

Balaji Telefilms Limited



C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries,
New Link Road, Andheri (West), Mumbai 400 053
Tel: 40698000 Fax: 40698181/82/83
Website: www.balajitelefilms.com

Board of Directors approves Amalgamation of Bolt Media Limited and Demerger of the Film Production Undertaking of Balaji Motion Pictures Limited with Balaji Telefilms Limited

MUMBAI, India, September 27, 2016–The Board of Directors of India's leading television Company, Balaji Telefilms Limited (BTL), at their meeting held today approved the composite scheme of arrangement and amalgamation among BTL, Balaji Motion Pictures Limited (BMPL) (a wholly owned subsidiary of BTL), Bolt Media Limited (Bolt)(a wholly owned subsidiary of BTL) and their respective shareholders and creditors (Scheme), for the demerger of the business and the business interests of BMPL in the film production undertaking into BTL and the amalgamation of Bolt with BTL. This Scheme is subject to the requisite approvals of shareholders of the Company, Stock Exchanges, SEBI, High Court and any other regulatory/statutory authorities as may be required and if approved would be effective from April 1, 2016.

The demerger of the film production undertaking of BMPL into BTL will enable the consolidation of the film production business of BMPL with BTL, which is well established and has proven capabilities in content and production. Post demerger, BMPL will focus on the business of film distribution.

BOLT is in a similar line of business as BTL and its amalgamation with BTL will help in focussed and effective utilisation of the production activities.

The implementation of the Scheme shall not affect the share capital of BTL as both entities are wholly owned subsidiaries of BTL. However, there shall be consequential reduction of the share capital of BMPL pursuant to the implementation of the Scheme.

The rationale of Board for approving this Scheme in brief is as follows:

- **Streamlining of Group structure:** The Scheme is expected to enhance efficiencies and combine similar business interests, optimise operational synergies resulting in focused management and efficient administration.
- **Consolidation of the business operations:** The Scheme is expected to result in economies of scale, improving allocation of capital, operational efficiency, integration of processes and optimizing cash flows, thus contributing to the overall growth prospects of BTL.
- **Reduction in Costs:** The Scheme is expected to enable pooling of resources of BTL, BMPL and BOLT resulting in more productive utilization of resources, cost and operational efficiencies which would be beneficial to all the stakeholders.

Commenting on these transactions post approval from Board, **Ms. Ekta Kapoor–Joint Managing Director** said, *“We are happy to receive approval from the Board of Directors for the scheme of demerger of BMPL and merger of BOLT. This will help us to focus more efficiently on our content creation capabilities across the genres and formats.”*

Added **Mr. Sameer Nair - Group CEO** said, *“We are committed to improving margins and profitability and consolidation of our operations is a step in that direction leading to a better value creation for all our shareholders. This will also ensure more efficient use of senior management’s bandwidth, thereby allowing more time to focus on ALT Digital our digital foray which is set to redefine the entertainment viewing experience of Indians in India and across the globe.”*

In relation to the transaction, Axis Capital Limited is acting as advisor and Shardul Amarchand Mangaldas & Co, Advocates & Solicitors is acting as legal advisor to Balaji Telefilms Limited.

About Balaji Telefilms Limited:

Balaji Telefilms is India’s leading integrated media conglomerate with market leadership in the television content industry, among other entertainment-led businesses. It has demonstrated success in both films and television. Pioneering widely different genres of content, the Company has completely aligned its brand architecture to reflect the far-reaching changes of our time.

The Company, under the stewardship of Mrs. Shobha Kapoor and Ms. Ekta Kapoor, operates various prominent brands within its fold namely Balaji Telefilms – a production house synonymous with ground-breaking television content; Balaji Motion Pictures – a producer of large-scale feature films with the topmost industry talent; Alt Entertainment – a developer of film content with alternate sensibilities. Marinating Films Private Limited – a creator of IP and producer of reality shows and events. Chhayabani Balaji Entertainment Private Limited – a creator and producer of Bengali content. BOLT Media Limited – catering to genres and segments of the media industry which are presently not covered by BTL and Event Media LLP – a producer of event based shows.

In recent years, the Company has strengthened its leadership team and is now poised to make a strategic foray into the Digital B2C entertainment category with Alt Digital Media a wholly owned subsidiary - to build a consumer facing brand that offers unique enjoyable, engaging content for a global digital audience in an endeavour to monetise the incredible potential of original on-demand entertainment.

For further details please contact:

Sanjay Dwivedi–Group CFO
Simmi Singh Bisht (Group Head - Secretarial)
Balaji Telefilms Limited
Tel: +91 22 40698000
Fax: +91 22 40698181
Email: sanjay.dwivedi@balajitelefilms.com
simmi.bisht@balajitelefilms.com

Gavin Desa
Rabindra Basu
Citigate Dewe Rogerson (CDR India)
Tel: +91 22 6645 1237 / 1248
Fax: +91 22 6645 1200
Email: gavin@cdr-india.com
rabindra@cdr-india.com



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Safe Harbor:

Certain statements in this update concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The achievement of such results is subject to risks, uncertainties and even inaccurate assumptions. Readers may please take a note of this.