

CORPORATE GOVERNANCE REPORT

Balaji Telefilms Limited is committed to strong Corporate Governance and believes in its indispensability in investor's protection. Integrity, transparency, accountability and compliance with laws are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

The Report is on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter to be referred as 'Listing Regulations').

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is as under:

- Ensure that quantity, quality and frequency of financial and managerial information, which management shares with the Board, places the Board Members fully in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the Board, the Employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company through ethical business conduct.
- Ensure that the Board continues in its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

CODE OF CONDUCT

The Board of Directors has approved and implemented a Code of Conduct for the Board of Directors and Senior Management. The Code of Conduct suitably incorporates the duties of Independent Directors of

the Company. The confirmation from the Managing Director of the Company regarding compliance with the code by all the Directors and Senior Management forms part of this Report.

BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Board either directly exercises its powers or through Committees. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

COMPOSITION

The Board of your Company has an appropriate mix of Executive and Non-Executive Directors with half of the Board of Company comprising of Independent Directors to maintain its independence and separate its functions of governance and management. Listing Regulations mandate that for a Company with a Non-Executive Chairman who is also a promoter, at least half of the Board should be Independent Directors. As on March 31, 2018, the Board comprised of twelve Directors, of whom two are Executive Directors, two Non-Executive Non-Independent Directors, six Independent Directors and two Non-Executive Additional Directors. The Composition of the Board represents an optimal mix of professionalism, knowledge and experience so as to enable the Board to discharge its responsibilities and provide effective leadership to the business.

None of the Directors of the Company held committee Membership of more than ten committees or committee Chairmanships of more than five committees across all Companies in which the person is a Director.

The names and categories of the Directors on the Board, their attendance at Company's Board Meetings and its Annual General Meeting during the financial year 2017-18 and also the number of Directorships and Committee Memberships/Chairmanships held by them in various Companies as on March 31, 2018 are given below:

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Name of the Directors	Attendance Particulars			No. of other Directorships and Committee Membership/Chairmanship			No. of shares held as on March 31, 2018
	Board Meetings		Last AGM	*Other Directorships	#Committee Memberships	#Committee Chairmanships	
	Held	Attended					
Mr. Jeetendra Kapoor (P, N, NI)	6	6	Present	3	1	0	32,60,522
Mrs. Shobha Kapoor (P, E, NI)	6	6	Present	6	0	0	1,00,35,633
Ms. Ekta Kapoor (P, E, NI)	6	5	Absent	6	0	0	1,75,47,258
Mr. Tusshar Kapoor (P, N, NI)	6	3	Present	4	1	0	20,30,250
Mr. Pradeep Kumar Sarda (N, I)	6	3	Absent	2	2	0	NIL
Mr. D. G. Rajan (N, I)	6	4	Present	6	5	4	300
Mr. Ashutosh Khanna (N, I)	6	6	Absent	1	0	0	NIL
Mr. D.K. Vasal (N, I)	6	6	Present	4	2	0	NIL
Mr. V.B. Dalal (N, I)	6	6	Absent	4	2	0	NIL
Mr. Arun Kumar Purwar (N, I)	6	6	Present	8	5	3	NIL
Mr. Jyotindra Thacker** (N, NI)	2	2	-	N.A.	N.A.	N.A.	N.A.
Mr. Anshuman Thakur*** (N, NI)	2	2	-	0	0	0	NIL
Ms. Jyoti Deshpande**** (N, NI)	-	-	-	2	0	0	NIL

P=Promoter, E= Executive, N=Non-Executive, I=Independent, NI=Non-Independent

*Excluding Private Limited Company, Foreign Companies, Section 8 Companies and Alternate Directorships but including Deemed Public Company

#Includes only Audit Committee and Stakeholders' Relationship Committee.

**Appointed w.e.f. September 01, 2017 and ceased w.e.f. March 21, 2018. Two meetings were held during his tenure.

***Appointed w.e.f. September 01, 2017. Two meetings were held during his tenure.

**** Appointed w.e.f. March 23, 2018. No meeting was held during her tenure.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors except Mr. Jeetendra Kapoor, Mr. Tusshar Kapoor, Ms. Jyoti Deshpande and Mr. Anshuman Thakur are Independent. Pursuant to Regulation 25 of the Listing Regulations, a meeting of Independent Directors is required to be held once in a year inter alia, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of

the Company, taking into account the views of Executive Directors and Non-Executive Directors;

- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting of Independent Directors of the Company was held on May 23, 2017 without the presence of Executive Directors or Management Representatives.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company/Business policy and strategy

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apart from other Board business. The Board/Committee Meetings are pre-scheduled and tentative dates of the Board and Committee meetings are informed well in advance to facilitate Directors to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board/Committee meetings is prepared by the Company Secretary in consultation with the Chairman and Managing Director of the Company. The Agenda is circulated at least 7 days prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the year under review, six (6) meetings of the Board of Directors were held, the dates being May 23, 2017, July 20, 2017, August 10, 2017, August 22, 2017, November 10, 2017 and February 13, 2018. The maximum time gap between any two meetings was not more than one hundred twenty days.

FAMILIARIZATION PROGRAMME OF DIRECTORS

The Company has framed the familiarization programme for its Independent Directors. The same has been uploaded on the website of the Company and the web link for the same is <http://www.balajitelefilms.com/familiarisation-programme-independent-directors.php>

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The

Board works with the Nomination and Remuneration Committee to lay down the Evaluation criteria for the Performance Evaluation of Executive/Non-Executive/Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Minutes of the meetings of all Committees are placed before the Board for review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Board has currently established the following Statutory Committees:

AUDIT COMMITTEE

Terms of Reference

The Audit Committee provides direction to the Audit and Risk Management function in the Company and monitors the quality of Internal Audit and Management Audit. The terms and composition of the Audit Committee are as per the guidelines set out in the Listing Regulations read with Section 177 of the Companies Act, 2013.

The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment, remuneration and terms of appointment of Auditors and approving payment for any other services rendered by the Statutory Auditors, reviewing the Annual Financial Statements and Auditors' Report before submission to the Board, reviewing the Quarterly Financial Statements before submission to the Board, evaluation of internal financial controls and risk management systems, reviewing adequacy of internal audit function,

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structure and staffing of the internal audit function, reviewing findings of internal investigations and discussing the nature and scope of audit as well as post-audit discussion with external auditors, reviewing functioning of Whistle Blower Mechanism and such other responsibilities as set out in Section 177 of the Companies Act, 2013 and Part C, Schedule II of Listing Regulations.

In addition to the above, the Audit Committee mandatorily reviews the following:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the Internal Auditor; and
- statement of deviation(s):
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Composition

Name of the Members	Designation	Nature of Membership
Mr. D. G. Rajan	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non-Executive Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mr. V. B. Dalal	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, Audit Committee held four (4) meetings, the dates being May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. D. G. Rajan	4	4
Mr. Jeetendra Kapoor	4	4
Mr. Pradeep Kumar Sarda	4	2
Mr. D. K. Vasal	4	4
Mr. V. B. Dalal	4	4

The Statutory Auditors and Internal Auditors of the Company are invitees to the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on the limited review of the quarterly and half yearly accounts of the Company and yearly audit of the Company's accounts, Auditors' Report and other related matters. The report of the Internal Auditor is also reviewed by the Audit Committee.

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NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

The Committee is entrusted with the following role and responsibilities:

1. Formulation of criteria for determining qualifications, positive attributes & independence of a Director and to recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Performance evaluation criteria for Independent Directors

In accordance with Companies Act, 2013 and Listing Regulations, the Committee has laid down the following criteria to evaluate the performance of Independent Directors:

- 1) Knowledge to perform the role;
- 2) Time and Level of Participation;
- 3) Performance of Duties and Level of Oversight;
- 4) Professional Conduct and Independence.

Feedback on each Director is encouraged to be provided as a part of the survey.

Composition

Name of the Members	Designation	Nature of Membership
Mr. Ashutosh Khanna	Independent Director	Chairman
Mr. Jeetendra Kapoor	Non-Executive Director	Member
Mr. Pradeep Kumar Sarda	Independent Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, the Nomination & Remuneration Committee held six (6) meetings, the dates being May 22, 2017, August 10, 2017, August 31, 2017, November 09, 2017, February 13, 2018 and March 21, 2018. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Ashutosh Khanna	6	4
Mr. Jeetendra Kapoor	6	6
Mr. Pradeep Kumar Sarda	6	4
Mr. D. K. Vasal	6	6

Nomination & Remuneration Policy and Details of Remuneration Paid

The Nomination & Remuneration Policy of the Company along with the evaluation criteria for Independent Directors and the Board may be accessed at <http://balajitelefilms.com/nomination-remuneration-policy.php>

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Details of the remuneration paid to the Directors of the Company for the year ended March 31, 2018:

(Amount in ₹)

Name	Designation	Salary	Perquisites	Sitting Fees	Commission	Employer Contribution to Provident Fund	Total
Mrs. Shobha Kapoor	Managing Director	2,22,45,000	-	-	-	17,28,000	2,39,73,000
Ms. Ekta Kapoor	Joint Managing Director	2,22,45,000	-	-	-	17,28,000	2,39,73,000
Mr. Jeetendra Kapoor	Chairman	-	-	6,25,000	-	-	6,25,000
Mr. Tusshar Kapoor	Director	-	-	3,00,000	-	-	3,00,000
Mr. Pradeep kumar Sarda	Independent Director	-	-	3,25,000	-	-	3,25,000
Mr. D. G. Rajan	Independent Director	-	-	5,50,000	-	-	5,50,000
Mr. Ashutosh Khanna	Independent Director	-	-	7,00,000	-	-	7,00,000
Mr. D. K. Vasal	Independent Director	-	-	7,50,000	-	-	7,50,000
Mr. V. B. Dalal	Independent Director	-	-	7,50,000	-	-	7,50,000
Mr. Arun Kumar Purwar	Independent Director	-	-	7,00,000	-	-	7,00,000
Mr. Jyotindra Thacker	Non-Executive Director	-	-	2,00,000	-	-	2,00,000
Mr. Anshuman Thakur	Non-Executive Director	-	-	2,00,000	-	-	2,00,000
Ms. Jyoti Deshpande	Non-Executive Director	-	-	-	-	-	-

Note: During the year under review, no performance linked incentive was paid/stock option was granted to any Directors of the Company.

None of the Directors are related to any other Director on the Board, except for Mr. Jeetendra Kapoor, his spouse Mrs. Shobha Kapoor, their daughter Ms. Ekta Kapoor and their son Mr. Tusshar Kapoor, who are related to each other.

relations and review and redressal of shareholders/investors grievances/complaints related to non-receipt of annual report and non-receipt of declared dividends. The details for any assistance of any grievances in this respect are given in the General Shareholder Information section of this Report.

STAKEHOLDER RELATIONSHIP COMMITTEE

Terms of Reference

The functions and powers of the Stakeholder Relationship Committee include approval/rejection of transfer/transmission and rematerialisation of Equity Shares, issue of Duplicate Share Certificates, oversee the performance of the Company's Registrar and Transfer Agents and also maintaining investor

Composition

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non-Executive Director	Chairman

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Mrs. Shobha Kapoor	Executive Director	Member
Ms. Ekta Kapoor	Executive Director	Member
Mr. D. K. Vasal	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, Stakeholder Relationship Committee held four (4) meetings, the dates being May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Jeetendra Kapoor	4	4
Mrs. Shobha Kapoor	4	4
Ms. Ekta Kapoor	4	4
Mr. D. K. Vasal	4	4

Shareholder's Complaints during the financial year 2017-18

Sr. No.	Nature of Complaints	Opening Bal.	Received	Disposed	Pending
1.	Non-receipt of Dividend	0	35	35	0
2.	Non-receipt of Annual Report	0	25	25	0
3.	Letters from Regulatory Authorities (NSE/BSE/ROC)	0	4	4	0

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of Reference

The terms of reference of the Committee includes formulation and recommendation to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Company from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and perform any other function or duty as stipulated by the Companies Act, Securities and Exchange Board of India, Stock Exchanges and any other Regulatory Authority or under any applicable laws, as may be prescribed from time to time.

Composition

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non-Executive Director	Chairman
Mrs. Shobha Kapoor	Executive Director	Member
Mr. D. G. Rajan	Independent Director	Member
Mr. Ashutosh Khanna	Independent Director	Member
Mrs. Simmi Singh Bisht	Group Head Secretarial	Secretary

Meetings and Attendance

During the year under review, Corporate Social Responsibility Committee held four (4) meetings, the dates being May 22, 2017, August 10, 2017, November 09, 2017 and February 13, 2018. The details of the attendance thereat are as follows:

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Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Jeetendra Kapoor	4	4
Mrs. Shobha Kapoor	4	4
Mr. D. G. Rajan	4	4
Mr. Ashutosh Khanna	4	4

INTERNAL COMPLAINTS COMMITTEE

Terms of Reference

The Board of Directors in its Board meeting held on January 24, 2014, constituted the Internal Complaints Committee of the Company to deal with all complaints and allegations of Sexual Harassment at work place. During the year under review, the Internal Complaints Committee was re-constituted on February 13, 2018.

GENERAL BODY MEETINGS:

Annual General Meeting

During the preceding three years, the Company's Annual General Meetings were held at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053, Maharashtra.

The date and time of Annual General Meetings held during last three years and the Special Resolutions passed thereat, are as follows:

Financial Year	Date and Time	Time	Special Resolutions passed
2016-17	Thursday, August 31, 2017	12:00 Noon	Payment of Commission to Non- Executive Directors for a period of 5 years w.e.f. April 01, 2017.
2015-16	Wednesday, August 31, 2016	3:00 p.m.	<ul style="list-style-type: none"> Payment of Commission to Mrs. Shobha Kapoor (DIN: 00005124), Managing Director of the Company for the F.Y. 2015-16; Payment of Commission to Ms. Ekta Kapoor (DIN: 00005093), Joint Managing Director of the Company for the F.Y. 2015-16; Revision in remuneration of Mrs. Shobha Kapoor (DIN: 00005124), Managing Director of the Company; Revision in remuneration of Ms. Ekta Kapoor (DIN: 00005093), Joint Managing Director of the Company.

Composition

The current composition of Internal Complaints Committee is as follows:

Sr. No.	Name of the Committee Member	Position in Committee	Designation
1.	Mrs. Coralie Ansari	Presiding Officer	Group Head-HR
2.	Mr. Nachiket Pantvaiddya	Internal Member	Group COO
3.	Mr. Sanjay Dwivedi	Internal Member	Group CFO
4.	Mrs. Simmi Singh Bisht	Internal Member	Group Head Secretarial
5.	Ms. Priyanka Chaudhari	Internal Member	VP & Sr. Counsel, Legal
6.	Ms. Neha Kedia	External Member	Vice President – Complykaro

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2014-15	Monday, August 31, 2015	3:00 p.m.	<ul style="list-style-type: none"> • Re-appointment of Mrs. Shobha Kapoor (DIN: 00005124) as Managing Director of the Company; • Re-appointment of Ms. Ekta Kapoor (DIN: 00005093) as Joint Managing Director of the Company; • Further issue of Securities; • Alteration of Articles of Association.
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Resolution(s) passed through Postal Ballot

During the year, Members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot, including Electronic Voting (E-voting).

Date of Postal Ballot Notice: November 10, 2017
Date of Approval: December 30, 2017

Voting period: December 01, 2017 at 9:00 a.m. to Saturday, December 30, 2017 at 5:00 p.m.

Date of Declaration of Result: December 30, 2017

Name of the Resolution	Type of Resolution	Votes in favour of the resolution (%)	Votes against the resolution (%)
Approval of Balaji Telefilms – Employee Stock Option Plan 2017 (“BALAJI TELEFILMS ESOP 2017”) and grant of Employees Stock Options to the Employees of the Company thereafter.	Special	99.7940	0.2060
Grant of Stock Options to the Employees of the Subsidiary Company(ies) of the Company under Balaji Telefilms Employees Stock Option Plan 2017.	Special	99.7939	0.2061

The Postal Ballot Notice along with the Postal Ballot Form was sent to the Members whose name appears in the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited as on November 24, 2017. The Postal Ballot Notice was sent to Members in electronic form to the Email addresses registered with their Depository Participants (in case of electronic shareholding)/the Company’s Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose Email IDs are not registered, physical copies of the Postal Ballot Notice was sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope. Voting rights are reckoned on the paid up value of the shares registered in the name of the Members as on the cut off date November 24, 2017.

The Company had published a notice in the newspaper on Friday, December 01, 2017 in Business Standard and Mumbai Lakshadeep in compliance with the

provisions of the Companies Act, 2013 and Secretarial Standard – 2. The Board had appointed Mr. Bhavesh Desai, Practising Company Secretary, as Scrutinizer, to conduct the Postal Ballot process in a fair and transparent manner and had engaged the services of Karvy Computershare Private Limited as the agency for the purpose of providing E-voting facility. Mr. Bhavesh Desai, Scrutinizer, had submitted his report on the Postal Ballot to Mrs. Simmi Singh Bisht, Group Head Secretarial of the Company on December 30, 2017.

There is no immediate proposal for passing any resolution through Postal Ballot.

MEANS OF COMMUNICATION:

i) Publication of quarterly results

The Unaudited Quarterly/Half Yearly Financial Results are announced within forty-five days

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of the close of the quarter. The Annual Audited Financial Results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are sent to BSE & NSE and are published in Business Standard (All India) and Mumbai Lakshadeep (Regional Daily) within forty-eight hours after they are approved by the Board. Simultaneously, they are also put on the Company's website and can be accessed at <http://balajitelefilms.com/outcome-board-meetings-agm-egm.php>

ii) Website and News releases

The Annual Report of the Company, the quarterly/half yearly results, the annual results, presentations made to the Institutional Investors and Analysts of the Company are also placed on the Company's website www.balajitelefilms.com.

The Company also informs by way of intimation to BSE & NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in this regard.

DISCLOSURES

i) Related Parties Transactions

There has been no material related party transaction between the Company and its Directors, the Management, subsidiaries or relatives, except for those disclosed in the Board's Report. In line with requirement of Companies Act, 2013 and Listing Regulations, your Company has formulated a policy on Related Party Transactions which is also available at Company's website under the weblink <http://www.balajitelefilms.com/related-party-transaction-policy.php>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and

approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review. Prior omnibus approval is obtained for Related Party Transactions on annual basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at Arm's Length Price. All Related Party Transactions entered during the year were in ordinary course of the business and on Arm's Length Price.

Transactions with the related parties are disclosed in 'Notes forming part of the financial statements'.

ii) Disclosure of Pending Cases/Instances of Non-Compliances

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities relating to the above.

iii) Compliance with the Discretionary Requirements under the Listing Regulations

The Board of Directors periodically reviews the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements under the Listing Regulations as on March 31, 2018 to the extent mentioned below:

- **Audit qualifications:** Your Company is in the regime of unqualified financial statements.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- **Non-Executive Chairman's Office:** Chairman office is separate from that of the Managing Director & CEO.

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iv) Vigil Mechanism/Whistle Blower Policy

The Company has established Whistle Blower Policy for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No personnel has been denied access to the Audit Committee of the Board of Directors of the Company.

In order to maintain highest levels of confidentiality, the Company has appointed an outsourced agency viz. 'In Touch India Limited' to receive complaints and coordinate with the Whistle Blower, if required. This agency forwards the complaints received, to the Ethics Committee for preliminary review. The Ethics Committee decides further course of action after preliminary review of the complaint/protected disclosure. The Ethics Committee comprises of the following individuals:

1. Group Chief Executive Officer.
2. Group Chief Financial Officer
3. Group Head – Human Resource
4. General Counsel - Legal

In case the Whistle Blower is not satisfied with action taken on his/her complaint, then the Whistle Blower can write to the Chairman of the Audit Committee (Email- dgrajan@balajitelefilms.com).

When escalating the matter, Whistle Blower should provide complete details of the complaint and the reason for dissatisfaction.

An employee who wishes to report a complaint or make a protected disclosure can contact 'In Touch India Limited' through the following channels:

- Hotline - 1800 103 2931

- Website - www.speak-up.info/balaji
- E-mail id - balaji@intouch-india.com

There were no complaints received during the financial year 2017-18.

v) Prevention of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013. The code requires Designated Employees, Directors, Officers to maintain the confidentiality of all Price Sensitive Information, prohibits Directors/Designated Employees to deal in securities of the Company while in possession of price-sensitive information and during the period when the trading window is closed. Any Director intending to deal in the securities of the Company above the minimum threshold limits shall obtain pre-clearance of the transactions as per the pre-dealing procedure of the Company. The Compliance Officer of the Company is responsible for implementation of the code.

vi) Policy on Prevention & Prohibition of Sexual Harassment at Workplace

The Company has zero tolerance towards any action on the part of any executive which may fall under the ambit of "Sexual Harassment" at workplace and is fully committed to uphold and maintain the dignity of every executive working in the Company. The Policy provides for protection against sexual harassment at workplace and for prevention and redressal of such complaints.

vii) Subsidiary Companies

The Company does not have any material subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth of the Holding Company in the immediately preceding accounting year.

The Company has formulated a Policy for determining 'Material Subsidiaries' and the same has been uploaded on the website of the Company and the weblink for the same is <http://>

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www.balajitelefilms.com/policy-determining-material-subsidiary.php

The copies of the minutes of the meetings of the Board of Directors of the subsidiary companies are individually given to all the Directors and are tabled at the subsequent Board meetings.

viii) Disclosure on Risk Management

The Company has framed a Risk Management Policy which is periodically reviewed by the Board.

ix) Code of Conduct

The Company has laid down a Code of Conduct for the Directors and Senior Management of the Company and a Code of Conduct for Independent

Directors. The Code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this Report, which along with the Auditors' Certificate on Compliance of Listing Regulations by the Company is annexed to this report. Declaration from Independent Directors affirming Compliance with the Code of Conduct has also been received.

x) CFO Certification

As required under Regulation 17(8) of the Listing Regulations, a Certificate from Mr. Sanjay Dwivedi, Group CFO of the Company, on the Financial Statements of the Company is annexed to this report.

GENERAL SHAREHOLDER INFORMATION:

1	Annual General Meeting	
	Date	31-Aug-18
	Time	12.00 Noon
	Venue	The Club, 197, D. N. Nagar, Andheri (West), Mumbai – 400 053, Maharashtra.
2	Date of Book Closure	Saturday, August 25, 2018 to Friday, August 31, 2018
3	Financial Calendar	
	Financial Year	April 01, 2018 to March 31, 2019
	*Financial reporting for 1st quarter ending 30th June, 2018	Second week of August 2018
	*Financial reporting for 2nd quarter ending 30th September, 2018	Third week of November 2018
	*Financial reporting for the year ending 31st March, 2019	Fourth week of May 2019
	*Annual General Meeting for year ending 31st March, 2019	August 2019
	* Tentative and subject to change.	
4	Payment of dividend	On or after September 05, 2018

CORPORATE GOVERNANCE REPORT

5 Listing details

Name of Stock Exchange(s)	<p>BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax:+91-22-22721919/3027</p> <p>National Stock Exchange of India Limited Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91-22-26598235/36 Fax: +91-22-26598237/3</p>
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ISIN	INE794B01026
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Stock Code	BSE: 532382 NSE: BALAJITELE
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Listing Fees	Paid for both the above Stock Exchanges
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Listing on Stock Exchanges outside India	Not Listed
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6. Registered Office of Company

C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industrial Estate, New Link Road,
Andheri (West), Mumbai – 400 053.
Tel: +91-22-40698000,
Fax: +91-22-40698181/82
E-mail: investor@balajitelefilms.com
Web site: www.balajitelefilms.com

7. Share Transfer Agent

Karvy Computershare Private Limited
(Company's Registrar and Transfer Agents)
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally Hyderabad – 500 032.
Tel: +91-40-33211500/5570
Fax No. +91-40-23440674
Mobile No: +91 8374554433
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com

8. Share Transfer System

Shares sent for physical transfer are registered and returned within fifteen days from the date of receipt, if the documents are clear in all respects. The Stakeholder Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2017-2018 and no share transfer pending as on March 31, 2018.

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9. Shares under Lock-in

In accordance with SEBI Guidelines, currently 2,52,00,000 Equity Shares held by Reliance Industries Limited (RIL) are subject to Lock-in period of 1 year in accordance with the SEBI (ICDR) guidelines.

10. Dematerialisation of Equity Share

The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the Depository Participants registered with any of these depositories. As on March 31, 2018 about 99.99% comprising 10,11,24,328 Equity Shares were in the dematerialised form.

11. Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments as on March 31, 2018.

12. Stock Market Data relating to Shares listed in India

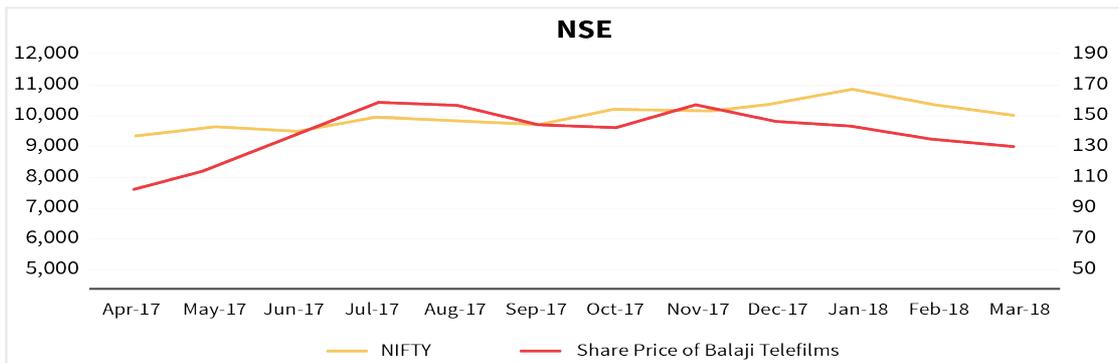
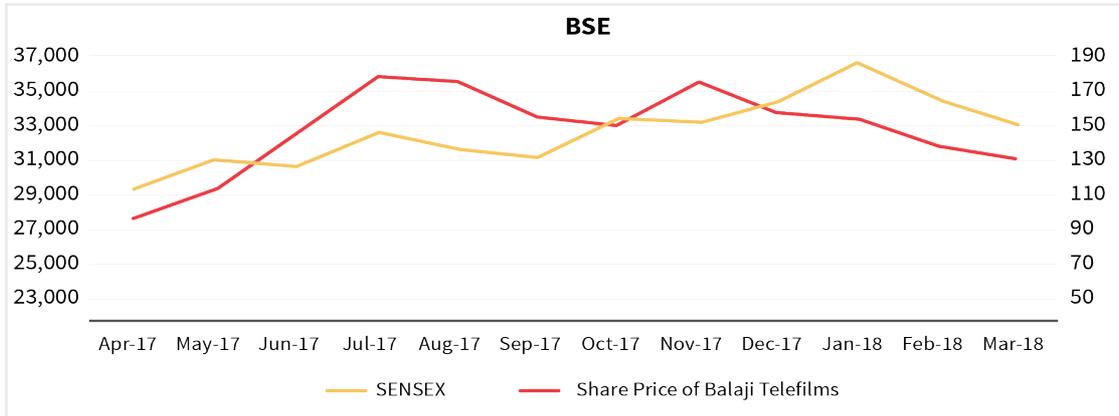
The monthly high and low prices on BSE Ltd. and National Stock Exchange of India Limited as well as the volume of shares traded during the financial year 2017-18 are as below:

MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	112.9	95.5	19,43,734	112.80	95.45	74,26,212
May	124.8	100.1	12,39,652	124.75	99.75	64,16,899
June	158.75	115.1	31,66,927	158.90	115.15	1,59,05,051
July	203	142.5	83,20,605	202.80	144.00	3,90,62,652
August	178.4	144.45	24,38,044	178.00	144.40	1,07,48,381
September	174	150.1	13,95,054	174.30	149.55	57,20,260
October	163	145.9	15,33,333	162.70	145.05	33,62,750
November	180.95	135.9	23,77,777	181.00	135.10	1,19,16,473
December	174	145	11,73,493	174.00	145.05	54,73,002
January	170.5	150.2	15,17,523	170.55	150.00	65,08,252
February	151.15	131	6,42,152	151.95	130.85	21,49,717
March	141.6	121.05	4,64,522	142.00	121.00	24,64,185

13. Stock Performance in comparison to Broad -Based Indices

The chart below shows the comparison of the Company's share price movement on BSE and National Stock Exchange of India Limited vis-à-vis the movement of the BSE Sensex and NSE Nifty respectively for the financial year ended March 31, 2018 (based on month end closing):

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14. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2018

Description	Cases	Shares	% Equity
Banks	4	17,15,888	1.70
Clearing Members	65	58,792	0.06
Directors	1	300	0.00
Foreign Nationals	1	181	0.00
Foreign Portfolio Investors	21	1,80,66,634	17.86
H U F	574	6,04,389	0.60
IEPF	1	738	0.00
Indian Financial Institutions	2	4,21,051	0.42
Bodies Corporates	470	3,18,73,439	31.52
Mutual Funds	1	1,44,874	0.14

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NBFC	9	1,93,325	0.19
Non Resident Indians	403	7,53,639	0.75
NRI (Non Repatriation)	188	7,26,143	0.72
Company Promoters	4	3,28,73,663	32.51
Resident Individuals	22926	1,36,95,337	13.54
Trusts	2	2,050	0.00
Grand Total	24672	10,11,30,443	100

15. Distribution of shareholding as on March 31, 2018

Number of Share	No. of Share Holders	% of Total Shareholders	Total Shares	Amount	% Holding
1 - 5000	24296	98.47	62,60,271	1,25,20,542	6.19
5001 - 10000	179	0.73	13,11,007	26,22,014	1.30
10001 - 20000	66	0.27	9,78,326	19,56,652	0.97
20001 - 30000	32	0.13	8,04,800	16,09,600	0.80
30001 - 40000	15	0.06	5,35,310	10,70,620	0.53
40001 - 50000	12	0.05	5,45,323	10,90,646	0.54
50001 - 100000	25	0.10	19,68,224	39,36,448	1.95
100001 and above	47	0.19	8,87,27,182	17,74,54,364	87.74
TOTAL	24672	100.00	10,11,30,443	20,22,60,886	100.00

16. Plant Locations

Other than the registered office, the Company does not have any other office. The details of the registered office of the Company is provided in the Corporate Information section of the Annual Report.

17. Address for Correspondence

Investors' Correspondence		Financial Statements Queries
<p>Mrs. Simmi Singh Bisht Group Head Secretarial Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053. Tel: +91-22-40698000 Fax: +91-22-40698181/82 Email: investor@balajitelefilms.com simmi.bisht@balajitelefilms.com</p>	<p>Mr. Kartik Sankaran Senior VP Investor Relations Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053. Tel: +91-22-40698000 Fax: +91-22-40698181/82 Email: kartik.sankaran@balajitelefilms.com</p>	<p>Mr. Sanjay Dwivedi Group Chief Financial Officer Balaji Telefilms Limited C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400 053. Tel: +91-22-40698000 Fax: +91-22 40698181/82 Email: sanjay.dwivedi@balajitelefilms.com</p>