



May 15, 2013

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (East)
Mumbai- 400 051.

Dear Sirs,

Sub: Clarification with regard to recent media report

With reference to a news item appearing in a media report on May 14, 2013, the Company would like to submit its clarification through a press release, which is attached herewith for your records.

We would like to request you to kindly take note of the same.

Thanking you,

Yours truly,
For Balaji Telefilms Limited

Alpa Khandor
Company Secretary

Encl: as above

Balaji Telefilms Limited

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CLARIFICATION WITH REGARD TO RECENT MEDIA REPORT

Mumbai, May 15, 2013

Balaji Telefilms Limited (BTL) wishes to state that there is absolutely no truth to the allegations mentioned with regard to the Promoters and the Company in a media report on May 14, 2013. Gaurav Chopra, the individual making these allegations, was suspended from the Company in August 2012 as a Financial Controller.

As a result of various suspicions and in line with BTL's endeavor to follow best corporate practices and processes, the Company had in September, 2012, commissioned a leading international Audit and Consulting firm to investigate into possible involvement of any of the Company employees in wrong doing etc. The report filed by the said Audit and Consulting firm found Mr. Chopra and some others to be responsible for several lapses during their tenure. These lapses included but are not restricted to the encashment of cheque fraudulently, missing cheques, illegal appointment of a person on cash salary basis, fraudulent address of vendors etc.

A subsequent Mumbai Police enquiry made a report stating that *"applicant (Gaurav Chopra) appointed persons who were not on Company's payroll and were paid salary and allowances through Company's vouchers which has applicant's (Gaurav Chopra) signature" and that "applicant's (Gaurav Chopra) involvement in the crime is clear". The Police mentioned in its statement to the Sessions Court in February 2013 that "the nature of the fraud committed by the applicant (Gaurav Chopra) appears to be complex. Therefore, his custodial interrogation would be necessary."*

BTL, while regretting Gaurav Chopra's misconduct and dereliction of his responsibilities and duties, believes that it has taken the right steps to address and stop such malpractices and offenses.

BTL, in view of the order of the Hon'ble Bombay High Court, is in the process of filing a fresh and comprehensive FIR (First Investigation Report) against Gaurav Chopra.

About Balaji Telefilms

Balaji Telefilms is India's leading integrated media conglomerate with market leadership in the motion picture and television content industries, among other entertainment-led businesses. It is the only studio with unqualified success in both films and television. Pioneering widely different genres of content across several distribution media, the firm has completely aligned its brand architecture to reflect the far-reaching changes of our time.

The company, under the stewardship of Shobha Kapoor and 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 commercial filmed content with alternate sensibilities.

For further details please contact:

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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.