

CORPORATE GOVERNANCE REPORT

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

I. 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

II. BOARD OF DIRECTORS:

The Board consists of experienced professionals drawn from diverse fields. The Board currently has eight members, of whom two are Executive Directors. The Board has a non-executive Chairman. At present half of the strength of the Board of Directors comprises of Independent Directors.

The Board either directly exercises its powers or functions through Committees. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

During the year under review, Four (4) meetings of the Board of Directors were held, the dates being May 11, July 31, November 9 in 2012 and on February 7 in 2013. The maximum time gap between any two meetings was not more than four calendar months. None of the Directors of the Company held committee membership of more than ten committees nor committee chairmanships of more than five committees across all companies in which the person was a director.

The names and categories of the Directors on the Board, their attendance at Balaji Telefilms Limited's Board Meetings during the year 2012-13 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)	4	Present	4	2	0
Mrs. Shobha Kapoor (P, E, NI)	4	Present	4	1	0
Ms. Ekta Kapoor (P, E, NI)	4	Not Present	4	1	0
Mr. Akshay Chudasama (N, I)	4	Present	4	3	0
Mr. Pradeep Sarda (N, I)	4	Present	3	2	0
Mr. D. G. Rajan (N, I)	4	Present	4	4	3
Mr. Ashutosh Khanna (N, I)	4	Present	1	0	0
Mr. Tusshar Kapoor (P, N, NI)	2	Present	4	0	0

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

¹Excludes Alternate Directorships and Directorships in Foreign Companies, Companies registered under section 25 of Companies Act, 1956 and Private Limited Companies.

²As required under Clause 49 of Listing Agreement, disclosure includes Membership or Chairmanship of Audit Committee and the Shareholders'/Investor' Grievance & Share Transfer Committee in Indian Public Companies (Listed and Unlisted including of the Company).

CORPORATE GOVERNANCE REPORT (Contd.)

III. AUDIT COMMITTEE:

TERMS OF REFERENCE

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

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

COMPOSITION

The composition of the Audit Committee is as follows:

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

Ms. Alpa Khandor, who was the Company Secretary resigned w.e.f. May 27, 2013 and Mrs. Simmi Singh Bisht was appointed as Company Secretary & Compliance Officer w.e.f. May 27, 2013

MEETINGS AND ATTENDANCE

During the year under review, Four (4) meetings of the Audit Committee were held, the dates being May 11, July 31, November 9 in 2012 and on February 7 in 2013. 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	4
Mr. Akshay Chudasama	4

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

III. REMUNERATION COMMITTEE:

TERMS OF REFERENCE

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

Composition

The composition of the Remuneration Committee is as follows:

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

CORPORATE GOVERNANCE REPORT (Contd.)

MEETINGS AND ATTENDANCE

During the year under review, Three (3) meetings of the Remuneration Committee were held, the dates being May 11, July 31 in 2012 and on February 7 in 2013. The details of the attendance thereat are as follows:

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

Remuneration Policy and Details of Remuneration Paid

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

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

No remuneration was paid to non-executive directors apart from sitting fees. Besides the sitting fees, rent amounting to ₹ 42.85 lakhs and ₹ 10.40 lakhs paid to Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor respectively (refer Note No. 22.8(b) in 'Notes forming part of the financial statements', annexed to the Financial Statements of the year), there is no other pecuniary transaction by the Company with Non-Executive Directors.

Details of the remuneration to the Directors for the year ended March 31, 2013

Name	Designation	Remuneration for the year 2012-2013 (₹ in Lakhs)					No. of shares held by Non-Executive Directors
		Salary	Perquisites	Sitting Fees	Employer Contribution to Provident Fund	Total	
Mrs. Shobha Kapoor	Managing Director	55.20	48.30	N.A.	6.62	1,10.12	N.A.
Ms. Ekta Kapoor	Joint Managing Director	66.30	58.05	N.A.	7.96	1,32.31	N.A.
Mr. Jeetendra Kapoor	Chairman	-	-	0.60	-	0.60	43,92,000
Mr. Akshay Chudasama	Director	-	-	0.60	-	0.60	-
Mr. Pradeep Sarda	Director	-	-	0.60	-	0.60	-
Mr. D. G. Rajan	Director	-	-	0.60	-	0.60	300
Mr. Ashutosh Khanna	Director	-	-	0.60	-	0.60	-
Mr. Tusshar Kapoor	Director	-	-	0.45	-	0.45	20,30,250

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

CORPORATE GOVERNANCE REPORT (Contd.)

Pursuant to the Shareholders' approval at the Annual General Meeting on September 5, 2012, the Company has paid remuneration to Managing Director and Joint Managing Director. Though the remuneration for the year is as per the Shareholders' approval, however it exceeds by ₹ 75.38 lakhs as determined under Section 349 of the Companies Act, 1956 for which the Company has already filed its application with Central Government for its approval. The said application is under process.

IV. SHAREHOLDERS'/INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:

TERMS OF REFERENCE

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

COMPOSITION

The composition of the Shareholders' Committee is as follows:

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

MEETINGS AND ATTENDANCE

During the year under review, Three (3) meetings of the Shareholders'/Investors' Grievance & Share Transfer Committee were held, the dates being April 18, May 11 and June 7, in 2012. The details of the attendance thereat are as follows

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

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
16th Meeting	Friday, August 27, 2010	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
17th Meeting	Thursday, September 22, 2011	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
18th Meeting	Wednesday, September 5, 2012	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

SPECIAL RESOLUTIONS

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

F.Y. 2009 - 2010:

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

F.Y. 2010 - 2011:

1. Payment of annual remuneration to the Non-Executive Directors of the Company.

TWO RESOLUTIONS WERE PASSED THROUGH POSTAL BALLOT IN FEBRUARY 2011

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

CORPORATE GOVERNANCE REPORT (Contd.)

DETAILS OF VOTING PATTERN

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

PERSON WHO CONDUCTED THE POSTAL BALLOT

Robert Pavrey, Company Secretary in Practice

WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

None

PROCEDURE OF POSTAL BALLOT

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

F. Y. 2011 – 2012:

1. Re-appointment 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. Re-appointment 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 Act, for the period of 5 years commencing from April 1, 2012.

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

2. COMPLIANCES BY THE COMPANY

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

3. WHISTLE BLOWER POLICY

Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

VII. 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(IV)(F) of the Listing Agreement.

2. RELATED PARTY TRANSACTIONS:

A statement in summary form of transactions with related parties is periodically 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. CODE OF CONDUCT:

The Company has laid down a code of conduct for the Directors and Senior Management of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this Report, which alongwith the auditors' certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report.

CORPORATE GOVERNANCE REPORT (Contd.)

6. CEO&CFO CERTIFICATION:

A Certificate from Mrs. Shobha Kapoor, Managing Director and Mr. Sanjay Dwivedi, CFO of the Company, on the financial statements of the Company is annexed to this report.

7. NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS:

Particulars of Directors who need to be appointed/re-appointed 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 Company's financial results were published in Business Standard, Free Press Journal and Navshakti/Mumbai Lakshdweep (regional daily). The financial results and official news releases were displayed on the Company's website www.balajitelefilms.com. Presentations made to the institutional investors and analysts are displayed on the Company's website. No such presentations were made in the current financial year. The Company sends a copy of its half-yearly results to each shareholder.

IX. GENERAL SHAREHOLDER INFORMATION:

1	Date of Book Closure	July 25 to July 29, 2013 (both days inclusive).
2	Date, time and venue of the Annual General Meeting	July 29, 2013 at 4:00 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 ₹ 0.20 per equity share and a Special Additional Dividend of ₹ 0.20 per equity share for the year ended March 31, 2013. The final dividend will be paid within the stipulated number of days once it is approved at the Annual General Meeting.
4	Listing on Stock Exchanges	<ol style="list-style-type: none"> 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax: +91-22-22721919/3027 (Stock Code – 532382) 2. National Stock Exchange of India Limited, Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91-22-26598235/36 Fax: +91-22-26598237/38 (Stock Code – BALAJITELE)
5	ISIN	INE794B01026
6	Listing Fees	Paid for both the above Stock Exchanges as per listing agreements
7	Listing on Stock Exchanges outside India	Not applicable
8	Registered Office of Company	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000, Fax: +91-22-40698181/82 Web site: www.balajitelefilms.com
9	Share transfers in physical, communication regarding share certificates, dividends, change in address etc. may be addressed to	Karvy Computershare Private Limited (Company's Registrar and Transfer Agents) Unit: Balaji Telefilms Limited Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad-500 081. Tel: +91-40-23420815-820, Fax: +91-40-23420814 Email: mailmanager@karvy.com

CORPORATE GOVERNANCE REPORT (Contd.)

10. Share Transfer System

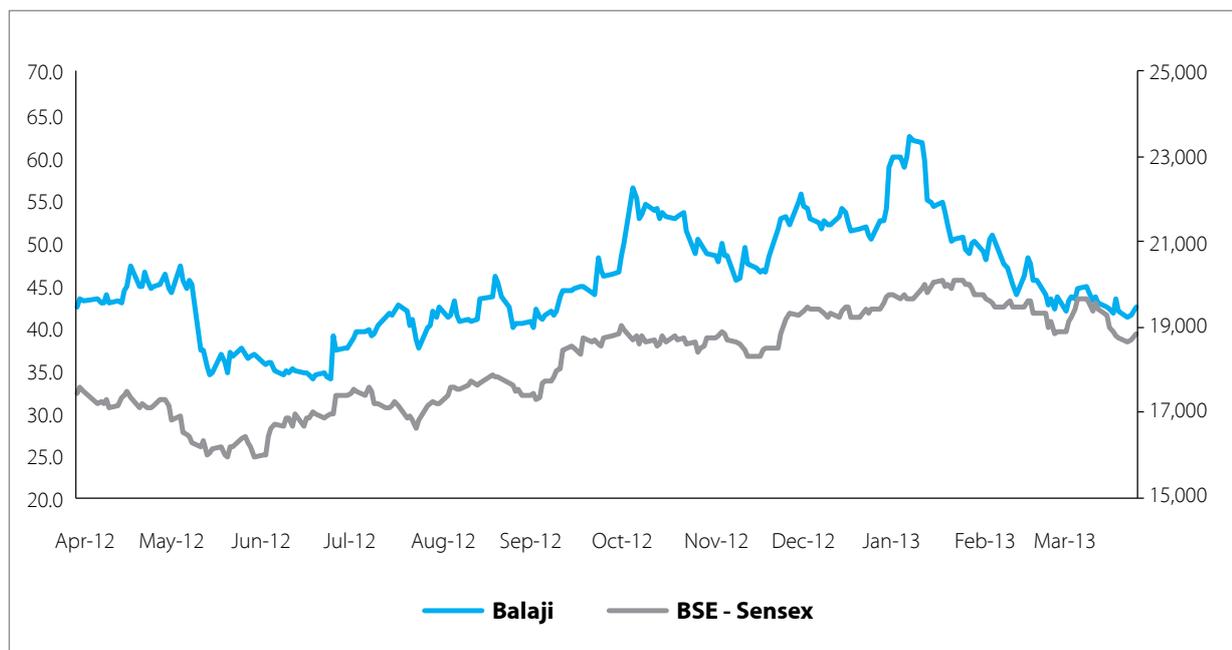
Shares sent for physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee meets as often as required. 1,777 shares transfers in physical form during the year 2012-2013 and no share transfer pending as on March 31, 2013.

11. Stock Market Data relating to Shares listed in India

The Company's shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, since November 22, 2000. The Company's market capitalization as on March 31, 2013 was ₹ 260,84.18 lakhs. The monthly high and low quotations as well as the volume of shares traded during the year are as below:

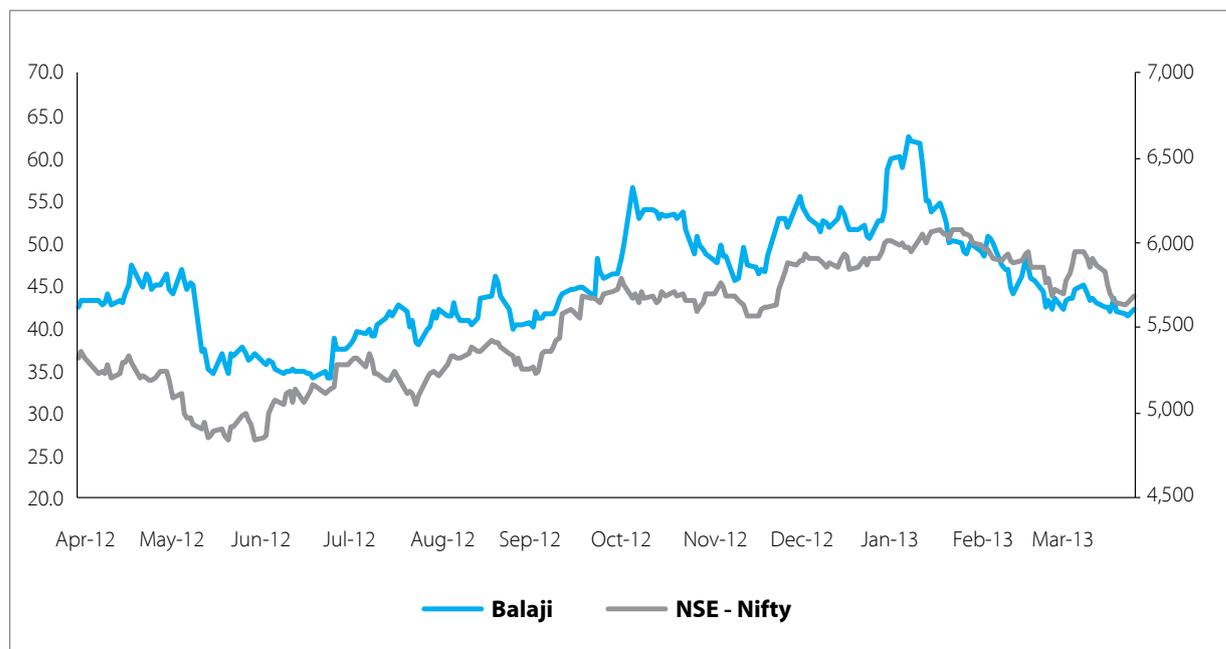
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	49.55	41.50	11,05,268	49.6	41.9	26,06,107
May	48.00	33.25	11,17,227	47.9	33.2	24,34,408
June	40.70	32.75	19,59,463	40.95	32.7	34,01,376
July	44.50	36.00	14,69,621	43.25	37.1	33,84,114
August	46.90	39.25	7,67,017	46.85	38.9	22,61,277
September	51.30	39.65	19,63,277	51.25	39.65	37,21,997
October	58.50	45.50	40,38,796	58.55	45.35	8,81,487
November	54.40	37.45	23,39,641	54.45	45.1	52,15,465
December	56.90	50.05	15,46,168	56.85	50.15	42,99,397
January	63.90	48.05	29,13,830	63.9	48	69,73,773
February	51.70	41.60	2,65,568	51.7	41.4	7,34,466
March	45.25	40.00	3,15,829	45	40.15	5,63,219

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	2012-13	2011-12
Earnings per share (₹)	2.04	1.78
EPS – Fully diluted (₹)	2.04	1.78
Dividend per share (₹)	0.40	0.20
Number of shares	6,52,10,443	6,52,10,443
Share price data (₹)		
High	63.90	48.65
Low	32.70	26.70
Closing	40.00	41.95

12. Investor Service – Complaints Received During the year

Year ended March 31, 2013

Nature of Complaints	Received	Disposed
Non Receipt of Dividend	32	32
Non Receipt of Annual Report	6	6

The Company has disposed of all of the investor grievances. There are no complaints pending as on March 31, 2013.

CORPORATE GOVERNANCE REPORT (Contd.)

13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2013

Category	No. of shares held	Percentage of shareholding
Clearing Members	89,815	0.14
Directors	300	0.00
Foreign Institutional Investor	3,60,000	0.55
Foreign Corporate Bodies	1,69,48,194	25.99
H U F	12,52,020	1.92
Indian Financial Institutions	3,94,372	0.60
Bodies Corporate	75,62,931	11.60
Mutual Funds	5,03,305	0.77
Non Resident Indians	2,93,107	0.45
Promoters	2,71,30,858	41.61
Resident Individuals	1,06,75,491	16.37
Trusts	50	0.00
Grand Total	6,52,10,443	100.00

14. Distribution of shareholding as on March 31, 2013

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% Holding
upto 1 - 5000	24,115	97.59	48,68,226	97,36,452	7.47
5001 - 10000	292	1.18	10,81,249	21,62,498	1.66
10001 - 20000	133	0.54	9,95,755	19,91,510	1.53
20001 - 30000	47	0.19	5,96,928	11,93,856	0.92
30001 - 40000	29	0.12	5,25,100	10,50,200	0.81
40001 - 50000	11	0.04	2,49,735	4,99,470	0.38
50001 - 100000	39	0.16	14,39,050	28,78,100	2.21
100001 & Above	45	0.18	5,54,54,400	11,09,08,800	85.04
Total	24,711	100.00	6,52,10,443	13,04,20,886	100.00

15. Shares under Lock-in

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

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

As on March 31, 2013 the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

CORPORATE GOVERNANCE REPORT (Contd.)

17. Dematerialisation of Equity Shares
The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2013 about 99.99% comprising 6,52,00,577 Equity Shares were in the dematerialised form.

18. Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	July, 2013
Financial reporting for 1st quarter ending June 30, 2013	First week August, 2013
Financial reporting for 2nd quarter ending September 30, 2013	First week of November, 2013
Financial reporting for 3rd quarter ending December 31, 2013	First week of February, 2014
Financial reporting for the year ended March 31, 2014 (audited)	May, 2014
Annual General Meeting for year ended March 31, 2014	September, 2014

19. Plant Locations
The detail of offices of the Company is available in Corporate Information section of the Annual Report.

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

Ms. Simmi Singh Bisht

Company Secretary & Compliance 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: investor@balajitelefilms.com

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

Mr. Sanjay Dwivedi

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.)

23. Non Mandatory Requirements

a. Chairman of the Board

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

b. Remuneration Committee

The Company has appointed a Remuneration Committee since January 2003.

c. Shareholder Rights

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

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, 2013, 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, except as stated in the section 'Remuneration Policy and Details of Remuneration Paid'; to the Corporate Governance report of the Company, regarding remuneration paid to the Managing Director and Joint Managing Director which is in excess of the relevant provisions of the Act by ₹75.38 lakhs for which the Central Government approval is awaited.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No: 117366W)

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

A.B. Jani
Partner
Membership No: 46488
Mumbai, dated: May 27, 2013

Snehal Shah
Proprietor
Membership No: 40016
Mumbai, dated: May 27, 2013