

BALAJI TELEFILMS LIMITED

Policy on Determination of Materiality of Events

Background:

In view of Regulation 30 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) which were notified on September 02, 2015 and came into effect from December 01, 2015, the policy has been framed by the Board of Directors (“**Board**”) of Balaji Telefilms Limited (“**Company**”) at its meeting held on March 05, 2016 with the objective of determining materiality of events.

Type of Information:

1. Events or Information that is to be disclosed without any application of guidelines for materiality are specified in Annexure I to this Policy.
2. Events or Information that is to be disclosed based on materiality principle are specified in Annexure II to this Policy.
3. Any other Information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
4. Event/Information as specified by the Board from time to time.

Materiality Thresholds:

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the Information/Event.

The following qualitative criteria will be applicable for determining materiality of Event or Information:

- a) The omission of an event or information which is likely to:
 - Result in discontinuity or alteration of an event or information already available publicly; or
 - Result in significant market reaction if the said omission came to light at a later date;
- b) In the opinion of the Authorised Key Managerial Personnel of the Company the event/information ought to be disclosed

The following quantitative criteria will be applicable for determining materiality of Event or Information specified in Para B of Part A of Schedule III and set out in Annexure II to this Policy

- a. If the impact of the event, if measured exceeds 10 % of the consolidated income, consolidated profit before tax or consolidated net worth, as may be applicable.
- b. For Frauds/ defaults, etc. by directors (other than key managerial personnel) or employees of the Company involving financial impact of Rs. 5 crore or more.
- c. For Options to purchase securities, including any ESOP/ESPS Scheme amounting to 2% of post -issue equity share capital.
- d. For giving of guarantees or indemnity or becoming a surety for any third party in excess 10% of the consolidated net worth of the Company.

The above thresholds shall be determined on the basis of the last annual audited consolidated financial statements of the Company.

Key Managerial Personnel (KMP) responsible for Disclosure:

The Board of the Company has authorized following KMP's to determine the materiality of an event or information and to make timely disclosures.

1. Mrs. Shobha Kapoor- Managing Director
2. Mr. Sanjay Dwivedi- Group Chief Financial Officer
3. Mrs. Simmi Singh Bisht- Group Head Secretarial

Following are the powers and responsibilities of KMP's for determining the material event/information:

- a. Review & assess an event/information that may qualify as material and which requires disclosure on the basis of facts and circumstances prevailing at a given point of time.
- b. Determine the appropriate time at which the disclosures are to be made to the Stock Exchanges based on actual time of occurrence of an event or information.
- c. Disclose developments that are material in nature on regular basis.
- d. Disclose all events/information with respect to Subsidiaries which are material for the Company.

Amendments:

The Board 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 shall be inconsistent with the applicable provisions of the Listing Regulations, Act or any law for the time being in force. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

ANNEXURE I

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation (30):

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation- For the purpose of this sub-para, the word 'acquisition' shall mean, -

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3. Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- b) any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;
- d) the decision with respect to fund raising proposed to be undertaken
- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;

- g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty (ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 8. Resignation of Auditor with detailed reasons thereof
 9. Resignation of Independent Director with detailed reasons thereof
 10. Appointment or discontinuation of share transfer agent.
 11. Corporate debt restructuring.
 12. One-time settlement with a bank.
 13. Reference to BIFR and winding-up petition filed by any party /creditors.
 14. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
 15. Proceedings of Annual and Extraordinary General Meetings of the listed entity.
 16. Amendments to Memorandum and Articles of Association of listed entity, in brief.
 17. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;
 18. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code as stated in the Schedule

ANNEXURE II

(SAME AS PARA B OF PART A OF SCHEDULE III OF LISTING REGULATIONS)

B: Events which shall be disclosed upon application of materiality thresholds as set out in the Policy:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or events such as strikes, lockouts, etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
10. Fraud/ defaults etc., by directors (other than key managerial personnel) or employees of the Company.
11. Options to purchase securities including any ESOP/ESPS Scheme.
12. Giving of guarantees or indemnity or becoming a surety for any third party.
