

Corporate Governance Report



Balaji Telefilms Limited is committed to strong corporate governance and believes in its indispensability in investor protection. The Company's compliance with the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited is given hereinbelow:

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

Composition of Board

The Board currently has eight members, of whom two are Executive Directors. The Board has a non-executive Chairman. At present half of the strength of the Board of Directors comprises of Independent Directors.

The Board either directly exercises its powers or functions 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.

Six meetings of the Board of Directors were held during the year. These were held on April 28, July 19, August 27, October 28 in 2010 and on January 13 and January 25 in 2011. The maximum time gap between any two meetings was not more than four calendar months. None of the Directors of the Company held committee membership of more than ten committees nor committee chairmanships of more than five committees across all companies in which the person was a director.

The names of members of the Board of Directors, their attendance at Balaji Telefilms Limited's Board meetings, last Annual General Meeting (AGM), the number of other directorships and memberships / chairmanships of the committees in various companies are set out below:

Name of the Director	Attendance Particulars		No. of Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Mr. Jeetendra Kapoor (P, N)	6	Present	10	5	1
Ms. Shobha Kapoor (P, E)	6	Present	9	1	0
Ms. Ekta Kapoor (P, E)	5	Not Present	5	1	0
Mr. Tusshar Kapoor* (P,N)	3	NA	8	0	0
Mr. Akshay Chudasama (N, I)	6	Present	8	5	0
Mr. Dhruv Kaji# (N, I)	1	Not Present	6	5	1
Mr. Pradeep Sarda (N,I)	5	Present	22	5	0
Mr. D. G. Rajan (N,I)	3	Present	11	8	5
Mr. Ashutosh Khanna* (N,I)	3	NA	2	2	2

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

*Mr. Ashutosh Khanna and Mr. Tusshar Kapoor were inducted to the Board of the Company as Additional Directors on August 27, 2010

Mr. Dhruv Kaji resigned as Director effective October 28, 2010

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 responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment / removal of external auditors and fixing their remuneration, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, structure and staffing of the internal audit function, reviewing findings of internal investigations and discussing the scope of audit with external auditors.

The terms and composition of the Audit Committee conform to the requirement of Section 292A of the Companies Act, 1956.

Composition

The composition of the Audit Committee is as follows:

Chairman	: Mr. D. G. Rajan *
Members	: Mr. Akshay Chudasama * Mr. Jeetendra Kapoor Mr. Pradeep Sarda Mr. Dhruv Kaji #
Secretary	: Ms. Alpa Khandor
Invitees	: Chief Financial Officer, Representatives of Statutory Auditors and Internal Auditor

* Mr. D. G. Rajan took over as Chairman of the Audit Committee from Mr. Akshay Chudasama with effect from August 27, 2010 and was inducted to Audit Committee as member on July 19, 2010

Mr. Dhruv Kaji resigned as Director effective October 28, 2010

Meetings and Attendance

The details of meetings held during the year, and the attendance thereat are as follows:

Dates of Meetings: April 28, July 19 and October 28 in 2010 and January 25 in 2011.

Attendance

Name of the Director	No. of Meetings attended
Mr. D. G. Rajan	2
Mr. Akshay Chudasama	4
Mr. Dhruv Kaji	1
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	3

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

SHAREHOLDERS' COMMITTEE

Terms of Reference

The functions and powers of the Shareholders' Committee include approval / rejection of transfer / transmission and rematerialisation of equity shares, issue of duplicate certificates and supervising the operations of the Registrar and Transfer Agents and also maintaining investor relations and review and redressal of shareholders / investors' grievances / complaints. The details in this respect are given in the General Shareholder Information section of this report.

Composition

The composition of the Shareholders' Committee is as follows:

Chairman	: Mr. Jeetendra Kapoor
Members	: Ms. Shobha Kapoor Ms. Ekta Kapoor
Compliance Officer	: Ms. Alpa Khandor, Company Secretary

Meetings and Attendance

There were no meetings held during the year.

REMUNERATION COMMITTEE

Terms of Reference

The Committee is entrusted with the role and responsibilities of approving compensation packages of Managing Director/ Whole Time Director, reviewing and approving the performance based incentives to be paid to the Managing Director/ Whole Time Director and reviewing and approving compensation package and incentive schemes of senior managerial personnel.

Composition

The composition of the Remuneration Committee is as follows:

Chairman	: Mr. Ashutosh Khanna*
Members	: Mr. Akshay Chudasama* Mr. Jeetendra Kapoor Mr. Pradeep Sarda Mr. Dhruv Kaji#
Secretary	: Ms. Alpa Khandor

* Mr. Ashutosh Khanna was inducted to Remuneration Committee and appointed as Chairman of the Remuneration Committee in place of Mr. Akshay Chudasama with effect from August 27, 2010.

Mr. Dhruv Kaji resigned as Director effective October 28, 2010

Meetings and Attendance

The details of meetings held during the year, and the attendance thereat are as follows:

Dates of Meeting: April 23, August 27, and October 28 in 2010 and January 25 in 2011

Attendance

Name of the Director	No. of Meetings attended
Mr. Ashutosh Khanna	2
Mr. Akshay Chudasama	4
Mr. Dhruv Kaji	1
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	3

REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID

The remuneration of the Directors is decided by the Board of Directors as per the remuneration policy of the Company within the ceiling approved by shareholders.

No performance linked incentives were paid or is payable to the Managing Director and the Joint Managing Director for the year under review. Though both Executive and Non-Executive Directors are entitled to commission @ of 2.5% each, due to insufficient profits none of them were paid any commission.

No remuneration was paid to non-executive directors apart from sitting fees. Although there is eligibility of commission at fixed rate of 0.80% to the Chairman and 0.20% of the net profits of the Company computed in accordance with Sections 349 and 350 of the Companies Act, 1956, to all other Non-Executive Directors as on date with a ceiling of ₹ 3.00 Lacs each, no commission was paid to any director due to insufficient profits. Besides the sitting fees, rent amounting to ₹ 24.78 Lacs paid to Mr. Jeetendra Kapoor (refer Note No. B-8 in Schedule 15 'Notes on Accounts', annexed to the Financial Statements of the year), there is no other pecuniary transaction by the Company with Non-Executive Directors.

Details of the remuneration to the Directors for the year ended March 31, 2011

Name	Designation	Remuneration for the year 2010-2011 (in ₹)					No. of shares held by Non-Executive Directors
		Salary	Perquisites	Sitting Fees	Employer Contribution to Provident Fund	Total	
Ms. Shobha Kapoor	Managing Director	5,520,000	4,830,000	-	662,400	11,012,400	N.A.
Ms. Ekta Kapoor	Joint Managing Director	6,630,000	5,805,000	-	795,600	13,230,600	N.A.
Mr. Jeetendra Kapoor	Chairman	-	-	90,000	-	90,000	4,392,000
Mr. Akshay Chudasama	Director	-	-	90,000	-	90,000	-
Mr. Dhruv Kaji	Director	-	-	15,000	-	15,000	-
Mr. Pradeep Sarda	Director	-	-	75,000	-	75,000	-
Mr. D. G. Rajan	Director	-	-	45,000	-	45,000	300
Mr. Ashutosh Khanna	Additional Director	-	-	45,000	-	45,000	-
Mr. Tusshar Kapoor	Additional Director	-	-	45,000	-	45,000	2,030,250

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

The appointments of Managing Director and the Joint Managing Director are for a period of three years. The nature of employment of Ms. Shobha Kapoor and Ms. Ekta Kapoor is contractual and terminable by twelve month's notice in writing. If the tenure of the office of Managing Director or Joint Managing Director is terminated before expiration of their tenure, the severance fees would be equivalent to the remuneration for unexpired residue of the tenure.

GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day, Date	Time	Venue
14th Meeting	Tuesday, July 29, 2008	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
15th Meeting	Wednesday, July 29, 2009	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
16th Meeting	Friday, August 27, 2010	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

SPECIAL RESOLUTIONS

Following special resolutions were passed at the last three Annual General Meetings

2008

1. Alteration of an Article in Articles of Association of the Company
2. Appointment of Mr. Tusshar Kapoor as Executive Director of Balaji Motion Pictures Limited, wholly owned subsidiary of the Company
3. Appointment of Mr. Ramesh Sippy as Chief Executive Officer of Balaji Motion Pictures Limited, wholly owned subsidiary of the Company

2009 – None

2010

1. Appointment of Mr. Tusshar Kapoor as Executive Director of Balaji Motion Pictures Limited, wholly owned subsidiary of the Company

Two resolutions were passed through postal ballot in February 2011

1. Alteration of Object clause of Memorandum of Association - (special)
2. Sale of Undertakings under section 293(1)(a) – (ordinary)

Details of Voting Pattern

98.76 % and 98.47 % of shares in assent and 1.24 % and 1.53% of shares in dissent respectively

Person who conducted the postal ballot

Robert Pavrey, Company Secretary in Practice

Whether any special resolution is proposed to be conducted through postal ballot

None

Procedure of postal ballot

As per the provisions of the Companies Act, 1956 and rules made thereunder.

Disclosures

1. Related Parties transactions

None of the transactions with any of the related parties were in conflict with interest of the Company. Transactions with the related parties are disclosed in Note No. B - 8 in Schedule 15 "Significant Accounting Policies and Notes on Accounts" annexed to the Financial Statements of the year.

2. Compliances by the Company

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.

3. Though there is no formal Whistle Blower 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 employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

4. The Company has laid down a code of conduct for the Directors and Senior Management of the Company. 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 and Group CEO of the Company, forms part of this Report, which alongwith the auditors' certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report. The Company has complied with all the mandatory requirements of clause 49 of the Listing Agreement.

Re-appointment of Directors

The individual details of Directors seeking re-appointment at the ensuing Annual General Meeting of the Company are annexed to the notice of Annual General Meeting.

Means of Communication

The Company believes that all stakeholders should have access to adequate information, regarding the Company's position to enable them to accurately assess its future potential. In accordance with the applicable guidelines / listing agreements with the stock exchanges, all information which could have a material

bearing on Balaji Telefilms Limited's share price is released at the earliest.

The Company's financial results were published in Business Standard, Free Press Journal and Navshakti (regional daily). The financial results and official news releases were displayed on the Company's website www.balajitelefilms.com. Presentations made to the institutional investors and

analysts are displayed on the Company's website. No such presentations were made in the current financial year. The Company sends a copy of its half-yearly results to all shareholders.

Managements' Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

1	Date of Book Closure	September 15, 2011 to September 22, 2011 (both days inclusive).
2	Date, time and venue of the Annual General Meeting	September 22, 2011 at 4:30 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
3	Dividend payment	The Board of Directors has recommended final dividend of ₹ 0.20 per share, i.e. 10% for the year ended March 31, 2011. The final dividend will be paid within the stipulated number of days once it is approved at the Annual General Meeting.
4	Listing on Stock Exchanges	<ol style="list-style-type: none"> 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax: +91-22-22721919/3027 (Stock Code – 532382) 2. 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: +91-22-26598237/38 (Stock Code – BALAJITELE)
5	ISIN	INE794B01026
6	Listing Fees	Paid for both the above Stock Exchanges as per listing agreements
7	Listing on Stock Exchanges outside India	Not applicable
8	Registered Office of Company	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000, Fax: +91-22-40698181/82 Email: balaji@balajitelefilms.com Website: www.balajitelefilms.com
9	Share transfers in physical, communication regarding share certificates, dividends, change in address etc. may be addressed to	Karvy Computershare Private Limited (Company's Registrar and Transfer Agents) Unit: Balaji Telefilms Limited Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. Tel: +91-40-23420815-820, Fax: +91-40-23420814 Email: mailmanager@karvy.com
10.	Share Transfer System	

Shares sent for physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee meets as often as required. There were no shares transfers in physical form during the year 2010-2011 and no share transfer pending as on March 31, 2011.

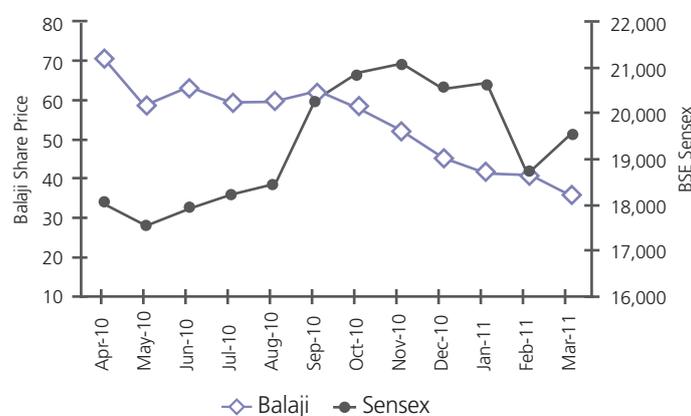
11. Stock Market Data relating to Shares listed in India

The Company's shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, since November 22, 2000. The Company's market capitalisation as on March 31, 2011 was ₹ 21,486.84 Lacs. The monthly high and low quotations as well as the volume of shares traded during the year are as below:

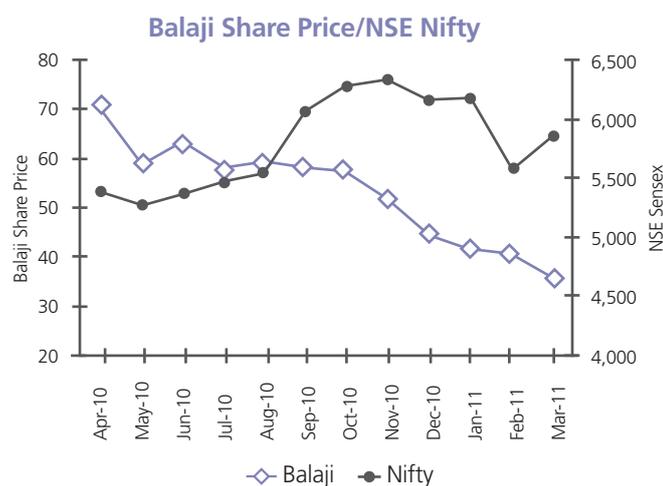
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	70.60	50.85	11,104,547	70.70	50.00	28,152,555
May	58.40	46.05	2,105,316	58.85	45.90	4,340,933
June	63.35	46.50	6,477,596	63.45	47.00	16,963,489
July	58.65	54.15	2,442,930	58.40	54.05	5,098,415
August	59.45	51.60	3,301,237	59.20	51.55	6,877,622
September	61.75	51.55	2,171,992	58.10	51.80	4,606,290
October	57.90	48.70	1,754,094	57.15	48.35	4,027,976
November	51.90	37.30	1,236,043	51.80	37.05	3,126,674
December	44.90	36.10	1,460,959	44.60	36.40	2,860,584
January	41.35	33.00	1,922,247	41.25	32.60	4,410,090
February	40.90	33.70	1,055,935	40.65	32.75	1,902,823
March	36.00	32.05	665,475	35.90	32.05	1,245,900

The performance of Balaji Telefilms Limited's equity shares relative to the BSE Sensitive Index (Sensex) is given in the chart below:

Balaji Share Price/BSE Sensex



The performance of Balaji Telefilms Limited's equity shares relative to the NSE Index (Nifty) is given in the chart below:



Fact Sheet

Items	2010-11	2009-10
Earnings per share (₹)	(0.52)	2.33
EPS – Fully diluted (₹)	(0.52)	2.33
Dividend per share (₹)	0.20	0.30
Number of shares	65,210,443	65,210,443
Share price data (₹)		
High	70.60	78.4
Low	32.05	28.45
Closing	32.95	51.00

12. Investor Service – Complaints Received During the year

Year ended March 31, 2011

Nature of Complaints	Received	Disposed
Non Receipt of Dividend	31	31
Non Receipt of Annual Report	6	6

The Company has disposed of all of the investor grievances. There are no complaints pending as on March 31, 2011.

13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2011

Category	No. of shares held	Percentage of shareholding
Promoters	26,483,816	40.61
Foreign Corporate Bodies	16,948,194	25.99
Foreign Institutional Investors	477,237	0.73
Mutual Funds / UTI	1,616,309	2.48
Resident Individuals	10,553,335	16.18
Bodies Corporates	7,300,028	11.19
Indian Financial Institutions / Banks	394,372	0.60
Non Resident Indians	1,049,407	1.61
H U F	342,079	0.52
Clearing Members	45,616	0.07
Trusts	50	0.00
GRAND TOTAL	65,210,443	100.00

14. Distribution of shareholding as on March 31, 2011

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% Holding
1 to 5000	31,428	97.89	6,750,669	13,501,338	10.35
5001 to 10000	361	1.12	1,322,701	2,645,402	2.03
10001 to 20000	150	0.47	1,131,454	2,262,908	1.74
20001 to 30000	44	0.14	563,293	1,126,586	0.86
30001 to 40000	25	0.08	438,324	876,648	0.67
40001 to 50000	17	0.05	388,144	776,288	0.60
50001 to 100000	40	0.12	1,475,329	2,950,658	2.26
100001 & above	39	0.12	53,140,529	106,281,058	81.49
TOTAL	32,104	100.00	65,210,443	130,420,886	100.00

15. Shares under Lock-in

In accordance with SEBI Guidelines, currently no Equity Shares held by promoters are subject to lock-in.

16. Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2011 the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

17. Dematerialisation of Equity Shares

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, 2011 about 99.95% comprising 6,51,77,793 Equity Shares were in the dematerialised form.

18. Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	September 22, 2011
Financial reporting for 1st quarter ending 30th June, 2011	July 15, 2011
Financial reporting for 2nd quarter ending 30th September, 2011	Last week of October, 2011
Financial reporting for 3rd quarter ending 31st December, 2011	Last week of January, 2011
Financial reporting for the year ended 31st March, 2012 (audited)	May, 2012
Annual General Meeting for year ended 31st March, 2012	September, 2012

19. Plant Locations

The details of regional offices of the Company are available inside back cover page of the Annual Report.

20. Investors' Correspondence

Investors' correspondence may be addressed to:
 Alpa Khandor
 Company Secretary,
 Balaji Telefilms Limited
 C-13, Balaji House, Dalia Industrial Estate,
 Opp. Laxmi Industries, New Link Road,
 Andheri (West), Mumbai – 400 053.
 Tel: +91-22-40698000, Fax: +91-22-40698181/82
 Email: investor@balajitelefilms.com

Any queries relating to the financial statements of the Company be addressed to:

Mr. Srinivasa Shenoy
Chief Financial Officer,
Balaji Telefilms Limited
C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industries, New Link Road,
Andheri (West), Mumbai – 400 053.
Tel: +91-22-40698000, Fax: +91-22-40698181/82
Email: srinivasa.shenoy@balajitelefilms.com

21. Insider Trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has framed code of conduct.

22. Secretarial Audit

A qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The secretarial audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

23. Non Mandatory Requirements**a) Chairman of the Board**

The Company has Non-Executive Chairman, who is entitled to maintain a Chairman's office at the Company's expenses. The expenses incurred by him during performance of his duties are reimbursed to him.

b) Remuneration Committee

The Company has appointed a Remuneration Committee since January 2003.

c) Shareholder Rights

The Company has been sending to each shareholder its half-yearly results, starting from the half-year ended September 30, 2001.

GEO DECLARATION

We, Shobha Kapoor, Managing Director and Puneet Kinra, Group Chief Executive Officer of Balaji Telefilms Limited based on confirmation received from all the Directors and Senior Management of the Company, do hereby state that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2011.

Shobha Kapoor
Managing Director

Puneet Kinra
Group Chief Executive Officer

May 23, 2011
Mumbai

GEO/CFO Certification

We, Shobha Kapoor, Managing Director, Puneet Kinra, Group Chief Executive Officer and Srinivasa Shenoy, Chief Financial Officer of Balaji Telefilms Limited, do hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shobha Kapoor
Managing Director

Puneet Kinra
Group Chief Executive Officer

Srinivasa Shenoy
Chief Financial Officer

May 23, 2011
Mumbai

CERTIFICATE

To the members of Balaji Telefilms Limited

We have examined the compliance of conditions of Corporate Governance by Balaji Telefilms Limited for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreements of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
Reg. No 117366W

A.B. Jani
Partner
Membership Number: 46488
May 23, 2011
Mumbai

For Snehal & Associates
Chartered Accountants
Reg. No 110314W

Snehal Shah
Proprietor
Membership Number: 40016
May 23, 2011
Mumbai