

Balaji Telefilms Ltd.

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New Link Road, Andheri (West), Mumbai - 400 053.
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Website : www.balajitelefilms.com • Email- investor@balajitelefilms.com
CIN No.: L99999MH1994PLC082802



May 30, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Stock Code: 532382

National Stock Exchange of India Ltd.

“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051
Stock Code: BALAJITELE

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated July 13, 2023, we wish to inform that the Board of Directors of Balaji Telefilms Limited (“the Company”), at their meeting held today, approved the Composite Scheme of Arrangement between ALT Digital Media Entertainment Limited (‘First Transferor Company’), Marinating Films Private Limited (‘Second Transferor Company’), Wholly owned Subsidiaries of the Company, Balaji Telefilms Limited (‘Transferee Company’), and their respective shareholders subject to: (i) sanction of Hon’ble National Company Law Tribunal, Official Liquidator, Registrar of Companies, Ministry of Corporate Affairs and such other authorities as may be necessary; (ii) approval of shareholders and/or creditors of the respective companies, if required; and (iii) any other statutory/regulatory approval, as may be required.

The relevant details pursuant to aforementioned SEBI Circular are enclosed from **Annexure – I to Annexure – III**.

The Meeting of the Board of Directors commenced at 03.30 p.m. and concluded at 11:10 p.m.

The above details are also available at the website of the Company at www.balajitelefilms.com. Kindly take the same on record.

Thanking You.

Yours faithfully,

For Balaji Telefilms Limited

Tannu Sharma
Company Secretary and Compliance Officer
Membership No – ACS30622

Encl.: As above

Details pursuant to SEBI Circular dated July 13, 2023 of SEBI (Listing Obligations and Disclosures) Requirements, 2015

Other Restructuring

A. Reorganization of reserves and reduction of equity share capital of ALT Digital Media Entertainment Limited ('ALT' or 'First Transferor Company').

S. No.	Particulars	Information
1.	Details and reasons for restructuring	<p><u>Details of restructuring:</u></p> <p>Reorganization of reserves and reduction of equity capital of the First Transferor Company, whereby the opening debit balance as on the Appointed Date in the profit and loss account of the First Transferor Company shall be first adjusted against the opening credit balance in securities premium account, and the residual debit balance shall be adjusted against the equity share capital by cancelling such number of shares at face value as may be required for making the aforesaid adjustment.</p> <p><u>Reasons for restructuring:</u></p> <p>ALT shall be able to represent its true and fair financial position.</p>
2.	Quantitative and/ or qualitative effect of restructuring	<p>With effect from the Appointed Date, and upon coming into effect of the Scheme, the balance of profit and loss account and securities premium reserve account in the books of First Transferor Company is likely to be Nil.</p> <p>Furthermore, the paid-up equity share capital of First Transferor Company, post making the adjustments as per SN 1 above, is likely to stand at INR 7,295.51 as on the Appointed Date, prior to amalgamation with Transferee Company.</p>
3.	Details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring	<p>There shall be no consideration involved in respect of the aforesaid reorganization of reserves and reduction of equity share capital of First Transferor Company. Thus, there will be no benefit to any promoter/ promoter group/ group companies of First Transferor Company.</p>
4.	Brief details of change in shareholding pattern (if any) of all entities	<p>There would not be any impact on the shareholding pattern on account of the above</p>

Amalgamation/ Merger

B. Amalgamation of ALT Digital Media Entertainment Limited ('ALT') and Marinating Films Private Limited ('MFPL') with Balaji Telefilms Limited ('Listed Entity/ BTL')

S. No.	Particulars	Information
1.	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p><u>Transferor Companies:</u></p> <p>i) <u>ALT Digital Media Entertainment Limited (ALT)</u> Turnover (as on March 31, 2024): Rs. 4,983.41 Lacs Authorized Share Capital: Rs. 100,020 Lacs Paid up share capital: Rs. 69,464.59 Lacs</p> <p>ii) <u>Marinating Films Private Limited (MFPL)</u> Turnover (as on March 31, 2024): Rs. 57.58 Lacs Authorized Share Capital: Rs. 1,500 Lacs Paid up share capital: Rs. 446 Lacs</p> <p><u>Transferee Company:</u></p> <p><u>Balaji Telefilms Limited (Listed entity/BTL):</u></p> <p>Turnover (as on March 31, 2024): Rs. 58,210.20 Lacs Authorized Share Capital: Rs. 3,600 Lacs Paid up share capital: Rs. 2,030.57 Lacs</p>
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	<p>The Transferor Companies (ALT and MFPL) are Wholly Owned Subsidiaries of the Transferee Company (BTL). Therefore, proposed merger is amongst related parties. However, the Ministry of Corporate Affairs has clarified vide its General Circular No. 30/2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013 will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.</p> <p>Also, pursuant to Regulation 23(5)(b) of the Listing Regulations, the provisions of related party transactions are not applicable to the proposed Scheme of Amalgamation between the Transferor Company with the Transferee Company.</p>

3.	Area of business of the entity(ies);	<p>ALT is engaged in the business of Motion picture, video and television programme production, sound recording, music publishing and allied activities.</p> <p>MFPL is engaged in the production of all kinds of cinematographic films, AD films, Audio Visuals, Television Serials, Documentary films, Music Videos, Event Management, and allied activities.</p> <p>BTL is engaged in the business of Motion picture, video and television programme production, sound recording, music publishing and allied activities.</p>
4.	Rationale for amalgamation/ merger;	<p>The Proposed Composite Scheme of Arrangement would inter alia have the following benefits:</p> <ol style="list-style-type: none"> 1. The Transferor Companies are wholly owned subsidiaries of the Transferee Company, so merger will help to consolidate the multiple entities into a single legal entity. Further, the Transferor Companies and the Transferee Company are engaged in similar line of businesses related to production and distribution of contents on various platforms. The merger would enable management focus and combined synergies for various projects; 2. The merger will provide a greater efficiency in the overall combined business including economies of scale, efficiency of operations, 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 businesses of combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize administrative compliances and to maximize shareholder value; 3. The merger will result in enhancement of net worth of the combined business to capitalize on future growth potential, optimal utilization of resources; 4. The merger will result in a reduction in the overheads including administrative, managerial and other expenditure, and optimal utilization of resources by elimination, and avoiding of unnecessary duplication of activities and related costs. It will also result in a reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by each of the Transferor Companies and the Transferee Company;

		<p>5. The merger would motivate employees of the Transferor Companies by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, assets base etc. which will boost employee morale and provide better corporate performance ultimately enhancing shareholder value;</p> <p>6. The merger will help in achieving operational efficiencies and management efficiencies;</p> <p>7. The other operational benefits due to merger are as follows: -</p> <ul style="list-style-type: none"> • Optimize the resources at consolidated entity level to facilitate greater ability of the Transferee Company to raise financial resources for future expansion; • Reducing operational and compliance cost; • Elimination of duplicative communication and coordination efforts across multiple entities and pooling of resources as well as optimum utilization of resources; • Simplification of group structure under common management; and • Economies of scale, greater integration, flexibility and market reach for the amalgamated entity. <p>Further, there is no adverse effect of this Scheme on the Directors, Key Managerial Personnel, Promoters, Non-promoter Members, Creditors, and employees of the Companies and the same would be in the best interest of all stakeholders.</p>
5.	In case of cash consideration – amount or otherwise share exchange ratio;	The Scheme of Arrangement does not involve any fresh issue of shares or payment of consideration to any of the shareholders.
6.	Brief details of change in shareholding pattern (if any) of listed entity	There will be no change in the shareholding pattern of the Transferee Company (BTL) as no shares are being issued pursuant to the Scheme.

Other Restructuring**C. Adjustment of negative capital reserve with securities premium reserve and retained earnings of the of Balaji Telefilms Limited ('BTL').**

S. No.	Particulars	Information
1.	Details and reasons for restructuring	<p><u>Details of restructuring:</u></p> <p>Reorganization of reserves and adjustment of retained earnings of the Transferee Company, whereby post amalgamation, the debit balance in capital reserve as on the Appointed Date shall be first adjusted against the credit balance in securities premium account, and the residual debit balance shall be adjusted against the credit balance of retained earnings.</p> <p><u>Reasons for restructuring:</u></p> <p>BTL shall be able to represent its true and fair financial position.</p>
2.	Quantitative and/ or qualitative effect of restructuring	<p>With effect from the Appointed Date, and upon coming into effect of the Scheme, the balance of capital reserve and securities premium in books of Transferee Company is likely to be Nil.</p> <p>Furthermore, the retained earnings of Transferee Company, post making adjustments as per SN 1 above, are likely to stand at INR 36,135.86 as on March 31, 2024, post coming into effect of the Scheme</p>
3.	Details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring	<p>There shall be no consideration involved in respect of the aforesaid reorganization of reserves. Thus, there will be no benefit to any promoter/ promoter group/ group companies of the Transferee Company.</p>
4.	Brief details of change in shareholding pattern (if any) of all entities	<p>There would not be any impact on the shareholding pattern on account of the above</p>