly incurred Entertainment Expenses by the Joint Managing Director for legitimate business of the Company.

Any other perquisites, benefits, facilities, allowances and expense as may be decided by the Board from time to time as per the Rules/Schemes of the Company as applicable to Board Members.

The Company shall also pay such amount of Bonus, Performance Incentives and other compensation as may be decided by the Board of Directors / Remuneration Committee from time to time.

The Company shall pay or reimburse the appointee for all the cost, charges, expenses including but not limited to entertainment and traveling that may be incurred by her for the purpose of the business of the Company.

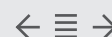
Where, in any financial year during tenure of office of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to the Joint Managing Director by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 or within such ceiling limits as may be re-codified unless otherwise approved by the Central Government. The perquisites mentioned in Part "C", however shall not be included in the computation of the ceiling on remuneration as stated above.

The Company has not made any default in repayment of any of its debt (including public deposits) or debentures in the past one year.

Statement of information as required under Schedule XIII, Part II, Section II (B) (IV): As per Annexure "A"

OTHER CONDITIONS:

- (a) The Joint Managing Director shall not be liable to retire by rotation as a Director.
- (b) The Joint Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.



The above terms and conditions including remuneration may also be treated as an abstract of the terms of appointment of the Joint Managing Director as required under Section 302 of the Companies Act, 1956.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice.

Mr. Jeetendra Kapoor, Mr. Tusshar Kapoor, Ms. Shobha Kapoor and Ms. Ekta Kapoor, Directors of the Company are deemed to be concerned and interested in the above resolution. None of the other Directors are deemed to be concerned or interested in the above resolution.

ITEM NO. 8

All Non-Executive Directors of the Company including the Chairman, Mr. Jeetendra Kapoor have been making outstanding advisory contribution to the business of the Company. Company has been benefiting from their collective experience and expertise in various fields of business. The management of the Company constantly draws upon their experience/knowledge and the Company immensely benefits by their mature advice. Keeping in view the augmented contribution made by the Non-Executive Directors of the Company, it is proposed that such contribution be suitably rewarded by way of payment of commission upto ₹ 500,000 (Rupees Five Lacs only) each.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice.

The Non-Executive Directors Mr. Jeetendra Kapoor, Mr. Akshay Chudasama, Mr. Pradeep Sarada, Mr. D. G. Rajan, Mr. Ashutosh Khanna and Mr. Tusshar Kapoor may be deemed to be concerned or interested in passing of the said resolution.

Registered Office:

C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industries, New Link Road,
Andheri (West), Mumbai – 400 053.

By order of the Board of Directors

Alpa Khandor
Company Secretary
May 11, 2012
Mumbai

Statement of information as required under schedule XIII, part II, section II (B) (IV):

I: GENERAL INFORMATION:

1. NATURE OF INDUSTRY:

The Indian Media & Entertainment industry being highly dynamic in nature has witnessed remarkable growth in all its constituent segments. The evolution of this sector over the last few years is primarily on account of shifting consumer preferences towards niche content and digital delivery platforms, developing business models and changing regulations. The proliferation in the number of television channels has further generated demand for fresh content. This provides advertisers with additional platforms, driving growth in ad revenues for the industry. The overall M&E market in India is expected to grow at a compounded annual growth rate of 15 percent per annum over the next five years, to reach INR 1.4 trillion in 2016. The television industry that constitutes a part of the M&E industry was estimated to be ₹ 329 billion in 2011, and is also expected to grow at a CAGR of 17 percent over 2011-16, to reach ₹ 735 billion in 2016, backed by the growth in multiplex cinemas that have grown at a CAGR of 66% from 2005 to 2010. Balaji Telefilms is at the forefront of capturing what the industry is bound to offer and has entered the sector at the appropriate time.

2. Date of commencement of Commercial Production: The Company was incorporated on November 10, 1994. Immediately after incorporation, the Company had commenced production of serials and gradually engaged in the activities of production and distribution of serials, films and other entertainment programmes. The Company operates its Films business also through its wholly owned subsidiary, Balaji Motion Pictures Limited.

3. Financial Performance based on given indicators: The financial data as per last audited Balance Sheet as on 31st March, 2012 is as under:

Particulars	₹ Lacs	
	2011-12	(Audited)
Revenues	12,935.60	
Direct Costs	8,661.35	
Operating Overheads	5,694.74	
Other Income	2,648.95	
Loss from discontinuing operations	(157.88)	
Profit Before Taxes	1,070.58	
Income Tax	(90.41)	
Profit After Taxes	1,160.99	

4. EXPORT PERFORMANCE:

EXPORT EARNINGS

Financial Year	₹ Lacs		
	2009-10	2010-11	2011-12
Export Performance	3,663.72	-	-

5. FOREIGN EXCHANGE INVESTMENTS OR COLLABORATORS:

At present the Company does not have any participation in any foreign investment. A foreign body corporate (STAR MIDDLE EAST FZ-LLC (a STAR group entity) holds 1,69,48,194 shares, totaling 25.99% of the share capital of the Company.

II: INFORMATION ABOUT THE APPOINTEE:

1. BACKGROUND DETAILS

Ms. Shobha Kapoor is the Managing Director of the Company. She is married to the popular bollywood actor Mr. Jeetendra Kapoor, who is the Chairman of the Company. She has been involved with the Company since its inception. One of the pioneers of the Indian Television industry, Ms. Shobha Kapoor has been associated with television content production since the early 90's when the Company was producing popular content for Doordarshan.

Ms. Ekta Kapoor is the Joint Managing Director of the Company. Daughter of Mr. Jeetendra Kapoor and Ms. Shobha Kapoor, Ms. Ekta Kapoor is the creative brain behind the Company's most successful and famous shows. She ventured into Television Serial production at the age of 19. In no time, she altered the face of Indian television industry and continues to dominate till date. Her shows have broken all previous records of Television Serial production and popularity in India.

2. PAST REMUNERATION:

Name	Designation	Basic Salary ₹	Perquisites, allowances & benefits	Commission ₹
Ms. Shobha Kapoor	Managing Director	55,20,000	54,92,400	NIL
Ms. Ekta Kapoor	Creative Director	66,30,000	66,00,600	NIL

All above figures are per annum and pertains to FY 11-12. Kindly note that there has been no change in remuneration for the past four years.

3. RECOGNITION AND AWARDS

Among others, following is the short list of few of the awards won by Ms. Shobha Kapoor, Managing Director and Ms. Ekta Kapoor, Joint Managing Director:

Awarding Entity	Year	Award	Awardee
Ernst & Young	2001	Entrepreneur of the Year	Ms. Ekta Kapoor
The Economic Times Award	2002	Business Woman of the Year	Ms Ekta & Ms. Shobha Kapoor
Indian Telly Awards	2003	Best CEO of the year	Ms. Shobha Kapoor
Foundation for promotion of Film Art & Craft	2003	Achiever of the Year	Ms. Shobha Kapoor
American Biographical Institute	2003	Woman of the Year	Ms. Ekta Kapoor
Indian Telly Awards	2004	Creative Director of The Year	Ms. Ekta Kapoor
Indian Telly Awards	2006	Hall of Fame	Ms. Ekta Kapoor
Star Parivaar Awards	2010	Special Honour	Ms. Ekta Kapoor
3rd Boroplus Gold Awards	2010	Hall of Fame	Ms. Ekta Kapoor
Indo-American Society	2010	Most Outstanding Woman Entrepreneur award	Ms. Ekta Kapoor
National Media Network Film And TV Awards	2011	Most Successful Film & TV Producer	Ms. Ekta Kapoor
Dadasaheb Phalke Academy Awards	2012	'Phalke Icon Producer Award' for Film & Television	Ms. Ekta Kapoor

The Company has achieved following Awards in last few years due to the joint efforts of Ms. Shobha Kapoor, Managing Director and Ms. Ekta Kapoor, Joint Managing Director.

Awarding Entity	Year	Award	Winner
Indian Telly Awards	2009	Best Ensemble	Bandini
International Trade Awards	2009	Outstanding Exporter of the Year - Media	Balaji Telefilms Limited
Zee Rishtey Awards	2009	Favorite Serial	Pavitra Rishta
Indian Telly Awards	2010	Most Consistent Production House of the Decade	Balaji Telefilms
Indian Telly Awards	2010	Most Popular Drama Series	Pavitra Rishta
3rd Boroplus Gold Awards	2010	Highest Gainer on TRP Charts of the Year	Pavitra Rishta
FICCI Frames Excellence Honours	2011	Best TV Show (Fiction)	Pavitra Rishta
FICCI Frames Excellence Honours	2012	Best Fiction Show	Bade Acche Lagte Hain

Balaji Motion Pictures Limited, wholly owned subsidiary of the Company has achieved following National Awards amongst many others, due to the joint efforts of Ms. Shobha Kapoor and Ms. Ekta Kapoor

NATIONAL AWARDS 2012

Best Actress : Vidya Balan for The Dirty Picture

Best Costumes: Niharika Khan for The Dirty Picture

Best Makeup : Vikram Gaekwad for The Dirty Picture

4. JOB PROFILE AND SUITABILITY

As Managing Director and Joint Managing Director, Ms. Shobha Kapoor and Ms. Ekta Kapoor are responsible for the conception of different shows produced by the Company and the overall management of the Company.

Having been instrumental in steering the Company towards being the leader in the television industry in India, both Ms. Shobha Kapoor and Ms. Ekta Kapoor come with almost two decade's worth of experience in this domain. They have produced over 90 shows for various entertainment channels in India. With this extensive experience, they are ideally placed to ensure that the Company continues to make quality content within a budget specified by the channel, on very stringent timelines.

Balaji Telefilms has launched several critically acclaimed television serials and movies in its short tenure within the industry. Balaji's creativity is demonstrated by its series of well received serials that have garnered high TRP ratings. The Company has produced programmes like Pavitra Rishta, Bade Achche Lagte Hai, Parichay, Kya Hua Tera Vaada and Gumraah which are gaining popularity amongst audiences. Films are also poised to become a USP for Balaji Telefilms through its wholly owned subsidiary, BMPL. The Company is confident of leveraging its existing creative abilities and know-how to produce films with rich content, while maintaining cost efficiencies. Some successful offerings from the Company's film catalogue comprise 'Raagini MMS', 'Once upon a time in Mumbai', 'Shootout at Lokhandwala', 'Kya Kool Hain Hum' with 'Dirty Picture' being one of the boldest film in India that won three National Film Awards including Best Actress, three Filmfare Awards and seven Screen Awards including Best Picture and Best Director.

Ms. Shobha Kapoor's and Ms. Ekta Kapoor's leadership and involvement has been significant in steering the Company towards being a frontrunner in the Indian Television industry. They have led teams to conceptualize TV shows and have produced over 100 shows for major broadcasters across the country. Their creativity is highly regarded as a prime driving force for the Company to fulfill audience expectations. They have a great understanding of India's demographic profile and never cease to deliver appealing content to the masses. Their innovation and creativity has helped create for Balaji Motion Pictures a brand identity of its own. Consequently their efforts have well positioned Balaji Telefilms to cater to the rapidly growing Indian Entertainment space as their commitment to the Company is sure to demonstrate excellent growth going forward.

5. REMUNERATION PROPOSED:

The proposed per annum remuneration to be paid to Ms. Shobha Kapoor and Ms. Ekta Kapoor is provided below.

Name	Designation	Basic Salary ₹	Perquisites, allowances & benefits ₹	Commission ₹
Ms. Shobha Kapoor	Managing Director	₹ 75,00,000/- p.a.	₹ 75,00,000/- p.a.	@ 2.5% of profits
Ms. Ekta Kapoor	Joint Managing Director	₹ 1,25,00,000/- p.a.	₹ 1,25,00,000/- p.a.	@ 2.5% of profits

6. COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON:

Company/Group	Employee	Designation	Total Remuneration ₹ Lacs
Balaji Telefilms Limited	Puneet Kinra	Group CEO	250.00
Balaji Telefilms Limited	Manuj Agarwal	CEO-Television	100.00
Balaji Motion Pictures Limited	Swati Shetty	President	110.00
Balaji Motion Pictures Limited	Tanuj Garg	CEO-Motion Pictures	108.00
ZEE Entertainment Enterprises Limited	Punit Goenka	Managing Director and CEO	550.00
Entertainment Network (India) Limited	Prashant Panday	Whole-time Director	206.54
HT Media	Shobhana Bhartia	Chairperson	210.66
HT Media	Rajiv Verma	Whole-time Director and CEO	272.95

Note:

The above information has been collated from publicly available information from the declared financial results of the above companies.

As can be seen from the above list, the proposed fixed remuneration of the Managing Director and the Joint Managing Director is comparable even to the Professional Senior Management of the Company.

7. PECUNIARY RELATIONSHIP DIRECTLY OR INDIRECTLY WITH THE COMPANY OR RELATIONSHIP WITH THE MANAGERIAL PERSONNEL:

Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor are relatives of the appointees that is Ms. Shobha Kapoor and Ms. Ekta Kapoor who are also related interse. Save and except for receipt of rent for immovable property by the appointees and their relatives viz. Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor and receipt of dividend by them, if declared by the Company on the share capital held by them, they do not have any material pecuniary relationship with the Company. During FY 11-12, a part of land owned by the Company was sold to M/s. JK Developers a sole proprietary firm owned by Mr. Jeetendra Kapoor, relative of appointees.

III: OTHER INFORMATION:

1. REASON FOR INADEQUATE PROFIT:

The TV content production industry has witnessed upheavals in the recent past. With the launch of new TV Channels, Balaji's dominance over the TV Industry was lessened as Channels turned to smaller producers on cost considerations. With low barriers to entry in the TV content industry, the TV content production industry has become increasingly fragmented.

This has reflected in the sharp drop of average realisations of Balaji and has reduced the volumes (in terms of production hours) considerably.

2. STEPS TAKEN OR PROPOSED TO BE TAKEN FOR IMPROVEMENT:

Realising the change in the business environment and Given the tough conditions in the flagship business of Television content, the Company had re-positioned itself as a 'Content House' rather than as merely a Television production house. The strategic intent behind this positioning was to leverage on the 'Creative' and 'Production project management' strengths of the Company. Balaji has been making efforts to establish itself in alternative domains of the Media industry to secure its long term future viz., Movies, Media education and content production on digital platforms. Almost all of these efforts towards this goal in the last 4 years have proven successful and are on the right track. However, in this period of development, the expenses especially overhead expenditure in the initial phases of these businesses, have been high.

This coupled with the falling topline and bottom-line in the TV business have resulted in significant stress on the bottom-line for the previous years. However, the management recognizes that these have been essential in view of the fact that a stable platform for the future growth of the company has now been created. Though the future profitability is set to improve, the changes would be gradually reflected in the company financials in the coming years.

3. EXCEPTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS:

The outcome of the above efforts have been visible in the following achievements:

Establishment of the Movies business; Balaji is now a well-respected and credible film studio. The company has produced successful films like LSD, Once Upon a time in Mumbai, Shor, Ragini MMS and the Dirty Picture. The Movies business is expected to be the major growth driver of the company in the future years with the turnover possibly exceeding that of the TV production business.

Establishment of ICE i.e. Institute of Creative Excellence and MobileArt, which both businesses have since been transferred to a private equity fund in which Balaji has a significant contribution as an anchor investor and sponsor.

The operational efficiency of the company has been improved significantly and the results would be evident in the coming year.

The above clearly indicates that a sound base and platform for the future growth of the company has been put firmly in place. With the business models proven and in place in all the businesses that the company is involved in, the stage is set to achieve an inflexion point in its growth life cycle in the coming years.

IV: DISCLOSURES:

Details of the remuneration package of the Managerial Personnel and other requisite details thereof always forms part of the Corporate Governance Report, forming part of the Board of Directors' Report of the Company. The same is provided to all the shareholders of the Company.

Registered Office:

C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industries, New Link Road,
Andheri (West), Mumbai – 400 053.

By order of the Board of Directors

Alpa Khandor
Company Secretary
May 11, 2012
Mumbai

Annexure 'B'

Pursuant to clause 49 of the listing agreement with the stock exchanges, following information is furnished about the directors proposed to be appointed /re-appointed

Mr. D. G. Rajan was first appointed on the Board from July 19, 2010. pursuant to Section 260 of the Companies Act, 1956. Mr. Rajan is a Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales, and the Institute of Chartered Accountants of India. He was a Partner at Lovelock & Lewes, the President of the Management Consultants Association of India, the Chairman of the Southern Region of the Indian Paint Association, the Chairman of Direct Taxation Committee of Southern India Chamber of Commerce and Industry and the Governor of The Doon School. Currently, he is a Advisor and Management Consultant for many domestic and International Groups.

Mr. D. G. Rajan holds 500 equity shares in the Company constituting 0.00% of the paid up equity capital of the Company.

Other Directorships	Committee Memberships
	Balaji Telefilms Limited Chairman - Audit Committee
Lotte India Corporation Ltd	Chairman - Audit Committee
IFGL Refractories Ltd.	Member - Audit Committee Member - Remuneration Committee
Balaji Motion Pictures Limited	Chairman - Audit Committee Member - Remuneration Committee
Brilliant Paints (Tenkasi) Pvt Ltd	
Solvay Specialities India Pvt Ltd	
Rajan Cosmetics (Madras) Pvt Ltd	



Other Directorships	Committee Memberships
Blue Mountains Real Estate Advisors Pvt Ltd	
Belaire Hotels Private Ltd.	
India Capital Research Services Pvt Ltd	
Blue Ridge Hotels Pvt Ltd	
Aquamarine Resorts Private Ltd	
Altran Technologies India Pvt Ltd	
Aamiya Reality Pvt Ltd.	
Centa Hotels Pvt Ltd	
Equitas Housing Finance Private Limited	
Alhers India Private Limited	

Mr. Jeetendra Kapoor was first appointed on the Board on February 1, 2000. He is a commerce graduate from the University of Bombay. He is one of the few Indian actors who has many Silver Jubilee hits to his credit. His standing in the entertainment industry is useful in building and retaining relationships with various television channels, artists, directors and writers.

Mr. Jeetendra Kapoor holds 43,92,000 equity shares in the Company constituting 6.74% of the paid up equity capital of the Company.

Other Directorships	Committee Memberships
Balaji Films & Telly Investments Limited	Balaji Telefilms Limited Member - Audit Committee Chairman – Shareholders' Committee Member - Remuneration Committee
Balaji Digimedia Private Limited	
Balaji D2C Systems Private Limited	
Balaji Motion Pictures Limited	
Balaji Teledevelopers Private Limited	Balaji Motion Pictures Limited Member - Audit Committee Member - Remuneration Committee
Ekta K. Securities & Investment Private Limited	
Shri Navnidhi Developers Private Limited	
Eshan Realestate Developers Private Limited	

Ms. Shobha Kapoor has been Managing Director of the Company since its inception in November 1994. Ms. Kapoor is responsible for Company's administrative and production functions and has been instrumental in shaping the Company's diversification strategy. Ms. Kapoor is amongst the few Indian television producers with a successful track record in the industry. Strengthened the Balaji brand from very modest beginnings to one of India's most respected brands in the Indian Media and Entertainment industry.

Other Directorships	Committee Memberships
Balaji Films & Telly Investments Limited	Balaji Telefilms Limited Member - Shareholders' Committee
Balaji Digimedia Private Limited	
Balaji D2C Systems Private Limited	
Balaji Motion Pictures Limited	
Balaji Teledevelopers Private Limited	
Balaji Teleproducts Limited	
Ekta K. Securities & Investment Private Limited	
Shri Navnidhi Developers Private Limited	
TOD'S Retail India Private Limited	

Ms. Ekta Kapoor has been Wholtime Director, designated as Creative Director of the Company, since its inception in November 1994 and later on designated as Joint Managing Director since November 2009. Ms. Kapoor commenced her career as a producer and creative director at the age of 19 and is actively involved in concept building, script design and creative conversion. She is the principal innovator, whose ideation abilities encompass television and motion pictures business of the Company. She has pioneered an entire genre of television content, creating some of the most successful shows and paving the way for India's satellite television boom. She is the one who revolutionized the way viewers would consume content. Her work has comprised entertainment landmarks in India.

Other Directorships	Committee Memberships
Balaji Films & Telly Investments Limited	Balaji Telefilms Limited Member – Shareholders' Committee
Balaji Motion Pictures Limited	
Balaji Teledevelopers Private Limited	
Ekta K. Securities & Investment Private Limited	
Balaji Teleproducts Limited	



Balaji Telefilms Limited

Regd. Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91 22 4069 8000 Fax: +91 22 4069 8181 / 82 Website: www.balajitelefilms.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP.Id*	
Client Id*	

Folio No.	
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Name and Address Of The ShareholderNumber of Shares held :
.....

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Wednesday, September 5, 2012 at 4:30 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.

Notes:

- Interested joint members may obtain attendance slip form the Registered Office of the Company.
- Members / Joint Members / Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the meeting hall.

* Applicable for Investors holding Shares in electronic form.

.....
SIGNATURE OF THE SHAREHOLDER / PROXY



Balaji Telefilms Limited

Regd. Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91 22 4069 8000 Fax: +91 22 4069 8181 / 82 Website: www.balajitelefilms.com

PROXY FORM

DP.Id*	
Client Id*	

Folio No.	
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I/Webeing a Member/Members of Balaji Telefilms Limited hereby appoint of..... or (failing him) of.....or (failing him) of..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, September 5, 2012 at 4:30 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, and at any adjournment thereof.

Signed thisday of2012

Signature



*Applicable for Investors holding shares in electronic form.

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.