

CORPORATE GOVERNANCE REPORT

"Ethics in Business is extremely important; your reputation is all you have in life."

- Sir Freddie Laker

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 (herein after 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 Group Chief Executive Officer of the Company regarding compliance with the code by all the Directors and Senior Management forms part of the 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 more than 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 and Promoter, at least half of the Board should be Independent Directors. As on March 31, 2017, the Board comprised of ten members, of whom two are Executive Directors, two Non-Executive Non-Independent Directors and six Independent Directors. The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The positions of the Chairman and Chief Executive Officer of the Company are held by separate individuals where the Chairman of the Board is Non-Executive Promoter Director.

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 year 2016-17 and also the number of Directorships and Committee Memberships/ Chairmanships held by them in various Companies are given below:

Name of the Director	Attendance Particulars		Last AGM	No. of other Directorships and Committee Membership/Chairmanship			No of shares held as on March 31, 2017
	Board Meetings			*Other	#Committee	#Committee	
	Held	Attended		Directorships	Memberships	Chairmanships	
Mr. Jeetendra Kapoor (P, N, NI)	5	5	Present	4	3	1	32,60,522
Mrs. Shobha Kapoor (P, E, NI)	5	5	Present	5	1	0	1,00,35,633
Ms. Ekta Kapoor (P, E, NI)	5	4	Present	5	1	0	1,67,35,116
Mr. Tusshar Kapoor (P,N, NI)	5	5	Present	5	1	0	20,30,250
Mr. Pradeep Kumar Sarda (N,I)	5	1	Absent	2	3	0	NIL
Mr. D. G. Rajan (N,I)	5	5	Present	6	5	4	300
Mr. Ashutosh Khanna (N,I)	5	4	Present	1	0	0	NIL
Mr. D. K. Vasal (N,I)	5	5	Present	2	3	0	NIL
Mr. V. B. Dalal (N,I)	5	5	Present	4	4	0	NIL
Mr. Arun Kumar Purwar (N,I)	5	5	Present	8	5	3	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.

#Includes only Audit Committee and Stakeholders' Relationship Committee

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the 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 other than Mr. Jeetendra Kapoor, Chairman and Mr. Tusshar Kapoor 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 November 25, 2016 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 apart from other Board business. The Board/Committee Meetings are pre-scheduled and a 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 resolutions 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 set by the Company Secretary in consultation with the Chairman and the Managing Director and Chief Executive Officer of the Company. The Agenda is circulated a week 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.

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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, five (5) meetings of the Board of Directors were held, the dates being May 7, 2016, August 10, 2016, September 27, 2016, November 25, 2016 and February 13, 2017. The maximum time gap between any two meetings was not more than One Hundred Twenty Days.

FAMILIARISATION PROGRAMME OF DIRECTORS

The Company has framed the familiarisation 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.

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, 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 also reviews the following:

- ▶ Matters to be included in the Director's Responsibility Statements.
- ▶ Changes, if any, in the accounting policies.
- ▶ Major accounting estimates and significant adjustments in financial statement.
- ▶ Compliance with listing and other legal requirements concerning financial statements.
- ▶ Disclosures in financial statement including Related Party Transactions.
- ▶ Management's Discussions and Analysis of Company's operations.
- ▶ Valuation of undertakings or assets of the Company, wherever it is necessary.
- ▶ Periodical review of Internal Audit Reports.

- ▶ Letters of Statutory Auditors to management on Internal control weakness, if any.
- ▶ Major non-routine transactions recorded in the financial statements involving exercise of judgement by the management.

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 five (5) meetings, the dates being May 16, 2016, August 10, 2016, September 27, 2016, November 24, 2016 and February 13, 2017. 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	5	5
Mr. Jeetendra Kapoor	5	5
Mr. Pradeep Kumar Sarda	5	1
Mr. D.K. Vasal	5	5
Mr. V.B. Dalal	5	5

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.
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.

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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 five (5) meetings, the dates being April 25, 2016, May 16, 2016, August 10,

2016, November 24, 2016 and February 13, 2017. The details of the attendance thereat are as follows:

Name of the Members	No. of Meetings	
	Held during the tenure	Attended
Mr. Ashutosh Khanna	5	5
Mr. Jeetendra Kapoor	5	5
Mr. Pradeep Kumar Sarda	5	Nil
Mr. D. K. Vasal	5	5

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 appended as Annexure I to this Report.

DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2017

Name	Designation	Salary	Perquisites	Sitting Fees	Commission	Employer Contribution to Provident Fund	Total
Mrs. Shobha Kapoor	Managing Director	216.41	-	-	-	12.84	229.25
Ms. Ekta Kapoor	Joint Managing Director	225.29	-	-	-	13.40	238.69
Mr. Jeetendra Kapoor	Chairman	-	-	5.00	-	-	5.00
Mr. Tusshar Kapoor	Director	-	-	5.00	-	-	5.00
Mr. Pradeep Kumar Sarda	Independent Director	-	-	1.00	-	-	1.00
Mr. D. G. Rajan	Independent Director	-	-	6.00	-	-	6.00
Mr. Ashutosh Khanna	Independent Director	-	-	4.00	-	-	4.00
Mr. D. K. Vasal	Independent Director	-	-	6.00	-	-	6.00
Mr. V. B. Dalal	Independent Director	-	-	6.00	-	-	6.00
Mr. Arun Kumar Purwar	Independent Director	-	-	6.00	-	-	6.00

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.

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 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.

COMPOSITION

Name of the Members	Designation	Nature of Membership
Mr. Jeetendra Kapoor	Non-Executive Director	Member
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 16, 2016, August 10, 2016, November 24, 2016 and February 13, 2017. 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	3
Mr. D. K. Vasal	4	4

SHAREHOLDER'S COMPLAINTS DURING THE FINANCIAL YEAR 2016-17

Sr. No.	Nature of Complaints	Opening Bal.	Received	Disposed	Pending
1.	Non-receipt of Dividend	0	18	18	0
2.	Non- receipt of Annual Report	0	26	26	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 16, 2016, August 10, 2016, November 24, 2016 and February 13, 2017. The details of the attendance thereat are as follows:

Name of the Director	No. of Meetings	
	Held	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, 2017.

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	Chairperson	Group HR Head
2	Mr. Sameer Nair	Internal Member	Group CEO
3	Mr. Sanjay Dwivedi	Internal Member	Group CFO
4	Mrs. Simmi Singh Bisht	Internal Member	Group Head Secretarial
5	Mr. Som Bathla	Internal Member	Group Head Legal
6	Ms. Neha Kedia	External Member	Vice President - Complykaro

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GENERAL BODY MEETINGS:

Details of last three General Meetings and summary of Special Resolution passed therein as under:

Financial Year ended	Date and Time	Venue	Special Resolutions passed
March 31, 2016	Wednesday, August 31, 2016 at 3.00 p.m.	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, Maharashtra.	<ul style="list-style-type: none"> ▶ Payment of Commission to Mrs. Shobha Kapoor, Managing Director of the Company for the F.Y. 2015-16 ▶ Payment of Commission to Ms. Ekta Kapoor, Joint Managing Director of the Company for the F.Y. 2015-16 ▶ Revision in remuneration of Mrs. Shobha Kapoor, Managing Director of the Company. ▶ Revision in remuneration of Ms. Ekta Kapoor, Joint Managing Director of the Company.
	Saturday, March 05, 2016 at 11.30 a.m. (Extra Ordinary General Meeting)	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai- 400 053, Maharashtra.	<ul style="list-style-type: none"> ▶ Issue of Equity Shares on Preferential Allotment/ Private Placement basis.
March 31, 2015	Monday, August 31, 2015 at 3.00 p.m.	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, Maharashtra.	<ul style="list-style-type: none"> ▶ Re-appointment of Mrs. Shobha Kapoor as Managing Director of the Company. ▶ Re-appointment of Ms. Ekta Kapoor as Joint Managing Director of the Company. ▶ Further issue of Securities. ▶ Alteration of Articles of Association
March 31, 2014	Saturday, August 30, 2014 at 3.00 p.m.	"The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, Maharashtra.	<ul style="list-style-type: none"> ▶ Alteration of Articles of Association

No special resolution was passed by the Company during the Financial Year 2016-17 through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot on the date of this report.

MEANS OF COMMUNICATION

I) PUBLICATION OF QUARTERLY RESULTS

The Unaudited Quarterly/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 Regulations. The aforesaid financial results are sent to BSE & NSE immediately where the Company's securities are listed and are published in Business Standard (All India) and Mumbai Lakshadeep (Regional daily) within forty-eight hours after they are approved by the Board.

II) WEBSITE AND NEW RELEASES

The Annual Report of the Company, the quarterly/half yearly results, the annual results, presentations made to the Institutional Investors and Analysts and the press releases 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

None of the transactions with any of the related parties were in conflict with the Company's interest. Transactions with the related parties are disclosed in Notes forming part of the financial statements annexed to the financial statements of the year.

In accordance with Regulation 23 of the Regulations, the 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>

II) 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.

III) VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established Whistle Blower Policy for its Directors and Employees to report concerns about unethical behavior, 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 address - balaji@intouch-india.com

There were no complaints received during the Financial Year 2016-17

IV) 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.

V) 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.

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

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 and Committee Meetings and of the Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

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VII) DISCLOSURE ON RISK MANAGEMENT

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

VIII) 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 Group Chief Executive Officer 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.

IX) CEO & CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, 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.

X) DETAILS OF COMPLIANCE WITH DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 READ WITH SCHEDULE II PART E OF THE LISTING REGULATIONS

The status of compliance with non-mandatory recommendations under Regulation 27 of the Listing Regulations is provided below:

- ▶ Non- Executive Chairman's Office: Chairman office is separate from that of the Managing Director & CEO
- ▶ Modified Opinion in Audit Report: The Company's financial statement for the year ended on March 31, 2017 does not contain any modifies opinion
- ▶ Separate posts of Chairman and CEO: The Chairman of the Board is a Non- Executive Director and his position is separate from that of the Managing Director & CEO
- ▶ Reporting of Internal Auditor: The Internal Auditor submits his reports directly to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

1. Date, time and venue of Annual General Meeting	Thursday, August 31, 2017 at 12.00 Noon at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053, Maharashtra.
2. Date of Book Closure	Friday, August 25, 2017 to Wednesday, August 30, 2017.
3. Financial Calendar	
Financial Year	1st April to 31st March
*Financial reporting for 1st quarter ending 30th June, 2017	First week of August 2017
*Financial reporting for 2nd quarter ending 30th September, 2017	First week of November 2017
*Financial reporting for 3rd quarter ending 31st December, 2017	First week of February 2018
*Financial reporting for the year ending 31st March, 2018	May 2018
*Annual General Meeting for year ending 31st March, 2018	August 2018
* Tentative and subject to change	
4. Payment of dividend	On or after Tuesday, September 5, 2017.
5. Listing	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax: +91-22-22721919/3027 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
Listing Fees	Paid for both the above Stock Exchanges

ISIN	INE794B01026
Stock Code	BSE: 532382 NSE: BALAJITELE
Listing on Stock Exchanges outside India	Not Listed
6. Registered Office of Company	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053, Maharashtra. 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: +91-40-67161510-1512, Mobile No: +91 8374554433 Email: inward.ris@karvy.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 Stakeholders Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2016-2017 and no share transfer pending as on March 31, 2017.
9. Shares under Lock-in	In accordance with SEBI Guidelines, currently no Equity Shares held by promoters are subject to lock-in. The 10,720,000 shares issued by the Company through Private placement 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, 2017 about 99.99% comprising 7,59,23,827 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, 2017.

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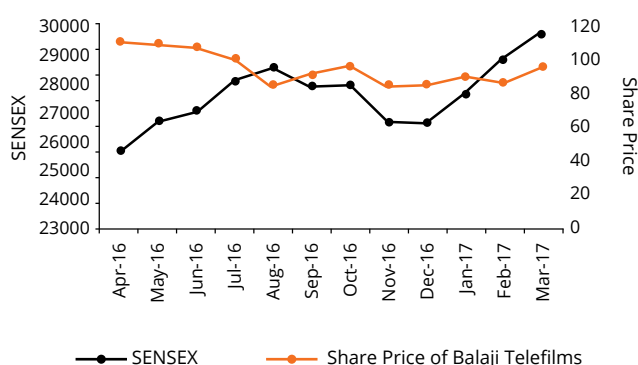
12 Stock Market Data relating to Shares listed in India

The Company's shares are listed on the BSE 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 2016-17 are as below:

Month	BSE			NSE		
	High	Low	No. of Shares Traded	High	Low	No. of Shares Traded
April	122.70	106.80	7,09,254	122.85	107.05	31,89,573
May	117.90	101.00	7,10,523	117.95	102.00	28,64,480
June	120.05	99.00	17,51,154	120.00	95.35	54,30,372
July	107.70	89.70	10,35,633	107.85	90.00	39,71,089
August	100.00	84.00	17,92,991	100.10	83.80	30,16,453
September	103.00	82.95	19,45,822	103.00	84.00	78,61,522
October	99.80	90.15	12,79,558	99.80	90.50	3,242,073
November	95.90	73.85	14,87,847	96.05	73.60	19,69,880
December	93.95	81.25	5,65,851	94.15	80.30	18,83,612
January	96.50	83.30	2,72,007	96.30	83.20	14,91,809
February	94.70	85.00	1,80,283	95.00	85.50	14,57,775
March	101.25	85.10	20,43,641	101.25	85.00	57,25,151

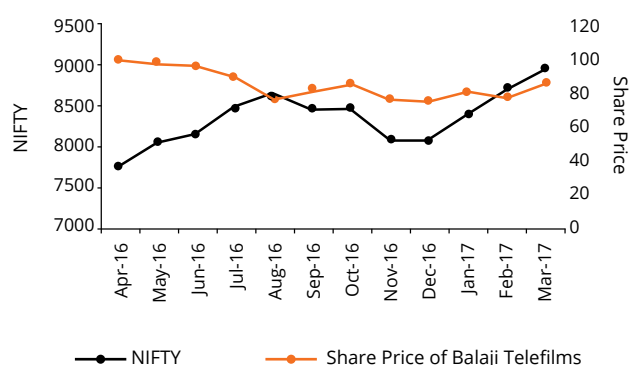
The performance of Balaji Telefilms Limited's Equity shares relative to the BSE Sensitive Index (Sensex) is given in the chart below:

BSE



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

NSE



13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2017

Description	Cases	Shares	% Equity
Banks	0	0	0.00
Clearing Members	114	246692	0.32
Directors	1	300	0.00
Foreign Venture Capital Investor	0	0	0.00
Foreign Portfolio Investors	9	16509250	21.74
H U F	416	1478544	1.95
Indian Financial Institutions	4	1915918	2.52
Bodies Corporates	414	6667750	8.78
Mutual Funds	0	0	0.00
NBFC	3	3228	0.00
Non Resident Indians	302	1203246	1.58
NRI (Non Repatriation)	112	263958	0.35
Company Promoters	4	32061521	42.22
Resident Individuals	17457	15577486	20.52
Trusts	2	2550	0.00
GRAND TOTAL	18838	75930443	100

14. Distribution of Shareholding as on March 31, 2017

Number of Share	No. of Share Holders	% of Total Shareholders	Total Shares	Amount	% Holding
Upto 1 - 5000	18431	97.83	5400383	10800766	7.11
5001 - 10000	188	1.00	1388909	2777818	1.83
10001 - 20000	96	0.51	1442526	2885052	1.90
20001 - 30000	30	0.16	750299	1500598	0.99
30001 - 40000	15	0.08	563091	1126182	0.74
40001 - 50000	11	0.06	507219	1014438	0.67
50001 - 100000	18	0.10	1369298	2738596	1.80
100001 and above	49	0.27	64508718	129017436	84.96
TOTAL	18838	100.00	75930443	151860886	100.00

15. 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.

16. Address for Correspondence

Investors' correspondence

Mrs. Simmi Singh Bisht
Group Head Secretarial
Balaji Telefilms Limited
C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industries, New Link Road,
Andheri (West), Mumbai – 400 053, Maharashtra.
Tel: +91-22-40698000, Fax: +91-22-40698181/82
Email: investor@balajitelefilms.com
simmi.bisht@balajitelefilms.com

Financial Statements Queries

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, Maharashtra.
Tel: +91-22-40698000, Fax: +91-22-40698181/82
Email: sanjay.dwivedi@balajitelefilms.com

CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE I NOMINATION AND REMUNERATION POLICY OF BALAJI TELEFILMS LIMITED & 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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, 2015.

EFFECTIVE DATE

This policy shall be effective from 1st April, 2015.

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:

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

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;
 - (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 Wholtime 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 re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment 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 re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such

CORPORATE GOVERNANCE REPORT (CONTD.)

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, 2015 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.

▶ **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 ₹ One lakh 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.