



B.A.G FILMS & MEDIA LIMITED

(Formerly Known as B.A.G. Films Limited)

Regd. Office: C-4, Shivalik, Near Malviya Nagar Market, New Delhi-110 017

Corporate Office: FC-23, Sector-16A, Film City, Noida - 201 301 (U.P.)

NOTICE

Notice is hereby given that the Extraordinary General Meeting of the Company will be held on Wednesday the 24th day of October, 2007 at 12:00 p.m. at FICCI Auditorium, Federation House, Tansen Marg, New Delhi- 110 001 to transact the following business(es):

Special Business

1. To consider and if thought fit, pass with or without modification(s), the following resolution as special resolution:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the securities of the Company are listed, and subject to the approval, consent, permission and/or sanction, as may be required from the Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB), Securities and Exchange Board of India (SEBI), Financial Institutions, and any other appropriate authority, institution or body, including statutory or government authorities, ministries, bodies or agencies and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee duly constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution) to offer, issue and allot up to 1,03,79,232 Equity Shares of Rs.2/- each at a price of Rs.60.15 per Share for cash (inclusive of Premium of Rs.58.15 per share) being the price which is in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for preferential issues to the following person on such terms and conditions as the Board may deem fit:

S.N.	Name of the allottee	Category	No. of Equity Shares to be allotted
1	FID Funds (Mauritius) Limited	SEBI registered Sub-Account of a SEBI registered Foreign Institutional Investor	Upto 10,379,232
	Total		Upto 10,379,232

RESOLVED FURTHER THAT the equity shares to be issued and allotted shall rank *pari passu* with the existing equity shares of the Company in all respects including payment of dividend.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted to the above mentioned allottee on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the 'Relevant date' as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for the determination of applicable price for issue of the aforementioned equity shares is 25th September 2007.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such actions and to give all such directions as may be necessary or desired including the finalization or modification of the terms and conditions for the preferential issue of equity shares under this resolution and to accept any modifications in the above proposal as may be required by the authorities involved and also settle any questions or difficulties that may arise in respect of offer, issue and allotment of equity shares and further to do all such acts and execute all such writings and instruments in connection with the issue of equity shares as the Board may in its absolute discretion deem necessary or desirable but subject to such conditions as the Reserve Bank of India (RBI)/ Securities and Exchange Board of India (SEBI)/ Financial Institutions/ Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed by the Board."

2. To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the securities of the Company are listed, and subject to the approval, consent, permission and/or sanction, as may be required from the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Foreign Investment Promotion Board (FIPB), Financial Institutions, and any other appropriate authority, institution or body including statutory or governmental authorities, ministries, bodies or agencies and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the "Board" which term shall be deemed to include any Committee duly constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution) to create, offer, issue, and allot up to 10,000,000 warrants on preferential basis, carrying an entitlement to subscribe upto 10,000,000 Equity Shares of Rs. 2/- each at a price of Rs. 60.15 per Share ("Conversion Price", including a Premium of Rs. 58.15 per Share) by conversion of one warrant into one equity share, being the price which is in accordance with the SEBI guidelines for preferential issues, to the following allottee as detailed herein below:

S.N.	Name of the allottee	Category	No. of Warrants to be allotted
1	Anu Films & Communications (P) Ltd.	Promoter	Upto 10,000,000
	Total		Upto 10,000,000

RESOLVED FURTHER THAT the equity shares to be issued on conversion of the warrants shall rank *pari passu* with the existing equity shares of the Company in all respects including payment of dividend.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares arising upon conversion of the aforementioned warrants, on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the 'Relevant date' as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for the determination of applicable price for issue of the aforementioned equity shares upon conversion of the warrants is 25th September 2007.

RESOLVED FURTHER THAT an amount equivalent to 10% of the Conversion Price shall be payable at the time of making application for the warrants, which shall be adjusted and appropriated against the Conversion Price payable by the warrant holders at the time of exercising the option to convert the warrants into equity shares, and that in the event the option for such conversion is not exercised within the prescribed time, the warrants shall lapse, and the amount of 10% paid on the allotment of the warrants shall stand forfeited.

RESOLVED FURTHER THAT the Warrants shall be issued by the Company on the following terms and conditions:

- i) The option to acquire the Equity Shares can be exercised by the Warrant holders in one or more tranches on or before the expiry of 18 months from the date of allotment of the Warrants.
- ii) The Warrants proposed to be allotted shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI Guidelines. The lock-in on the Equity Shares resulting from the exercise of the option under the Warrants shall be reduced to the extent the Warrants have already been locked-in.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of Warrants in accordance with the terms of the offer and subject to the provisions of the company's Memorandum and Articles of Association."

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of Warrants, to effect any modification(s) to the foregoing (including any modification to the terms of the issue) in the best interest of the company and its shareholders and to execute all such writings and instrument(s) as the Board may in its absolute discretion deem necessary or desirable."

3. To consider and if thought fit, pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, and subject to such other statutory, contractual and regulatory approvals, permissions and consents as may be required, the authorized share capital of the Company be increased from Rs. 25,00,00,000 (Rs. Twenty Five Crores) divided into 12,50,00,000 (Twelve Crores Fifty Lacs) equity shares of Rs. 2 each to Rs. 30,00,00,000 (Rs. Thirty Crores) divided into 15,00,00,000 (Fifteen Crores) equity Shares of Rs. 2 each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 'V' of the Memorandum of Association of the Company as to share capital, be and is hereby substituted with the following new Clause:

"The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rs. Thirty Crores) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 2 each, with power to increase or reduce or modify or convert the said capital and to divide the Shares for the time being of the Company into several classes and attach thereto preferential, deferred, differential, qualified or special rights or conditions with respect to voting, dividends or otherwise, as may be determined by or in accordance with the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force. The Company shall be entitled to dematerialise its existing shares, reconvert its shares held by the depositories electronically to physical form and/or to offer its fresh shares in electronic form pursuant to Section 86 of the Act, the Depositories Act, 1996 and any rules framed thereunder."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 31(1) of the Companies Act, 1956, and subject to the approval of the shareholders in a general meeting and subject to such other statutory, contractual and regulatory approvals, permissions and consents as may be required, the existing Clause 3 of the Articles of Association of the Company be substituted with the following:

"The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate and increase and with power from time to time, issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, though fit, and upon the sub-division of the shares apportion the right to participate in profit in any manner as between the shares resulting from sub-division."

RESOLVED FURTHER THAT any director or Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things and to execute all documents and to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the aforesaid resolution."

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.1

The Company proposed to allot and issue 10,379,232 equity shares of Rs. 2/- per share at a price of Rs. 60.15 per share (including premium of Rs. 58.15 per share) to M/s. FID Funds (Mauritius) Limited, having their registered office at C/o Multiconsult, 10, Frere de Valois Street, Port Louis, Republic of Mauritius ("**Investor**") on preferential basis.

Section 81 (1A) of the Companies Act 1956 requires that any issue of shares or other instruments convertible into shares otherwise than by way of rights offer to the existing shareholders in proportion to their existing shareholding can be made only with the consent of the shareholders through a special resolution. The proposed resolution is set out for obtaining such consent.

The aggregate amount of the total preferential issue will be upto Rs. 62,43,10,805/-.

As per regulation 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI Guidelines") as applicable from time to time, the required details are furnished as under:

1. Objects of the issue:

The Company intends to expand its operations in the field of media and entertainment, and in order to finance the same, the Company proposes to offer, issue and allot 10,379,232 equity shares at a price of Rs. 60.15 per equity share.

2. Pricing:

The proposed issue of equity shares in favour of the Investor is governed by the SEBI Guidelines.

As per the SEBI Guidelines, an issue of shares on a preferential basis can be made only at a price, which is not less than the higher of the following:

- (i) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the "relevant date"; or
- (ii) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the two weeks preceding the "relevant date".

The "relevant date" for the above purpose means the date which is thirty days prior to the date on which the general meeting of the shareholders of the Company is held to consider the proposed issue under Section 81(1A) of the Companies Act, 1956. The Relevant Date is 25th September 2007. The equity shares are proposed to be issued at Rs 60.15 per share which is higher than the price arrived at as per the SEBI Guidelines for the time being in force.

The entire amount on the equity shares issued on preferential basis shall be paid in cash by the allottee on such terms and conditions and in such manner as the Board may think fit.

3. Intention of Promoters/ Directors/ Key management persons to subscribe to the offer:

None of the Promoters / Directors/ Key management person is interested in the said transaction and they do not intend to subscribe to any shares to be issued in the proposed preferential issue.

4. Relevant Date :

The "Relevant Date" under the SEBI Guidelines for the purpose of determining the price at which each equity share shall be issued to the Investor is 25th September, 2007.

5. Shareholding Pattern of the Company before and after the issue:

The Shareholding pattern before and after the proposed allotment of equity shares to the Investor would be as under:

Category (A)	Category shareholder (B)	Pre-Issue (C)		Post-Issue (taking into account shares proposed to be issued to M/s FID Funds (Mauritius) Ltd. under Item No. 1 of this notice) (D)		Post-Issue (Please see Note) (E)	
		No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
(A)	Shareholding of Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/ Hindu Undivided Family	21,507,790	23.03	21,507,790	20.72	21,507,790	17.37
(b)	Central Government/ State Government(s)	—	—	—	—	—	—
(c)	Bodies Corporate	8,194,868	8.77	8,194,868	7.90	28,194,868	22.78
(d)	Financial Institutions/Banks	—	—	—	—	—	—
(e)	Any other (specify)	—	—	—	—	—	—
	Sub -Total (A) (1)	29,702,658	31.80	29,702,658	28.62	49,702,658	40.15
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—
(d)	Any other (specify)	—	—	—	—	—	—
	Sub -Total (A) (2)	—	—	—	—	—	—
	Total shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	29,702,658	31.80	29,702,658	28.62	49,702,658	40.15
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/ UTI	—	—	—	—	—	—
(b)	Financial Institutions/Banks	—	—	—	—	—	—
(c)	Central Government/State Government(s)	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—
(e)	Insurance Companies	—	—	—	—	—	—
(f)	Foreign Institutional Investors	33	0.00	10,379,265	10.00	10,379,265	8.38
(g)	Foreign Venture Capital Investor	—	—	—	—	—	—
(h)	Any other (specify):	—	—	—	—	—	—
	Sub -Total (B) (1)	33	0.00	10,379,265	10.00	10,379,265	8.38

(2) Non-Institutions						
(a) Bodies Corporate	24,357,477	26.08	24,357,477	23.47	24,357,477	19.68
(b) Individuals -	38,795,306	41.52	38,795,306	37.38	38,795,306	31.34
(c) Any other (specify):						
NRI	458,916	0.49	458,916	0.44	458,916	0.37
OCBs	98,600	0.11	98,600	0.09	98,600	0.08
Trust	100	0.00	100	0.00	100	0.00
Sub - Total (B) (2)	63,710,399	68.20	63,710,399	61.38	63,710,399	51.47
Total Public Shareholding (B) = (B)(1)+(B)(2)	63,710,432	68.20	74,089,664	71.38	74,089,664	59.85
TOTAL (A) + (B)	93,413,090	100.00	103,792,322	100.00	123,792,322	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—		
GRAND TOTAL (A) + (B) +(C)	93,413,090	100.00	103,792,322	100.00	123,792,322	100.00

Note: The Post-Offer Shareholding pattern in Column E assumes allotment of 10,000,000 equity shares of the Company in favour of M/s Anu Films & Communication Pvt. Ltd. pursuant to conversion of 10,000,000 warrants issued in favour of M/s Anu Films & Communication Pvt. Ltd. The issuance of the said warrants in favour of M/s Anu Films & Communication Pvt. Ltd was approved by the shareholders of the Company at an Extra Ordinary General Meeting held on 13th February 2007. These warrants are yet to be converted / exercised by M/s Anu Films & Communication Pvt. Ltd.

The Post-Offer Shareholding pattern in Column E also assumes allotment of 10,000,000 equity shares of the Company in favour of M/s Anu Films & Communication Pvt. Ltd. upon conversion of 10,000,000 warrants proposed to be issued to M/s Anu Films & Communication Pvt. Ltd under Item No. 2 of this notice.

6. Proposed time within which the allotment shall be complete:

As per SEBI Guidelines, the allotment of equity shares shall be completed within 15 days from the date of passing of the above resolution through Extraordinary General Meeting, provided that where the allotment is pending on account of pending of any approval from any regulatory authority or from the Central Government, the allotment will be completed within 15 days from the date of receipt of such approval.

7. The identity of the proposed allottee and the percentage of the preferential issue that may be held by the allottee:

Name of allottee	Category	Pre Issue Holding	Post Issue holding %	Details of equity shares to be allotted
FID Funds (Mauritius) Limited, 10, Frere de Valois Street, Port Louis, Republic of Mauritius	SEBI registered sub-account of Fidelity Funds SICAV, a SEBI registered Foreign Institutional Investor	Nil	Upto 10%	Upto 10,379,232 equity shares of Rs. 2/- each at a price of Rs. 60.15 per share.

FID Funds (Mauritius) Limited was incorporated on 03rd June 2004 in Mauritius with the main object of acting as an investment fund to carry on business of collective investment of all funds available to it in securities of all types issued by companies registered in India. FID Funds (Mauritius) Limited is a SEBI registered sub-account of Fidelity Funds SICAV which is registered with SEBI as a Foreign Institutional Investor. FID Funds (Mauritius) Limited has its registered office at c/o Multiconsult, 10, Frere de Valois Street, Port Louis, Republic of Mauritius.

8. Auditor's Certificate:

A certificate from the statutory auditors of the Company as required under SEBI Guidelines certifying to the effect that the proposed issue is being made in accordance with the requirements contained in SEBI Guidelines shall be obtained from the Auditors of the Company.

9. Lock-In:

The equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

10. Change in Management:

The issue of Equity Shares will not result in any change in the management or control of the Company.

11. Definitive Agreements:

It is proposed that a Subscription Agreement be entered into between the Company, its Promoters and the Investor for the preferential issue and allotment of equity shares of the Company to reflect the inter-se rights and obligations governing the relationship between the Company, the Promoters and the Investor.

The Board of Directors at their Meeting held on 25th September 2007 have approved the draft of the Subscription Agreement, inter alia, for preferential issue of equity shares of the Company to the Investor as stated above, subject to the shareholders of the Company passing the special resolution proposed at Item No. 1 of this notice and subject to such statutory approvals as may be required for the allotment of shares in favour of the Investor. The Company may execute the Subscription Agreement prior to the date of the Extraordinary General Meeting. However, the allotment of the shares and the consummation of the transactions contemplated in the said Subscription Agreement shall be completed only in the event that the special resolution at Item No. 1 of this notice is passed by the shareholders of the Company and after obtaining the requisite statutory approvals for the allotment of shares in favour of the Investor.

None of the Directors are concerned or interested in the said resolution except to the extent that they hold any shares in the Company.

Item No.2

The Company proposes to issue 10,000,000 warrants ("Warrants") convertible into 10,000,000 equity shares at a price of Rs.60.15 each per equity share (including premium of Rs.58.15 per equity share) to M/s. Anu Films & Communications (P) Ltd, on of the promoters of the Company on preferential basis. As per regulation 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 the required details are furnished as under:

1. Objects of the issue:

The Company intends to expand its operations in the field of media and entertainment, and in order to finance the same, the Company proposes to offer, issue and allot the said 1,00,00,000 Warrants.

2. Pricing:

The pricing of shares to be allotted upon conversion of Warrants is done in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time.

3. Payment & Conversion Terms:

10% of the price payable for each equity share to be allotted upon conversion of each Warrant is payable for allotment of the Warrants. The balance is payable at the time of conversion of the Warrants. In the event that the Warrants are not exercised within a period of 18 months from the date of allotment, the amount paid upon allotment of the Warrants will be forfeited by the Company.

4. Intention of Promoters /Directors / Key Management Persons to subscribe to the offer:

The promoter of the Company, Anu Film & Communications (P) Limited is interested in the said transaction and intends to subscribe the Warrants.

5. Relevant Date:

The "Relevant Date" under the SEBI Guidelines for the purpose of determining the price at which each equity share shall be allotted upon conversion of each Warrant, is 25th September, 2007.

6. Shareholding Pattern of the Company before and after the issue:

The Shareholding pattern before and the one likely to emerge after the proposed allotment of Warrants [assuming conversion of all warrants held by the Promoters (including the 10,000,000 Warrants proposed to be allotted in this meeting) into equity shares of the Company] would be as under:

Category (A)	Category shareholder (B)	Pre-Issue (C)		Post-Issue (taking into account shares proposed to be issued to M/s FID Funds (Mauritius) Ltd. under Item No. 1 of this notice) (D)		Post-Issue (Please see Note) (E)	
		No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
(A)	Shareholding of Promoter and Promoter Group						
(1)	Indian						
(a)	Individuals/ Hindu Undivided Family	21,507,790	23.03	21,507,790	20.72	21,507,790	17.37
(b)	Central Government/ State Government(s)	—	—	—	—	—	—
(c)	Bodies Corporate	8,194,868	8.77	8,194,868	7.90	28,194,868	22.78
(d)	Financial Institutions/Banks	—	—	—	—	—	—
(e)	Any other (specify)	—	—	—	—	—	—
	Sub - Total (A) (1)	29,702,658	31.80	29,702,658	28.62	49,702,658	40.15
(2)	Foreign						
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	—	—	—	—	—	—
(b)	Bodies Corporate	—	—	—	—	—	—
(c)	Institutions	—	—	—	—	—	—
(d)	Any other (specify)	—	—	—	—	—	—
	Sub - Total (A) (2)	—	—	—	—	—	—
	Total shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	29,702,658	31.80	29,702,658	28.62	49,702,658	40.15
(B)	Public shareholding						
(1)	Institutions						
(a)	Mutual Funds/ UTI	—	—	—	—	—	—
(b)	Financial Institutions/ Banks	—	—	—	—	—	—
(c)	Central Government/ State Government(s)	—	—	—	—	—	—
(d)	Venture Capital Funds	—	—	—	—	—	—
(e)	Insurance Companies	—	—	—	—	—	—
(f)	Foreign Institutional Investors	33	0.00	10,379,265	10.00	10,379,265	8.38
(g)	Foreign Venture Capital Investor	—	—	—	—	—	—
(h)	Any other (specify):	—	—	—	—	—	—
	Sub - Total (B) (1)	33	0.00	10,379,265	10.00	10,379,265	8.38
(2)	Non-Institutions						
(a)	Bodies Corporate	24,357,477	26.08	24,357,477	23.47	24,357,477	19.68
(b)	Individuals -	38,795,306	41.52	38,795,306	37.38	38,795,306	31.34
(c)	Any other (specify):						
	NRI	458,916	0.49	458,916	0.44	458,916	0.37
	OCBs	98,600	0.11	98,600	0.09	98,600	0.08
	Trust	100	0.00	100	0.00	100	0.00
	Sub - Total (B) (2)	63,710,399	68.20	63,710,399	61.38	63,710,399	51.47
	Total Public Shareholding (B) = (B)(1)+(B)(2)	63,710,432	68.20	74,089,664	71.38	74,089,664	59.85
	TOTAL (A) + (B)	93,413,090	100.00	103,792,322	100.00	123,792,322	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—	—
	GRAND TOTAL (A) + (B) +(C)	93,413,090	100.00	103,792,322	100.00	123,792,322	100.00

Note: The Post-Offer Shareholding pattern in Column E assumes allotment of 10,000,000 equity shares of the Company in favour of M/s Anu Films & Communication Pvt. Ltd pursuant to conversion of 10,000,000 warrants issued in favour of M/s Anu Films & Communication Pvt. Ltd. The issuance of the said warrants in favour of M/s Anu Films & Communication Pvt. Ltd was approved by the shareholders of the Company at an Extra Ordinary General Meeting held on 13th February 2007. These warrants are yet to be converted / exercised by M/s Anu Films & Communication Pvt. Ltd.

The Post-Offer Shareholding pattern in Column E also assumes allotment of 10,000,000 equity shares of the Company in favour of M/s Anu Films & Communication Pvt. Ltd upon conversion of 10,000,000 warrants proposed to be issued to M/s Anu Films & Communication Pvt. Ltd under Item No. 2 of this notice.

The above table does not take into account shares to be issued in respect of ESOPs granted to the Employees.

7. Proposed time within which the allotment shall be complete:

As per SEBI Guidelines, the allotment of the Warrants shall be completed within 15 days from the date of passing of the above resolution in the EGM proposed to be held. Provided that where the allotment is pending on account of pending of any approval from any regulatory authority or from the Central Government, the allotment will be completed within 15 days from the date of receipt of such approval.

8. The identity of the proposed allottee and the percentage of the preferential issue that may be held by the allottee:

Name of allottee	Category	Pre Issue Holding%	Post Issue holding %	Details of equity shares to be allotted
Anu Films & Communications (P) Limited	Promoter	8.77%*	22.78%*	Upto 10,000,000 warrants convertible into 10,000,000 equity shares of Rs. 2/- each at a price of Rs. 60.15 per share.

* Computed in the manner set out in the shareholding pattern in paragraph 6 above.

9. Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance with the requirements contained in SEBI guidelines has been obtained from the Auditors of the Company.

10. Lock-In:

The Warrants to be allotted on preferential basis and the shares to be issued upon conversion thereof shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

11. Change in Management:

The issue of the said Warrants will not result in any change in the management or control of the Company. The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any and in terms of the provisions of the Listing Agreements executed by the company with the Stock Exchanges where the company's shares are listed.

None of the Directors of the company are concerned or interested in the said resolution except Mrs. Anuradha Prasad (Managing Director) and Mr. Rajiv Shukla (Director), of the Company.

The Board of Directors recommends the resolution for the approval of members.

Item No. 3

The Company proposes to issue equity shares on a preferential allotment basis to M/S. FID Funds (Mauritius) Limited, and warrants convertible into equity shares of the Company in favour of one of the Promoters of the Company viz., M/s Anu Films & Communications (P) Limited Therefore it is proposed to increase the Authorised capital from existing from Rs. 25,00,00,000 (Rs. Twenty Five crores) divided into 12,50,00,000 equity Shares (Twelve Crores Fifty Lacs) of Rs. 2 each to Rs. 30,00,00,000 (Rs. Thirty Crores) divided into 15,00,00,000 (Fifteen Crores) equity Shares of Rs. 2 each.

The proposed increase of the authorized capital of the Company requires approval of the members in general meeting. Consequent upon the increase in authorized capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the increase in share capital.

The Board recommends this resolution under Item No. 3 to be passed as Special resolution. None of the director is concerned or interested in the said resolution except to the extent that they hold any shares in the company.

By order of the Board of Directors
For B.A.G.Films & Media Limited

Sd/-
Rajeev Parashar
Company Secretary

Place: Noida
Date : 25.09.2007

NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on the poll only, instead of himself/herself and the proxy so appointed need not be a member of the company. Proxies in order to be effective must reach at the registered office of the company not less than 48 hours before the time fixed for the meeting.**
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- Shareholders / Proxy Holders are requested to produce at the entrance, the admission slip forwarded to them, duly completed and signed in accordance with the specimen signature registered with the Company.
- Members are requested to address all correspondences to the Registrar and Share Transfer Agent, Alankit Assignments Limited, Alankit House, 2E/ 21, Jhandewalan Extension, New Delhi- 110 055.
- Members are requested to quote folio numbers/ DPID and Client ID, as the case may be, in all correspondence with the Company.
- Section 109A of the Companies Act, 1956 provides for Nomination by the shareholders of the Company in the prescribed Form No.2B (which will be made available on request). Shareholders are requested to avail this facility.
- The company would not reimburse the to and fro to members for attending the meeting.
- For security reasons briefcases, transistors, bags, tiffin boxes, cameras, binoculars etc. are not allowed inside the Auditorium.
- The company would not distribute gifts or coupons to the shareholders for attending the Extraordinary General Meeting.

B.A.G FILMS & MEDIA LIMITED

(Formerly Known as B.A.G. Films Limited)

Regd. Office: C-4, Shivalik, Near Malviya Nagar Market, New Delhi-110 017

Corporate Office: FC-23, Sector-16A, Film City, Noida - 201 301 (U.P.)

PROXY FORM

FOLIO NO.

NO. OF SHARES HELD.....

DP ID No.

CLIENT ID No.

I/Wein the district of.....being member/members of the above named company, hereby appoint.....of.....or failing him/her.....in the district of.....as my/our proxy to attend and vote for me/us our behalf at the Extraordinary General Meeting of the company to held on Wednesday, October 24, 2007 at the FICCI Auditorium, Federation House, Tansen Marg, New Delhi- 110 001, at 12.00 P.M. , and any adjournment thereof.

Signed this.....day of.....2007.



Signature.....

Note : This form should signed across the stamp as per specimen signature with the company. The proxy must reach the Registered Office of the company not less than 48 Hours before the time fixed for holding the aforesaid meeting.

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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

FOLIO NO.

NO. OF SHARES HELD.....

DP ID No.

CLIENT ID No.

NAME OF THE MEMBER.....

(in block letters)

NAME OF PROXY.....

(if any)

I/We hereby record my/our presence at the Extraordinary General Meeting of the company to held on Wednesday the October 24, 2007.

.....
Signature of the Member/Proxy

BOOK - POST



If undelivered please return to :

B.A.G FILMS & MEDIA LIMITED

(Formerly Known as B.A.G. Films Limited)

Corporate Office: FC-23, Sector-16A,
Film City, Noida - 201 301 (U.P.)