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BALAJI TELEFILMS LIMITED	11-01-2025

BALAJI TELEFILMS LIMITED

Transcript of the 1st Extra Ordinary General Meeting held on January 11, 2025 at 04:30 PM (IST)

Tannu Sharma: Good afternoon, ladies and gentlemen. I request our respected Chairman, Mr. Jeetendra Kapoor, to commence the proceedings of this meeting by addressing all our esteemed shareholders.

Jeetendra Kapoor: Namaskar. Good afternoon, everyone. I welcome the members to the First Extraordinary General Meeting of Balaji Telefilms Limited for the Financial Year 24-25, which is being held through video conference today on Saturday, January 11, 2025 at 4:30 PM IST in accordance with relevant circulars, guidelines and directions issued by the MCA and SEBI. As the requisite quorum is present, the meeting is called to order.

I will now request Ms. Tannu Sharma, our Company Secretary and Compliance Officer to apprise the shareholders on certain aspects which are required for the smooth conduct of this meeting.

Tannu Sharma: Thank you, Sir!

I would like to update the members on certain important points in connection with the EGM. The facility for joining this EGM through videoconference or other audio visual means is being made available to the shareholders on a first-come-first-serve basis.

To avoid any background noise and to ensure smooth and seamless proceedings all the shareholders attending this meeting have been placed on mute by default. Shareholders are requested to use Internet with a good speed to avoid any disturbance while attending the meeting. For any technical issues which any of the shareholder might face, they may call on the helpline number given on page number 18 of the EGM notice and we assure to provide the best possible assistance. All efforts feasible have indeed been made by the company to ensure effective participation and voting by all the members.

The proceedings of this meeting are being recorded and will be hosted on the website of the company. Participation of members through videoconferencing is being counted for the purpose of quorum.

Now, I request all the participating Board members to introduce themselves one by one.

Jeetendra Kapoor: My name is Jeetendra Kapoor and I have joined this meeting through video conferencing from my residence in Mumbai. I am the Chairman of Stakeholders' Relationship Committee and CSR committee of the company.

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Tannu Sharma: Thank you, Sir. Shobha ma'am, Managing Director.

Shobha Kapoor: My name is Shobha Kapoor and I have joined this meeting through video conferencing from my residence in Mumbai.

Tannu Sharma: Ekta, ma'am.

Ekta Kapoor: Hi, this is Ekta Kapoor and I have joined this videoconference from Jaipur.

Tannu Sharma: Purwar sir. Arun Sir, request you to kindly unmute.

Arun Kumar Purwar: Good afternoon, I am A.K. Purwar. I have joined this meeting from Mumbai from my premises and alone. Thank You.

Tannu Sharma: Mr. Ashutosh Khanna.

Ashutosh Khanna: Yeah, Hi. My name is Ashutosh Khanna and I have joined this meeting through video conferencing from Gurgaon. I am the Chairman of the Audit Committee and the NRC of the company.

Tannu Sharma: Thank you, Sir. Ms. Jyoti Deshpande, Ms. Priyanka Chaudhary, Dr. Archana Hingorani, Mr. Rohit Jain, and Mr. Avijit Mukerji have expressed their inability to attend the meeting today. In addition to the board members, Mr. Sanjay Dwivedi, Group CEO and Group CFO is attending this meeting from Mumbai.

Also authorized representatives of Deloitte Haskins and Sells LLP, Chartered Accountants (our statutory auditors) and AVS and Associates, our Secretarial auditor and scrutinizer for this EGM have also joined this meeting through VC.

As the EGM is being conducted online, there's no possibility of securing physical attendance of the members. Therefore, in line with the applicable guidelines, the facility for appointment of proxy is not being made available. The documents referred to in the EGM notice have been made available for inspection by the members. The notice of EGM has been sent in electronic mode to those members whose e-mail ids were registered with the Company, KFin Technologies Limited or the Depository Participants. I would like to mention that as per applicable laws, the company had provided the facility of remote e-voting which was kept open from Tuesday, January 7, 2025, 9:00 AM till Friday, January 10, 2025 5:00 PM. The voting rights of the shareholders are in proportion to the shares held by them as on the cut-off date that is Saturday, January 4, 2025. Members who are attending this EGM and who have not yet voted may cast their vote today using the Insta poll facility. The detailed voting instructions have been provided in the EGM notice.

Now, may I please request the Chairman to address our shareholders. Jitu Sir.

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Jeetendra Kapoor: Dear shareholders, I am pleased to welcome you all to this Extraordinary General Meeting of Balaji Telefilms Limited. Your presence is a testament to your commitment towards our company's growth and success. I would now like to request Mr. Sanjay Dwivedi, Group CEO and Group CFO, to read out the rest of the Chairman's speech on my behalf.

Sanjay Dwivedi: Thank you Sir. We would like to share few developments over last few months. We continue to be PAT positive on consolidated basis for six months ended September 2024. We had three movie releases this year. The Sabarmati Report was received well by audience. Bhoot Bangla directed by Priyadarshan and starring Akshay Kumar is currently under production. On the merger of wholly-owned subsidiaries ALT Digital Media Entertainment Limited and Marinating Films Private Limited, we have received no objection certificate from respective stock exchanges and are in the process of filing the application with NCLT.

The purpose of today's meeting is to discuss and seek your approval for the proposed preferential issue of shares. This is a significant step for the company and it is crucial for us to ensure that our shareholders are fully informed and supportive of our strategy. Before we proceed with the formal agenda, I would like to provide some context and background on the preferential issue. As our shareholders are aware, we have been exploring various avenues to fuel our growth and enhance shareholders value. After careful consideration and discussions at the Board Meeting held on December 19, 2024, the Board determined that the preferential issue of shares is the most viable and strategic option for raising the necessary capital. Accordingly, at the said meeting, the Board considered and approved the proposal for raising funds amounting to Rs. 130.68 Crores by way of issuance of up to 1.78 crores equity shares of the Company at a price of Rs. 73.17/- per share on a preferential basis, subject to approval of Members of the Company. The issue price has been determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Promoter and some of the Foreign Portfolio Investors who are our existing shareholders are participating in the said issue, thereby evidencing their confidence in the Company and its growth prospect. The proposed issue will help in scaling up current movie business, start music retention, acquisition and its distribution business, scale movie distribution business, enhance the Companies digital platform and digital content business, expand company's intellectual property portfolio and ensure a more robust financial structure by reducing dependency on external borrowings. The use of proceeds of the issue shall be monitored by a Credit Rating Agency registered with SEBI.

All the necessary details are already forming part of the EGM notice and we hope that you have gone through the same. We firmly believe that the proposed issue is in the best interest of the company and the members. Last but not the least, on behalf of the entire Balaji family, we would like to thank our valued shareholders for their continuous encouragement and immersible support throughout our journey that has contributed to our growth and success story. As we move forward, we remain dedicated to delivering

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engaging content, driving industry trends and creating value for our shareholders. Thank you. I now hand over the EGM proceedings to Tannu Sharma, Group Head Secretarial.

Tannu Sharma: Thank you Sir. We would like to update the members that the Board of Directors at their meeting held on December 19, 2024, appointed Mr. Vijay Yadav, partner of AVS and Associates as the scrutinizer for conducting the voting process in a fair and transparent manner. The results of this meeting shall be declared within two working days after the EGM and the same shall be made available at the website of the Stock exchanges, RTA and the website of the Company. The transcript of the meeting shall also be made available as soon as possible on the website of the Company, that is www.balajitelefilms.com. Since the EGM is being held through VC, the items mentioned in the notice of this meeting have already been put to vote through remote E voting and therefore, the said items are not required to be proposed or seconded by the shareholders. I shall now read out the special business items listed in the notice of this EGM for approval by our esteemed shareholders. All the necessary details have been provided in the EGM notice for consideration by the members.

Item No. 1: Issue of equity shares on a preferential basis to Ms. Ekta Ravi Kapoor, Promoter and Joint Managing Director of the Company.

Item No. 2: Issue of equity shares on a preferential basis to entities belonging to non promoter category.

Item No. 3: Issue of equity shares on a preferential basis to individual belonging to non promoter category.

Now we shall take up the queries and suggestions sent to us by the members. I request Sanjay Sir to and take up the questions please.

Sanjay Dwivedi: Dear shareholders, welcome and good afternoon. We wish you and your family a very Happy New Year. I appreciate you taking time out for the Extraordinary General Meeting. As Chairman sir mentioned, with fresh infusion of funds, we will be able to scale our movie production business, distribution business, expand digital content business and create a larger portfolio of intellectual property assets, enter into newer areas of related business like music retention, acquisition and distribution and any other such intellectual property lead businesses. We have been able to keep pace with ever evolving audience taste. This fresh infusion of equity will further boost our resolve to entertain, adding more power to our content, enhance our library, deliver newer media and continue to engage audience. With meticulous planning and effort, we have been able to ensure positive EBITDA on a consolidated level for 8 consecutive quarters. Our endeavour is to consistently scale the operations and adding newer areas of business, which will add value to the shareholders investment. Promoter family and existing investors, Atyant Capital, Vanderbilt University, Gothic Corporation and few other foreign investors have shown faith and have participated in the fund-raise. Expression of keen

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interest in the fundraise demonstrate the confidence of the shareholders in the company business and its management.

Now we will take questions raised by shareholders.

The first question is come from Lekha Shah. What is the total number of employees and how many women employees are working in the company?

As at December 31, 2024, 90 employees are associated with the company of which 21 employees are women. She has also wished company a Good year and a prosperous year.

Dinesh Bhatia and Dharmesh Vakil. His questions pertains to merger.

This EGM is for the fundraise purpose. Nevertheless, we will address them. Need for the merger, rationale for the scheme, synergies of the business and entities involved in the scheme, impact of the scheme on the shareholders and cost benefit analysis of the scheme. The proposed scheme of merger will help in consolidation of the similar lines of business into a single entity. This will ensure elimination of duplicate activities and the cost associated with the said activities. Furthermore, the Merger shall also enable management focus and combined synergies for various projects. This shall result in greater efficiency in the overall combined businesses, including economies of scale, efficiency of operation, operational rationalization, organizational efficiency, cash flow management and unfettered access to cash flow generated by the combined business, which can be deployed more effectively for the purpose of development of business of combined entity and their growth opportunities. Eliminate inter-company dependency, minimize administrative compliances and to maximize shareholder value. Entities involved are two wholly owned subsidiaries of Balaji Telefilms Limited, that is ALT Digital Media Entertainment Limited and Marinating Films Private Limited. Scheme does not involve any fresh issue of sales or payment of consideration to any of the shareholder as it is in the nature of restructuring between the holding company and its wholly-owned subsidiaries. Thus, post coming into effect of the Scheme, there shall be no change in the shareholding pattern of Balaji Telefilms Limited and the shareholding of promoters and the public shareholders shall remain same.

The question number 2 is details of net worth of ALT Digital Media Entertainment and Marinating Films Private Limited pre and post scheme. As of 31st March 2024, Balaji Telefilms standalone net worth was 1174 crores. Post merger, after knocking-off investment in ALT Digital and Marinating Films Private Limited, the net worth would be 440 crores. These numbers are already part of the consolidated Financial as of 31 March 2024.

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Question number 3 Value of assets and liability of Alt Digital Media Entertainment and Marinating Films Private Limited that are being transferred to Balaji Telefilms Limited and post-merger balance sheet of BTL.

All assets and liabilities of subsidiaries are being transferred to Balaji Telefilms Limited. This includes all shows, IP rights, inventories of shows, advances for content and the production, fixed assets, debtors, investments, bank balances, creditors and other liabilities are being merged with BTL as on 1st April 2024 that is the appointed date. Gross assets in ALT Digital was 245 crores and in Marinating Films was 3 crores. This number do not capture IP value of content in ALT Digital and Box Cricket League IP value in Marinating Films Private Limited.

Another question has come from Yusuf Rangwala. He wants to know which movies are under production. Currently, we have two movies under production, one multilingual Pan India movie starring Mohanlal name Vrushabha and 2nd is Bhooth Bangla starring Akshay Kumar and directed by Priyadarshan. Few other movies are in development stage and should commence production during the year and he has supported the resolution.

Mr. Yogesh Vesvikar - He has mentioned he welcomes the move to infuse funds through preferential issues of shares with promoter group also infusing capital. He welcomes the foreign institution showing the confidence in our Company.

It is always a pleasure to meet shareholders and we are open to your valuable suggestion. Would request you to connect with Company Secretary and share your suggestions. Lastly, I would like to express my sincere appreciation to our shareholders, Board of Directors and the Promoters for their unwavering belief in our vision and their continuous support throughout our journey. Your trust and confidence have been instrumental in our success. Thank you. Over to Tannu.

Tannu Sharma: Thank you sir. All the questions received by the Company from the members have been duly taken on record. For any further queries, member may write to us at the designated mail id investor@balajitelefilms.com and we will respond to the same at the earliest. Members are requested to note that the Insta-poll facility for voting by the Members will now open for next 30 minutes. Those Members who have not casted their votes as of now and would like to vote now may complete the voting using the insta poll facility. There being no other matter to be transacted, we hereby conclude this EGM.

I would like to thank all the directors and our valued shareholders for attending the EGM today.
