

BOARD'S REPORT

The Directors take pleasure in presenting the 27th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2021.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

The salient features of the Company's financial results for the year under review are as follows:

(₹ in Lacs)

Particulars	STANDALONE		CONSOLIDATED	
	2020-21	2019-20	2020-21	2019-20
Income from operations	31,578.29	57,662.80	29,370.44	57,355.48
Less: Total expenditure	27,837.55	45,246.42	39,770.36	56,282.10
Operating Profit	3,740.74	12,416.38	(10,399.91)	1,073.38
Less: Interest	151.79	242.44	167.40	266.21
Less Depreciation	2,632.82	3,313.46	2,858.87	3,884.70
Operating Profit after interest and depreciation	956.13	8,860.48	(13,426.18)	(3,077.53)
Add: Other income	1,381.28	605.67	1,343.48	860.70
Profit before exceptional items and tax	2,337.41	9,466.15	(12,082.70)	(2,216.83)
Exceptional Items	1,044.44	-	1,044.44	-
Profit Before Tax	3,381.85	9,466.15	(11,038.26)	(2,216.83)
Less: Provision for taxation	853.62	3,679.21	853.62	3,679.21
Net profit / (loss) after tax	2,528.23	5,786.94	(11,891.88)	(5,896.04)
Other Comprehensive Income	13.33	(9.50)	15.02	5.19
Less: Net loss attributable to Non-controlling Interest	-	-	(6.99)	(18.03)
Net profit attributable to owners of the Company	2,541.56	5,777.44	(11,869.87)	(5,872.82)
Balance of retained earnings	28,747.56	24,077.49	(7,823.89)	(783.85)
Adj on adoption of Ind AS 116/ 115	-	(132.03)	-	(186.38)
Transfer to retained earnings for employee share options (vested)	407.51		407.51	
Sub Total	31,696.63	29,722.90	(19,286.25)	(6,843.05)
Appropriations:				
Share issue expenses	-	-	(0.10)	(7.50)
Conversion of preference shares into equity	-	-	-	2.00
Payment of dividend	-	(809.04)	-	(809.04)
Dividend distribution tax	-	(166.30)	-	(166.30)
Balance carried to balance sheet	31,696.63	28,747.56	(19,286.35)	(7,823.89)

RESULTS OF OPERATIONS

During the year under review, the Standalone Revenue from operations of the Company is ₹ 31,578.29 lacs an decrease of 45.24% over the previous year's ₹ 57,662.80/- Lacs. As per the Consolidated Accounts, the total revenue from operations has decreased by 48.80% from ₹ 57,355.48/- Lacs to ₹ 29,370.44 Lacs during the year. The Company had a Standalone Net profit after tax of ₹ 2,528.23 Lacs during the year as compared to Net profit of ₹ 5,786.94/- Lacs of previous year. Fall in revenue was mainly on account of Pandemic.

A detailed discussion on the business performance is presented in the Management Discussion and Analysis Section of the Annual Report.

DIVIDEND

The Directors of the Company are pleased to recommend a Final Dividend of Re 0.20 per Equity Share of the face value of Rs. 2/- each for the financial year ended March 31, 2021. The Final Dividend, subject to the approval of Members at the Annual General Meeting on August 31, 2021 will be paid to the Members whose name appear in the Register of Members, as on Tuesday, August 24, 2021. The total dividend for the financial year will absorb Rs. 202.26/- lacs.

INVESTOR EDUCATION AND PROTECTION FUND

In terms of the applicable provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹ 101,614.80/- of unpaid/unclaimed dividend was transferred during the year to the Investor Education and Protection Fund.

TRANSFER TO RESERVES

The Directors of the Company do not propose to transfer any amount to the General Reserve and an amount of ₹ 31,696.63/- Lacs is proposed to be retained in the statement of profit and loss account.

BORROWINGS

The Company does not have any borrowings during the year under review.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2021 is Rs.20,22,60,886/- (Rupees Twenty

Crores Twenty-Two Lacs Sixty Thousand Eight Hundred and Eighty-Six only). Of the total paid up share capital of the Company, 34.34% is held by Promoters and Promoter Group, all in dematerialized form and balance of 65.66% is held by persons other than Promoters and Promoter Group, out of which majority is in dematerialized form. The Company has neither issued shares with differential voting rights nor granted sweat equity.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act and the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

CHANGE IN NATURE OF BUSINESS

There was no change in nature of business during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis, which forms part of the Annual Report.

SUBSIDIARIES

As on March 31, 2021 your Company has following Subsidiaries:

1. BALAJI MOTION PICTURES LIMITED (BMPL)

BMPL is into the business of distribution of motion pictures and films. It is a wholly-owned subsidiary of Balaji Telefilms Limited (BTL).

2. ALT DIGITAL MEDIA ENTERTAINMENT LIMITED (ALT Digital)

The Company's Direct to consumer digital content business is housed under ALT Digital. The Company focuses on creating original and exclusive content for India's Digital Audience.

It is a wholly-owned subsidiary of Balaji Telefilms Limited (BTL). Like previous year ALT Digital

continues to be a material subsidiary of BTL, as its net worth exceeded 10% of the consolidated net-worth of BTL in the immediately preceding accounting year.

3. CHHAYABANI BALAJI ENTERTAINMENT PRIVATE LIMITED (CBEPL)

CBEPL is a Kolkata-based subsidiary of Balaji Telefilms Limited (BTL), which used to produce television and digital content in Bengali. Since the Company was not carrying any business activities and did not have any proposed business plans in future, the shareholders of CBEPL approved voluntary liquidation of the Company during the year under review.

4. MARINATING FILMS PRIVATE LIMITED (MFPL)

MFPL is the creator producer of reality shows and events. During the year under review, MFPL has become wholly owned subsidiary of Balaji Telefilms Limited (BTL).

A detailed review of the operations, performance and future outlook and its businesses during the year under review of the above mentioned subsidiaries form part of the Management Discussion and Analysis which forms part of the Annual Report.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The applicable disclosures under SEBI (Share Based Employee Benefits) Regulations, 2014 (the "ESOP Regulations") as at March 31, 2021 with respect to ESOP 2017 is available on the website of the Company at [http://www.balajitelefilms.com/pdf/ESOP_2019_Disclosure_under_SEBI\(SBEB\)%20Regulations_2014.pdf](http://www.balajitelefilms.com/pdf/ESOP_2019_Disclosure_under_SEBI(SBEB)%20Regulations_2014.pdf). During the year, there has not been any material change in the Company's Employee Stock Option Scheme.

Members seeking to inspect certificate from M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors, with respect to the implementation of ESOP Scheme are required to send an email to investor@balajitelefilms.com.

AUDITED FINANCIAL STATEMENTS OF THE SUBSIDIARIES

The Audited Financial Statements, the Auditors' Report thereon and the Board's Report with applicable

annexures for the year ended March 31, 2021 for the Subsidiaries are annexed along with the Annual Report.

Further, a statement containing the salient features of our subsidiaries in the prescribed Form AOC-1 is appended as Annexure I to the Board's Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company is prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) and forms part of the Annual Report.

The Annual Financial Statements of the subsidiaries and related detailed information forms part of the Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

COVID Impact on Business

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic, while being a necessary measure to contain its spread, have also posed an unprecedented challenge to all businesses and the business operations and the Company have also been impacted.

Availability of fresh content is constrained because of stoppage of all the shooting and other allied production activities resulting in revenue loss for the Company. Availability of new digital content is constrained because of stoppage of fresh productions and the Company has managed to release shows that were in inventory. There was no major impact on control environment and operating effectiveness of internal controls as the month end / year end / other controls were operated by way of digital or e-mail sign-offs and online reviews through teleconferencing and Video Conference during the lock down period.

Ability to maintain operations during lockdown

The Company managed to ensure smooth functioning of critical operations by providing necessary digital infrastructure including laptops / desktops, VPN access, video conferencing tools, etc. to allow employees to

operate from home. All on site production remained closed as the Company followed local regulations during the lockdown.

The Company resumed its content production operations as per the directives and permissions of the State Government and other statutory and trade bodies on June 26, 2020, complying with the advisories issued by concerned authorities and following all health and safety measures. Corporate offices were opened as per the directions received from the concerned authorities and were operating at 10% capacity.

Steps taken to ensure smooth functioning of operations post resumption

We have taken the following steps to ensure smooth functioning of operations post conclusion of the lockdown period:

- i. The Company has identified people in each function whose physical presence in office is essential to maintain smooth operations of the Company.
- ii. The Company has taken safety measures such as suspending biometric attendance, making hand sanitizer available at key areas around the office including entry and exit points, ensuring that thermal screening takes place during entry and exit, maintaining social distancing in seating and common areas.
- iii. The Company has prepared a detailed manual capturing the guidelines to be followed on resumption of offices to be shared with all the employees at the time of resumption.
- iv. On the Content Production operations, the Company is adhering to all SOP's as laid out by the State Government and Trade bodies and operating with a reduced staff for the shooting.

Estimation of the future impact of Covid 19 on the operation

Company understands that this is a temporary setback and is confident that the economy and the media and entertainment sector will bounce back soon with rejuvenated demand and advertising spends. Subject to the Covid-19 situation improving in the country and no relapse of a lockdown, the Company anticipates normalcy to start setting in towards the end of Q2 FY2021-22.

The Company sees a positive trend of content aggregators needing more content, allowing the Company to profitably sell its produced content. The

Company continues to evaluate alternate options to monetise its content.

Even though the current situation is very volatile, we are confident about our ability to manage the crisis and come out of it in a strengthened position. The Company has taken various steps to mitigate the adverse impact of Covid-19 on the business which includes reduction in employee costs across all levels for a limited period, waiver of rentals and maintenance charges for the leased properties and other cost optimization across various overheads.

Below are the details of impact of Covid-19 on the Company:-

- Financial resources, profitability and liquidity position:

The Company has sufficient liquidity to fund its businesses and its future commitments.

- The revenue and profitability for the Company for Q1 FY21 was severely impacted for its TV business which mainly comprises of commissioned sales for the leading broadcast companies. As the production process was stopped during the lockdown phase, the Company has not been able to deliver TV series to any of its broadcast companies and correspondingly no revenue has been recognized. Production has resumed effective June 26, 2020 with authorities allowing the production of TV series to resume with strict guidelines. The Company during the lockdown phase also concluded a sale of its 3 library series of its digital content for an OTT platform and its broadcast arm.
- The Company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic.
- The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2021 and concluded that there were no material adjustments required in the financial statements as on March 31, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.
- There is no adverse impact on Capital and Financial Resources of the Company.

- **Internal financial reporting and control:**

The Company has adopted strong and adequate measures along with daily review mechanisms with senior management to effectively manage internal MIS and other processes.

- **Demand for its products / services:**

Content demand has become more strong with the lockdown and gradual unlocking. Company expects demand pre lockdown to continue.

Ding Infinity Private Limited

Ding Infinity Private Limited has become a Subsidiary of Balaji Telefilms Limited w.e.f. May 25, 2021 pursuant to acquisition of 55% stake by the Company.

Appointment of Group Chief Operating Officer

Mr. Zulfiqar Khan was appointed as a Group Chief Operating Officer of the Company w.e.f. June 18, 2021.

Resignation of Group Chief Operating Officer

Mr. Nachiket Pantvaidya has resigned as Group Chief Operating Officer and Chief Executive Officer (ALT Digital) w.e.f. April 30, 2021 to pursue other opportunities. The Board places on record, its appreciation for his inspiring guidance and his contribution to improve the overall functioning of the Company.

Resignation of Group Head Secretarial (KMP)

Mrs. Simmi Singh Bisht has tendered her resignation and she will cease to be Group Head Secretarial of the Company w.e.f. June 20, 2021 to pursue other opportunities. The Board places on record, its appreciation for her inspiring guidance and her contribution to improve the overall functioning of the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP'S)

Resignation of Ashutosh Khanna

During the year under review, Mr. Ashutosh Khanna has resigned as an Independent Director of the Company w.e.f. July 22, 2020.

Retirement by rotation and subsequent re-appointment

Mr. Ramesh Sippy, Non-Executive Director, is liable to retire by rotation at the ensuing AGM, pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules,

2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and being eligible has offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval of the Members of the Company at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the 27th AGM of the Company. The Board recommends his re-appointment as Non-Executive Director of the Company.

Appointment of Independent Directors

Dr. Archana Hingorani

The Members of the Company at the Annual General Meeting held on September 30, 2020 for financial year 2019-20 had approved the appointment of Dr. Archana Hingorani as an Independent Director of the Company.

Mr. Jason Kothari

The Board of Directors had appointed Mr. Jason Kothari as an Additional Director (Non-Executive Independent) Director of the Company vide resolution passed in the Board Meeting held on February 11, 2021 who will hold office upto the date of ensuing AGM and shall not be liable to retire by rotation.

Appropriate resolution for his appointment as Non-Executive Independent Director is being placed for the approval of the Members of the Company at the ensuing AGM. The Board recommends his appointment as Non-Executive Independent Director of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from all Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

AUDITORS

STATUTORY AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 23rd Annual General Meeting (AGM) held on August 31, 2017 had

approved the appointment of M/s. Price Water Chartered Accountants LLP for a term of 5 (five) consecutive years, to hold office till the conclusion of the AGM to be held for the financial year 2021-22. M/s. Price Waterhouse Chartered Accountants LLP have confirmed that they are not disqualified from continuing as Auditors of the Company.

While the Statutory Audit Report of M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants do not contain any qualification, reservation or adverse remarks, the Statutory Auditor in their report on standalone and consolidated financial statement have included Emphasis of Matter drawing Members attention to Note No 40 and Note No 43 of standalone and consolidated Financial Statement respectively, in connection with receivables from one of its co-producer and a film Director.

Statutory Auditor have also included Emphasis of Matter drawing Members attention to Note No 47 and Note No 51 of Standalone and consolidated Financial Statement respectively, in connection with uncertainties and the management's assessment of the financial impact due to the restrictions and other conditions related to the Covid-19 pandemic situation.

COST AUDIT

In accordance with Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. MMJB & Associates LLP, Company Secretaries as Secretarial Auditors of the Company for the financial year 2021-22.

AUDIT REPORTS

- The Report given by the Statutory Auditors on the financial statements of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.
- Secretarial Audit Report issued by M/s. MMJB & Associates LLP, Company Secretaries in Form No. MR-3 for the financial year 2020-21 is appended as Annexure II to the Board's Report. The said Report does not contain any qualification, reservation, disclaimer or observation requiring explanation or comments from the Board under Section 134(3) of

the Companies Act, 2013 except adverse remark which reads as under:

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. mentioned above except that the composition of the Board was not complied from 1st April 2020 to 27th August, 2020 due to absence of Independent Woman Director as required under Regulation 17(1) of the Listing Regulations. Further, BSE Limited and National Stock Exchange of India Limited has also imposed a penalty of Rs. 8,79,100/- each (Inclusive of Goods and Service Tax) on the Company.

With regards to remark contained in the Secretarial Audit Report, Directors wish to state that:

As the Company was searching for a suitable and reliable candidate to be appointed as a Board Member, it was unable to comply with the requirement to appoint an Independent Woman Director as per Regulation 17 of SEBI (LODR) Regulations, 2015 for the period from April 01, 2020 to August 27, 2020. However, the Company appointed an Independent Woman Director w.e.f. August 28, 2020. Further, the Company has paid penalty imposed by both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited for the said non-compliance during the year under review.

SECRETARIAL AUDIT REPORT OF UNLISTED MATERIAL SUBSIDIARY

Secretarial Audit Report of ALT Digital Media Entertainment Limited ("Material Unlisted Subsidiary Company") issued by M/s. AVS & Associates., Practicing Company Secretaries in Form No. MR-3 for the financial year 2020-21 is appended as Annexure I to the Board's Report of ALT Digital Media Entertainment Limited.

COMMITTEES OF THE BOARD

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, the Company has in place Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein forms part of the Corporate Governance Report which forms part of the Annual Report.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Corporate Social Responsibility Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Corporate Social Responsibility Policy of the Company is also posted on the website of the Company which may be accessed at <http://www.balajitelefilms.com/corporate-social-responsibility.php> The Annual Report on CSR activities is annexed here with as Annexure III to the Board's Report.

OTHER DISCLOSURES

i) EXTRACT OF ANNUAL RETURN

The details forming part of extract of Annual Return is appended as Annexure IV, which forms part of the Board's Report and a copy of Annual Return is also available on the website of the Company at http://www.balajitelefilms.com/annual_return.php as per Section 92 of the Companies Act, 2013.

ii) REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Board or Audit Committee, as required under Section 134(3)(ca) and 143(12) of the Companies Act, 2013, any instances of frauds committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

iii) SECRETARIAL STANDARDS

The Company complies with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

iv) INTERNAL FINANCIAL CONTROL SYSTEMS AND ADEQUACY

The Board has adopted the policies and procedures for ensuring the orderly and efficient control of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds, errors, reporting mechanisms, the accuracy and completeness of the accounting records and timely preparation of

reliable financial disclosures.

v) VIGIL MECHANISM/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 where in the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as maybe notified by the Management to the work groups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Whistle Blower Policy of the Company is also posted on the website of the Company at <http://www.balajitelefilms.com/whistle-blower-policy.php>.

vi) DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure V to the Board's Report.

vii) DISCLOSURE UNDER RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The requisite details relating to the remuneration of the specified employees covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure V to the Board's Report.

viii) RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.balajitelefilms.com/related-party-transaction-policy.php>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. All Related Party transactions entered during the year were placed before the Audit Committee for review

and approval. Prior omnibus approval is obtained for Related Party Transactions on annual basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length basis. All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis except letting out of premises to Subsidiary Companies for using it as its Registered office on on-going basis without charging any rent. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure VI in Form AOC-2 and the same forms part of the Board's report.

No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. However, as per Section 188 of the Companies Act, 2013, and Regulation 23 of Listing Regulations, Members approval for such transaction need not be sought if the transaction is between the Holding Company and its wholly-owned Subsidiaries whose accounts are consolidated with the Holding Company and placed before the shareholders at the General Meeting for approval.

ix) BUSINESS RISK MANAGEMENT

The Company has in place Risk Management Policy, pursuant to the provisions of Section 134 of the Companies Act, 2013. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

x) FIXED DEPOSITS

During the year under review the Company has not accepted any fixed deposit and as such, no amount of principal or interest was outstanding as on the balance sheet date.

xi) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements provided in this Annual Report.

xii) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Prevention of Sexual Harassment at Workplace Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee and Apex Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year 2020-21, no sexual harassment complaint has been registered with the Company.

xiii) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts which would impact the going status of the Company & its future operations.

xiv) REMUNERATION OR COMMISSION TO MANAGING DIRECTOR

The Managing Director of the Company has not received any remuneration or commission from any of the subsidiary companies.

xv) SCHEME OR PROVISION OF MONEY FOR THE PURCHASE OF ITS OWN SHARES

The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors of the Company.

xvi) REVISION IN FINANCIAL STATEMENTS AND BOARD'S REPORT

During the year under review, there was no revision of financial statement and Board's report of the Company.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to conservation of energy do not apply to the Company. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy efficient equipment. We purchase computers, laptops,

air conditioners etc. that meet environmental standards, wherever possible and regularly upgrade old equipment with more energy-efficient equipment. Currently, we use Light Emitting Diode (LED) fixtures to reduce the power consumption in the illumination system.

TECHNOLOGY ABSORPTION

The provisions of Section 134(3)(m) of the Companies Act, 2013 relating to technology absorption do not apply to the Company. The Company's research and development initiative mainly consists of ideation of new subjects for our content production business, which are used in the creation of new storyline and tracks. The expenses incurred on such initiatives are not practically quantifiable. The Company is an integrated player in the entertainment industry and our business is such that there is limited scope for new technology absorption, adaptation and innovation. However, the Company uses the latest technology, wherever possible to deliver superior production value, as a regular process.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings in terms of actual inflows is ₹ 361.80 /- Lacs (Previous Year ₹ 1,753.34 /- Lacs) and the foreign exchange outgo in terms of actual outflows is ₹ 29.34 /- Lacs (Previous Year ₹ 47.85/- Lacs).

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by your Company, in terms of the Listing Regulations together with a Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as per SEBI Listing Regulations are presented in separate sections forming part of this Annual Report.

MEETINGS OF THE BOARD

During the year under review, 4 (four) meetings of the Board of Directors were held the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between two Board Meetings did not exceed 120 days except a gap of 160 days between Board Meetings of February 12, 2020 and July 22, 2020 which was caused

due to COVID-19 pandemic and nationwide lockdown and was in compliance with MCA Circular dated March 24, 2020.

NOMINATION & REMUNERATION POLICY

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As on March 31, 2021, the Board comprised of thirteen Directors, of whom two are Executive Directors, four Non-Executive Non- Independent Directors and seven Independent Directors. The policy of the Company on Directors appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under Section 178(3) of the Companies Act, 2013 is available on our website at <http://www.balajitelefilms.com/nomination-remuneration-policy.php>.

DEVIATION OF FUNDS-PREFERENTIAL ALLOTMENT

During the year under review, there has been no deviation in the use of proceeds from the objects stated in the explanatory statement to the Notice for the General Meeting, which was held for allotment of shares to Reliance Industries Limited on preferential basis.

MECHANISM FOR EVALUATING BOARD MEMBERS

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board in consultation with the Nomination and Remuneration Committee lays down the evaluation criteria for the performance evaluation of Executive/Non-Executive and 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 etc.

Feedback on each Director is encouraged to be provided as a part of the survey.

EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Companies Act, 2013 and Listing Regulations provides that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated. The Nomination and Remuneration Committee carries out review of the performance of the Board of Directors, based on feedback received from the Directors. The evaluation of the Board as a whole, its Committees and Individual Directors including Executive Director, Non-Executive Director and Independent Director was conducted based on the criteria and framework adopted by the Board. The Board takes note of the evaluation process results as collated by the Nomination & Remuneration Committee of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- c) Proper and sufficient care had been taken for the

maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) The annual accounts for the financial year ended March 31, 2021 had been prepared on a 'going concern' basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors of the Company wish to acknowledge with gratitude and place on record their appreciation to all stakeholders – shareholders, investors, customers, suppliers, business associates, banks, regulatory and governmental authorities for their cooperation, assistance and support. Further they also wish to thank their employees for their dedicated services.

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 18, 2021

Sd/-
Jeetendra Kapoor
 Chairman
 (DIN: 00005345)