Balaji Telefilms Limited

Registered 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 • E-mail : balaji@balajitelefilms.com • Website : www.balajitelefilms.com

NOTICE OF POSTAL BALLOT

{Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001}

NOTICE is hereby given that approval of the shareholders of Balaji Telefilms Limited (the "Company") is sought in respect of the following special businesses, proposed to be passed by postal ballot:

Item 1

Alteration of Clause No. III : Object Clause of the Memorandum of Association of the Company

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

"RESOLVED THAT subject to the provisions of Sections 17, 18 & other applicable provisions, if any, of the Companies Act, 1956, clause no. III of the Memorandum of Association of the Company be altered by inserting a new sub-clause 1B after the existing sub-clause no. 1A as set out below:

"1B. To carry on the business of providing financial services, advise and facilities of every description, including (but without limiting the generality of the foregoing words) all those capable of being provided by investment and fund managers and advisors, promoters and managers of venture capital funds, mutual funds and other investment media, issue houses and financiers, to provide all kinds of financial services including advisory services to assist decision making, providing and procuring investment advisory services, business support services, project counseling and advisory services, all types of information services, training and consultancy services, and to provide management and advisory services to venture capital funds, off shore funds, pension funds, provident funds, management of insurance funds, financial consultancy, advisory services relating to the capital market and data processing management."

RESOLVED FURTHER THAT Ms. Shobha Kapoor, Managing Director, Mr. Jeetendra Kapoor, Chairman and Ms. Alpa Khandor, Company Secretary of the Company, be and are hereby jointly and severally authorized by the Company to undertake such acts, deed and matters, as they may in their absolute discretion deem necessary, proper or desirable, including any amendment or modification to the abovementioned objects clause as per the suggestion / direction of the Regulatory Authorities and settle any question, difficulty or doubt that may arise in this regard, including but not limited to making requisite filings with the Registrar of Companies and the stock exchanges, that may be required to give effect to the alteration of the Memorandum of Association in accordance with this resolution."

Item 2

Sale of Undertakings under section 293(1)(a)

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and subject to such approvals and permissions, as may be required from any governmental, regulatory, statutory or judicial authority, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "**the Board**," which term shall include any duly authorised Committee thereof) and/or the Managing Director of the Company ("**Managing Director**") to sell and transfer as a going concern, on slump sale basis on such terms and conditions as are negotiated by the Board and/or the Managing Director (and deemed by them at their discretion to be in the best interest of the Company) (a) Mobile Division

– engaged in providing differentiated content in audio and video format mobile-specific content to the telecom companies for mobile VAS (value added service) platform; (b) Internet Division - including online talent portal Hoonur.com; and (c) Education Division – represented by the brand **ICE - Institute of Creative Excellence,** institute for imparting media education to train aspirants into media professionals (each an "**Undertaking**" and collectively the "**Undertakings**"), together with all rights, assets and interests pertaining to the Undertakings, at not less than the fair value determined by an independent firm of Chartered Accountants or any other professional Valuer and with effect from such date and in such manner as may be determined by the Board and / or the Managing Director and on such terms and conditions as the Board and / or the Managing Director may deem and consider appropriate."

RESOLVED FURTHER THAT the Board and/or the Managing Director be and is hereby, authorised to do all acts, deeds, matters and things for completing the sale and transfer of the Undertakings, with such modifications as it may deem necessary and expedient in its absolute discretion to give effect to this Resolution and to negotiate, finalise and execute such necessary agreement(s) or document(s) and writings relating to the sale and transfer of the Undertakings as it may deem necessary, proper, desirable or expedient (including, without limitation, to settle any questions, difficulties or doubts that may arise in regard to the sale and transfer of the Undertakings as it may in its absolute discretion deem fit, and give such customary representations and warranties, together with such indemnities as may be deemed necessary and/or expedient, in their discretion) without requiring any further approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any such document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be."

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By order of the Board of Directors

Alpa Khandor
Company Secretary

Mumbai, January 13, 2011

NOTES:

1. The explanatory statement pursuant to Sections 173(2) and 192A of the Companies Act, 1956, in respect of the businesses set out above is annexed hereto.

2. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (passing of resolution by postal ballot) Rules, 2001 the assent or dissent of the Company in respect of the resolutions under Postal Ballot Notice dated January 13, 2011 shall be determined through Postal Ballot.

3. The Board of Directors has appointed Mr. Robert Pavrey, a Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot process.

4. Voting rights shall be reckoned on the paid up value of the equity shares registered in the name of the members as on Friday, January 7, 2011.

5. A Member need not use all the votes nor needs to cast all the votes in the same way.

6. Duly completed postal ballot form (refer the instructions to the postal ballot form) should be received by the Scrutinizer not later than the close of working hours on February 17, 2011. Postal ballot forms received thereafter will be treated as if no reply from the member has been received.

7. Envelopes containing postal ballot forms, if deposited in person or sent by courier at the expense of the member will also be accepted.

8. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for postal ballot but not later than 3:00 p.m. February 18, 2011.

9. The Chairman or authorised Director shall announce the result of the postal ballot on Friday, February 18, 2011 at 3:30 p.m. at the Registered Office of the Company.

10. The date of declaration of the postal ballot result will be taken to be the date of passing of the resolutions proposed in this notice.

11. The Scrutinizer's decision on the validity of a postal ballot form shall be final.

12. All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the registered office of the Company between 1:00 P.M. and 4:00 P.M. on all working days upto February 17, 2011.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) AND SECTION 192A OF THE COMPANIES ACT, 1956:

Item 1

The Company is a Public Limited company incorporated on November 10, 1994. The Company is presently involved in the production and distribution of television serials and entertainment programmes.

In order to intensify its present area of operation, the Company may either on its own or in joint venture or partnership with others in future intend to enter in investment management business and also act as a Sponsor to the Fund that might be managed by the management business. In order to pursue these businesses, it is necessary to amend the objects clause to include these activities. The change in the objects clause will enable the Company to carry on its business more economically and more efficiently and to enlarge the local area of operations.

Pursuant to Section 17 of the Companies Act, 1956, alteration of the Object Clause requires approval of the members of the Company by way of passing a Special Resolution to that effect.

The Directors recommend to the shareholders the adoption of the above special resolution as set out in the notice.

None of the Directors is deemed to be concerned or interested in said resolution.

Item 2

The Company is mainly engaged in the business of production of television serials or programmes for telecast on television channels. In addition to the main business, the Company has also been engaged in the businesses operating in the areas of

- Mobile Division – engaged in providing differentiated content in audio and video format mobile-specific content to the telecom companies for mobile VAS (value added service) platform
- Internet Division - including online talent portal Hoonur.com
- Education Division - represented by the brand **ICE - Institute of Creative Excellence,** institute for imparting media education to train aspirants into media professionals.

In order to enable the Company to further strengthen and develop its core business of producing television serials or programmes, it is proposed to dispose off the said three divisions as a going concern, on slump sale basis. This will enable the Company to focus its attention on growing its core business.

The Company proposes to have the value of the Undertakings determined by an independent firm of Chartered Accountants or any other professional Valuer to ensure that the disposal of the Undertakings is at such price not less than the fair value so determined.

Any sale or disposal of any undertaking of the Company requires the approval of shareholders under Section 293(1)(a) of the Companies Act, 1956. Hence, the resolution is placed before the shareholders for their approval.

In the opinion of the Directors, it is in the interest of the Company that the Mobile, Internet and Education divisions of the Company be disposed off at present, as stated above. Hence recommends to the shareholders the adoption of the above ordinary resolution as set out in the notice.

The Directors of the Company may be deemed to be concerned or interested in the resolution as set out in the Notice pursuant to Section 192A of the Companies Act, 1956 to the extent of shares held by them in the Company.

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Mumbai, January 13, 2011

By order of the Board of Directors

Alpa Khandor
Company Secretary