
CORPORATE GOVERNANCE REPORT

Balaji Telefilms Limited is committed to strong Corporate Governance and believes in its indispensability in investor 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 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 herein below:

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 and the Code of Conduct for Independent Director. The Code of Conduct suitably incorporates the duties of Independent Directors of the Company. The Code of Conduct has been posted on the website of the Company. The confirmation from the Group Chief Executive Officer of the Company regarding compliance with the code by all the Directors and Senior Management forms part of the Report. Declaration from Independent Directors affirming Compliance with the Code of Conduct has also been received.

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.

WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

FAMILARIZATION PROGRAMME OF DIRECTORS:

In accordance with Clause 49 II (b) (7) of the Listing Agreement, the Company has framed the familiarization programme for its Independent Directors. The same has been uploaded on the website of the Company and the weblink 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.

The following are the criteria on the basis of which the Directors are evaluated:

- 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.

CORPORATE GOVERNANCE REPORT (Contd.)

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.

BOARD OF DIRECTORS:

The Board is comprised of experienced professionals drawn from diverse fields. As on March 31, 2015, the Board comprised of nine members, of whom two are Executive Directors, two Non-Executive Non-Independent Directors and 5 Independent Directors. Mr. V.B. Dalal was appointed on the Board as Additional Director (Independent) w.e.f. August 12, 2014. The Chairman of the Board is a Non-Executive Director. Further, Mr. Arun Kumar Purwar was appointed on Board as Additional Director (Independent) w.e.f. May 20, 2015. Presently more than half of the strength of the Board of Directors comprises of Independent Directors.

The Board 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.

During the year under review, Five (5) meetings of the Board of Directors were held, the dates being May 15, July 15, August 12, October 30 in 2014 and on February 6 in 2015. The maximum time gap between any two meetings was not more than one twenty days. 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 Balaji Telefilms Limited's Board Meetings during the year 2014-15 and at last Annual General Meeting and also the number of Directorship and Committee Membership/Chairmanship held by them in various companies are given below:

Name of the Director	Attendance Particulars		No. of ¹ other Directorships and ² Committee Membership/Chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Jeetendra Kapoor (P, N, NI)	5	Present	4	1	0
Mrs. Shobha Kapoor (P, E, NI)	5	Present	6	0	0
Ms. Ekta Kapoor (P, E, NI)	5	Present	5	0	0
Mr. Tusshar Kapoor (P, N, NI)	2	Present	4	0	0
Mr. Pradeep Sarda (N, I)	2	Present	2	1	0
Mr. D. G. Rajan (N, I)	5	Present	4	3	3
Mr. Ashutosh Khanna (N, I)	4	Present	1	0	0
Mr. D.K. Vasal (N, I)	5	Present	1	1	0
*Mr. V.B. Dalal (N, I)	3	Present	4	1	0

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

1. Excludes Directorships in Private Limited Companies, Foreign Companies, Companies registered under section 8 of Companies Act, 2013.

2. As required under Clause 49 of Listing Agreement, disclosure includes Membership or Chairmanship of Audit Committee and the Stakeholder' Relationship Committee in Indian Public Companies (Listed and Unlisted). Committee Membership includes Chairmanship also.

* Mr. V.B. Dalal was appointed on the Board w.e.f. August 12, 2014.

CORPORATE GOVERNANCE REPORT (Contd.)

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, remuneration and terms of appointment of external 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, 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.

The terms and composition of the Audit Committee conform to the requirement of Section 177 of the Companies Act, 2013.

COMPOSITION

The composition of the Audit Committee is as follows:

Chairman	:	Mr. D.G. Rajan - Independent Director.
Members	:	Mr. Jeetendra Kapoor – Non-Executive Director. Mr. Pradeep Sarda - Independent Director. *Mr. D.K. Vasal - Independent Director. **Mr. V.B. Dalal- Independent Director.
Secretary	:	Mrs. Simmi Singh Bisht.

*Mr. D.K. Vasal is a member of the Audit Committee w.e.f. May 15, 2014.

**Mr. V.B. Dalal is a member of the Audit Committee w.e.f. August 12, 2014.

MEETINGS AND ATTENDANCE

During the year under review, Four (4) meetings of the Audit Committee were held, the dates being May 15, August 12, October 30 in 2014 and on February 6 in 2015. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings attended
Mr. D.G. Rajan	4
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	1
Mr. D.K. Vasal	3
Mr. V.B. Dalal	2

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 "Limited Review" of the quarterly and half yearly accounts, yearly Audit of the Company's accounts, Auditor's Report and other related matters. The report of the Internal Auditor is also reviewed by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE:

TERMS OF REFERENCE

The Committee is entrusted with the following role and responsibilities:

- 1 Formulation of criteria for determining qualifications, positives, 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.

CORPORATE GOVERNANCE REPORT (Contd.)

COMPOSITION

The composition of the Nomination and Remuneration Committee is as follows:

Chairman	:	Mr. Ashutosh Khanna- Independent Director
Members	:	Mr. Jeetendra Kapoor – Non –Executive Director
		Mr. Pradeep Sarda- Independent Director
		*Mr. D.K. Vasal- Independent Director

*Mr D.K. Vasal is a Member of the Committee w.e.f. May 15, 2014.

MEETINGS AND ATTENDANCE

During the year under review, Three (3) meetings of the Nomination & Remuneration Committee were held, the dates being July 15, October 30 in 2014 & February 6 in 2015. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings attended
Mr. Ashutosh Khanna- Chairman	2
Mr. Jeetendra Kapoor- Member	3
Mr. Pradeep Sarda- Member	1
Mr. D.K. Vasal - Member	3

Nomination & Remuneration Policy and Details of Remuneration Paid

A copy of the Nomination & Remuneration Policy of the Company along with the evaluation criteria for Independent Directors and the Board is annexed to this report (Annexure A).

Details of the remuneration paid to the Directors of the Company for the year ended March 31, 2015:

Name	Designation	Remuneration for the year 2014-2015 (₹ in Lacs)					Total	No. of shares held by Non-Executive Directors
		Salary	Perquisites	Sitting Fees	Commission			
Mrs. Shobha Kapoor	Managing Director	1,03,35,000	-	N.A.	16,00,000	1,19,35,000	N.A.	
Ms. Ekta Kapoor	Joint Managing Director	-	-	N.A.	-	-	N.A.	
Mr. Jeetendra Kapoor	Chairman	-	-	180,000	12,04,656	13,84,656	32,60,522	
Mr. Tusshar Kapoor	Director	-	-	65,000	50194	1,15,194	20,30,250	
Mr. Pradeep Sarda	Director	-	-	80,000	50194	130194	-	
Mr. D. G. Rajan	Director	-	-	180,000	50194	2,30,194	300	
Mr. Ashutosh Khanna	Director	-	-	165,000	50194	215194	-	
Mr. D.K. Vasal	Director	-	-	180,000	50194	2,30,194	-	
Mr. V.B. Dalal	Director	-	-	150,000	50194	2,00,194	-	

Employer Contribution of Rs. 6,62,400 to Provident Fund and reimbursement of ₹ 15,000 is not included in the computation of the ceiling on managerial reimbursement.

CORPORATE GOVERNANCE REPORT (Contd.)

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.

The tenure of appointment of Mrs. Shobha Kapoor as Managing Director and Ms. Ekta Kapoor as Joint Managing Director will expire on November 9, 2015. It is proposed to reappoint them for a further period of three years w.e.f November 10, 2015 subject to approval of Shareholders.

STAKEHOLDERS 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 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 Stakeholders Relationship Committee is as follows:

Chairman	:	Mr. Jeetendra Kapoor – Non- Executive Director
Members	:	Mrs. Shobha Kapoor – Executive Director Ms. Ekta Kapoor – Executive Director *Mr. D.K. Vasal – Independent Director.
Compliance Officer	:	Mrs. Simmi Singh Bisht- Company Secretary

*Mr. D. K. Vasal is a Member of the committee w.e.f. May 15, 2014

MEETINGS AND ATTENDANCE

During the year under review, Four (4) meetings of the Stakeholder Relationship Committee were held, the dates being May 15, August 12, October 30, in 2014 and February 6 in 2015. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings attended
Mr. Jeetendra Kapoor	4
Mrs. Shobha Kapoor	4
Ms. Ekta Kapoor	4
Mr. D.K. Vasal	3

STAKEHOLDER'S COMPLAINTS DURING THE FINANCIAL YEAR 2014-15:

Sr. No.	Nature of Complaint	Opening Bal.	Received	Disposed	Pending
1.	Non receipt of dividend	0	19	19	0
2.	Non receipt of Annual Report	0	23	23	0
	Total	0	42	42	0

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

TERMS OF REFERENCE

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board, at its meeting held on May 15, 2014, has constituted a Corporate Social Responsibility (CSR) Committee consisting of majority of Independent Directors. 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.

CORPORATE GOVERNANCE REPORT (Contd.)

COMPOSITION:

The composition of the Corporate Social Responsibility Committee is as follows:

Chairman	:	Mr. Jeetendra Kapoor – Non-Executive Director
Members	:	Mrs. Shobha Kapoor – Executive Director
		Mr. D. G. Rajan – Independent Director
		Mr. Ashutosh Khanna – Independent Director.

MEETINGS AND ATTENDANCE:

During the year under review, Two (2) meetings of the Corporate Social Responsibility Committee were held, the dates being October 30 in 2014 and February 6 in 2015. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings attended
Mr. Jeetendra Kapoor	2
Mrs. Shobha Kapoor	2
Mr. D. G. Rajan	2
Mr. Ashutosh Khanna	2

RISK MANAGEMENT COMMITTEE:

TERMS OF REFERENCE:

In terms of Clause 49 II (VI) of the Listing Agreement, the Board of Directors at its meeting held on October 30, 2014, formulated a Risk Management Committee. The Committee is comprised of Directors of the Company. The terms of reference of the Committee includes monitoring and reviewing of risk management plan of the Company, defining framework for identification, assessment, monitoring, mitigation and reporting of risks and such other functions as the Board may delegate from time to time.

COMPOSITION:

The composition of Risk Management Committee is as follows:

Chairperson	:	Mrs. Shobha Kapoor – Executive Director.
Members	:	Mr. Jeetendra Kapoor – Non Executive Director.
		Mr. D.G. Rajan – Independent Director.
		Mr. Ashutosh Khanna – Independent Director.
		Mr. V.B. Dalal – Independent Director.

No meeting of risk management committee was held during the financial year 2014-15.

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. Subsequently, due to resignation of most of the members of the then existing Internal Complaints Committee, the Board of Directors in its meeting held on October 30, 2014 reconstituted the Internal Complaints Committee of the Company.

COMPOSITION:

The current composition of Internal Complaints is as follows:

Chairperson	:	Mrs. Shobha Kapoor – Executive Director.
Members	:	Mr. Sameer Nair – Group CEO.
		Mrs. Coralie Ansari – Group HR Head.
		Mrs. Simmi Singh Bisht – Company Secretary.
		Mr. Ayan Roy Chowdhury – General Counsel – Legal.

CORPORATE GOVERNANCE REPORT (Contd.)

MEETING OF INDEPENDENT DIRECTORS OF THE COMPANY:

Pursuant to Clause 49 II (6) of the Listing Agreement, 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.

Meeting of Independent Directors of the Company was held on October 30, 2014. All the Independent Directors, except Mr. Pradeep Sarda, were present at the Meeting.

SUBSIDIARY COMPANIES:

In accordance with Clause 49 V of the Listing Agreement, Balaji Motion Pictures Limited (BMPL) is a Material Subsidiary of the Company, generating more than 20% of the consolidated income during the previous year under review.

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://www.balajitelefilms.com/policy-determining-material-subsiary.php>.

At least one Independent Director on the Board of Directors of the Holding Company is the Director of each Subsidiary including material Subsidiary Company.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings of the Company.

Copies of the Minutes of the Board & Committee Meetings of the Subsidiary Company are individually given to all the Directors and are tabled at the subsequent Board Meetings.

V. 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
18th Meeting	Wednesday, September 5, 2012	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
19th Meeting	Monday, July 29, 2013	4:00 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
20th Meeting	Saturday, August 30, 2014	3.00 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:

F. Y. 2011 –2012:

1. Reappointment of Mrs. Shobha Kapoor as Managing Director of the Company for a further period of 3 (three) years commencing from November 10, 2012 and Payment of Remuneration to her.
2. Reappointment of Ms. Ekta Kapoor as Joint Managing Director of the Company for a further period of 3 (three) years commencing from November 10, 2012 and Payment of Remuneration to her.
3. Payment of Commission to the Director(s) of the Company who is / are neither in the whole-time employment nor Managing Director(s), as per the provisions of Section 309(4) of the Companies Act, 1956, for the period of 5 years commencing from April 1, 2012.

F. Y. 2012 - 2013: NIL

CORPORATE GOVERNANCE REPORT (Contd.)

F.Y. 2013-14:

1. Alteration of Article 150 of the Articles of Association of the Company relating to Director liable to retire by rotation pursuant to the provisions of Section 14 of the Companies Act, 2013.

No Special Resolution was passed last year through postal ballot.

No Special Resolution is proposed to be conducted through postal ballot.

VI. 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. 23.8 in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

In accordance with Clause 49 of the Listing Agreement, the Company has approved a policy on Related Party Transactions which has been uploaded on the website of the Company www.balajitelefilms.com

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. 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 whistle-blower 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 address - balaji@intouch-india.com

COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS:

1. MANAGEMENT DISCUSSION AND ANALYSIS:

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(VIII)(D) of the Listing Agreement.

CORPORATE GOVERNANCE REPORT (Contd.)

2. RELATED PARTY TRANSACTIONS:

A statement in summary form of transactions with related parties is regularly placed before the Audit Committee.

3. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of financial statements.

4. DISCLOSURE ON RISK MANAGEMENT:

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

5. CERTIFICATE ON COMPLIANCE OF CLAUSE 49 OF LISTING AGREEMENT

Auditors' certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report.

6. CEO & CFO CERTIFICATION:

A Certificate from Mr. Sameer Nair, Group CEO and Mr. Sanjay Dwivedi, Group CFO of the Company, on the financial statements of the Company is annexed to this report.

7. NOTE ON APPOINTMENT OR REAPPOINTMENT OF DIRECTORS:

Particulars of Directors who need to be appointed/reappointed at the ensuing Annual General Meeting have been annexed to the Notice convening the meeting.

VIII. 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 Unaudited/Half Yearly Financial Results are announced within forty five days 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 Agreement. The aforesaid financial results are sent to BSE & NSE where the Company's securities are listed, immediately after these are approved by the Board. The financial results are published in Business Standard (All India) and Mumbai Lakshdweep (regional daily) within forty eight hours after they are approved by the Board.

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.

The Annual Report of the Company, the quarterly/half yearly and the annual results and the press releases of the Company are also placed on the Company's website www.balajitelefilms.com. Presentations made to the institutional investors and analysts are displayed on the Company's website.

CORPORATE GOVERNANCE REPORT (Contd.)

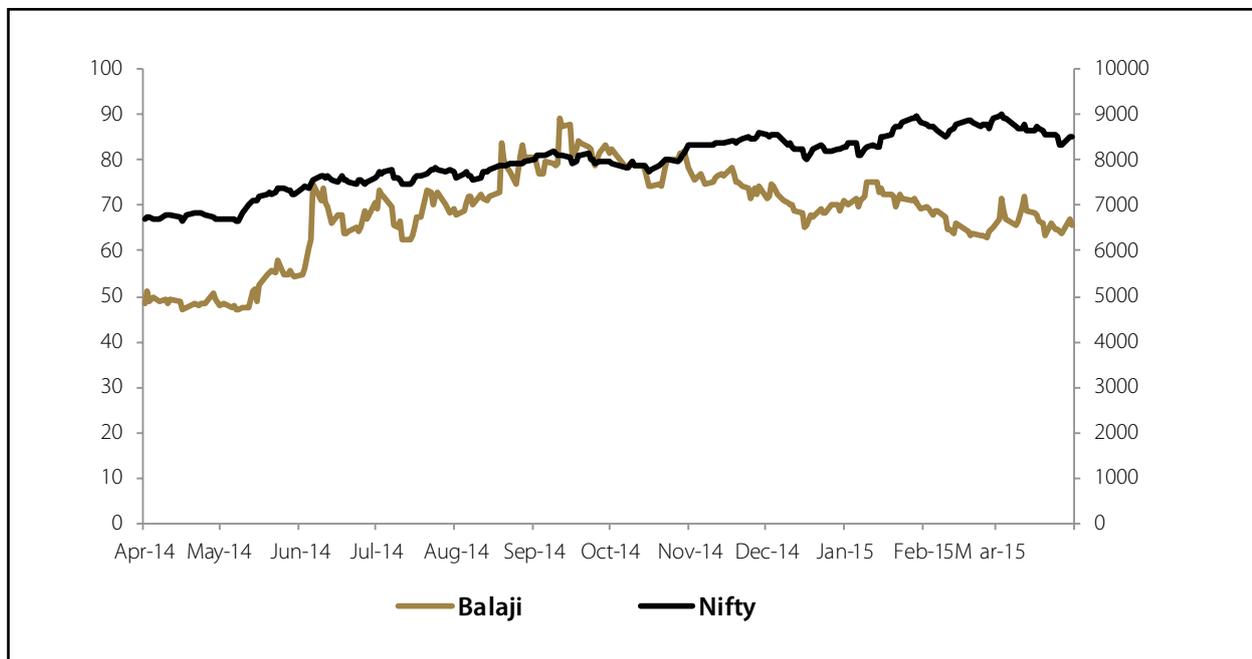
IX. GENERAL SHAREHOLDER INFORMATION:

- 1 Date of Book Closure: August 27, 2015 to August 31, 2015 (both days inclusive).
- 2 Date, time and venue of the Annual General Meeting: August 31, 2015 at 3:00 p.m. at "The Club", 197, D.N. Nagar, Andheri (West), Mumbai – 400 053.
- 3 Dividend payment: The Board of Directors has recommended a Dividend of Re. 0.60 per equity share for the year ended March 31, 2015. 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:
 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 Web site: www.balajitelefilms.com Email: investor@ 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 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana Tel: +91-40-67161510-1512, Fax: +91-40-23001153 Email: mailmanager@karvy.com
10. 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 Stakeholders Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2014-2015 and no share transfer pending as on March 31, 2015.
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 monthly high and low quotations as well as the volume of shares traded during the year 2014-15 are as below:

CORPORATE GOVERNANCE REPORT (Contd.)

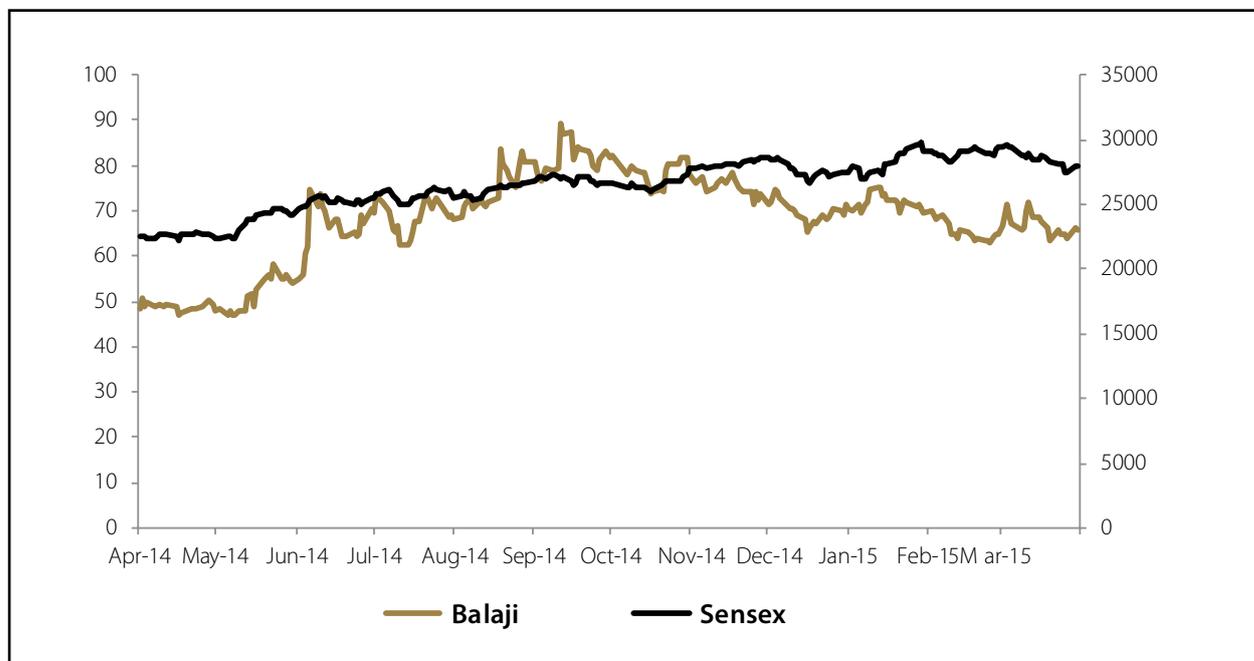
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	51.65	46.25	12,62,541	52.00	45.70	31,78,268
May	59.95	45.80	27,45,805	59.90	46.20	72,71,398
June	78.90	54.40	62,72,482	78.90	53.45	1,92,28,498
July	77.70	59.15	33,87,581	77.70	58.80	92,85,720
August	86.45	67.75	44,33,333	86.65	67.55	1,19,49,082
September	92.70	76.20	37,52,348	92.85	76.00	1,11,64,208
October	84.15	71.10	12,51,140	84.20	71.25	31,89,877
November	80.70	70.55	15,30,529	80.50	70.45	36,19,708
December	77.35	62.75	13,49,127	76.90	62.60	35,83,264
January	76.80	68.00	10,39,735	76.90	68.55	29,63,623
February	71.45	62.60	7,71,867	71.50	62.60	29,29,183
March	74.40	63.05	14,46,566	74.30	62.60	36,56,022

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



CORPORATE GOVERNANCE REPORT (Contd.)

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



FACT SHEET

Items	2014-15	2013-14
Earnings per share (₹)	1.88	1.54
EPS – Fully diluted (₹)	1.88	1.54
Dividend per share (₹)	0.60	0.40
Number of shares	6,52,10,443	6,52,10,443
Share price data (₹)		
High	92.85	51.40
Low	45.70	29.50
Closing	65.85	43.35

12. Investor Service – Complaints Received During the year:

Nature of Complaints	Year ended March 31, 2015	
	Received	Disposed
Non Receipt of Dividend	19	19
Non Receipt of Annual Report	23	23

The Company has disposed of all of the investor grievances. There are no complaints pending as on March 31, 2015.

CORPORATE GOVERNANCE REPORT (Contd.)

13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2015:

Category	No. of shares held	Percentage of shareholding
Banks	28,965	0.04
Clearing Members	1,21,058	0.19
Directors	300	0.00
Foreign Institutional Investor	1,07,000	0.16
Foreign Promoter Bodies Corporate	1,69,48,194	25.99
H U F	12,77,563	1.96
Indian Financial Institutions	4,51,763	0.69
Bodies Corporate	68,27,803	10.47
Mutual Funds	10,34,672	1.59
Non Resident Indians	5,03,771	0.77
Promoters	2,79,92,938	42.93
Resident Individuals	99,16,266	15.21
Trusts	150	0.00
Grand Total	6,52,10,443	100.00

14. Distribution of shareholding as on March 31, 2015:

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% To Equity
Upto 1 - 5000	18792	98.21	4993596	9987192	7.66
5001 - 10000	142	0.74	1079814	2159628	1.66
10001 - 20000	67	0.35	1032841	2065682	1.58
20001 - 30000	40	0.21	1039284	2078568	1.59
30001 - 40000	20	0.10	708355	1416710	1.09
40001 - 50000	12	0.06	572937	1145874	0.88
50001 - 100000	28	0.15	1961023	3922046	3.01
100001 and above	34	0.18	53822593	107645186	82.54
TOTAL:	19135	100.00	65210443	130420886	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:

The Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments as on March 31, 2015.

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 Limited (NSDL) and Central Depository Services (India) Limited (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, 2015 about 99.99% comprising 6,52,03,077 Equity Shares were in the dematerialised form.

18. Financial Calendar (tentative and subject to change):

Particulars	Date
Annual General Meeting	August, 2015
Financial reporting for 1st quarter ending 30th June, 2015	First week of August, 2015
Financial reporting for 2nd quarter ending 30th September, 2015	First week of November, 2015
Financial reporting for 3rd quarter ending 31st December, 2015	First week of February, 2016
Financial reporting for the year ending 31st March, 2016 (audited)	May, 2016
Annual General Meeting for year ending 31st March, 2016	August, 2016

CORPORATE GOVERNANCE REPORT (Contd.)

19. 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.

20. Investors' Correspondence:
Investors' correspondence may be addressed to:

Mrs. Simmi Singh Bisht.

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. Sanjay Dwivedi.

Group 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: sanjay.dwivedi@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 (Reconciliation of Share Capital Report):
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.

CORPORATE GOVERNANCE REPORT (Contd.)

ANNEXURE A

NOMINATION AND REMUNERATION POLICY OF BALAJI TELEFILMS LTD. & ITS SUBSIDIARY COMPANIES

INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the media industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on October 30, 2014.

EFFECTIVE DATE:

This policy shall be effective from 1st April, 2014.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board has changed the nomenclature of Remuneration Committee constituted on January 30, 2013 by renaming it as Nomination and Remuneration Committee on May 15, 2014. The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Ashutosh Khanna- Chairman
2. Mr. Jeetendra Kapoor- Member
3. Mr. Pradeep Sarda- Member
4. Mr. D.K Vasal- Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Balaji Telefilms Limited and its Subsidiaries.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.
- Key Managerial Personnel (KMP) in relation to a Company means
 - (i) The Chief Executive Officer of the Company or the Managing Director or the Manager;
 - (ii) The Company Secretary;

CORPORATE GOVERNANCE REPORT (Contd.)

- (iii) The Whole-Time Director;
- (iv) The Chief Financial Officer and;
- (v) Such other officer as may be prescribed.

- Senior Management means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have them earning respectively assigned to them therein.

Applicability:

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General:

- This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE:

THE COMMITTEE SHALL:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART-B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT APPOINTMENT CRITERIA AND QUALIFICATIONS:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM/TENURE:

1. Managing Director/Whole-time Director:
 - The Company shall appoint or reappoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
2. Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

CORPORATE GOVERNANCE REPORT (Contd.)

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a Listed Company.

EVALUATION:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

BOARD DIVERSITY:

The Board of the Company may consciously be drawn in a manner that at least one Director from each of the following field is on the Board of the Company.

Human Resource,

Banking and finance,

Legal and general administration,

Any other field as may be decided by the Nomination and Remuneration Committee of the Company.

PART-C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

GENERAL:

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director..
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

CORPORATE GOVERNANCE REPORT (Contd.)

REMUNERATION TO WHOLE-TIME/EXECUTIVE/MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:

1. **Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. **Provisions for excess remuneration:**

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTOR:

1. **Remuneration/Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding unless the same is duly approved and notified by the Committee and Board of Directors of the Company.

CORPORATE GOVERNANCE REPORT

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, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

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 LLP**
Chartered Accountants
(Firm Registration No: 117366W/W-100018)

For **Snehal & Associates**
Chartered Accountants
(Firm Registration No: 110314W)

A.B. Jani
Partner
Membership No: 46488
Mumbai, dated: May 20, 2015

Snehal Shah
Proprietor
Membership No: 40016
Mumbai, dated: May 20, 2015