

21st Annual Report 2013-14

BAG Network 24TM

Studio 24TM

न्यूज़ 24TM

E 24TM



isomesTM
INTERNATIONAL SCHOOL OF
MEDIA AND ENTERTAINMENT STUDIES

Broadcast 24TM

दर्शन 24TM

B.A.G. FILMS AND MEDIA LIMITED

CORPORATE INFORMATION

CIN	L74899DL1993PLC051841
Company Name	B.A.G. Films and Media Limited
Board of Directors	Ms. Anuradha Prasad Chairperson cum Managing Director Dr. Anuradha Mishra Director Mr. Prem Behl Director Mr. Sudhir Shukla Director Mr. Urmila Gupta Director
Company Secretary	Mr. Rajeev Parashar
Statutory Adutiros	Joy Mukherjee & Associates
Bankers	HDFC Bank Limited Yes Bank Limited
Registered Office	352, Aggarwal Plaza, Plot No. 8 Kondli, New Delhi - 110096
Corporate Office	FC-23, Sector-16, Film City, Noida-201 301 (U.P.)
Registrar and Share Transfer Agent	Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055

S.No.	Contents	Page No.
01	Notice	1
02	Director's Report	12
03	Corporate Governance Report	17
04	Management Discussion and Analysis Report	27
05	Auditors' Report	34
06	Balance Sheet	36
07	Statement of Profit & Loss	37
08	Notes forming parts of the Accounts	38
09	Cash Flow Statement	56
10	Section 212 Report	58
11	Consolidated Annual Accounts	59

B.A.G. FILMS AND MEDIA LIMITED

(CIN: L74899DL1993PLC051841)

Reg. Off: 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096**Corporate Off:** FC-23, Film City, Sector-16A, Noida-201301, (U.P.)

Tel: 91 120 3911 444, Fax No. 91 120 3911 401

Web: www.bagfilms.com, E-mail: info@bagnetnetwork.in

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of B.A.G. Films and Media Limited will be held on Wednesday, June 25, 2014 at 4.00 P.M. at FICCI Auditorium, Tansen Marg, Mandi House, New Delhi-110001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir Shukla (DIN: 01567595) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s Joy Mukherjee & Associates, Chartered Accountants, as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

“**RESOLVED THAT** M/s Joy Mukherjee & Associates, Chartered Accountants (firm registration number 006792C), be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

4. **To appoint Ms. Urmila Gupta (DIN: 00637110) as an Independent Director**

To consider and, if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Urmila Gupta (DIN: 00637110), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 5 (five years).”

5. **Increase in the Authorized Share Capital of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 61 and 64 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the existing Authorised Share Capital of the Company of Rs. 40,00,00,000 (Rupees Forty Crore) divided into 20,00,00,000 (Twenty Crore) Equity Shares of Rs. 2/- each, be and is hereby increased to Rs. 55,00,00,000 (Rupees Fifty Five Crore) divided into 27,50,00,000 (Twenty Seven Crore Fifty Lac only) Equity Shares of Rs. 2/- each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, 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 Authorized Share Capital of the Company is Rs. 55,00,00,000/- (Rupees Fifty Five Crore) divided into 27,50,00,000/- (Twenty Seven Crore Fifty Lac) 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 any director or Company Secretary of the Company be and is hereby severally authorised to execute all documents, forms, to do all acts, matters, deeds and things and to execute all documents and to take all steps and give such directions as may be considered necessary, expedient or desirable for giving effect to the aforesaid resolution.”

6. Issue of warrants with an option to convert into equity shares on preferential basis

To consider and, if thought fit, to pass with or without modification(s), the following as an **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the applicable rules there under (the “Act”) and any applicable subsisting sections of the Companies Act, 1956, as amended, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to and in accordance with any other applicable law or regulation, including without limitation, the provisions of 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), Financial Institutions, and any other appropriate authority, Institution or Body 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 80,000,000 warrants on preferential basis carrying an entitlement to subscribe up to 80,000,000 Equity Shares of Rs. 2/- each at a price of Rs. 3.40/- per share (“Conversion Price” including a Premium of Rs. 1.40/- per Share) by conversion of one warrant into one equity share being the price which is in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 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.	Skyline Tele Media Services Limited	Promoter	24,000,000
2.	B.A.G. Live Entertainment Limited	Promoter	24,000,000
3.	Oscar Software Private Limited	Non-Promoter	11,000,000
4.	Canon Media Private Limited	Non-Promoter	10,000,000
5.	Red Star Infotech Private Limited	Non-Promoter	11,000,000

RESOLVED FURTHER THAT the equity shares 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 shares arising on conversion of the above mentioned 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the determination of applicable price for issue of the aforementioned equity shares warrant is May 26, 2014, being 30 days prior to the date of passing of this resolution.

RESOLVED FURTHER THAT an amount equivalent to 25% of the Conversion Price of the Equity Shares shall be payable at the time of making application for the Warrants, which shall be adjusted and appropriated against the Conversion Price of the Equity Shares 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 25% 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 eighteen months from the date of allotment of the Warrants, subject to compliance of SEBI (ICDR) Regulations, 2009 and SEBI (SAST) Regulations, 2011.
- ii) The Warrants proposed to be allotted and the subsequent conversion thereof in equity shares shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI Regulations.

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."

By Order of the Board of Directors

Place : Noida
Date : May 26, 2014

Rajeev Parashar
Company Secretary



NOTES:

1. **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 BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, June 19, 2014 to Wednesday, June 25, 2014 (both days inclusive).
3. Members/Proxies should bring the Attendance Slip duly completed and signed in accordance with the specimen signature registered with the Company for attending the Meeting. A Proxy Form is annexed to this report.
4. Corporate Members intending to send their authorised representatives are requested to send duly certified copy of Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the company on or before June 23, 2014.
5. Members holding shares in electronic form are requested to intimate any change in their registered address/E-mail address and/or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change in their registered address to the Secretarial Department of the Company or M/s Alankit Assignments Limited, the Registrar and Share Transfer Agent.
6. Members are requested to address all correspondence to the Registrar and Share Transfer Agent, Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055
7. Members are requested to quote Folio numbers/ DPID and Client ID, as the case may be, in all correspondence with the Company.
8. For security reasons briefcases, transistors, bags, tiffin boxes, cameras, binoculars etc. are not allowed inside the Auditorium.
9. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of the Notice.
10. Members are requested to note that dividend not claimed within seven years from the date of declaration shall, as per section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF). Members are requested to contact M/s Alankit Assignments Limited/ Secretarial Department of the Company for claiming the unclaimed dividend standing to the credit of their account.
11. The Certificate from the Auditors of the Company certifying that the Company's Employees Stock Options Scheme is being implemented in accordance with the SEBI (Employee Stock Options Scheme) Guidelines, 1999 and in accordance with the resolutions of the Members in the General Meeting, will be available for inspection by the Members at the Annual General Meeting.
12. In view of the "Green Initiative" announced by Ministry of Corporate Affairs and circular issued by the Securities and Exchange Board of India (SEBI) , the Company will send all correspondences like General Meeting Notices, Annual Reports and any other communication in future (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those shareholders, whose email address is registered with Depository Participant{DP}/Registrar & Share Transfer Agent {RTA} [herein after 'registered e-mail address'] and made available to us, which would be deemed to be the shareholder's registered email address for serving documents including those covered under section 219 of the Companies Act, 1956 [the Act] read with section 53 of the Act and Clause 32 of the Listing Agreement executed with the Stock Exchanges.

Please Note that the Annual Report of the Company will also be available on the Company's website www.bagfilms.com for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the shareholders, any time, as a member of the Company.

13. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

(I) In case of members receiving e-mail:

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on “Shareholders” tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number (“EVSN”) along with “B.A.G. FILMS AND MEDIA LIMITED” from the drop down menu and click on “SUBMIT”.
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <BAGFM2014L> in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter <No. of shares held by you as on 23rd May, 2014> in the Dividend Bank details field.

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

- (A) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
- (B) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- (C) The voting period begins on Wednesday, June 18, 2014 (9:00 am) and ends on Friday, June 20, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Friday, May 23, 2014,> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (E) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Friday, May 23, 2014.
- (F) Mr. Upendar Kumar Sharma, proprietor of M/s Upendar Kumar Sharma & Associates, Company Secretaries (Membership No. ACS 24500, CP No. 10001) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (G) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.bagfilms.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

15. Appointment/Re-appointment of Directors:

Pursuant to Clause 49(IV) (G) of the Listing Agreement, the following information is furnished in respect of the Directors proposed to be appointed/re-appointed.

I. MR. SUDHIR SHUKLA:

Mr. Sudhir Shukla was inducted earlier as a member of the Board of Directors in August 2011. Since joining the company he has contributed his knowledge and experience for promoting and strengthening the business position of the company. He was re-appointed as Non-Executive Director of the Company with effect from February 13, 2013. Mr. Shukla holds a Bachelor's degree in Commerce from Kanpur University.

Companies (other than B.A.G. Films & Media Limited and its subsidiaries) in which Mr. Shukla holds directorship and committee membership:

Directorship

- ARVR Communications Private Limited
- Approach Films & Television Limited
- B.A.G. Live Entertainment Limited

Chairman of Board Committee

None

Member of Board Committee

None

Shareholding in the Company

Mr. Shudhir Shukla holds 26700 equity shares of the Company.

II. MS. URMILA GUPTA

Ms. Urmila Gupta (DIN 00637110) is visionary and prominent personality in Media Industry with more than 40 years of rich experience. She has completed her studies from Lucknow University.

Ms. Urmila Gupta joined the Company as Non Executive Independent Director with effect from November 14, 2013. She has been associated with Television throughout her career. She had a long association with the media both print and electronic having served senior management positions in Press Information Bureau, DAVP, AIR and Doordarshan. Among her major assignments in GOI was long stint heading the Directorate of Film Festivals, a JS level post, in which capacity she organized several national and International Film events in India and abroad and participated in Film fests in Cannes, Venice, Moscow, Tokyo, Algiers, Karlovy Vary, London etc. She was an Executive Director & Board member NFDC, Ministry of Information and Broadcasting, Children's Film Society. She was the first woman Director, P.R. for the Indian Railways under Press Information Bureau, and served there for over 4 yrs.

Companies (other than B.A.G. Films and Media Limited and its subsidiaries) in which Ms. Gupta holds directorship and committee membership:

Directorship

Cinema Capital Contributory Company Private Limited

Chairman of Board Committee

None

Member of Board Committee

None

Shareholding in the Company

None

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act 2013 (the Act) and the Articles of Association of the Company, Ms. Urmila Gupta (DIN 00637110) as an Additional Director of the Company with effect from November 14, 2013. In terms of the provisions of Section 161(1) of the Act. Ms. Urmila Gupta (DIN 00637110) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Urmila Gupta (DIN 00637110) for the office of Director of the Company. Ms. Urmila Gupta (DIN 00637110) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Urmila Gupta (DIN 00637110) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Ms. Urmila Gupta (DIN 00637110) possesses appropriate skills, experience and knowledge, inter alia, in the field of finance and Media Industry.

In the opinion of the Board, Ms. Urmila Gupta (DIN 00637110) fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms. Urmila Gupta (DIN 00637110) is independent of the management.

The Board recommends the adoption of the resolutions as set out at Item no. 4 of the accompanying Notice as an Ordinary Resolution. None of the Directors, key managerial personnel of your Company and their relatives except Ms. Urmila Gupta is concerned or interested in this resolutions.

ITEM NO. 5

Presently the existing Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crore only) divided into 20,00,00,000/- (Twenty Crore only) Equity Shares of Rs. 2/- each (Rupees Two only). In order to augment further capital raise, it is necessary to increase the Authorised Share Capital to Rs. 55,00,00,000/- (Rupees Fifty Five Crore only) comprising 27,50,00,000 (Twenty Seven Crore Fifty Lac only) Equity Shares of Rs. 2/- each (Rupees Two only).

The proposed increase of the Authorised Capital of the Company requires approval of the Members. Consequent upon the increase in Authorized Capital of the Company, its Memorandum will require alteration so as to reflect the increase in share capital.

The Board commends the adoption of the resolution as set out at Item no.5 of the accompanying Notice as a Special Resolution. None of the Directors, key managerial personnel of your Company and their relatives is concerned or interested in this resolution.

ITEM NO. 6

The Company proposes to issue up to 80,000,000 warrants at a price of Rs. 3.40/- per Share (“**Conversion Price**” including a Premium of Rs. 1.40 /- per Share) to the promoter/non promoters category on preferential basis.

As per regulation 73 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the required details are furnished as under:

1. Objects of the issue:

To mobilize funds for funding current/future expansion plans/activities directly by the Company or through subsidiaries/ joint venture companies, potential acquisitions, working capital and general corporate purposes.

2. Pricing:

The proposed issue of shares is governed by the SEBI Regulations.

As per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, 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 related equity shares quoted on a recognized 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 related equity shares quoted on a recognized stock exchange during the two weeks preceding the “relevant date”.

The “relevant date” for the above purpose means the date thirty days prior to the date on which the General Meeting is held to consider the proposed issue under Section 42 and 62 of the Companies Act, 2013 read with rules framed there under. As the date of the Annual General Meeting of the shareholders is June 25, 2014 and the Relevant Date is May 26, 2014. The warrants are proposed to be issued at Rs. 3.40/- per share which is higher than the minimum price arrived at as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 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. Payment & Conversion Terms:

25% of the value of the warrants is to be paid together with application as upfront money and the balance is payable at the time of conversion. In case the option is not exercised within a period of eighteen months from the date of allotment, the application money will be forfeited by the Company. The warrants are converted at the option of the allottee on payment of the balance amount of the issue price at any time during the period of eighteen months.

The amount received from the allottees can be adjusted towards outstanding dues if any, payable by the Company on such terms and conditions and in such manner as the Board may think fit.

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

Proposed allottees Skyline Tele Media Services Limited and B.A.G. Live Entertainment Limited are interested in the said transaction and intend to subscribe to the proposed preferential issue of warrants.

5. Relevant Date:

The “Relevant Date” under the SEBI Regulations for the purpose of determining the price at which warrants shall be issued to the investor is May 26, 2014.

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/non promoters proposed to be allotted in this meeting in to Equity Shares of the Company) would be as under:

Statement showing Shareholding Pattern:

Category	Category shareholder	Pre-Issue*		Post-Issue	
		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	12.63%	21,507,790	8.60%
(b)	Central Government/ State Government(s)	-	0.00%	-	0.00%
(c)	Bodies Corporate	38,194,868	22.44%	86,194,868	34.44%
(d)	Financial Institutions/ Banks	-	0.00%	-	0.00%
(e)	Any other (specify)	-	0.00%	-	0.00%
	Sub – Total (A) (1)	59,702,658	35.07%	107,702,658	43.04%
(2)	Foreign				
(a)	Individuals (Non-Resident/ Individuals/Foreign Individuals)	-	0.00%	-	0.00%
(b)	Bodies Corporate	-	0.00%	-	0.00%
(c)	Institutions	-	0.00%	-	0.00%
	Sub – Total (A) (2)	-	0.00%	-	0.00%
	Total shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	59,702,658	35.07%	107,702,658	43.04%
(B)	Public shareholding				
(1)	Institutions				
(a)	Mutual Funds/ UTI	-	0.00%	-	0.00%
(b)	Financial Institutions/ Banks	-	0.00%	-	0.00%
(c)	Central Government/ State Government(s)	-	0.00%	-	0.00%
(d)	Venture Capital Funds	-	0.00%	-	0.00%
(e)	Insurance Companies	-	0.00%	-	0.00%
(f)	Foreign Institutional Investors	-	-	-	1.18%
(g)	Foreign Venture Capital Investors	-	0.00%	-	0.00%
(h)	Any other (specify):	-	0.00%	-	0.00%
	Sub – Total (B) (1)	-	-	-	-
(2)	Non-Institutions				
(a)	Bodies Corporate	31,312,165	18.40%	63,312,165	25.30%
(b)	Individuals-	78,033,284	45.84%	78,033,284	31.19%

Category	Category shareholder	Pre-Issue*		Post-Issue	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(c)	Any other (specify)				
	NRI	1,071,283	0.63%	1,071,283	0.43%
	OCBs	98,600	0.06%	98,600	0.04%
	Trust	100	0.00%	100	0.00%
	Sub - Total (B) (2)	110,515,432	64.93%	142,515,432	56.96%
	Total Public Shareholding (B) = (B) (1) + (B) (2)	110,515,432	64.93%	142,515,432	56.96%
	TOTAL (A) + (B)	170,218,090	100.00%	250,218,090	100%
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-
	GRAND TOTAL (A) + (B) + (C)	170,218,090	100.00%	250,218,090	100%

* Date as on May 23, 2014 being the cut off date immediately prior to relevant date.

During the Financial Year there is no pledging of equity shares by the Promoters of the Company.

7. Auditor's Certificate:

A certificate as required under SEBI (ICDR) Regulations 2009 certifying that the proposed issue is being made in accordance with the requirements contained in SEBI (ICDR) Regulations 2009 has been obtained from the Auditors of the Company and the same shall be placed in the Annual General Meeting.

8. Lock-In:

The share warrants to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Regulations in this behalf.

9. Change in Management:

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

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

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the allotment of equity shares shall be completed within 15 days from the date of passing of the above resolution in the AGM 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, as the case may be.

11. Identity of proposed allottee(s), percentage of expanded capital to be held by them:

S.No	Name of the Proposed Allottee (s)	Category	Pre-Holding	% to Pre-Issue Capital	Present Issue	% to Post Issue Capital*
1.	Skyline Tele Media Services Limited	Promoter	Nil	Nil	24,000,000	9.59%
2.	B.A.G. Live Entertainment Limited	Promoter	Nil	Nil	24,000,000	9.59%
3.	Oscar Software Private Limited	Non-Promoter	Nil	Nil	11,000,000	4.40%
4.	Canon Media Private Limited	Non-Promoter	Nil	Nil	10,000,000	4.00%
5.	Red Star Infotech Private Limited	Non-Promoter	Nil	Nil	11,000,000	4.40%

* The above holding includes conversion of 80,000,000 warrants.

12. Undertaking to re-compute the price, if required:

The Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the SEBI (ICDR) Regulations 2009, in case it is required to do so.

13. Undertaking to put Equity Shares under lock-in till the re-computed price is paid:

The allotment of shares are subject to the investors not having sold any equity shares during six months preceding the relevant date and the investor not acquiring or selling any equity share until completion of the allotment under the proposed issue of warrants. The Company undertakes that if the amount payable on re-computation of the price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the Equity Shares shall continue to be locked-in till such time such amount is paid by the allottees

In terms of provisions of Section 62 of the Companies Act, 2013, approval of the shareholders through Special Resolution is required for issue of Equity Shares on Preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Act and SEBI (ICDR) Regulations to issue and allot Equity Shares/Warrants on Preferential basis as stated in the Resolution.

The Board of Directors recommends passing of the Special Resolution as set out in the Notice.

None of the Directors, Key Managerial personnel or relatives of Directors or Key Managerial personnel of the Company except Ms. Anuradha Prasad and Mr. Sudhir Shukla, being the Promoter/Directors of the Company and their relatives, is in any way concerned or interested in the said Resolution.

By Order of the Board of Directors

Place : Noida
Date : May 26, 2014

Rajeev Parashar
Company Secretary

DIRECTOR'S REPORT

To,

The Members,

B.A.G. Films and Media Limited

The Directors take pleasure in presenting the 21st Annual Report and the Company's Audited Financial Statements for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2014 is summarized below:

(Rupees in Lakhs)

Particulars	2013-14	2012-13
Total Income	5,881.45	4,538.65
Profit before Depreciation & Financial Charges	1,973.77	1,411.41
Financial Charges	1,684.29	941.65
Cash Profit	289.48	469.76
Depreciation	1,157.34	1453.00
Profit before Tax	(867.86)	(983.24)
Provision for Tax	(8.35)	(97.35)
Profit after Tax	(859.50)	(885.89)
Proposed Dividend	Nil	Nil

OVERALL PERFORMANCE AND OUTLOOK

Your Company achieved an impressive performance in terms of turnover both due to increased revenue from commissioned programmes in India and also from content syndications in International market. Market penetration through innovative services in niche' segments were coupled with concentrated efforts of both Management and employees to attain these levels of performance. The Gross revenues for the current year touched Rs.58.81 crore registering 30% growth over previous year. Profit before depreciation, interest and tax registering a healthy growth of 40% from 14.11 crore to 19.73 crore during the Financial Year. However high financial cost resulted in reduced cash profits, though there was reduction in net losses as compared to previous year.

We look forward to sincere improved revenues from domestic and international markets and better profitability in future.

Television Software:

B.A.G. Network's production house 'Studio 24' holds the unique distinction of producing programs of all genres for a range of channels and audience. Programs like Do Dil

Ek Jaan, and Madhubala amongst others cover a gamut of genres in producing of television programs. Studio-24 has set all new standards in producing television programs. The Company continued its focus on commissioned programs and bagged contracts from prestigious channels.

Your Company developed and strengthened its client base and produced shows for prominent channels viz. Colors, Life OK and Star. The management is confident that this investment would result into improved revenues and better profits in the coming years. The Company also plans to focus on sponsored programmes. With various prestigious contracts in hand, and some more programmes that are lined up for launch, Studio24 seems poised for a very healthy financial year.

The Company in association with 'Nautanki Films Private Limited' made landmark shows such as 'Madhubala- ek-ishq-ek-junoon'(Madhubala) for channel Colors and 'Jaan' on Life OK channel. Two lead characters of the show viz. Madhubala and Rishabh Kundra(RK) won the "Most Lokpriya Jodidar" and another character Bittu Ji won "Most Mazedaar Personality" at the Golden Petal Award Show 2013 on Colors. It also bagged the Best Fiction Show at the Apsara Guild Awards. During the year Madhubala has completed its 535 episodes. The show has received excellent reviews and has been liked across the audience for its unique concept.

Your Company plans to create and deliver popular, high-quality programming for catering to not only domestic but also to the demands of international viewership and expects to earn high returns for the stakeholders. Your Company also leveraged content creations and made optimum use of internal resources and its infrastructure.

Media Education

Your Company has been providing media & entertainment education through its media school iSOMES (International School of Media & Entertainment Studies). iSOMES is offering full time graduate courses in Broadcast Journalism. iSOMES has its affiliation with Mahatma Gandhi University, Shilong and Guru Jambheshwar University and offers full time Graduate & Masters courses in Broadcast Journalism. After completion of two successful years, ISOMES Media Fest 24, "Manthan" entered its third year with its edition of 2014.

iSOMES - iSOMES has spread its wings and its franchise in Lucknow has witnessed the healthy growth. It brings a revolutionary change in the educational world by providing a new stand to people who want to enter and up bringing their creativity in the entertainment world. The other courses offered by the school comprises:-

- Post Graduate full time Diploma in Broadcast Journalism

- Post Graduate full time Diploma in TV Production & Direction
- Certificate in Post Production & Video Editing
- Certificate in Camera & Lighting
- Certificate in Radio Production & Jockeying
- Certificate in Creative Writing & Scripting
- Certificate in Anchoring & Reporting

Broadcasting

News24, a 24 hours National Hindi free to air Hindi news channel operating through its subsidiary News24 Broadcast India Limited has been very well received by the audiences. It has consistently maintained approx. 10% market share in Hindi News Genre and is available throughout India on cable and DTH platforms.

Programs like Aaj Ka Reporter, Aamne Saamne, Sabse Bada Sawal, Mahabharat, Ek Shakhshiyat ki 50 Ansuni Kahania, Itihaas Gawah Hai, Sadda Haq and Khabrein 30 Second Mein amongst others cover a gamut of genres in news reporting and have been received exceptionally well with the audiences across the nation. "Sadda Haq", "Sabse Bada Sawal" and "Mahabharat" are most liked program on News 24.

News 24, Hindi news channel is also available throughout west asia and the MENA Region on DU network. With this, BAG Network marks it's entry into the region and aims to consolidate it's position as one of the globally respected players in the media industry. News 24 promises to consistently raise the standards of journalism with innovative programming and uncompromising integrity.

E24 a 24 hours Bollywood Entertainment channel of your Company operating through its subsidiary E24 Glamour Limited has also been growing at a rapid pace and has garnered healthy channel shares. Pitched as Bollywood's first news channel 'E24' managed to attract audiences of various age groups and succeeded in creating a new genre in television entertainment and remains bollywood ka No.1 channel.

The channel had not only successfully been able to entertain its audience but had also been educating the youth by sending important messages and uplifting the lifestyle to the global standard and at the same time not forgetting its culture and traditions.

In the past years E24 launched a slew of new shows while continuing with its flagship shows like Bollywood Reporter, E Special, TV Ke Peeche Kya Hai, Sound of Bollywood, Golden Era and U Me & TV, thus strengthening its programming line-up further.

BAG Films is proud to announce that E24, India's most popular bollywood entertainment channel is now available

throughout west asia and the MENA region on DU network. With this BAG Films marks it's entry into the region and aims to consolidate it's position as one of the globally recognised players in the media industry. Bollywood ki har baat, dekhiye E 24 ke saath is available exclusively on DU Network placed as channel no. 429.

Darshan24: Darshan24 is the new age devotional channel which has been designed for all age groups. The Channel endeavors to bring the masses close to roots of our Indian culture and its diverse religion in order to teach and preach the new generation our long age tradition & customs.

It is the source of all wisdom, the home of all knowledge, focusing on the elevation and awakening of the soul, the enhancement of the power within us. This channel is dedicated to the Indian Philosophy, Religion, Spiritual solidarity, Culture and dissemination of the vast and timeless knowledge of the great "Sanatana Dharma" to the people of the world.

The programmes on this channel range from Hindu bhajans, kirtans, aartis, aradhanas and spiritual discourses by prominent, respected saints to Good healthy living programs on yoga, general well being, special educational programming highlighting ayurveda along with documentaries on places of worship, temples, cities, on the various festivals of India.

Darshan 24 channel produced programs such as Mandir Darshan, Kaal Chakra, Dharma Special, Margdarshak, Sundarkand, Kaal Chakra and Sanjeevani. These are popular shows which attracts audience of various age groups.

Radio

Your Company has 10 FM Radio stations operated in the brand name 'Dhamaal24' at 106.4 FM under its subsidiary Skyline Radio Network Limited (formerly known as Dhamaal24 Radio Network Limited) in the cities of Hissar, Karnal, Patiala, Shimla, Muzaffarpur, Ranchi, Jabalpur, Jalgaon, Dhule and Ahmednagar.

106.4 FM Radio Dhamaal24 – Har Khushi hai Jahan is a hybrid FM Channel bringing to the listeners life in all manifestations. Dhamaal24 is a channel with a slice of life and approach to the infotainment & entertainment programming. Riding on the vast reservoir of talent and human resource, Dhamaal24's programming ideology is based on extensive research, demographic understanding and strategic planning in synchronization with sales requirements. All out efforts are made to establish Dhamaal24 a brand with great recall value. Various programming are purposely aligned for maximum listenership. Our content entices are our regional listeners.

Your Company has range of novel and popular shows like Dil Ke Mareez Hazir Ho, Zindagi Live, Housefull, Zara Hat Ke Zara Bachke, Omkar, Yad Kiya Dil Ne, Aamne-Saamne, Har Khushi Hai Jahan, Taka Tak Morning, Chughliyan, Velle



Hum Velle Tum, Bolymal, Bumper Bachake , Back to Back and Reel Ki Real Life are aired on Dhamaal24 keeping the regional flavor in each of its programmes offered to its listeners.

DIVIDEND

The Directors express their inability to declare any dividend for the financial year ended March 31, 2014 on account of loss during the year under review. The Company has not made any transfer to General Reserve.

DIRECTORS

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Urmila Gupta (DIN 00637110) was appointed as an Additional Director designated as a Non-executive Independent Director w.e.f. November 14, 2013 and she holds office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Ms. Urmila Gupta (DIN 00637110) for appointment as an Independent Director.

In terms of Article 89 of Articles of Associations of the Company and pursuant to section 152 of the Companies Act, 2013, Mr. Sudhir Shukla (DIN 01567595), retires at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment in terms of the provisions of the Articles of Association of the Company. The Board of Directors recommend his re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

The Companies Act, 2013 provides for appointment of Independent Directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective from 01.04.2014) provides that Independent Directors shall hold office for a term up to five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company.

Sub-section (11) states that no Independent director shall be eligible for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in sub section (6) and (7) of section 152 of the Act shall not apply to such Independent Directors.

Our Non-executive Independent Directors (except for Ms. Urmila Gupta) were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. The Board of Directors has been advised that the Non- executive Independent Directors so appointed would continue to serve the term that was ascertained at the time of appointment as per the resolution pursuant to

which they were appointed. Therefore, it stands to reason that only those Non-executive Independent Directors who will complete their present term at the ensuing AGM of the Company in June 2014, being eligible and seeking re-appointment, be considered by shareholders for re-appointment for a term of up to five consecutive years.

Non- executive Independent Directors who do not complete their term at the ensuing Annual General Meeting, will continue to hold office till the expiry of their term (based on retirement period calculation) and thereafter would be eligible for re-appointment for a fixed term in accordance with the Companies Act, 2013.

Brief profile of the Directors who are to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold the membership of the Board of Directors or committee thereof, chairmanship of the Board, their shareholding etc. as stipulated under Clause 49 of the Listing Agreement, are furnished in the notice of the ensuing Annual General Meeting and in the relevant section on Corporate Governance in the Annual Report elsewhere.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed chapter on “Management Discussion and Analysis Report” pursuant to clause 49 of the Listing Agreement is given elsewhere in the Annual Report separately.

CORPORATE GOVERNANCE

The Company believes that the essence of Corporate Governance lies in the phrase “Your Company”. It is “Your” Company because it belongs to you- ‘the Shareholders’. The Chairperson and Directors are “Your” fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes “Your” long term value. Your Company is committed to benchmark itself with global standards in all areas including highest standards of Good Corporate Governance. Besides adhering to the prescribed Corporate Governance practices as per clause 49 of the Listing Agreement, the company also endeavors to share information with its stakeholders openly and transparently on matters which have a bearing on its economic and reputational interest.

A certificate from Statutory Auditors of the Company regarding the compliance of the conditions of Corporate Governance by the Company as stipulated under Clause 49 of the Listing Agreement is also attached to this Report.

Certificate from CMD/SVP inter alia confirming the correctness of the financial statements, compliance with Company’s Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of clause 49 of the Listing Agreement with the Stock Exchanges, is attached in Corporate Governance Report and forms part of this Report.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the Company's website.

Board Members and Senior Management personnel have affirmed compliance with the Code and a separate declaration to this effect is annexed to the Corporate Governance Report.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the year the Company has changed its registered office from C-4, Shivalik, Near Malviya Nagar Market, New Delhi-110017 to 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096 vide its Board Meeting dated February 14, 2014.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposit under Section 58A and Section 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:-

1. in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

SUBSIDIARY COMPANIES

As per Section 212 of the Companies Act, 1956, we are required to attach the Balance Sheet, Statement of Profit and Loss and other documents of our subsidiaries. During the Year we have four subsidiaries out of which one is foreign wholly owned

subsidiary. The Ministry of Corporate Affairs, Government of India (MCA) vide its Circular No. 2/2011 dated 08.02.2011, has exempted companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2013-14 contains such financial statements of subsidiaries. A statement pursuant to section 212 of the Companies Act, 1956 for summary financial performance of Subsidiary Companies is attached to this report. The audited financial statement and related information of our subsidiaries will be made available on our website, www.bagfilms.com. The documents will also be available for inspection during business hours at our registered office.

The Company is presenting consolidated accounts of its subsidiary companies prepared in accordance with Indian Generally Accepted Accounting Practices (GAAP) and the same are attached herewith.

There has been no change in the nature of business of the company and any of its subsidiary companies during the year.

The Company has obtained a Certificate from the Statutory Auditors of the Company certifying that the Company is in compliance with the the FDI conditionalities w.r.t. no indirect foreign investment in prohibited sector, entry route sectoral cap/conditionalities etc for downstream investment made by in the subsidiary companies at secondary level under Foreign Exchange Management Act, 1999.

PREFERENTIAL ALLOTMENT

Employee Stock Option Scheme (ESOPS)

Pursuant to the Special Resolution passed by the Members at the Extra-Ordinary General Meeting held on February 13, 2007 and in principle approval from the Stock Exchanges, your Company has implemented an Employees Stock Option Scheme ("the BAG ESOP Scheme") to reward the employees of the Company and its subsidiaries for their performance and association with the Company and also to motivate them to contribute to the growth and profitability of the Company, whereby the Company planned to grant up to 10,000,000 options to eligible employees. In the financial year 2008-09 company granted 1,150,000 options to the eligible employees. Each option was exercisable for one equity share at a price of Rs. 13/- each fully paid up on payment to the Company on completion of vesting period as per the above scheme. (Price revised to Rs. 3/- per share under the approval of the members of the Company at Annual General Meeting dated September 04, 2010). During the year 1,50,000 vested options lapsed on expiry of the exercise period.

The certificate, as required under Clause 14 of the said Guidelines, and as obtained from the Statutory Auditors with respect to the implementation of the BAG ESOP Scheme,

shall be placed at the forthcoming Annual General Meeting.

STATUTORY AUDITORS

M/s Joy Mukherjee & Associates, Chartered Accountants, Statutory Auditors of the Company, (Firm Registration No. 006792C), hold the office till the conclusion of the ensuing Annual General Meeting, and are eligible for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits and that they are not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

AUDITORS' REPORT

All observations made in the Independent Auditors' Report and Notes forming part of the Financial Statements are self explanatory and do not call for any further comments under section 217 of the Companies Act, 1956.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2013 (date of last Annual General Meeting) on the Company's website (www.bagfilms.com), and also on the Ministry of Corporate Affairs' website.

HUMAN RESOURCES

Your Directors would like to place on record their deep appreciation of all employees for rendering quality services and to every constituent of the Company be its viewers, producers, regulatory agencies, creditors or shareholders. The unstinting efforts of the employees have enabled your company to remain in the forefront of media and entertainment business.

PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time, forms part

of this Report. However, as per the provision of section 219(1) (b) (iv) of the Companies Act, 1956 the Report and Accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under section 217(2A) of the Companies Act, 1956. Any member interested in obtaining such particulars may inspect the same at the Registered Office or Corporate Office of the Company or write to the Company Secretary for a copy.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, your Company has incurred expenditure in foreign currency to the extent of Rs. 23,03,219 as against Rs. 28,36,348 in the previous financial year 2012-2013 and earned Rs. 7,39,18,820 (previous year Rs. NIL).

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep gratitude to the viewers, producers, vendors, investors and banks for their continued support during the year. Your Directors also wish to place on record their appreciation for the dedicated services rendered by the employees of the Company at all levels, who, through their competence, hard work, solidarity, cooperation and support, have enabled the company to achieve consistent growth.

Your Directors recognize and appreciate the efforts and hard work of all employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

Place : Noida
Date : May 26, 2014

Anuradha Prasad
Chairperson cum
Managing Director
(DIN: 00010716)

Corporate Governance Report

“Creating an ethical culture means instilling and maintaining a commitment to doing the right thing, this time and every time-so much so that it becomes entwined in the essential DNA of the firm”

Your Directors present the Company’s Report on Corporate Governance in compliance with Clause 49 of the Listing Agreement executed with the Stock Exchanges.

1. COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders’ aspirations and societal expectations. The Company’s philosophy on Corporate Governance is to conduct business and its dealings with all stakeholders in compliance with laws and high standard of business ethics for effective control and management system in an organizations, which leads to enhancement of shareholders and other stakeholders’ value. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth.

The Board and Management of the Company believes that Corporate Governance is the commitment for compliance with all Laws, Rules and Regulations that apply to it with the spirit and intent of high business ethics, honesty and integrity resulting in the effective control and management system in the organization leading towards the enhancement of shareholders and other stakeholders’ value. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder’s value.

B.A.G. firmly believes in adopting the ‘best practices’ for sustainable development, increasing productivity and competitiveness within the sector. The essence of corporate governance lies in promoting and maintaining transparency and accountability in the higher echelons of management. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. Good governance practices stem from the culture and mindset of the organisation and at B.A.G. we are committed to meet the aspirations of all our stakeholders. Your Company’s essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS

The Board represents a healthy blend of knowledge and experience. The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

(i) Composition

The Board comprises such number of Executive, Non-Executive and Independent Directors as required under applicable legislation. As on date of this Report, the Board of Directors consists of five Directors, out of which four are Non-Executive Directors. The rich and vast professional expertise of Independent Directors gives immense benefits to the Company. The number of Non-Executive Independent Directors on the Board is more than 50% of the total number of Directors. Ms. Anuradha Prasad, Chairperson cum Managing Director is the only Executive Director of the Company. The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities efficiently and provide effective leadership in the business. Non-executive Directors / Independent Directors do not have any specific term, but retire by rotation in accordance with the provisions of the Companies Act, 2013 and Rules made there under. From now onward, the tenure of the Independent Directors shall be governed in accordance with the provisions contained under Section 149 and they shall not be liable to retire by rotation throughout their tenure.

During the year, Ms. Urmila Gupta (DIN 00637110) is appointed as Non-Executive Independent Director on the Board of the Company with effect from November 14, 2013.

APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

In terms of Article 89 of Articles of Associations of the Company and pursuant to section 152 of the Companies Act, 2013, Mr. Sudhir Shukla (DIN 01567595), retires at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Urmila Gupta (DIN 00637110) was appointed as an Additional Director designated as an Non-executive Independent Director w.e.f. November 14, 2013 and she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Ms. Urmila Gupta (DIN 00637110) for appointment as an Independent Director.

I. MR. SUDHIR SHUKLA:

Mr. Sudhir Shukla was inducted earlier as a member of the Board of Directors in August 2011. Since joining the company he has contributed his knowledge and experience for promoting and strengthening the business position of the company. He was re-appointed as Non-Executive Director of the Company with effect from February 13, 2013. Mr. Shukla holds a Bachelor's degree in Commerce from Kanpur University.

Companies (other than B.A.G. Films & Media Limited and its subsidiaries) in which Mr. Shukla holds directorship and committee membership:

Directorship

- ARVR Communications Private Limited
- Approach Films & Television Limited
- B.A.G. Live Entertainment Limited

Chairman of Board Committee

None

Member of Board Committee

None

Shareholding in the Company

Mr. Shudhir Shukla holds 26700 equity shares of the Company.

II. MS. URMILA GUPTA

Ms. Urmila Gupta (DIN 00637110) is visionary and prominent personality in Media Industry with more than 40 years of rich experience. She has completed her studies from Lucknow University.

Ms. Urmila Gupta joined the Company as Non Executive Independent Director with effect from November 14, 2013. She has been associated with Television throughout her career. She had a long association with the media both print and electronic

having served senior management positions in Press Information Bureau, DAVP,AIR and Doordarshan. Among her major assignments in GOI was long stint heading the Directorate of Film Festivals, a JS level post, in which capacity she organized several national and International Film events in India and abroad and participated in Film fests in Cannes, Venice, Moscow, Tokyo, Algiers, Karlovy Vary ,London etc. She was an Executive Director & Board member NFDC, Ministry of Information and Broadcasting, Children's Film Society. She was the first woman Director, P.R. for the Indian Railways under Press Information Bureau, and served there for over 4 yrs.

Companies (other than B.A.G. Films and Media Limited and its subsidiaries) in which Ms. Gupta holds directorship and committee membership:

Directorship

Cinema Capital Contributory Company Private Limited

Chairman of Board Committee

None

Member of Board Committee

None

Shareholding in the Company

None

(ii) Directors' Attendance Records

As mandated by Clause 49 of the Listing Agreement, none of the Directors on the Board is a member of more than ten Board level Committee and Chairperson/Chairman of more than five such committees, across all such Companies in which he/she is a Director.

The composition of Board of Directors, of your Company and the record of their attendance at the Board Meetings held during the years and Committee meetings are given below:

Name of the Director	Category	Attendance		Number of Directorship in other public companies*	Number of committee positions **	
		Board Meeting	Last AGM		Members	Chairman/Chairperson
Ms. Anuradha Prasad	Chairperson cum Managing Director (Executive Director)	4	Present	4	4	-
Mr. Sudhir Shukla	Non-Executive Director	5	Present	3	1	-
Mr. Prem Behl	Non-Executive Independent Director	5	Present	1	1	-
Dr. Anuradha Mishra	Non-Executive Independent Director	3	Present	3	1	3
Ms. Ragini Kumar	Non-Executive Independent Director	1#	-	-	-	-
Mrs. Urmila Gupta	Non-Executive Independent Director	1	-	-	-	-

Ms. Ragini Kumar resigned from the Board of Directors of the Company on July 31, 2013. One meeting was held during her tenure.

*Excludes private limited companies, foreign companies and companies registered under section 25 of the Companies Act, 1956 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

** Number of Committee positions (member and Chairman/Chairperson) of the Audit Committee and Shareholders'/ Investors' Grievances Committee in public companies (including of B.A.G. Films and Media Limited) have been considered.

(iii) Number of Board Meetings

The Board meets at regular intervals to discuss and decide on Company policy and strategy apart from other regular business. The Board/Committee meetings are pre-scheduled and a tentative calendar of Board and Committee meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. The meetings of the Board are generally held at the Corporate Office of the Company at FC-23, Film City, Sector-16A, Noida -201301, Uttar Pradesh.

Reviews: The Board regularly reviews inter-alia, industry environment, annual business plans and performance against the plans, business opportunities including investments/ divestment, compliance processes including material legal issues, strategy, risk management practices, approval of quarterly/annual results and compliance reports on applicable laws. Senior executives are invited to provide additional inputs at the Board meetings for the items discussed by the Board of Directors, as and when required. However, in case of any special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is confirmed in the next Board Meeting.

Meetings: During the financial year 2013-14, five Board Meetings were held on May 30, 2013; August 12, 2013; August 26, 2013; November 14, 2013; and February 14, 2014 respectively. The Board meets at least once in every quarter to review and approve the quarterly financial results in compliance with Clause 41 of the Listing Agreement along with other items on the agenda. Additional Board Meetings are held as and when necessary.

Compliance: The Company has implemented a robust and comprehensive compliance management system covering the Company and its subsidiaries. All project/business and functional heads submit compliance certificates confirming compliance with the provisions of statutes applicable to their areas of operations. In addition, the Managing Director and SVP Finance and Accounts certify that the financial results present true and fair view of the Company's affair and are in compliance with the existing accounting standards, applicable laws and regulations. The Company Secretary ensures compliance of relevant corporate laws including SEBI regulations and the provisions of the Listing Agreement. The Company Secretary, as Compliance Officer, submits a consolidated compliance certificate confirming compliance of laws, rules, regulations, guidelines, bye-laws applicable to the Company for review of the Board, quarterly.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board.

The Board has constituted the following Committees:

1. Audit Committee
2. Investors' Grievance Committee
3. Securities Committee
4. ESOP Compensation Committee
5. Remuneration Committee

In addition, the Board also constitutes specific committees, from time to time, depending on the business exigencies. The terms of reference of the Committees are reviewed and modified by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. The Company Secretary prepares the agenda and explanatory notes, in consultation with the respective Committee Chairman and circulates the same in advance to all the members. Every member is free to suggest inclusion of item(s) on the agenda. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed for noting and confirmation by the Board.

The Board has, as on date of this Report, constituted the following statutory and non statutory Committees:

3) AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

i) Terms of reference

The broad terms of reference are as under:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. Recommending appointment, reappointment and removal of the statutory and internal auditors, fixation of audit fees and approval for payment of any other services;
3. Reviewing with the management, the periodical financial statements including subsidiaries / associates, in particular the investments made by the unlisted subsidiaries of the Company, before submission to the Board for approval;
4. Reviewing with the management and the statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
5. Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audit;
6. Discussion with internal auditors on any significant findings and follow-up thereon;

7. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
9. Reviewing with the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters / letter of internal control weakness issued by statutory auditors, internal audit reports etc.;
10. Reviewing the Company's financial and risk management policies; and
11. Such other functions as may be delegated by the Board from time to time.

The meetings of Audit Committee are also attended by Financial Officer, Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed in the meeting of the Board. Chairman of the Audit Committee was also present in the previous Annual General Meeting.

(ii) Composition and number of meetings attended by the Members:-

Presently, the Audit Committee of the Company comprises of three non-executive Directors. Mr. Prem Behl, Chairman of the Committee is an Independent Non-Executive Director. Other members are Mr. Sudhir Shukla, Non-Executive Director and Dr. Anuradha Mishra, Independent Non-executive Director. All the members possess financial, management and accounting knowledge/ expertise and have held or hold senior positions in several reputed organizations.

During financial year 2013-14, four Audit Committee Meetings were held on May 30, 2013, August 13, 2013, November 14, 2013 and February 14, 2014 respectively. The Meeting attended by its members is given below:-

Name of the Director	Category	No. of meetings attended
Dr. Anuradha Mishra	Non-Executive Independent Director	3
Mr. Prem Behl	Non-Executive Independent Director	4
Mr. Sudhir Shukla	Non-Executive Director	4
Ms. Ragini Kumar	Non-Executive Independent Director	1

Ms. Ragini Kumar resigned from the Board of Directors of the Company on July 31, 2013. She attended one meeting that was held during her tenure.

4) REMUNERATION COMMITTEE

The Company has constituted a remuneration committee of Directors in compliance with provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement as amended from time to time. The Committee's scope of work includes deciding on remuneration and policy matters related to remuneration of Directors and laying guidelines for remuneration package or compensation.

Committee comprises of three Non-executive Directors. The Chairperson of the Committee is Dr. Anuradha Mishra, a Non-executive Independent Director, Other members of the Committee are Mr. Sudhir Shukla, Non-executive Director and Mr. Prem Behl, Non Executive Independent director.

(i) Remuneration policy and details of Remuneration paid to the Directors

Apart from receiving sitting fees, independent directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, and its management, which in the judgment of the Board may affect independence of judgment of directors.

Company does not pay any remuneration to the non-executive directors. During the year the Company paid sitting fees to Non-Executive Directors for attending meeting. There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors. The sitting fees paid for the year ended March 31, 2014 to the Directors are as follows:-

Name of the Directors	Sitting Fees (in Rs.)
Ms. Anuradha Prasad	-
Mr. Prem Behl	97,500
Dr. Anuradha Mishra	67,500
Mr. Sudhir Shukla	105,000
Ms. Ragini Kumar	22,500
Mrs Urmila Gupta	15,000

Company is not paying any sitting fee to Ms. Anuradha Prasad- Executive Director of the Company. Remuneration paid to Ms. Anuradha Prasad, Executive Director of the Company is given in the notes to the Accounts.

Ms. Ragini Kumar resigned from the Board of Directors of the Company on July 31, 2013. One meeting was held during her tenure.

5) INVESTORS GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted Investors Grievance Committee for redressing

shareholders' and investors' complaints in order to provide the best services to the investors and shareholders. The Investor Grievance Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. The Board has delegated the power of redressal of Investor Grievances to Registrar and Share Transfer Agent who specifically looks into redressing of shareholders' and investors' complaints and queries and generally processes the grievance within the prescribe period from the date of receipt. This has been done to integrate the whole process i.e. the dematerialisation, rematerialisation, share transfer, issue of duplicate share certificate shares, non-receipt of shares, non-receipt of balance sheet, non receipt of dividend or revalidation of dividend and any other query related with the shareholders or beneficiary holders so as to bring it under one roof.

The Board has designated Company Secretary as the Compliance Officer of the committee.

Presently, the Committee consists of three Members viz. Dr. Anuradha Mishra-Chairperson, Non-executive Independent Director, Mr. Sudhir Shukla, Non-executive Director and Mr. Prem Behl Non-executive Independent Director. The committee has powers inter-alia to approve share transfer, transmission, issue of share certificates and power to allot shares and other securities. During the financial year, the Committee met four times.

During the period under review, Company received 34 complaints/queries from shareholders, relating to non receipt of dividend warrants and/or annual reports posted by the company, change of address and bank details, request for revalidation of expired dividend warrants and all of them have been redressed/ answered to the satisfaction of shareholders. There was no investor grievance remaining unattended or pending as on March 31, 2014.

The shareholders may directly e-mail to the company at info@bagnetwork.in for early redresses of their queries.

6) SECURITIES COMMITTEE

The Committee has been specifically formed for the purpose of executing the work related to fresh issue of securities and its scope of work includes finalizing and approving any offer documents, deciding pricing of issue, appointing various authorities, agencies, and other intermediaries for the purpose of executing the issue related formalities and issue and allotment of such securities.

Committee comprises of three members under the Chairmanship of Ms. Anuradha Prasad, Executive Director of the company and other members of the Committee are Mr. Prem Behl and Dr. Anuradha Mishra.

7) ESOP COMPENSATION COMMITTEE

The Committee for allotment of shares under ESOPs has been constituted as per the requirement of relevant

regulations to expedite the process of allotment and issue of eligible shares to the employee of the Company under the BAG ESOP Scheme of the Company.

The ESOP Compensation Committee comprises three Directors of the Board. They are Ms. Anuradha Prasad, Chairperson and Dr. Anuradha Mishra and Mr. Sudhir Shukla as a member. The Committee is constituted for approval, issue and allotment of shares under the ESOP, pursuant to and in terms of "the BAG ESOP Scheme". During the year one meeting of the Committee was held.

8) GENERAL BODY MEETINGS:-

(i) The details of Annual General Meetings of shareholders held in last three years are as under:-

Year	Date	Location	Time
20th AGM 2012-13	September 26, 2013	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	3.30 P.M.
19th AGM 2011-12	September 28, 2012	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	4.30 P.M.
18th AGM 2010-11	September 28, 2011	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	3.30 P.M.

(ii) Special Resolutions were proposed in the above said meetings and duly passed by show of hands.

(iii) No special resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

(9) DISCLOSURES

i) Related Party Transactions

All transactions with related parties including transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relatives etc. are disclosed in the Notes to the Accounts forming part of the Annual Report. There were no materially significant related party transactions during the year having conflict with the interests of the Company. All related party transactions are negotiated on arms length basis, and are intended to further the Company's interests.

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

ii) Whistle Blower Policy



The Board has laid down a Code of Conduct for all Board Members and Senior Management along with all its employees across the organisation. The Code of Conduct of the Company lays down that the employees shall promptly report any concern or breach and suggests not to hesitate in reporting a violation to the concerned superior. The Code of Conduct has been posted on the Company's website which has inherent Whistle Blower Policy.

(iii) Corporate Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

The Company has in place, a formal corporate policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" already notified by the Government of India. Detailed mechanism has been laid down in the Policy for reporting of cases of sexual harassment to 'Internal Complaints Committee' across its all locations, comprising senior officials of the Company and an independent member as prescribed under the said Act, and for conducting inquiry into such complaints, recommending suitable action during the pendency and/or completion of the inquiry including strict disciplinary action including termination of the services.

(v) Risk Management

The Audit Committee periodically reviews the risk management framework of the Company and informs the Board.

(vi) Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has been posted on the Company's website. Board Members and Senior Management personnel have affirmed compliance with the Code and a separate declaration to this effect is annexed to the Corporate Governance Report.

The Company has instituted a comprehensive Code for prevention of Insider Trading, for its Directors and designated employees, in compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

vii) Compliances by the Company

The Company has complied with all the mandatory requirements and reviewed the non mandatory requirements under Clause 49 of the Listing Agreement and these are adopted/complied by the Company's requirement as per the details given below::

(a) The Board

The Company has an Executive Chairperson. None of the Independent Directors has a tenure exceeding those as prescribed under the Listing Agreement . All the Directors of the Company possess requisite qualification to contribute effectively to the Company in their respective capacity as Director.

(b) Remuneration Committee

The Remuneration Committee has been constituted and the details have been mentioned earlier paragraphs in this Corporate Governance Report.

(c) Shareholders' Rights

The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication" herein below and also displayed on the website of the Company. The quarterly/half yearly results are not separately circulated to the shareholders. The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS platform.

(d) Auditors' Qualifications

The Auditors have not qualified the Company's financial statements for the year under review.

(e) Training of Board Members

No specific training programme was arranged for Board members. However, at the Board as well as Committee meetings detailed presentations are made by Professionals, Consultants and Senior Executives of the Company on the business related matters, risk assessment, strategy, effect of the regulatory changes etc.

(f) Mechanism for evaluating Non-Executive Board Members

The Company has not adopted any mechanism for evaluating individual performance of Non-Executive Directors.

(10) MEANS OF COMMUNICATION

The Company publishes its quarterly and yearly financial results in leading National newspapers like Economic Times, Business Standard, Mint and Veer Arjun. Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board.

The Company has its own web-site and all vital information relating to the Company and its performance, including quarterly and yearly results and



presentation, if any, to analysts are posted on the website www.bagfilms.com

(11) GENERAL SHAREHOLDER INFORMATION

i) Company Registration Details

The Company is registered in the State of Delhi, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899DL1993PLC051841.

ii) Annual General Meeting

- Date: Wednesday, June 25, 2014
- Time: 4:00 PM
- Venue: FICCI Auditorium, Tansen Marg, Mandi House, New Delhi - 110001
- Last date of receipt of Proxies: Monday, June, 23, 2014

iii) Financial Calendar Year for 2014-15

(Tentative and subject to change)

- Financial Year: 1st April, 2014 to 31st March, 2015
- First Quarter Results (June, 2014): Latest by second week of August, 2014
- Second Quarter Results (September, 2014): Latest by second week of November, 2014
- Third Quarter Results (December, 2014): Latest by second week of February, 2015
- Fourth Quarter Results (March, 2015): Latest by last week of May, 2015
- Approval of Annual Accounts (2014-2015): Latest by last week of May, 2015

(iv) Date of Book Closure Thursday, June 19, 2014 to Wednesday, June 25, 2014 (both days inclusive)

(v) Dividend Payment Date Not Applicable

(vi) Listing on Stock Exchanges:- Presently, the Equity Shares of the Company are listed with National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange Limited (DSE). The Annual Listing fee for the Financial Year 2014-2015 has already been paid to all the above Stock Exchanges.

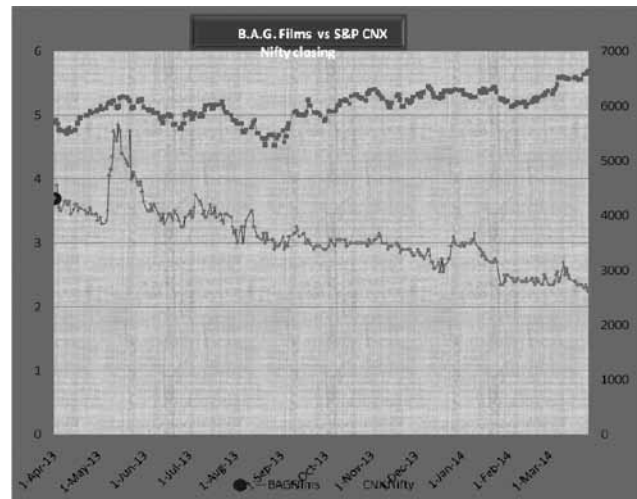
(vii) Stock Code

ISIN (Equity Shares) for Fully Paid Up Share	INE116D01028
ISIN (Equity Shares) for Partly Paid Up Share	IN9116D01018
BSE Code	532507
NSE Code	BAGFILMS

(viii) Market Price Data

Month	NSE		BSE	
	Highest Rates (Rs.)	Lowest Rates (Rs.)	Highest Rates (Rs.)	Lowest Rates (Rs.)
April 2013	4.05	3.15	4.30	3.31
May 2013	5.25	3.30	5.20	3.33
June 2013	3.70	3.10	3.70	3.13
July 2013	3.85	3.15	3.88	3.13
August 2013	3.55	2.85	3.58	2.80
September 2013	3.4	2.85	3.45	2.83
October 2013	3.2	2.40	3.25	2.85
November 2013	3.20	2.80	3.19	2.78
December 2013	3.20	2.50	3.21	2.51
January 2014	3.25	2.25	3.35	2.18
February 2014	2.55	2.30	2.73	2.32
March 2014	2.80	2.05	2.73	2.06

(ix) Performance of the share price of the Company in comparison to S&P CNX Nifty



(x) Registrar and Transfer Agent :- Alankit Assignments Limited
Alankit House
2E/21, Jhandewalan Extension,
New Delhi-110055
011-42541234, 23541234
Fax: 011-23552001

(xi) Share Transfer System

The Company has appointed M/s Alankit Assignments Limited as Registrar and Transfer Agent of the Company. The Company ensures a predetermined process to expedite the share transfers. The shares for transfers received in physical form are transferred expeditiously. The share certificates duly endorsed are returned immediately to shareholders.

In compliance with the Listing Agreements, every six months, the share transfer system is audited by the practicing Company Secretary i.e. Balika Sharma & Associates and the certificates to that effect are issued by her.

(xii) Distribution of Shareholdings as on March 31, 2014

Shareholding of Nominal Value of Rs. 2/- each	No. of Shareholders		No. of Shares	
	Number	%Total	Number	%Total
1 - 100	18848	40.67	671429	0.39
101 - 500	14140	30.51	4643652	2.73
501 - 1000	5586	12.05	4909073	2.88
1001 - 5000	5825	12.57	14261070	8.38
5001 - 10000	988	2.13	7456174	4.38
10001 - 20000	507	1.09	7466616	4.33
20001 - 30000	173	0.37	4351165	2.55
30001 - 40000	72	0.16	2533836	1.49
40001- 50000	56	0.12	2617583	1.54
50001- 100000	69	0.15	4930123	2.90
100001- 500000	67	0.15	13451061	7.90
500001- & Above	14	0.03	103026308	60.53
Total	46345	100.00	170218090	100.00

Shareholding of Non- Executive Directors in the company as on March 31, 2014

Name of Non-Executive Director	No. of shares	Percentage of holding
Dr. Anurradha Mishra	-	-
Mr. Prem Behl	-	-
Mr. Sudhir Shukla	26700	0.016

(xiii) Dematerialization of shares and liquidity

As at March 31, 2014, 99.83 % of fully paid up Equity Share Capital and 78.64 % of partly paid Equity Share Capital are held in electronic form with NSDL and CDSL

(xiv) Address for correspondence

Registered Office
352, Aggarwal Plaza,
Plot No. 8, Kondli,
New Delhi-110 096

Corporate Office
FC-23, Sector 16A, Film City,
Noida- 201 301 (Uttar Pradesh)

(xv) Compliance Officer

Mr. Rajeev Parashar
Contact No. 91-120-3911444 & 3911555
e-mail ID : rajeev.parashar@bagnetwork.in
Fax No. 91-120-3911401

(xvi) Unclaimed Dividend

As per the Companies Act, 1956, dividend that are unclaimed for a period of seven years, statutorily get transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Dates of declaration of dividends since 2006-07 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are as given in the table below..

Financial Year Ended	Date of Declaration of Dividend	Amount remaining unclaimed/unpaid as on 31.03.2014 (Rs.)	Last Date for Claiming unpaid dividend amount (before)	Last Date for Transfer to IEPF
31.03.2007	27.08.2007	77,880	02.10.2014	01.11.2014
31.03.2008	18.08.2008	132,212	24.09.2015	23.10.2015

Members are requested to get in touch with the Company's Registrar and Share Transfer Agents M/s Alankit Assignments Limited or company at their communication address for claiming the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amount of dividend so transferred, nor shall any payment be made in respect of such claims.

(xvii) Compliance

The Certificate dated May 26, 2014 obtained from our Statutory Auditors M/s Joy Mukherjee & Associates forms part of this report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members

B.A.G. Films and Media Limited

We have examined the compliance of the conditions of Corporate Governance by B.A.G. Films and Media Limited ("the Company") for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

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, and as per representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis of our review and according to the information and explanations given to us, we state that in respect of investor grievances received during the year ended March 31, 2014, no investor grievances are pending against the Company.

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 Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner

Membership No. 74602
FRN : 006792C

Place : Noida

Date : May 26, 2014

TO WHOMSOEVER IT MAY CONCERN

We, the undersigned, in our respective capacities as Chairperson cum Managing Director and CFO/SVP of B.A.G. Films and Media Limited ('the Company') to the best of our knowledge and belief certify that:

- We have reviewed financial statements and the cash flow statement for the year.
- Based on our knowledge and information these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading with respect to the statement made.
- Based on our knowledge and information the financial statements and other financial information included in this report present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- To the best of our knowledge and belief, no transaction entered into by the company during the year is fraudulent, illegal or violative of the company's code of conduct.
- We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We further certify that
 - There are no significant changes in internal control over financial reporting during the year and any addition or modification if any, have been intimated to the audit committee;
 - There is no significant change in accounting policies during the year.
 - There is no instance of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- We, further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year. .

Place : Noida

Date : May 26, 2014

Anuradha Prasad
(Chairperson cum Managing Director)
(DIN: 00010716)

Ajay Jain
(S.V.P.- Finance & Accounts)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

2014 is a landmark year for India. An election year that is likely to set the direction of the country going forward and determine whether we resume our journey towards our aspirations. As a nation still on a journey to fulfill its promise and meet the aspirations of its youth, India should aggressively make an effort to transform itself.

Aspirations and ambition are extremely important in a nation's journey towards development. The desire to do better, run faster and go higher is a critical ingredient to propel us, as a nation, forward. The media and entertainment industry in India is a big part of sparking this ambition, widening horizons, and helping transform lives.

The more we, as industry players, can enable the growth of this industry, the more people across the country can be made aware of issues, be educated and entertained, see how other parts of the country and world are and connect with others.

Today, India's M&E industry reaches millions of people. 161 million TV households, 94,067 newspapers (12,511 dailies), close to 2000 multiplexes, 214 million internet users out of which 130 million are mobile internet users – all these are platforms that could drive change and be transformational catalysts.

2013 was a tumultuous year for the industry. In the midst of an economic slowdown, the industry faced several challenges, both business and regulatory. However, 2013 was a year in which the foundation of the industry was strengthened to position for growth as the economy improves.

In television, industry structures began the process of realignment, with MSOs and LCOs in a delicate dance to evolve their relationship. Several regulations including the ad cap and notifications around aggregators were announced, that will likely change how the industry does business. Digitisation has yet to deliver its promise with set top boxes seeded in Phase I and II cities but with packaging and ARPU increases yet to kick in. The future though, looks promising, with efforts being made to introduce channel packaging, implement subscriber management systems and raise the ARPU – initiatives that are likely to benefit all the stakeholders in the television ecosystem.

Films had slower growth in 2013, than in 2012 and returned to the mean as far as growth rates go. Multiplex expansion, ticket prices growth and the expansion of digital screens are all likely to slow down in the near term – challenging the industry to find new avenues to maintain momentum.

However, India is a heavily under-screened country and the macro story for the film industry remains strong. The

print sector had a comfortable year – especially regional print, with English print struggling on the ad revenue front. Advertising remained steady in the smaller towns and cities and elections in the Hindi heartland provided a boost. In 2014, with general elections, the news business is likely to have a good year.

Radio too, had a good year with better long term prospects. The government disappointed again on Phase III licensing – which is now likely to come only after the elections. The industry continues to require regulatory interventions as it is in dire need of reform. FM radio nevertheless, is now becoming an integral part of many media plans. The big hope for the future of the M&E industry continues to be digital.

With a fast growing internet user base of over 200 million internet users, the potential of the industry to enhance engagement with customers and generate revenue from digital media is indeed vast. 2013 saw a few tipping points for digital; the telecom companies began to focus on data as a revenue driver, as contribution from voice slowed, and the advertising agencies began a furious competition to acquire digital and social media boutiques. All of these point to a bright future for this sector.

This year we also cover several new interesting aspects of the M&E sector. Over the years, live events have been emerging as a robust category. Last year saw Indian audiences flocking to shows by international DJs, musicians and comedians. IP driven shows also show record viewership and attendance. Live events have become a major source of revenue for artistes and a credible avenue for sponsors. Several companies in this space are heading towards critical mass and are poised to take the sector forward. We have covered advertising and the evolution of the agency space. These stakeholders in the M&E business are influential. We hope that the insights into the value chain of this part of the media sector will be beneficial for several users of this report. It is time for Indian companies in the M&E sector to begin looking at opportunities outside India. While several companies have gone overseas in search of the diaspora dollar, there are opportunities that Indian companies could begin to explore in mainstream markets overseas. For example, Africa and the Middle East are some of the fastest growing M&E markets. As companies in other sectors have shown, the experience of working in India is an asset when entering these markets – Indian M&E companies could do well to explore the MEA region.

The Indian Media and Entertainment (M&E) Industry, one of the most vibrant and exciting industries in the world, has had a tremendous impact on the lives and the Indian economy. As the M&E industry widens its reach, it plays a critical role in creating awareness on issues affecting, channeling the energy of and building aspirations among India's millions. As it entertains and informs the country, the



M&E industry has been a catalyst for the growth of large parts of the Indian economy. Take for example, a villager – illiterate and previously unaware of what life has to offer, who begins to see a better life through entertainment programs on TV and aspires for a better life for him and his family. This drives demand for various products and services. These aspirations have been key to self motivated transformation taking deep root in India – Transformation not just from handouts and government schemes, but transformation stemming from ambition and aspiration. The media plays a significant role in our lives today and is all pervasive with touch points ranging from television to newspapers to films to radio to outdoor properties. With the addition of new media such as social networking services, animation and VFX, online gaming and applications running on mobile devices, a new dimension has been added to the world of media that was dominated by traditional media. In addition to their implicit impact, all media platforms provide a great opportunity to carry explicit messages to create social impact. Further, interactive and social platforms give people a voice.

INDUSTRY SIZE & PROJECTIONS

In calendar year 2013, the Indian Media & Entertainment (M&E) industry registered a growth of 11.8 per cent over 2012 and touched INR 918 billion. The overall growth rate remained muted, with a slow GDP growth and a weak rupee. Lower GDP meant lower demand from the consumer and this impacted advertising. At the same time, the industry began to see some benefits from the digitisation of media products and services, and growth in regional media. Gaming and digital advertising were the two prominent industry sub-sectors which recorded a strong growth in 2013 compared to the previous year, albeit on a smaller base. For projections till 2018, digital advertising is expected to have the highest CAGR of 27.7 per cent while all other sub-sectors are expected to grow at a CAGR in the range of 9 to 18 per cent. Overall, the industry is expected to register a CAGR of 14.2 percent to touch INR 1785.8 billion by 2018. The Indian M&E sector showed some resilience and began to grapple seriously with some structural issues it has long talked about but not engaged with. These include TV and Print industry measurement, advertising volumes, inventory and rates, actions to see digitisation through and reap its benefits, working out the MSO-LCO relationship, copyright laws and operational efficiency. Many of these remain alive and will take a few years to sort through. Others, like phase III of radio – are still pending regulatory action.

HIGHLIGHTS

- **Television:** Digitisation of cable saw the television industry still on the path of progress, with the mandatory Digital Access System (DAS) rollout almost complete in Phase II cities. The impact was felt to the extent that carriage fees saw a reduction of 15-20

per cent overall, however the anticipated increase in ARPU and subscription revenues for broadcasters and MSOs (Multi System Operators) is expected to be realised only over the next 2-3 years as MSOs begin the process of becoming B2C organisations from B2B organisations. The introduction of packaging is key to raising revenue. Other key highlights in 2013 were the inclusion of LC1 (less than class I) markets in TV ratings, the 12-minute advertising cap ruling and the shift from TRP to TVT ratings.

- **Print:** The print sector continued to buck the global slowdown trend. The sector grew at a CAGR of 8.5 per cent this year to touch INR 243 billion. Regional markets performed exceedingly well on the back of steady advertiser spends, the state election impact and new launches. However, with the validity of IRS data called into question by the industry majors, the sector in the short term suffers from the lack of a robust measurement system, critical for decisions on media planning and allocations.
- **Films:** The film industry recorded a double digit growth, albeit slower than in 2012, with multiple movies scoring big on box office collections. Approximately 90-95 per cent movie screens are now digitised in the country, with a shift in focus to tier II and III cities. Going forward, multiplex growth is expected to slow down, in line with the overall delays and future expectations for retail sector and commercial real estate development, impacting box office growth in the short term.
- **Music:** Streaming and download services continued to see growth, with the growth in mobiles, in particular smartphones, contributing significantly to increased consumption of music 'on-the-go' but monetization of this reach is still a challenge. However, with the continued decline in physical sales, compounded by the significant fall in ringback tone revenues (following the backlash of TRAI guidelines issues in 2012), the sector saw an overall fall in size by 10 per cent in 2013. Going forward, digital revenues are expected to drive growth in the sector, backed by increased collaborations across devices and platforms, and gradual uptake in subscription services. Further, the vibrant live events sector is expected to continue its role as a catalyst for driving growth in artists' fan-base, and public performance royalties.
- **Radio:** The radio industry outperformed all other traditional media segments by clocking a growth of 15 per cent. Currently, clients are being forced to re-evaluate their media mix as their advertising budgets are constantly under pressure. There has been a tendency to shift focus from nationwide pure brand-building to more tactical, local, focused promotional targeting. This has played in radio's favour as it enables

local reach to advertisers increasingly looking to target specific audiences and at affordable pricing. Although phase III of radio frequencies auctioning remained elusive in 2013, implementation of the same in 2014, industry players could establish their presence in over 290 tier II and tier III cities.

- Animation / VFX: 2013 was an important year for the Animation and VFX industry. The most expensive Indian animated movie 'Mahabharat' costing around INR 500 million received global kudos. The production work was done in India and the industry woke up to the promise of VFX. VFX is now being used in most films, whether to add characters, landscape, background or to simply correct the skin tone of an actor. 2013 also saw the introduction of policies by a few state governments to boost the sector. VFX also began to get used in TV. The impetus of visual effects was not restricted to films, but also extended to big budget serials and television commercials. However, the underlying struggle in the industry came to the forefront with the fall of big names like Rhythm and Hues and Digital Domain and retrenchment by some big players.
- New Media: The total internet user base in India grew to approximately 214 million by end of the year with almost 130 million going online using mobile devices. Mobile internet users dominated the total internet user base capturing an overall share of 61 percent. With the dramatic growth in mobile usage, content providers and advertisers are seeking opportunities to get their messages across on this preferred medium of the masses. Digital media advertising grew 38 percent-faster than any other advertising category. Mobile, social and video emerged as star categories in advertising owing to the proliferation of smartphones, 3G and off-deck mobile apps.

BAG NETWORK MARCHES AHEAD

B.A.G. Network's production house 'Studio 24' holds the unique distinction of producing programmes of all genres for a range of channels and audience. Programs like 'Madhubala- ek-ishq-ek-junoon'(Madhubala), Do Dil Ek Jaan amongst others cover a gamut of genres in producing of television programs. Studio-24 produced programs "Madhubala" for television entertainment channels Star TV. Studio-24 has set all new standards in producing television programs. The Company continued its focus on commissioned programs and bagged contracts from prestigious channels. The Company also plans to focus on sponsored programmes. With various prestigious contracts in hand, and a few more programmes are lined up for launch, Studio24 seems poised for a very healthy financial year.

Over the years, Studio 24 has emerged as one of the key players in Indian M&E industry. To capitalise the future

growth opportunities in television and film market, the Company is strategically positioning itself in the market. With increasing demand of creative and niche content in television and movies, there is higher focus on creating original and diverse show content to retain the leadership position. The Company already has a strong presence in Hindi GECs. Further, it is also expanding network on the regional GECs to leverage on the increasing opportunities in regional markets. All inclusive, the Company is poised to retain its growth and it will further leverage the tremendous opportunities of the M & E industry.

The Company in association with 'Nautanki Films Private Limited' made landmark shows such as 'Madhubala- ek-ishq-ek-junoon'(Madhubala) for channel Colors and 'Jaan' on Life OK channel. Two lead characters of the show viz. Madhubala and Rishabh Kundra(RK) won the "Most Lokpriya Jodidar" and another character Bittu Ji won "Most Mazedaar Personality" at the Golden Petal Award Show 2013 on Colors. It also bagged the Best Fiction Show at the Apsara Guild Awards. During the year Madhubala has completed its 535 episodes. The show has received excellent reviews and has been liked across the audience for its unique concept.

Your Company plans to create and deliver popular, high-quality programming for catering to not only domestic but also to the demands of international viewership and expects to earn high returns for their stakeholders.

News24, a 24 hours National Hindi free to air news channel operating through News24 Broadcast India Limited has been very well received by the audiences. It has consistently maintained around 10% market share and is available throughout India on cable and DTH platforms.

Programs like Aaj Ka Reporter, Aamne Saamne, Sabse Bada Sawal, Mahabharat, Ek Shakhshiyat ki 50 Ansuni Kahania, Itihaas Gawah Hai, Sadda Haq and Khabrein 30 Second Mein amongst others cover a gamut of genres in news reporting and have been received exceptionally well with the audiences across the nation. "Sadda Haq", "Sabse Bada Sawal" and "Mahabharat" are most liked program on News 24.

These shows reflects the new and innovative ways of reporting news that has given the maximum viewership and rating to our channel making its marked presence felt in the whole Media Industry.

The Hindi GEC genre will continue to grow, and be the main revenue driver for broadcasters, due to the significant reach and viewership levels.

'E24' a 24 hours Bollywood Entertainment channel of your Company operating through its subsidiary E24 Glamour Limited has also been growing at a rapid pace and has garnered healthy channel shares. E24 managed to attract audiences of various age groups and succeeded in creating



a new genre in television entertainment and today has become bollywoodka No.1 channel. The channel had not only successfully been able to entertain its audience but had also been educating the youth by sending important messages and uplifting the lifestyle up-to to the global standard at same time not forgetting its culture and traditions.

In the past years E24 launched a slew of new shows while continuing with its flagship shows like Bollywood Reporter, E Special, TV Ke Peeche Kya Hai, Sound of Bollywood, Golden Era and U Me & TV, thus strengthening its programming line-up further. There was Rising Stars, featuring a journey of an actor in Bollywood. This show is about an actor's struggle in Bollywood.

E 24's ratings have seen a healthy increment over the last year. With the two fold growth in GRPs the channel today is among the top channels in its segment and poised to grow even further. It is way ahead of its competitors and shows signs of improving even further. It has consistently maintained 7 percent market share and is available throughout India on cable and DTH platforms.

There have been varied estimates regarding the extent of digitisation achieved across the four cities. However, our industry discussions indicate that on an overall basis, 80 to 85 percent of C&S households (including DTH households) are estimated to be digitised across the four metros.

'Darshan24' is a new age devotional channel which is made for masses and all age groups.

The Channel endeavors to bring masses close to roots of our Indian culture and its diverse religion in order to teach & preach the new generation, our long age traditions & customs. . It is the source of all wisdom, the home of all knowledge, focusing on the elevation and awakening of the soul, the enhancement of the power within us.

The programmes on this channel range from Hindu bhajans, kirtans, aartis ,aradhanas and spiritual discourses by prominent, respected saints to Good healthy living - programs on yoga, general well being, special educational programming highlighting ayurveda along with documentaries on places of worship, temples, cities, on the various festivals of India.

During the years the channel produced its programs such as , Mandir Darshan, Kaal Chakra, Dharma Special, Margdarshak, Sundarkand. Kaal Chakra and Sanjeevani are a popular show which manage to attract audience of various age groups.

106.4 FM Radio Dhamaal24 – Har Khushi hai Jahan is a hybrid FM Channel bringing to the listeners life in all manifestations .Dhamaal24 believes that life must be lived to the fullest and celebrated. Dhamaal24 is a channel with a slice of life and approach to the infotainment & entertainment programming. Riding on the vast reservoir

of talent and human resource, Dhamaal24 programming ideology is based on extensive research, demographic understanding and strategic planning in synchronization with sales requirements. All out efforts are made to establish Dhamaal24 a brand with great recall value. Various programming are purposely aligned for maximum listenership. Our content entices regional listeners.

Your Company has also revamped and changed the look of its radio station 'Dhamaal24' with revitalized, novel and popular shows like Dil Ke Mareez Hazir Ho, Zindagi Live, Housefull, Zara Hat Ke Zara Bachke, Omkar, Yad Kiya Dil Ne, Aamne-Saamne, Har Khushi Hai Jahan, Taka Tak Morning, Chughliyan, Velle Hum Velle Tum, Bolymal, Bumper Bachake , Back to Back and Reel Ki Real Life are aired on Dhamaal24 keeping the regional flavor in each of its programmes offered to its listeners.

Your FM radio station, on frequency 106.4 in the name of "Dhamaal24" is now the voice of the regions and its many shows are household names in all ten cities where it is operational i.e.Hissar, Karnal, Patiala, Ranchi, Muzaffarpur, Dhule, Jalgaon, Ahemednagar, Simla and Jabalpur.

Phase 3 will take radio to newer towns which will help the market to expand and also enable growth of radio medium as a category. The recent announcement by the Finance minister in the 2013 budget on the rollout of 839 stations across 294 cities is an encouraging development for the radio industry.

The utilization levels have reached nearly 100 percent during peak season in the top eight metros putting pressure on volume based growth from metros in the near future. For non-metro players too, utilization continued to be a lever for growth – for example, MY FM's average inventory utilization was at 95 percent in prime time followed by non prime time in the range of 75 to 85 percent.

Radio has been waiting for too long for Phase III and the associated regulatory reforms. After a challenging year in 2013, there is now renewed hope that in 2014, the industry will finally see its shackles removed and a regulatory structure enacted that will drive it to the next stage of growth.

As the market conditions remain tough and the core radio business remains under pressure the radio players are increasingly investing more in innovations targeted towards driving listenership and increasing engagement with advertisers. Going forward innovations are likely to continue to play an important role in growth of the sector as rates remain under pressure over the medium term and volume expansion headroom is limited.

1. Media School

Your Company has been providing media education through its media school iSOMES (International School of Media & Entertainment Studies) iSOMES is offering full time graduate courses in Broadcast Journalism. iSOMES

has its affiliation with the top universities like Mahatma Gandhi University, Shilong and offers full time Graduate & Masters courses in Broadcast Journalism. The detailed discussion on the same is given elsewhere in the Director's Report.

The other courses offered by the school comprises:-

- Post Graduate full time Diploma in Broadcast Journalism
- Post Graduate full time Diploma in TV Production & Direction
- Certificate in Post Production & Video Editing
- Certificate in Camera & Lighting
- Certificate in Radio Production & Jockeying
- Certificate in Creative Writing & Scripting
- Certificate in Anchoring & Reporting

After an overwhelming response from students your Company had also started various branches in India in order to nurture the young talent in polished and professional manner as per the international standards.

2. Internet and Mobile Entertainment

Internet has emerged as one of the strongest entertainment mediums owing to increasing internet penetration, higher awareness and changing demographics in the country. Not only for sending mails, watching videos and business related transactions, internet is also being used for intensive shopping by the Indian buyers.

Emergence of internet retailing and e-commerce as a completely new space is driving the growth of number of online shoppers. As a result, the internet retailing companies are getting attracted towards Indian markets which are poised to grow leaps-and-bounds in the years to come. There are about 17 million online shoppers in India and the number is projected to grow over three times in the years ahead.

With easy availability of internet, growing adoption of smart phones and limitations of reach faced by traditional radio, online radio has now emerged as a powerful medium in India to keep the youth engaged. Internet radio is a very popular concept worldwide. With websites such as pandora, live365 and streema, internet radio has come a long way.

Although, internet broadband penetration has been increasing at an enormous pace, current penetration levels are too low to pose a significant threat to the industry. Online reading behaviour indicates that only 35.4 percent of the Indians who ever use the internet, visit newspaper websites and only 9.9 percent of daily web users turn to their newspaper website daily. This is substantially low when compared to countries such as USA and France.

Thus, 'internet on the go' is the new mantra for today's youth and the companies have clearly understood this as well and are making efforts to cater to this demand.

3. Tax and Regulatory

The Indian Finance Minister presented the Finance Bill 2013 on 28 February 2013. There are a few proposals in the Budget which are relevant for the M&E sector from a taxation angle.

On the indirect tax front, the Finance Minister accepted the request of the film industry and the exemption from service tax in respect of copyright in cinematographic films granted last year has been withdrawn. However, the exemption continues in respect of films for exhibition in theatres. Another proposal impacting the distributors of TV channels is increase in customs duty on set top boxes from 5 percent to 10 percent.

On the direct tax front, while the headline corporate tax rate has remained unchanged, the rate of surcharge, if taxable income exceeds INR 10 crores, has been enhanced from 5 percent to 10 percent in case of domestic companies and from 2 percent to 5 percent in case of foreign companies.

Further, the domestic withholding tax rate in case of payment of royalty and fees for technical services to non-residents has been increased from 10 percent to 25 percent. This could have significant impact in relation to payments made for acquisition of content, transponder hire charges, etc. in cases where the tax treaty benefit is not available.

The Government also deferred implementation of the General Anti-Avoidance Rules (GAAR) by two years to FY 2015-16, providing a much needed respite to tax payers. The announcement of the roll out of Phase III of radio licensing is a welcome move that will be a catalyst for growth of the radio industry. The industry has been awaiting this for a while and the new stations will enable radio to be a much more viable medium for advertisers looking for a broader reach. In a welcome move on the regulatory front, the Government, through issue of Press Note 7, has raised Foreign Direct Investment (FDI) limits / liberalized the FDI norms for investment in the broadcast carriage services industry such as Direct-To-Home (DTH), cable TV and also clarified the foreign investment policy in Mobile TV.

The Government has also cleared the Copyright (Amendment) Bill, 2010, which expands the definition of 'copyright' and introduces a system for statutory licensing to protect owners of literary or musical works. The amendments now enable artists to claim lifelong royalty for their works. The Government has also taken several measures to ensure 'digitization' of cable television.

Industry participants anticipate that several tax issues discussed below are likely to be resolved by the Government in the near future.



Further integrating the brands – ‘Cinemas of India’ and ‘Incredible India’, the Ministry of Information and Broadcasting (MIB) and Ministry of Tourism have signed a memorandum of understanding (MOU) to further enhance film tourism. The MoU, which aims to endorse India as a filming destination for domestic and foreign film makers, will facilitate budgetary support for identified film festivals and provide a single window clearance for film shooting permissions. Eventually, it is expected that world tourist arrivals in India would rise from 0.06 per cent to 1 per cent by the end of the 12th Five-Year Plan (2012-17).

B. OPPORTUNITIES AND THREATS

Your Company has a diversified business model in media and entertainment sector and the revenue is expected to come from various segments across various levels of the value chain. The diversified business model of the Company will provide scalability apart from spreading the risk profile of the overall business. The key focus area would continue to be (1) Television content (2) Broadcasting services (3) FM radio (4) Convergence.

Recent policy measures taken by the government can pave the way for gradual recovery for the Indian economy. With some improvement also likely in the global economy in 2013, the prognosis for the Indian economy looks somewhat better and real GDP growth is expected to be in the range of 6.1 to 6.7 percent in 2013- 14. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

C. SEGMENT WISE PERFORMANCE

The segment wise performance has been shown elsewhere in the Annual Report.

D. OUTLOOK

Indian Media and Entertainment Industry (M&E) seems soaring higher and higher every year. It is one of the fastest growing sectors in Indian economy triggered by economic growth and increasing income levels.

The recent KPMG report anticipates the market size of Indian M&E sector to touch Rs 1,661 billion by 2017. Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent of the total media industry. The TV industry continues to have headroom for further growth as television penetration in India is still at approximately 60 percent of total households. India continues to be the third largest TV market after USA and China with 153 million television households. Cable and Satellite (C&S) penetration of television households is close to 90 percent, with DTH driving a significant part of the growth in the last 12 months. With the ongoing digitization

of all analog cable subscribers imminent, penetration level of digital households is expected to increase significantly, going forward. The overall television industry was estimated to be INR 370 billion in 2012, and is expected to grow at a CAGR of 18 percent over 2012-17, to reach INR 848 billion in 2017.

Your Company enjoys a presence in all these segments. With so many opportunities to leverage the future looks attractive.

E. RISK AND CHALLENGES

1. **Piracy:** The issue of piracy remains a critical issue for the Indian film industry. However, there are some changes that have helped the industry battle this issue aggressively. Also, with the shift in consumer preference to the Internet, the business of piracy has also transformed. The physical format (VCDs and DVDs) is disappearing and pirates are therefore shifting online.

However, piracy continues to plague the industry. Indeed, cam cording incidents in theatres have significantly increased in recent times. During January to September 2012, the Motion Pictures Association (MPA) had identified 53 forensic matches to cam cording incidents in India, a 77 percent increase as compared to 30 cam cording incidents for the same period in 2011. The audit report of first nine months of 2012 revealed that India accounted for 54 percent of all forensic matches in the Asia-Pacific region

2. **Under-penetration of theatre screens:** While India leads world averages in terms of the number of films produced each year and attendance, the under penetration of theatre screens in India remains the biggest challenge for the industry. There are just 8 screens per million people, unlike in the United States, where there are 117 per million. As per the Motion Pictures Distributors Association (MPDA), India is among the top nations in the world in terms of video piracy. MPA India estimates that the loss due to piracy in 2012 was USD 1.1 billion, an increase of 15.79 percent from that in 2008.

In this context, it is important that industries collaborate and create efficient mechanisms for content protection. With cooperation from the government and internet service providers, site-blocking measures can combat online piracy. The initiatives of Telugu film industry are a significant step in that direction.

3. **Regulatory hurdles:** High entertainment tax acts as a major impediment to the growth of exhibition industry, as the overall tax implication is as high as 40-50 percent in states like Maharashtra, Uttar Pradesh, Bihar and Karnataka. Such high rates of entertainment tax on box office admissions seem irrational considering that

films are available on other platforms like television and Internet platforms for free or very little cost. Such regulations have also led to many corrupt trade practices. To save on entertainment tax, some theatre owners under-declare occupancy rates. It is estimated that approximately 25-30 percent of the ticket sales is under reported by these theatres. Hence, it is imperative that the entertainment tax structure across the country be rationalized by bringing down rates of entertainment taxes. .

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The CFO and SVP Finance & Accounts Certification provided elsewhere in the report discusses about the adequacy of our internal control systems and procedures.

Your Company has adequate internal control system commensurate with the size and nature of its business. Your Company's internal audit process is being handled by the your well experienced and learned management and often if required assistance is sought from one of the Leading and renowned Audit firms, which also helps in monitoring the adequacy and effectiveness of the internal control system and the status of compliance of operating systems and policies.

Your Company's Internal Control system is designed to:

- Safeguard the company's assets and to identify liabilities and managed it accordingly.
- Ensure that transactions are properly recorded and authorized.
- Ensure maintenance of proper records and processes that facilitates relevant and reliable information.
- Ensure compliance with applicable Laws and Regulations.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements appearing separately. Please refer the Directors' Report for highlights.

H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

B.A.G Network considers Human Resources to be one of the key elements to sustain competitive advantage in the News Media Sector. Media organizations are human driven;

its growth depends upon the quality contribution made by the people in the organization. Therefore, your Company recognizes human resources as a key component for facilitating organizational growth. Your Company has continuously worked to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment and that is why that in this slowdown your company has managed to sustain its leadership in the electronic media.

Now that the economy is getting out of the recession mode, recruitment, as well as retention of good employees is likely to become a primary concern. Employees with flexible or multiple skills (within different sectors of media) as well as in-depth knowledge of each sector may be required. Employees with niche as well entrepreneurial skills-set are likely to increase, considering the rise of new media.

B.A.G. aims to recruit, nurture and retain quality professionals and provide them with a high performance environment. Knowledge and intellectual assets are being strategically shared across B.A.G. At B.A.G., we have understood the potential of the human resource and its contribution to the financial standing of your company. Therefore, the human asset is highly valued and regarded by your company. No effort is spared to provide the employees with a healthy work environment and all assistance is rendered in order to bring-out the best in each one of them. B.A.G. is reassessing traditional notions about employment and experimenting with broad-based employee ownership. As a result, a new concept of ownership is emerging: one that focuses on the connections between shareholders, managers, and employees in the form of ESOP.

Cautionary statement

Statements in the Management Discussion and Analysis and the annual report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations in India and other countries. Actual results could defer materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the domestic market, in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors and unforeseen circumstances.

(*Source of information: FICCI-KPMG Indian Media and Entertainment Industry Report, 2014)



Independent Auditor's Report

To
The Members of
B.A.G. Films and Media Limited
Report on the Financial Statements

We have audited the accompanying financial statements of B.A.G. Films and Media Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give

in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee

Partner

Place : Noida

Dated : May 26, 2014

Membership No.074602

FRN: 006792C

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 of our Report of even date]

- The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - The fixed assets are physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
 - In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- The inventory of video tapes and films have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - In our opinion, the procedures of physical verification of inventory of video tapes and films followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. (a) The Company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of television serials. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, if any, have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, having regard to the fact that the items sold/services rendered/received are of a special nature and suitable alternate sources do not exist for obtaining comparative quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or the prices at which the transactions for similar goods have been made with other parties.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company as the Company is not involved in any manufacturing activity.
9. (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues where applicable have been generally, regularly deposited with appropriate authorities. According to the information and explanations given to us, none of the undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the dates of becoming payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.
10. The Company has incurred loss amounting to Rs 85,950,482/. (Previous Year Rs. 88,589,009/-) during the year ended March 31, 2014 further, The Company has incurred Cash profit after tax of Rs 29,783,361/- (Previous year cash profit after tax of Rs. 56,711,400/-) during the financial year ended on that date.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. The company has obtained term loan of Rs 61,86,00,000 (Previous Year Rs. 32,00,00,000 from Canara Bank Limited) from Yes Bank Limited during the year. On basis of overall examination of Balance Sheet of Company, in our opinion and according to the information & explanation given to us no such funds is used for purpose other than for which it was raised. Therefore clause 4(xvi) of the order is not applicable.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-terms investment.
17. Based on our examination of the records and documents of the Company, and according to the information and explanation given to us, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments and therefore clause(xiv) of the Order is not applicable to the Company.
18. The Company has not issued any debentures.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner

Place : Noida
Dated : May 26, 2014

Membership No.074602
FRN: 006792C

B.A.G Films and Media Limited
Balance Sheet as at March 31, 2014

Particulars	Note No.	March 31, 2014		March 31, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	340,265,339		340,265,339	
(b) Reserves and Surplus	2	2,414,337,352		2,522,557,143	
Total of shareholders' funds			2,754,602,691		2,862,822,482
2. Non-current liabilities					
(a) Long-term borrowings	3	619,699,422		682,006,472	
(b) Deferred Tax liabilities (Net)		21,430,026		22,265,467	
(c) Long-term Provisions	4	4,079,962		3,051,826	
			645,209,410		707,323,765
3. Current Liabilities					
(a) Short term borrowings	5	404,385,145		139,394,960	
(b) Trade payables		137,748,202		72,324,944	
(c) Other current liabilities	6	50,618,484		65,046,275	
(d) Short term provisions	7	12,388,017		12,388,017	
			605,139,848		289,154,196
TOTAL			4,004,951,949		3,859,300,443
II. Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	551,867,735		660,240,285	
(ii) Intangible assets	9	63,119,491		65,471,321	
(iii) Capital work-in-progress		278,159,289		228,159,289	
(b) Non-current investments	10	2,469,356,130		2,172,899,046	
(c) Other non-current assets	11	-		1,639,643	
			3,362,502,645		3,128,409,584
2. Current assets					
(a) Inventories	12	266,665,851		206,206,776	
(b) Trade receivables	13	244,835,863		164,767,378	
(c) Cash and Cash equivalents	14	42,214,739		106,626,065	
(d) Short-term loans and advances	15	88,732,851		253,290,640	
			642,449,304		730,890,859
TOTAL			4,004,951,949		3,859,300,443

The Notes referred to above are an integral part of the Balance sheet

As per our report of even date

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Ajay Jain
SVP-Finance & Accounts

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner

Place : Noida
Date : May 26, 2014

M.No. 074602
FRN: 006792C

B.A.G Films and Media Limited
Statement of Profit and Loss for the Period ended March 31, 2014

Particulars	Note No.	March 31, 2014		March 31, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	16	570,114,219		449,188,781	
II Other Income	18	18,030,469		4,676,370	
III Total Revenue (I + II)			588,144,688		453,865,151
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in-trade		(60,459,075)		(46,111,665)	
Employee benefits expense	19	21,316,758		25,986,432	
Finance Cost	17	168,428,933		94,164,569	
Depreciation and amortization expense		115,733,843		145,300,409	
Other expense	20	429,910,152		332,849,583	
Total Expense			674,930,611		552,189,328
V Profit before exceptional and extraordinary items and tax (III-IV)			(86,785,923)		(98,324,177)
VI Exceptional Items			-		-
VII Profit before extraordinary items and tax (V-VI)			(86,785,923)		(98,324,177)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(86,785,923)		(98,324,177)
X Tax expense:					
(1) Current tax/Wealth Tax			-	40,172	
(2) Deferred tax			(835,441)	(9,775,340)	
			(835,441)		(9,735,168)
XI Profit/(Loss) for the period from continuing operations (IX - X)			(85,950,482)		(88,589,009)
XII Earnings per equity share:					
(1) Basic			(0.58)		(0.51)
(2) Diluted			(0.58)		(0.51)

The Notes referred to above are an integral part of the Balance sheet

As per our report of even date

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Ajay Jain
SVP-Finance & Accounts

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner

Place : Noida
Date : May 26, 2014

M.No. 074602
FRN: 006792C



Notes to Financial Accounts

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Note-1		
Share Capital		
Equity Share Capital		
Authorised Share Capital		
200,000,000 Equity Shares of Rs. 2/- each	400,000,000	400,000,000
(Previous Year 200,000,000 Equity Shares @ Rs. 2/- each)		
Total	400,000,000	400,000,000
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for Cash in Preferential Allotment (Previous Year 42,728,000 Equity Shares @ Rs 2/- Each)	85,456,000	85,456,000
10,000,000 Equity Shares of Rs. 2/- each Fully paid up for cash by Converting Share Warrants (Previous year 100,00,000 Equity Shares @ Rs 2/- Each)	20,000,000	20,000,000
20,000,000 Equity Shares of R. 2/- Each Fully Paid up for cash by Converting Share Warrants (Previous Year 15,000,000 Equity Shares @ Rs 2/- Each)	40,000,000	40,000,000
37,000,000 Equity Shares @ Rs. 2/- Per Share Represented by 3,700,000 GDR issued @ USD 4.71 per GDR	74,000,000	74,000,000
405,000 Shares of Rs. 2/- Each against ESOPS(Previous year 405,000 Shares @ Rs.2/- Each)	810,000	810,000
22,566,200 Equity Shares of Rs. 2/- Each Issued as Bonus shares by Capitalising General Reserves	45,132,400	45,132,400
	340,436,180	340,436,180
Calls unpaid (170,841 Equity Shares @ Rs. 1/-)	170,841	170,841
Total	340,265,339	340,265,339

Details of share holding in excess 5% of share capital:

Name of Shareholders	March 31, 2014
	No. of Shares
Anuradha Shukla	21,479,190
ARVR Communications Pvt. Ltd.	38,194,868
High Growth Distributors Pvt Ltd	13,078,000
Sameer Gehlaut	20,250,900

Details of issued, subscribed and fully paid up share capital:

Particulars	Number of Shares	
	March 31, 2014	March 31, 2013
Equity Share capital		
- Number of shares held	170,218,090	170,218,090
- Number of share holders [including their nominees]	46,345	45,295

Details of issued, subscribed and not fully paid up share capital:

Particulars	Number of Shares	
	March 31, 2014	March 31, 2013
Equity Share capital		
- Number of shares held	170,841	170,841
- Number of share holders [including their nominees]	287	287

Details of Call unpaid

Particulars	March 31, 2014		March 31, 2013	
	Number of Shares	Total	Number of Shares	Total
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,841	170,841	170,841	170,841

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 31, 2014 Issued , Subscribed and fully paid up share capital:-

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	170,218,090	340,436,180
Conversion	-	-
Closing Balance	170,218,090	340,436,180

Issued , Subscribed and not fully paid up:-

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	170,841	170,841
Conversion	-	-
Closing Balance	170,841	170,841

Note-2

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Reserves and Surplus		
Capital Reserves		
Opening Balance	60,150,000	60,150,000
Add: Additions during the year	-	-
Sub Total	60,150,000	60,150,000
General Reserves		
Opening Balance	37,927,284	37,927,284
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Sub Total	37,927,284	37,927,284
Securities Premium Reserves		
Opening Balance	2,409,268,449	2,342,893,449
Add : Premium on Shares Issued during the year	-	66,375,000
	2,409,268,449	2,409,268,449
Less: Calls Unpaid (170,841 Equity Shares @ Rs.4/- each)	683,364	683,364
Sub Total	2,408,585,085	2,408,585,085
Employee Stock option outstanding account		
Opening Balance	9,677,250	9,677,250
Less: ESOP Lapsed	9,677,250	-
Sub Total	-	9,677,250
Surplus		
Opening Balance	6,217,524	93,828,283
Add: Profit / (Loss) for the year	(85,950,482)	(88,589,009)
Adjustment relating to earlier year	(12,592,059)	978,250
Sub Total	(92,325,017)	6,217,524
Total	2,414,337,352	2,522,557,143

Note-3 Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Long- Term Borrowings		
Secured Loans		
A. Vehicle Loans		
- From Bank	874,422	1,309,087
B. Term loans		
- From Bank	618,600,000	677,497,385
C. Deposits	225,000	3,200,000
Total	619,699,422	682,006,472

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured other long-term borrowings:

A. Term loan from banks:

Term loans are secured by exclusive Charge on Land and Building at the Film city Noida, all current assets and all other moveable fixed assets of B.A.G. Films and Media Limited.

B. Vehicle Loans from banks:

Vehicle Loan taken from HDFC Bank and Bank of India secured by vehicle financed by bank and repayable as per repayment schedule issued by the Bank.

C. Security Deposit:

Security deposit received against letting out of building premises, Studio for office use and Shooting purpose, repayment as per agreed terms of the contract.

Disclosure in relation to default in repayment of loans and interest in respect of the following:

A. Term loans from banks:

No default has been made in repayment of Principal and interest on term loan during the financial year ended 31 March 2014

B. Vehicle Loans from banks:

No default has been made in repayment of Principal and interest on Vehicle loan during the financial year ended 31 March 2014

Note-4

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	2,765,278	1,956,739
Others		
- Provision for Leave encashment	1,314,684	1,095,087
Total	4,079,962	3,051,826

Note-5 Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Bank	404,385,145	119,394,960
Unsecured		
Other loans and advances	-	20,000,000
Total	404,385,145	139,394,960

Details of security for the secured short-term borrowings:

Particulars	Nature of Security
Loan repayable on demand	
From Bank	Immovable Property

Note-6

Particulars	March 31, 2014	March 31, 2013
Other Current liabilities		
Current maturities of long term debt	414,775	24,598,405
Income received in advance	-	4,911,648
Unclaimed Dividend	210,091	383,308
Other payables		
Statutory remittances	38,992	35,365
Taxes Payable	24,702,234	2,941,033
Other Liability	10,535,111	26,220,691
Employee Cost	3,757,618	2,939,046
Advances from customers	10,959,663	3,016,779
Total	50,618,484	65,046,275

Note-7

Particulars	March 31, 2014	March 31, 2013
Short-Term Provisions		
Provision for Income Tax	12,307,673	12,307,673
Provision for Wealth Tax	80,344	80,344
Total	12,388,017	12,388,017

Note 8 - Fixed assets schedule as per Companies Act, 1956 for the Year ended March 31, 2014.
Tangible Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2013	Addition during the year	Sale/ Adj during the year	Cost as at 31.03.2014	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2014	W.D.V as at 31.03.2014	W.D.V as at 31.03.2013
	Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	57,825,219
Building	174,668,505	1,586,930	-	176,255,435	50,756,087	6,206,894	-	56,962,981	119,292,454	123,912,418
Plant & Machinery	559,915,792	1,161,368	-	561,077,160	298,935,016	50,777,587	-	349,712,603	211,364,557	260,980,776
Computers & Peripherals	206,612,840	1,084,520	-	207,697,360	157,566,852	15,470,915	-	173,037,767	34,659,593	49,045,988
Vehicle	26,751,544	-	-	26,751,544	20,476,332	1,624,652	-	22,100,984	4,650,560	6,275,212
Furnitures & Fixtures	250,155,310	115,975	-	250,271,285	113,940,329	35,371,108	-	149,311,437	100,959,848	136,214,981
Office Equipments	52,736,399	810,670	-	53,547,069	26,750,708	3,680,857	-	30,431,565	23,115,504	25,985,691
Total	1,328,665,609	4,759,463	-	1,333,425,072	668,425,324	113,132,013	-	781,557,337	551,867,735	660,240,285

Note 09 - Fixed assets schedule as per Companies Act, 1956 for the Year ended March 31, 2014.

Intangible Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2013	Addition during the year	Sale/ Adj during the year	Cost as at 31.03.2014	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2014	W.D.V as at 31.03.2014	W.D.V as at 31.03.2013
	Computer Software	148,353,083	250,000	-	148,603,083	82,881,762	2,601,830	-	85,483,592	63,119,491
Total	148,353,083	250,000	-	148,603,083	82,881,762	2,601,830	-	85,483,592	63,119,491	65,471,321

Note-10

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Non-Current Investments		
Trade Investments at cost		
Quoted		
5,000 Equity Shares of Mukta Arts Limited Having Face Value of Rs. 5/- per share fully paid up Purchased @ RS.100/- Per Equity Share (Market Value as on 31-03-2014 is Rs. 36.45) (Previous Year Rs. 28.40)	500,000	500,000
Investment in Mutual Funds	4,621,178	4,621,178
Non Trade Investment at Cost		
Unquoted		
12,400 Equity Shares of B.A.G.Infotech Private Limited having Face Value of Rs 10/- per share fully paid-up	124,000	124,000
24,500 Equity Shares(Previous Year 24,500 Equity Shares) of B.A.G. Live Entertainment Limited having Face Value of Rs 10/- per share fully paid-up	245,000	245,000
485,000 Equity Shares(Previous Year 485,000 Equity Shares) of B.A.G. Business Ventures Limited having Face Value of Rs 1/- per share fully paid-up	485,000	485,000
296,006 Optionally Fully Convertible Debenture (Previous Year Nil) of B.A.G. Business Venture Private Limited Having Face Value of Rs. 100/- per Optionally Fully Convertible Debenture	29,600,600	-
255,512 Optionally Fully Convertible Debenture (Previous Year Nil) of Approach Films and Television Limited having Face Value of Rs. 100/- per Optionally Fully Convertible Debenture	25,551,200	-
In Joint Venture Company at Cost		
Unquoted		
Nil Equity Shares (Previous Year 483,376 Equity Shares) of Sieun and B.A.G.Animation Private Limited having Face Value of Rs. 10/- per Shares fully paid up	-	4,833,760
In Subsidiaries at cost		
Unquoted		
20,614,100 Equity Shares (Previous Year 20,614,100 Equity Shares) of Skyline Radio Network Limited (formerly known as Dhamaal 24 Radio Network Limited) Having Face Value of Rs 10/- per Share fully paid up	346,112,034	346,112,034
18,453,039 Equity Shares (Previous Year 17,123,151 Equity Shares) of News24 Broadcast India Limited having Face value of Rs 10/- per share fully paid up	1,044,230,373	915,231,237
18,564,909 Equity Shares (Previous Year 17,307,327 Equity Shares) of E24 Glamour Limited having face Value of Rs. 10/- per Shares fully Paid up	1,017,771,291	895,785,837
Nil Equity Shares (Previous Year 496,100 Equity Shares) of B.A.G. Animation Private Limited having face Value of Rs. 10/- per Shares fully Paid up	-	4,961,000
In Foreign Subsidiaries at cost		
Unquoted		
Investments in B.A.G. Network Limited	115,454	-
Total	2,469,356,130	2,172,899,046

Particulars	As at March 31, 2014		As at March 31, 2013	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Franklin India Prima Fund	283,382	-	283,382	-
2. Principal Cash Management Fund	62,596	-	62,596	-
3. Pru ICICI Infrastructure Fund-Div Payout	2,000,000	-	2,000,000	-
4. Tata Indo-Global Infrastructure Fund	2,000,000	-	2,000,000	-
5. Templeton Treasury Management Account	275,200	-	275,200	-
B. Other Investment				
Investment in equity instruments				
(i) of subsidiaries	-	2,408,229,152	-	2,162,090,108
(ii) of joint venture companies	-	-	-	4,833,760
(iii) of other entities	-	56,005,800	-	854,000
Total	5,121,178	2,464,234,952	5,121,178	2,167,777,868

The current market price of the Mukta Arts limited is Rs. 182,250/-

* Aggregate values of quoted investment is Rs. 500,000/- (Previous Year Rs. 500,000/-), The current market price of the said shares is Rs. 182,250/- (Previous Year Rs. 142,000/-), This is being long term investment, the company considers this fall in value as temporary.

*Aggregate value of quoted investment (Mutual Fund) is Rs. 4,621,178/- (Previous Year Rs. 4,621,178/-)

* Aggregate values of un-quoted investment is Rs. 2,464,234,952/- (Previous Year Rs. 2,167,777,868/-)

* During the year the Company has transferred Equity Share 496100 from Joint venture Company Sieun & B.A.G. Animation Private Limited and Equity Share 483,376 from Subsidiary Company B.A.G. Animation Private Limited to E24 Glamour Limited.

* During the year the Company consolidated its investment in News24 Broadcast India Limited(Subsidiary) and E24 Glamour Limited (Subsidiary) amounting to Rs. 12,89,99,136.00 (Equity Share 13,29,888 @ Rs. 97.00 Per Share, Premium Rs. 87.00 Per Share) and Rs. 12,19,85,454.00 (Equity Share 12,60,159 @ Rs. 97.00 Per Share, Premium Rs. 87.00 Per Share) respectively.

* The Company has invested in 296,006 OFCDs of Rs. 100 each in B.A.G Business Venture Limited and 255,512 OFCDs of Rs. 100 each in Approach Films and Television Limited against outstanding loans and advances. The OFCDs are convertible into equity shares at a fair valuation mutually agreed between parties.

Valuation of Investment

Long term investments are stated at cost.

Note-11

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Other Non-Current Assets		
Unamortised expenses		
A. Deferred Employee Compensation		
Opening Balance	1,639,643	6,558,571
Add: Incurred during the year	-	-
	1,639,643	6,558,571
Less: Written off	1,639,643	4,918,928
Sub Total	-	1,639,643
Total	-	1,639,643

Note-12

Particulars	March 31, 2014	March 31, 2013
	Inventories	
Raw Materials	866,000	618,430
Work in Progress	35,974,826	20,848,375
Finished Goods	229,825,025	184,739,971
Total	266,665,851	206,206,776

Note-13

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,514,301	5,409,506
	1,514,301	5,409,506
Less: Provision for doubtful trade receivables	-	-
Sub Total	1,514,301	5,409,506
Other Trade receivables	243,321,562	159,357,872
	243,321,562	159,357,872
Less: Provision for doubtful trade receivables	-	-
Sub Total	243,321,562	159,357,872
Total	244,835,863	164,767,378

Note-14

Particulars	March 31, 2014	March 31, 2013
Cash and Cash Equivalents		
Cash in hand	924,605	582,865
Cheques, Draft in hand	2,710,425	-
Balance with Banks		
- In current accounts	20,555,343	99,487,605
- In deposit accounts	13,539,302	1,138,806
- Balances held as security against guarantees	3,819,000	3,819,000
Imprest with Staff	666,064	1,597,789
Total	42,214,739	106,626,065

Note-15

Particulars	March 31, 2014	March 31, 2013
Short Term loans and advances		
Unsecured, Considered Good		
A. Loans and advances to related parties	-	55,318,938
	-	55,318,938
Less: Provision for doubtful loans and advances	-	-
Sub Total	-	55,318,938
B. Balances with government authorities		
Advance Taxes	49,055,676	49,554,323
Service Tax Credit	646,235	556,190
Sub Total	49,701,911	50,110,513
C. Earnest Money & Security Deposits	10,187,224	10,044,474
	10,187,224	10,044,474
Less: Provision for doubtful loans and advances	-	-
Sub Total	10,187,224	10,044,474
D. Prepaid Expenses	4,802,861	3,912,851
Sub Total	4,802,861	3,912,851
E. Loans and advances to employees		
Unsecured, considered good	2,745,753	1,375,379
	2,745,753	1,375,379
Less: Provision for doubtful loans and advances	-	-
Sub Total	2,745,753	1,375,379

Particulars	March 31, 2014	March 31, 2013
F. Others		
Advances to others	21,295,102	132,528,485
Sub Total	21,295,102	132,528,485
Total	88,732,851	253,290,640

Note-16

Particulars	March 31, 2014	March 31, 2013
Revenue from Operations		
Revenue from- Sale of Services		
Audio-Video Productions	408,280,745	365,654,477
Income from Content & Sale of Rights	73,918,820	-
Income from Media Education	18,621,094	18,485,256
Sub Total	500,820,659	384,139,733
Other Operating Revenues		
Income from Leasing of Equipment	55,573,888	55,573,888
Income from Rent	13,719,672	9,475,160
Sub Total	69,293,560	65,049,048
Total	570,114,219	449,188,781

Note-17

Particulars	March 31, 2014	March 31, 2013
Finance Cost		
A. Interest expense on Borrowing	118,443,707	85,848,996
B. Other borrowing cost		
Bank Charges	180,226	661,221
Processing Fees	49,805,000	7,654,352
Total	168,428,933	94,164,569

Note-18

Particulars	March 31, 2014	March 31, 2013
Other Income		
Interest Income		
Interest income from Bank		
Deposit	1,238,799	394,894
Other Interest	912,492	628,686
	2,151,291	1,023,580
Dividend Income	2,500	-
Net Gain/Loss on sale of		
Long -Term Investment	6,906,674	1,015,300
Other Non-Operating Income(net of expenses directly attributable to such income)		
Miscellaneous income	268,628	636,195
Employee Compensation Expenses written back	8,037,607	-
Sundry balance written back	663,769	2,001,295
	8,970,004	2,637,490
Total	18,030,469	4,676,370

Note-19

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Employee Benefit Expense		
Salaries, Wages and Bonus	19,220,906	18,909,729
Contribution to Provident and other funds	1,286,009	1,141,372
Expense on Employee stock option scheme (ESOP)	-	4,918,928
Staff Welfare Expenses	809,843	1,016,403
Total	21,316,758	25,986,432

Note-20

Particulars	March 31, 2013	March 31, 2012
Other Expenses		
Power and fuel	22,145,320	15,313,053
Lease Rent	408,957	1,402,899
Repairs to Building	1,436,969	3,352,999
Repairs to Machinery	9,444,241	2,866,049
Insurance	2,838,588	5,051,789
Rates and Taxes, Excluding Taxes on Income	2,648,309	3,179,452
Loss on foreign currency transaction	371,147	84,358
Loss on sale of Assets	-	1,310
Payment to auditors		
- As Auditor	345,000	345,000
- For Taxation Matters	75,000	75,000
- For Management Services	25,000	25,000
- For Reimbursement of Expenses	125,757	112,071
Camera Hiring Charges	7,209,250	5,006,850
Professional Charges Artist, Directors, Technicians	217,170,830	142,061,293
Location & Studio Hiring Charges	26,558,991	20,203,011
Set Expenses	28,323,041	26,192,207
Taxi and Equipment Hiring Charges	29,442,140	19,842,379
Shooting Expenses	36,969,937	27,870,541
Production travellings & conveyance	8,001,685	7,607,589
Publicity & Content expenses	16,524,439	32,797,250
Consultancy & Legal charges	6,161,492	6,306,057
Miscellaneous Expenses	13,684,059	13,153,427
Total	429,910,152	332,849,583

Notes Forming part of the Financial Statements

Note-21

Corporate Information

The Company was incorporated on January 22, 1993. It is one of the largest television content houses in India under the brand name "Studio 24".

Note - 22

Significant Accounting Policies

22.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the Historical Cost Convention on the Mercantile System of accounting and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable. The accounting policies adopted in the preparations of the financial statements are consistent with those followed in the previous year.

22.2 Use of Estimates

The preparation of the financial statements is in accordance with Generally Accepted Accounting Principles. It requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from these estimates and a revision to such accounting estimates is recognized in the accounting period in which such a revision takes place.

22.3 Inventories

Stock of Tapes, Cassettes, Discs and Electronic Devices

Inventories of raw stock consists of tapes, cassettes, compact discs and other electronic devices which are valued at lower of cost or estimated net realizable value. Cost is taken on First in First Out basis (FIFO).

Inventories Related to Television Software and Programme Pilots

The entire cost of the programme is charged to income when the programme is first exploited. The inventory thus comprises of unamortized cost of such programmes. In case of Programme Pilots, the cost is expensed-off on first telecast or on after the review of realisability.

Inventories Related to Movies (Feature Films)

Movies under production (WIP) – at actual unamortized cost or net realizable value whichever is lower.

The company amortizes 75% of the cost of movie rights acquired or produced by it, on the first theatrical release of the movie. The said amortization is made proportionately on Domestic Theatrical Rights, International Theatrical Rights and Video Rights based on Management estimate of revenues from each of these rights. In case of aforesaid rights are not exploited along with or prior to the first theatrical release, proportionate appropriated cost of the said right is carried forward to be written off as and when such right is commercially exploited or at the end of one year from the date of first theatrical release, whichever occurs earlier. Balance 25% is amortised over the balance license period or based on management estimate of future revenue potential, as the case may be. Thus inventory comprises of unamortized cost of such movie rights.

22.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

22.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

22.6 Depreciation

Depreciation on fixed asset is provided on Written down Value method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

22.7 Revenue Recognition

In respect of Commissioned programmes, revenue is recognized as and when the relevant Software programme is delivered to the customers. Production expenses are net of recoveries, if any.

Interest is recognized using time proportion method.

Lease rental on equipment is recognized as revenue as per the terms of the lease agreement.

Sale of Rights recognized as revenue as per the terms of the lease agreement.

In all other cases, revenue is recognized when no significant uncertainty as to its determination or realization exists.

22.8 Other Income

Interest income is accounted on accrual basis.

22.9 Fixed Assets & Capital Work-in-Progress

Tangible fixed assets

The Fixed assets are stated at cost less accumulated depreciation and impairment. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Cost includes capital cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction/installation and attributable to bringing the asset to its intended use. Fixed assets are further adjusted by the amount of CENVAT credit available, wherever applicable. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress

Capital work in progress comprises of cost of fixed assets that are not yet ready for their intended use and outstanding advances paid to acquire fixed assets, at the balance sheet date.

22.10 Intangible Fixed Assets

The Intangible assets are stated at cost less accumulated depreciation and impairment. Cost includes capital cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction/installation and attributable to bringing the asset to its intended use. Fixed assets are further adjusted by the amount of CENVAT credit available, wherever applicable.

22.11 Foreign Currency Transactions

As per Companies (Accounting Standard) Rules 2006, exchange difference arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed assets, which is in accordance with Accounting Standard-11 issued by the Institute of Chartered Accountants of India are recognized in the Statement of Profit & Loss account.

As per Schedule-VI of the Companies Act, 1956 exchange differences arising on foreign currency

denominated liabilities relating to the Capital work in progress/Capital advance forms part of the Capital Work in progress/Capital Advance.

22.12 Investments

Current investments are stated at cost or fair value whichever is lower. Long term investments are stated at cost. Provision for diminution in value of long term investment is made, if the diminution is other than temporary.

22.13 Employee Benefits

The company has contributed to employee's provident fund as per provisions of the Employee's Provident Fund Act, 1952 and is charged to Statement of Profit and Loss.

The company has contributed to employee's state insurance fund as per provisions of the ESI Act, 1948 and is charged to Statement of Profit and Loss.

As per the Company's policy, the gratuity is payable as per the provisions of the payment of Gratuity Act. Liability in respect of Gratuity is provided for on the basis of an actuarial valuation as at the date of Balance Sheet.

Bonus is paid and charged to Statement of Profit and Loss as per the provisions of "The Payment of Bonus Act, 1965".

22.14 Borrowing Cost

Borrowing cost that is attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of that asset when first put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

22.15 Segmental Reporting

Primary segments: The company has three primary reportable business segments i.e. audio-video production, movies and leasing of property & broadcasting equipments.

Secondary segments: The Company caters to the needs of Indian market representing singular economic environments with similar risks and rewards and hence there are no reportable geographical segments.

Identifiable expenses are accounted for directly in respective segments. Overheads are apportioned pro-rata on revenues.

22.16 Operating Lease

The Company has given broadcasting equipments under operating leases. These lease agreements are normally renewable on expiry. The rental income on operating leases is credited to Statement of Profit and Loss.



22.17 Earnings per Share (EPS)

The Company reports Basic Earning per equity share in accordance with the Accounting Standard-20 issued by the Institute of Chartered Accountants of India. Basic Earnings per equity share has been computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing the diluted earning per share comprises of the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

22.18 Taxation

Tax expenses for the period comprises of both, current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of income tax payable in respect of the taxable income for the reporting period. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

22.19 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication of impairment of carrying amount of the company’s assets. The recoverable amount of such assets are estimated, if any indication exists, and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

22.20 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

22.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

23. As per Accounting Standard (AS)-17 issued by the Institute of Chartered Accountants of India, segment information has been provided in the Notes to Consolidated Financial Statements.

24. Employee Stock Option Scheme

The Company instituted the Employee Stock option scheme – (“the BAG ESOP Scheme”) to grant equity to the eligible employees of the company and its subsidiaries. “the BAG ESOP Scheme” has been approved by the Shareholders in their Extra-Ordinary General Meeting held on February 13, 2007, for grant of 10,000,000 options representing one share for each option. The equity shares covered under the scheme shall vest over a period of five years. Pursuant to the scheme, the ESOP compensation committee on July 30, 2008 granted 1,150,000 options to employees of the B.A.G. Films and Media Limited and its subsidiaries.

During the year 1,50,000 vested option lapses on expiry of the exercise period i.e. 30-07-2013. Fair value of the option has already been accounted for as employee compensation now reversed and credited to employee compensation expense.

25. Contingent Liabilities and Commitments

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
- to Bank	6,06,000	6,06,000
(Guarantee given to bank amounting to Rs. 6,06,000 (Previous year Rs. 6,06,000) secured by fixed deposit.)		
- on behalf of subsidiaries companies		
News24 Broadcast India Limited	27,00,000	27,00,000
(Guarantee given to The President, New Custom House EPCG Cell, New Delhi amounting to Rs. 27,00,000 (Previous year Rs. 27,00,000).)		
E24 Glamour Limited	9,80,00,000	9,80,00,000
(Corporate Guarantee given amounting to Rs. 9,80,00,000 to Dena Bank, M-36, Cannought Circus, New Delhi-110001 (Previous year Rs. 9,80,00,000).)		

Skyline Radio Network limited (formerly known as Dhamaal24 Radio Network limited)	9,90,13,000	9,90,13,000
(Corporate Guarantee given amounting to Rs. 9,85,00,000 to Dena Bank, M-36, Cannought Circus, New Delhi-110001 (Previous year Rs. 9,85,00,000) and Guarantee given to Ministry of Information and Broadcasting, New Delhi amounting to Rs. 5,13,000 (Previous year Rs. 5,13,000).		
- on behalf of Other		
ARVR Education Society (Formerly Known as B.A.G. Education Society).	25,00,00,000	25,00,00,000
Corporate Guarantees given in favour of Yes bank by creating charge on land situated at Plot No. HS- 20, Sector-B-7, Greater Noida amounting to Rs. 25,00,00,000 (Previous year Rs. 25,00,00,000)		
c) Other money for which the Company is contingently liable	Nil	Nil

26. Export Obligation

The Company has obtained license under the Export Promotion Credit Guarantee Scheme (EPCG Scheme)

a. Change in present value of obligation

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Present value of obligation as at the beginning of the period	19,56,739	12,87,079	10,95,087	9,24,085
Current Service Cost	3,17,632	2,45,927	1,40,945	1,34,991
Interest Cost	1,76,107	1,02,966	98,558	73,927
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	3,25,617	3,77,047	(19,906)	(37,916)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailment and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Benefits Paid	(10,817)	(56,280)	NIL	NIL
Present value of obligation as at the end of the period	27,65,278	19,56,739	13,14,684	10,95,087

for importing capital goods at a concessional rate of custom duty against submission of undertaking to custom department. Under the terms of the EPCG Scheme, the company is required to export goods or services of at least Rs. 36,43,94,715/- (Previous Year Rs. 43,52,16,860/-) within eight years from issue of EPCG Licenses.

27. Employee Benefits as per Accounting Standard 15 (revised) 'Employees Benefits', the disclosures of employee benefits are given below:

a) Defined Contribution Plans :

Contribution to Defined Contribution Plan recognized as expense for the year is as under:

Employer's Contribution to Provident Fund :
Rs. 1,87,428 (Previous Year Rs. 1,80,806)

Employer's Contribution to ESI : Rs. 34,466
(Previous Year Rs. 39,617)

Defined Benefit Plans:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

b. Expense recognized in the statement of profit and loss

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current service cost	3,17,632	2,45,927	1,40,945	1,34,991
Past service cost	--	--	--	--
Interest cost	1,76,107	1,02,966	98,558	73,927
Expected return on plan assets	--	--	--	--
Curtailment cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	3,25,617	3,77,047	(19,906)	(37,916)
Expenses recognized in the statement of profit & losses	8,19,356	7,25,940	2,19,597	1,71,002

c. Actuarial Assumptions

Particulars	Gratuity		Leave Encashment	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Discount Rate (%)	9.00	8.00	9.00	8.00
Expected Rate of increase in Compensation Levels (%)	6.50	5.50	6.50	5.50
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	20.83	22.04	20.83	22.04

The estimated rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

28. Additional information required to be given pursuant to Part II of Schedule VI of the Companies Act, 1956 is as follows: -

- i. The aggregate Managerial remuneration under section 198 read with section 309 of the Companies Act, 1956 to the Directors:

(Amt. in ₹)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Managing Directors Remuneration and Other Allowances	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

- ii. (Amt. in ₹)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Sitting Fees	307,500	315,000

- iii. The Company is in the business of media and entertainment, which is not subject to any license; hence licensed capacity is not given.

iv. Activity in Foreign Currency

(Amt. in ₹)

Particulars	Year Ended March 31 , 2014	Year Ended March 31 , 2013
Earnings in Foreign Currency		
Income from Content & Sale of Rights	7,39,18,820	NIL
Expenditure in Foreign Currency		
Fees & Subscription	NIL	7,68,734
Travel Expenses	4,01,969	1,49,339
Equipments Purchased	NIL	NIL
Import of Services	19,01,250	19,18,275
Interest	NIL	NIL

v. Repairs & Maintenance included in the total cost is as follows: -

(Amt. in ₹)

Particulars	Year Ended March 31 , 2014	Year Ended March 31 , 2013
Repairs & Maintenance –Building	14,36,969	33,52,999
Repairs & Maintenance – Machinery	94,44,241	28,66,049

vi. Information pursuant to other provisions of Part –II of Schedule –VI to The Act, is either nil or not applicable to the Company for the year.

29. The Deferred Tax Liability (Net) comprises of the following:

(Amt. in ₹)

Particulars	Year Ended March 31 , 2014	Year Ended March 31 , 2013
Opening Balance of Deferred Tax Liability (Net)	2,22,65,467	3,20,40,807
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	(514,405)	(94,98,185)
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(321,036)	(277,155)
Disallowance under the Income Tax Act	Nil	Nil
Closing Balance of Deferred Tax Liability (Net)	2,14,30,026	2,22,65,467

30. There is no amount outstanding to be credited to Investor Education and Protection Fund.

31. Related Parties Disclosures as per Accounting Standard (AS-18) are as follows:

1. List of Related Parties

Name of Related Parties	Description of Relationship
Ms. Anuradha Prasad	Chairperson cum Managing Director
Skyline Radio Network Limited (Formerly known as Dhamaal24 Radio Network Limited)	Subsidiary
News24 Broadcast India Limited	Subsidiary
E24 Glamour Limited	Subsidiary
B.A.G Network Limited	Foreign Subsidiary
Skyline Tele Media Services Limited	Enterprises over which KMP are able to exercise significant influence
ARVR Communications Pvt. Limited	Promoter Company

2. Detail of Related party Transactions during the year ended March 31, 2014

Particulars	Chairperson cum Managing Director		Subsidiaries		Promoter Company		Enterprises over which KMP are able to exercise significant influence & Associates	
	Year Ended March, 31		Year Ended March, 31		Year Ended March, 31		Year Ended March, 31	
	2014	2013	2014	2013	2014	2013	2014	2013
Salary	10,000,000	10,000,000	-	-	-	-	-	-
Lease rent on equipments received	-	-	55,573,888	55,573,888	-	-	-	-
Income from Television Programming	-	-	14,878,531	108,840,500	-	-	-	-
Advertisement Expenses	-	-	-	26,960,923	-	-	-	-
Expenses incurred	-	-	57,760,708	67,368,881	-	-	-	-
Loan & Advances	-	-	-	154,714	-	-	-	-

32. The Company has not made any provision for cess payable u/s 441A of the Companies Act, 1956. The said provision shall be made as and when the requisite notification is issued by the Central Government in this regard.

33. Earnings Per Share (EPS) is Computed in Accordance with Accounting Standard-20:-

(Amt. in ₹)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
i) Net Profit after tax as per Statement of profit and loss account	(85,950,482)	(8,85,89,009)
ii) short provision for tax of earlier years	(12,592,059)	(978,250)
iii) Net Profit attributable to Equity Shareholders	(98,542,540)	(8,76,10,759)
iv) Net Profit before Exceptional Item	(98,542,540)	(8,76,10,759)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS	170,218,090	1,70,176,994
vi) Basic Earnings per share	(0.58)	(0.51)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	170,218,090	1,70,176,994
viii) Diluted Earnings per share	(0.58)	(0.51)
ix) Basic Earnings (before exceptional item) per share	(0.58)	(0.51)
x) Diluted Earnings (before exceptional item) per share	(0.58)	(0.51)
xi) Face Value per equity share	2.00	2.00

34. Previous year figures are regrouped, rearranged or recast wherever necessary to make them comparable with the current year figures.

For Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner
M.No. 074602
FRN: 006792C
Place : Noida
Date : May 26, 2014

Anuradha Prasad
Chairperson cum Managing Director

Rajeev Parashar
Company Secretary

For and on behalf of the Board of Directors

Anuradha Mishra
Director

Ajay Jain
SVP-Finance & Accounts

B.A.G FILMS AND MEDIA LIMITED
Cash Flow Statement for the year ended March 31, 2014

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(86,785,923)	(98,324,177)
Adjustments for:		
Depreciation and amortisation	115,733,843	145,300,409
(Profit) / loss on sale / write off of assets	-	1,310
Finance costs	168,428,933	94,164,569
Interest income	(2,151,291)	(1,023,580)
Dividend income	(2,500)	-
Net (gain) / loss on sale of investments	(6,906,674)	(1,015,300)
Liabilities / provisions no longer required written back	(663,769)	(2,001,295)
Other non-cash charges		
Adjustment relating to earlier year	(12,592,059)	978,250
	261,846,483	236,404,363
Operating profit / (loss) before working capital changes		
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(60,459,075)	(46,111,665)
Trade receivables	(80,068,486)	2,600,608
Short-term loans and advances	164,557,789	1,952,018,294
Other non-current assets	1,639,643	4,918,928
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	66,087,027	(5,773,420)
Other current liabilities	(14,427,790)	(81,350,923)
Long-term provisions	1,028,136	840,662
	78,357,244	1,827,142,484
Cash generated from operations	253,417,804	1,965,222,670
Net cash flow from / (used in) operating activities (A)	253,417,804	1,965,222,670
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(55,009,463)	(12,522,292)
Proceeds from sale of fixed assets	-	(209,123,131)
Purchase of long-term investments		
- Subsidiaries	(251,100,044)	(1,845,652,414)
- Others	(55,151,800)	-
Proceeds from sale of long-term investments		
- Subsidiaries	8,454,408	-
- Others	8,247,026	11,015,300
Interest received		
- Subsidiaries	912,492	628,686
- Others	1,238,799	394,894

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Dividend received		
- Others	2,500	-
	(342,406,082)	(2,055,258,957)
Net cash flow from / (used in) investing activities (B)	(342,406,082)	(2,055,258,957)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	(9,677,250)	76,375,000
Proceeds from issue of share warrants	-	(109,187,500)
Proceeds from long-term borrowings	(62,307,050)	361,885,507
Proceeds from other short-term borrowings	264,990,185	(86,586,585)
Finance cost	(168,428,933)	(94,164,569)
	24,576,952	148,321,854
Net cash flow from / (used in) financing activities (C)	24,576,952	148,321,854
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(64,411,326)	58,285,567
Cash and cash equivalents at the beginning of the year	106,626,065	48,340,498
Cash and cash equivalents at the end of the year	42,214,739	106,626,065
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	42,214,739	106,626,065
Cash and cash equivalents at the end of the year *	42,214,739	106,626,065
* Comprises:		
(a) Cash on hand	924,605	582,865
(b) Cheques, drafts on hand	2,710,425	-
(c) Balances with banks		
(i) In current accounts	20,555,343	99,487,605
(ii) In deposit accounts with original maturity of less than 3 months	13,539,302	1,138,806
(iiii) balance held as security against guarantees	3,819,000	3,819,000
(d) Others		
Staff Imprest	666,064	1,597,789
	42,214,739	106,626,065

The Schedules referred to above are an integral part of the Balance sheet

As per our separate report of even date

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Joy Mukherjee
Partner

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

M.No. 074602
FRN: 006792C
Place : Noida
Date : May 26, 2014

Rajeev Parashar
Company Secretary

Ajay Jain
SVP-Finance & Accounts



Statement Pursuant to Section 212 of the Companies Act, 1956
Related to Subsidiary Companies

Name of the Subsidiary Companies	Skyline Radio Network Limited	E24 Glamour Limited	News24 Broadcast India Limited
Financial year ended on	March 31 ,2014	March 31 ,2014	March 31 ,2014
Shares of the Subsidiary Held By			
B.A.G. Films and Media Limited on The Above Date:			
A) Number	20,614,099	18,564,909	18,453,039
Face Value	Rs. 10	Rs. 10	Rs. 10
B) Extent Of Holding	71.05%	69.11%	53.05%
The net aggregate amount of Profits/(Losses) of the Subsidiary Company for the above financial year so far as it concerns the members of B.A.G. Films and Media Limited	(45,044,777)	35,168,401	3,728,327
A) Dealt with in the Accounts of the Company for the year ended March 31, 2014	Yes	Yes	Yes
B) Not dealt with in the Accounts of the Company for the year ended March 31, 2014	Nil	Nil	Nil
Net Aggregate Amount of Profits/(Loss) for previous financial years of the subsidiary, a subsidiary so far as It concerns the members of B.A.G. Films and Media Limited	(184,610,671)	(474,136,395)	(1,118,841,894)
A) Dealt with in the Accounts of the Company for the year ended March 31, 2014	Yes	Yes	Yes
B) Not dealt with in the Accounts of the Company for the year ended March 31, 2014	Nil	Nil	Nil

For and on behalf of the Board of Directors

Anuradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Place : Noida
Date : May 26, 2014

Rajeev Parashar
Company Secretary

Ajay Jain
SVP-Finance & Accounts

Independent Auditors' Report on Consolidated Financial Statements

To

The Board of Directors of B.A.G. Films and Media Limited

We have audited the accompanying consolidated financial statements of B.A.G. Films and Media Limited ('the Company') and its subsidiaries, which comprise the consolidated balance sheet as at 31st March 2014, the consolidated statement of profit and loss and consolidated cash flows statement for the year ended 31st March 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the consolidated statement of profit and loss account, of the loss for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner

Membership No.074602
FRN: 006792C

Place : Noida
Dated : May 26, 2014

B.A.G. Films and Media Limited
Consolidated Balance Sheet as at March 31, 2014

Particulars	Note No.	March 31, 2014		March 31, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	340,265,339		340,265,339	
(b) Reserves and Surplus	2	807,806,689		327,422,177	
Total of shareholders' funds			1,148,072,028		667,687,516
2. Share application money pending allotment	3	-	-	176,600,000	176,600,000
3. Minority interest		422,394,219	422,394,219	270,173,090	270,173,090
4. Non-current liabilities					
(a) Long-term borrowings	4	1,105,515,952		1,202,657,534	
(b) Deferred Tax liabilities (Net)		31,892,070		36,003,936	
(c) Long-term Provisions	5	9,531,289		8,298,072	
			1,146,939,311		1,246,959,542
5. Current Liabilities					
(a) Short term borrowings	6	409,385,145		139,394,960	
(b) Trade payables		206,932,043		165,602,633	
(c) Other current liabilities	7	131,011,756		157,444,933	
(d) Short term provisions	8	12,388,017		12,388,017	
			759,716,961		474,830,543
TOTAL			3,477,122,519		2,836,250,691
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	839,068,168		1,003,035,616	
(ii) Intangible assets	10	91,390,402		104,837,169	
(iii) Capital work-in-progress		292,481,608		265,299,264	
(b) Non-current investments	11	985,584,378		15,838,938	
(c) Other non-current assets	12	799,322		2,705,413	
					1,391,716,400
			2,209,323,878		
2. Current assets					
(a) Inventories	13	382,591,592		393,254,788	
(b) Trade receivables	14	483,824,678		289,694,518	
(c) Cash and Cash equivalents	15	125,211,958		219,094,150	
(d) Short-term loans and advances	16	276,170,413		542,490,835	
					1,444,534,291
TOTAL			1,267,798,641		2,836,250,691
			3,477,122,519		2,836,250,691

The Notes referred to above are an integral part of the Balance sheet

As per our report of even date

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Ajay Jain
SVP-Finance & Accounts

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner

Place : Noida
Date : May 26, 2014

M.No. 074602
FRN: 006792C

B.A.G Films and Media Limited

Consolidated Statement of Profit and Loss for the Period ended March 31, 2014

Particulars	Note No.	March 31, 2014		March 31, 2013	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	17	1,444,950,402		1,175,570,515	
II Other Income	19	26,537,941		7,960,332	
III Total Revenue (I + II)			1,471,488,343		1,183,530,847
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		10,663,196		(65,456,235)	
Employee benefits expense	20	179,481,633		197,223,876	
Finance Costs	18	194,642,355		112,272,606	
Depreciation and amortization expense		186,558,055		208,195,335	
Other expense	21	995,583,813		1,121,951,574	
Total Expense			1,566,929,052		1,574,187,156
V Profit before exceptional and extraordinary items and tax (III-IV)			(95,440,709)		(390,656,309)
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			(95,440,709)		(390,656,309)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(95,440,709)		(390,656,309)
X Tax expense:					
(1) Current tax/Wealth Tax			-	40,172	
(2) Deferred tax			(4,111,866)	(9,546,431)	
			(4,111,866)		(9,506,259)
XI Profit/(Loss) for the period (IX - X)			(91,328,843)		(381,150,050)
XII Earnings per equity share:					
(1) Basic			(0.61)		(2.19)
(2) Diluted			(0.61)		(2.19)

The Notes referred to above are an integral part of the Balance sheet

As per our report of even date

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anuradha Prasad

Anuradha Mishra

Ajay Jain

Rajeev Parashar

Joy Mukherjee

Chairperson cum Managing Director

Director

SVP-Finance & Accounts

Company Secretary

Partner

Place : Noida

Date : May 26, 2014

M.No. 074602

FRN: 006792C



Notes to Financial Accounts

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Note-1		
Share Capital		
Equity Share Capital		
Authorised Share Capital		
200,000,000 Equity Shares of Rs. 2/- each	400,000,000	400,000,000
(Previous Year 200,000,000 Equity Shares @ Rs. 2/- each)		
Total	400,000,000	400,000,000
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for Cash in Preferential Allotment (Previous Year 42,728,000 Equity Shares @ Rs 2/- Each)	85,456,000	85,456,000
10,000,000 Equity Shares of Rs. 2/- each Fully paid up for cash by Converting Share Warrants (Previous year 100,00,000 Equity Shares @ Rs 2/- Each)	20,000,000	20,000,000
20,000,000 Equity Shares of R. 2/- Each Fully Paid up for cash by Converting Share Warrants (Previous Year 15,000,000 Equity Shares @ Rs 2/- Each	40,000,000	40,000,000
37,000,000 Equity Shares @ 2.00 Per Share Represented by 3,700,000 GDR issued @ USD 4.71 per GDR “	74,000,000	74,000,000
405,000 Shares of Rs.2/- Each against ESOPS(Previous year 405,000 Shares @ Rs.2/- Each)	810,000	810,000
22,566,200 Equity Shares of Rs.2/- Each Issued as Bonus shares by Capitalising General Reserves	45,132,400	45,132,400
	340,436,180	330,436,180
Calls unpaid (170,841 Equity Shares @ Rs. 1/- Each)	170,841	170,841
Total	340,265,339	330,265,339

Details of share holding in excess of 5% of share capital:

Equity shares with voting rights

Name of Shareholders	March 31, 2014
	No. of Shares
Anuradha Shukla	21,479,190
ARVR Communications Pvt. Ltd.	38,194,868
High Growth Distributors Pvt Ltd	13,078,000
Sameer Gehlaut	20,250,900

Details of issued ,subscribed and fully paid up share capital:

Particulars	Number of Shares	
	March 31, 2014	March 31, 2013
Equity share capital		
- Number of shares held	170,218,090	170,218,090
- Number of share holders [including their nominees]	46,345	45,295

Details of issued and subscribed and not fully paid up share capital:

Particulars	Number of Shares	
	March 31, 2014	March 31, 2013
Equity share capital		
- Number of shares held	170,841	170,841
- Number of share holders [including their nominees]	287	287

Details of Call unpaid

Particulars	March 31, 2014		March 31, 2013	
	Number of Shares	Total	Number of Shares	Total
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,841	170,841	170,841	170,841

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2014
Issued, Subscribed and fully paid up share capital:-

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	170,218,090	340,436,180
Conversion	-	-
Closing Balance	170,218,090	340,436,180

Issued , Subscribed and not fully paid up shares:-

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	170,841	170,841
Fresh Issue	-	-
Conversion	-	-
Closing Balance	170,841	170,841

Note-2

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Reserves and Surplus		
Capital Reserves		
Opening Balance	24,969,054	24,969,054
Add: Additions during the year	-	-
Sub Total	24,969,054	24,969,054
General Reserves		
Opening Balance	37,927,284	37,927,284
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Sub Total	37,927,284	37,927,284
Securities Premium Reserves		
Opening Balance	2,836,067,193	2,769,692,193
Add : Premium on Share Issued during the year	753,217,706	66,375,000
	3,589,284,899	2,836,067,193
Less: Calls Unpaid (170841 Equity Shares @ Rs.4/-)	683,364	683,364
Sub Total	3,588,601,535	2,835,383,829
Employee Stock option outstanding account		
Opening Balance	9,677,250	9,677,250
Less: ESOP Lapsed	9,677,250	-
Sub Total	-	9,677,250
Surplus		
Opening Balance	(2,580,535,240)	(1,939,650,086)
Add: Profit / (Loss) for the year	(98,235,517)	(1,090,197,560)
Minority Interest	(152,221,128)	440,505,045
Adjustment relating to earlier year	(12,699,299)	8,807,361
Sub Total	(2,843,691,184)	(2,580,535,240)
Total	807,806,689	327,422,177

Note-3

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Share Application Money Pending Allotment	-	176,600,000

Note-4

Particulars	March 31, 2014	March 31, 2013
	Long- Term Borrowings	
Secured Loans		
A. Vehicle Loans		
- From Bank	874,422	1,309,087
B. Term loans		
- From Bank	733,090,120	828,622,037
C. Deposits	2,025,000	3,200,000
D. Others Loan & advances	90,000,000	90,000,000
Unsecured Loans		
A. Optionally fully convertible Debentures	250,000,000	250,000,000
B. Others	29,526,410	29,526,410
Total	1,105,515,952	1,202,657,534

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured other long-term borrowings:
A. Term loan from banks:

Term loans taken by B.A.G Films and Media Limited are secured by exclusive Charge on Land and Building at the Film city Noida , all current assets and all other moveable fixed assets of B.A.G. Films and Media Limited and Term Loan availed by subsidiaries from Dena Bank are secured by exclusive charge on property at Mumbai.

B. Vehicle Loans from banks:

Vehicle Loan taken from HDFC Bank and Bank of India secured by vehicle financed by bank and repayable as per repayment schedule issued by the Bank.

C. Security Deposit:

Security deposit received against letting out of building premises, Studio for office use and Shooting purpose, repayment as per agreed terms of the contract.

D. Others Loan & advances

The amount of Rs 40,000,000.00(Previous year Rs. 40,000,000.00) availed by E24 Glamour Limited is secured by pledging 411,430 equity shares held by B.A.G. Films & Media Limited in E24 Glamour Limited. The amount is convertible into equity shares after a period mutually agreed between the parties.

The amount of Rs 50,000,000.00(Previous year Rs. 50,000,000.00) availed by News24 Broadcast India is secured by pledging 514,286 equity shares held by B.A.G. Films & Media Limited in News24 Broadcast India Limited. The amount is convertible into equity shares after a period mutually agreed between the parties

Disclosure in relation to default in repayment of loans and interest in respect of the following:

A. Term loans from banks:

No default has been made in repayment of Principal and interest on term loan during the financial year ended March 31, 2014

B. Vehicle Loans from banks:

No default has been made in repayment of Principal and interest on vehicle loan during the financial year ended March 31, 2014

Disclosure in relation to Convertible Debenture

E24 Glamour Limited and News24 Broadcast India Limited had issued 1,250,000 optionally fully convertible debenture (OFCDs) of face value Rs 100/-each. The OFCDs fully convertible into equity shares at any time after the expiry of 4 years of issue at a conversion price arrived at a fair valuation mutually agreeable to the both the parties.

Note-5

Particulars	March 31, 2014	March 31, 2013
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	6,868,775	5,635,106
Others		
- Provision for Leave encashment	2,662,514	2,662,966
Total	9,531,289	8,298,072

Note-6

Particulars	March 31, 2014	March 31, 2013
Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Bank	404,385,145	119,394,960
Unsecured		
Other loans and advances	5,000,000	20,000,000
Total	409,385,145	139,394,960

Details of security for the secured short-term borrowings:

Name of Shareholders	Nature of Security
Loan repayable on demand	
From Bank	Immovable Property

Note-7

Particulars	March 31, 2014	March 31, 2013
Other Current liabilities		
Current maturities of long term debt	46,651,247	71,391,435
Income received in advance	-	4,911,648
Unclaimed Dividend	210,091	383,308
Other payables		
Statutory remittances	998,817	866,620
Taxes Payable	28,367,865	8,573,651
Other Liability	21,170,349	35,175,972
Employee Cost	14,946,642	15,831,796
Advances from customers	18,666,745	20,310,503
Total	131,011,756	157,444,933

Note-8

Particulars	March 31, 2014	March 31, 2013
Short-Term Provisions		
Provision for Income Tax	12,307,673	12,307,673
Provision for Wealth Tax	80,344	80,344
Total	12,388,017	12,388,017

Note 9 - Fixed assets schedule as per Companies Act, 1956 for the Year ended on March 31, 2014.
Tangible Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.2013	Addition during the year	Sale/ Adj During the Year	Cost as on 31-03-2014	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31-03-2014	WDV as at 31-03-2014	WDV as at 31.03.2013
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	57,825,219	57,825,219
Building	174,668,505	1,586,930	-	176,255,435	50,756,087	6,206,894	-	56,962,981	119,292,454	123,912,418
Plant & Machinery	906,291,021	1,161,368	712,636	906,739,753	382,913,394	93,361,662	388,881	475,886,175	430,853,578	523,377,627
Computers & Peripherals	299,304,232	1,125,208	-	300,429,440	238,182,616	20,301,967	-	258,484,583	41,944,857	61,121,616
Vehicle	28,782,587	-	-	28,782,587	21,415,604	1,907,312	-	23,322,916	5,459,671	7,366,983
Furniture's & Fixtures	296,458,458	122,155	49,500	296,531,113	143,847,511	38,336,358	32,142	182,151,727	114,379,385	152,610,947
Office Equipments	151,215,632	5,435,883	449,866	156,201,649	74,394,825	12,747,096	253,276	86,888,645	69,313,004	76,820,807
TOTAL	1,914,545,653	9,431,544	1,212,002	1,922,765,195	911,510,037	172,861,289	674,299	1,083,697,027	839,068,168	1,003,035,616

Note 10 - Fixed assets schedule as per Companies Act, 1956 for the Year ended on March 31, 2014.

Intangible Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	Cost as on 01.04.2013	Addition during the year	Sale/ Adj During the Year	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2014	WDV as at 31-03-2014	WDV as at 31.03.2013
Computer Software	218,906,924	250,000	-	138,172,342	8,707,133	-	146,879,475	72,277,448	80,734,581
Radio Licences Fees	49,910,000	-	-	25,807,413	4,989,633	-	30,797,046	19,112,954	24,102,587
Total	268,816,924	250,000	-	163,979,755	13,696,766	-	177,676,521	91,390,402	104,837,168

Note-11

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Non-Current Investments		
Trade Investments at cost		
Quoted		
5,000 Equity Shares of Mukta Arts Limited having Face Value of Rs. 5/- per share fully paid up Purchased @ Rs.100/- Per Equity Share (Market Value as on 31-03-2014 is Rs. 36.45) (Previous Year Rs. 28.40)	500,000	500,000
Investment in Mutual Funds	4,621,178	4,621,178
Non Trade Investment at Cost		
Unquoted		
12,400 Equity Shares of B.A.G.Infotech Private Limited having Face Value of Rs 10/- per share fully paid-up	124,000	124,000
31,400 Equity Shares (Previous Year 31,400 Equity Shares) of B.A.G. Live Entertainment Limited having Face Value of Rs 10/- per share fully paid-up	314,000	314,000
485,000 Equity Shares (Previous Year 485,000 Equity Shares) of B.A.G. Business Ventures Limited having Face Value of Rs 1/- per share fully paid-up	485,000	485,000
296,006 Optionally Fully Convertible Debenture (Previous Year Nil) of B.A.G. Business Venture Private Limited having Face Value of Rs. 100/- per Optionally Fully Convertible Debenture	29,600,600	-
255,512 Optionally Fully Convertible Debenture (Previous Year Nil) of Approach Films and Television Limited having Face Value of Rs. 100/- per Optionally Fully Convertible Debenture	25,551,200	-
1,495,419 Optionally Fully Convertible Debenture (Previous Year Nil) of B.A.G Convergence Pvt. Ltd having Face Value of Rs 100/- per Optionally Fully Convertible Debenture	149,541,900	-
1,456,315 Optionally Fully Convertible Debenture (Previous Year Nil) of B.A.G Live Entertainment Limited having Face Value of Rs 100/- per Optionally Fully Convertible Debenture	145,631,500	-
6,292,150 Optionally Fully Convertible Debenture (Previous Year Nil) of Oscar Software Private Limited having Face Value of Rs 100/- per Optionally Fully Convertible Debenture	629,215,000	-
In Joint Venture Company at Cost		
Unquoted		
Nil Equity Shares (Previous Year 483,376 Equity Shares) of Sieun and B.A.G. Animation Private Limited having Face Value of Rs. 10/- per Shares fully paid up	-	4,833,760
In Subsidiaries at cost		
Unquoted		
Nil Equity Shares (Previous Year 496,100 Equity Shares) of B.A.G. Animation Private Limited having face Value of Rs. 10/- per Shares fully Paid up	-	4,961,000
Total	985,584,378	15,838,938

Particulars	As at March 31, 2014		As at March 31, 2013	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Franklin India Prima Fund	283,382	-	283,382	-
2. Principal Cash Management Fund	62,596	-	62,596	-
3. Pru ICICI Infrastructure Fund-Div Payout	2,000,000	-	2,000,000	-
4. Tata Indo-Global Infrastructure Fund	2,000,000	-	2,000,000	-
5. Templeton Treasury Management Account	275,200	-	275,200	-
B. Other Investment				
Investment in equity instruments				
(i) of subsidiaries	-	-	-	4,961,000
(ii) of joint venture companies	-	-	-	4,833,760
(iii) of other entities	-	980,463,200	-	923,000
	5,121,178	980,463,200	5,121,178	10,717,760

C. Market value of Quoted Investment

The current market price of the Mukta Arts limited is Rs. 182,250/-

* Aggregate values of quoted investment is Rs. 500,000/- (Previous Year Rs. 500,000/-) , The current market price of the said shares is Rs. 182250/-

(Previous Year Rs. 142,000/-), This is being long term investment , the company considers this fall in value as temporary.

*Aggregate value of quoted investment(Mutual Fund) is Rs. 4,621,178/- (Previous Year Rs. 4,621,178/-)

* Aggregate values of un-quoted investment is Rs. 980,463,200/- (Previous Year Rs. 10,717,760/-)

* During the year B.A.G. Films and Media Limited has transferred Equity Share 496,100 from Joint venture Company Siun & B.A.G. Animation Private Limited and Equity Share 483,376 from Subsidiary Company B.A.G. Animation Private Limited to E24 Glamour Limited.

*B.A.G. Films and Media Limited has invested in 296,006 OFCDs of Rs. 100 each in B.A.G Business Venture Limited and 255,512 OFCDs of Rs. 100 each in Approach Films and Television Limited. The OFCDs are convertible into equity shares at a fair valuation mutually agreed between parties.

*During the year the Company consolidated its investment in News24 Broadcast India Limited(Subsidiary) and E24 Glamour Limited (Subsidiary) amounting to Rs. 12,89,99,136.00 (Equity Share 13,29,888 @ Rs. 97.00 Per Share, Premium Rs. 87.00 Per Share) and Rs. 12,19,85,454.00 (Equity Share 12,60,159 @ Rs. 97.00 Per Share, Premium Rs. 87.00 Per Share) respectively

* Subsidiary Company E24 Glamour Limited has invested in 1,495,419 OFCDs of Rs. 100 each in B.A.G. Convergence Private Limited, 1,456,315 OFCDs of Rs. 100 each in B.A.G. Live Entertainment Limited and 6,292,150 OFCDs of Rs. 100 each in Oscar Software Private Limited. The OFCDs are convertible into equity shares at a fair valuation mutually agreed between parties.

Valuation of Investment

Long term investments are stated at cost.

Note-12

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Other Non-Current Assets		
Unamortised expenses		
A. Preliminary Expenses		
Opening Balance	1,065,770	1,332,218
Add: Incurred during the year	-	-
	1,065,770	1,332,218
Less: Written off	266,448	266,448

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Sub Total	799,322	1,065,770
B. Deferred Employee Compensation		
Opening Balance	1,639,643	6,558,571
Add: Incurred during the year	-	-
	1,639,643	6,558,571
Less: Written off	1,639,643	4,918,928
Sub Total	-	1,639,643
Total	799,322	2,705,413

Note-13

Particulars	March 31, 2014	March 31, 2013
Inventories		
Raw Materials	866,000	618,430
Work in Progress	35,974,826	20,848,375
Finished Goods	345,750,766	371,787,983
Total	382,591,592	393,254,788

Note-14

Particulars	March 31, 2014	March 31, 2013
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	37,648,360	43,514,840
	37,648,360	43,514,840
Less: Provision for doubtful trade receivables	-	-
Sub Total	37,648,360	43,514,840
Other Trade receivables	446,176,318	246,179,678
	446,176,318	246,179,678
Less: Provision for doubtful trade receivables	-	-
Sub Total	446,176,318	246,179,678
Total	483,824,678	289,694,518

Note-15

Particulars	March 31, 2014	March 31, 2013
Cash and Cash Equivalents		
Cash in hand	2,257,343	707,137
Cheques, Draft in hand	36,383,787	84,695,088
Balance with Banks		
- In current accounts	48,867,325	105,792,950
- In deposit accounts	15,079,749	5,622,163
- Balances held as security against guarantees	21,288,164	20,554,643
Imprest with Staff	1,335,590	1,722,169
Total	125,211,958	219,094,150

Note-16

Particulars	Amount in ₹	
	March 31, 2014	March 31, 2013
Short Term loans and advances		
Unsecured, Considered Good		
A. Loans and advances to related parties	7,228,774	93,430,435
	7,228,774	93,430,435
Less: Provision for doubtful loans and advances	-	-
Sub Total	7,228,774	93,430,435
B. Balances with government authorities		
Advance Taxes	99,095,430	87,512,024
Service Tax Credit	2,793,489	2,169,475
Sub Total	101,888,919	89,681,499
C. Earnest Money & Security Deposits	23,868,067	23,737,317
	23,868,067	23,737,317
Less: Provision for doubtful loans and advances	-	-
Sub Total	23,868,067	23,737,317
D. Prepaid Expenses	34,333,620	30,120,045
Sub Total	34,333,620	30,120,045
E. Loans and advances to employees		
Unsecured, considered good	4,216,359	2,638,987
	4,216,359	2,638,987
Less: Provision for doubtful loans and advances	-	-
Sub Total	4,216,359	2,638,987
F. Others		
Advances to others	104,634,674	302,882,552
Sub Total	104,634,674	302,882,552
Total	276,170,413	542,490,835

Note-17

Particulars	March 31, 2014		March 31, 2013	
Revenue from Operations				
Revenue from- Sale of Services				
Audio-Video Productions	393,402,214		256,813,977	
Income from Content & Sale of Rights	73,918,820		-	
Media Education	18,621,094		18,485,256	
Advertisement sales revenue	934,147,577		890,796,122	
Sub Total	1,420,089,705		1,166,095,355	
Other Operating Revenues				
Income From IPTV	1,141,025		-	
Income from Equipment Hiring	10,000,000		-	
Income from Rent	13,719,672		9,475,160	
Sub Total	24,860,697		9,475,160	
Total	1,444,950,402		1,175,570,515	

Note-18

Particulars	March 31, 2014		March 31, 2013	
Finance Costs				
A. Interest expense on				
Borrowing	143,302,029		103,437,651	
Other	1,177		32,141	
B. Other borrowing costs				
Bank Charges	533,898		805,841	
Processing Fees	50,805,251		7,996,973	
Total	194,642,355		112,272,606	

Note-19

Particulars	Amount in ₹	Amount in ₹
	March 31, 2014	March 31, 2013
Other Income		
Interest Income		
Interest income from Bank		
Deposit	2,734,849	1,871,759
Other Interest	1,328,830	893,407
	4,063,679	2,765,166
Dividend Income	2,500	-
Net Gain/Loss on sale of		
Long -Term Investment	6,906,674	1,015,300
Other Non-Operating Income(net of expenses directly attributable to such income)		
Income from Equipment Hiring	1,265,880	1,265,880
Employee Compensation Expenses written back	8,037,607	-
Miscellaneous income	507,621	853,166
Sundry balance written back	5,753,980	2,060,820
	15,565,088	4,179,866
Total	26,537,941	7,960,332

Note-20

Particulars	March 31, 2014	March 31, 2013
	Employee Benefit Expense	
Salaries, Wages and Bonus	169,915,442	180,666,380
Contribution to Provident and other funds	6,833,188	7,153,186
Expense on Employee stock option scheme (ESOP)	-	4,918,928
Staff Welfare Expenses	2,733,003	4,485,382
Total	179,481,633	197,223,876

Note-21

Particulars	March 31, 2014	March 31, 2013
	Other Expenses	
Power and fuel	49,949,247	41,488,173
Rent	4,542,958	7,419,959
Repairs to Building	1,626,958	3,695,185
Repairs to Machinery	14,676,183	6,578,167
Insurance	2,891,652	5,056,986
Rates and Taxes, Excluding Taxes on Income	7,476,487	8,566,715
Loss on foreign currency transaction and transaction	675,391	124,711
Loss on sale of assets	52,703	26,415
Payment to auditors		
- As Auditor	570,000	570,000
- For Taxation Matters	225,000	195,000
- For Management Services	55,000	55,000
- For Reimbursement of Expenses	199,238	177,709
Professional Charges Artist, Directors, Technicians	227,459,842	156,802,963
Location & Studio Hiring Charges	26,558,991	20,204,510
Set Expenses	28,493,041	1,208,872
Equipment Hiring Charges	29,448,307	19,980,379
Shooting Expenses	39,160,519	28,566,700
Travellings & conveyance	32,470,451	30,704,116
Publicity & Content expenses	22,804,013	66,335,025
Royalty	35,880,423	54,178,412
License & Other Operational Fees	18,468,376	17,234,743
Space segment charges	13,765,733	15,718,379
Subscription Charges	14,605,044	-
Carriage Charges	334,721,942	525,834,324
Miscellaneous Expenses	88,806,314	111,229,130
Total	995,583,813	1,121,951,574

Notes forming part of the Consolidated Financial Statements

Significant Accounting Policies and Notes to the Consolidated Balance Sheets and Statement of Profit and Loss

NOTE-22

Significant Accounting Policies

22.1 Principles of Consolidation:- The consolidated financial statements have been prepared on the following basis:-

- a) The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) Minority Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- c) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- d) The consolidated financials statements are prepared by adopting uniform accounting policies for similar transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's financial statements.
- e) The excess of losses of minority shareholders in consolidated subsidiary over their interest in equity of subsidiary, are adjusted against the majority interest except to the extent that minority has binding obligation to, and is able to, make good the losses. If subsidiary subsequently reports profits, all such profits are allocated to majority interest until minority share of losses previously absorbed by majority has been recovered.
- f) In case of successive purchases of shares in subsidiary company, even though holding company may already be enjoying controlling interest, the cost of control will have to be calculated by taking into account cost of shares acquired and

holding company's share in capital profits/Losses of subsidiaries. In case it is adjusted against the share of holding company in losses of subsidiary, Goodwill to be created.

22.2 Investments other than in subsidiaries and associates have been accounted for as per Accounting Standard (AS) 13 "Accounting for Investments".

22.3 Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Standalone Financial Statements of B.A.G Films & Media Limited & its Subsidiaries.

23. The details of subsidiaries (all incorporated in India) included in the consolidated financial statements are as under :-

Name of the Subsidiaries	Proportion of ownership as at March 31, 2014
Skyline Radio Network Limited (formerly known as Dhamaal24 Radio Network Limited)	71.05%
E24 Glamour Limited	69.11%
News24 Broadcast India Limited	53.05%
B.A.G. Network Limited	100.00%

The Company has invested into its 100% foreign subsidiary company BAG Network Limited amounting to Rs. 115,454(Previous year Nil). E24 Glamour Ltd. (Subsidiary) has invested into subsidiary of E24 Entertainment Ltd. Subsidiary of Rs. 59,503,921 (previous year Nil). However the subsidiaries could not commence its commercial operations. The subsidiary is immaterial to the group by virtue of insignificant investment as a whole and nil turnovers hence not included in the Consolidated Financial Statements as per the Accounting Standard-21. The investment in the subsidiary has been accounted for in accordance with Accounting Standard -13.

24. During the year the following subsidiaries of the company have issued equity shares as follow:-

- a) News24 Broadcast India Limited - 9,090,867 Equity Shares
- b) E24 Glamour Limited – 1,412,221 Equity Shares
- c) Skyline Radio Network Limited (formerly known as Dhamaal24 Radio Network limited) 6,00,000 Equity Shares



25. Commitments & Contingent Liabilities

(Amount in ₹)

	As at March 31, 2014	As at March 31, 2013
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
- to Bank	82,97,200	93,88,231
- on behalf of Other ARVR Education Society	250,000,000	250,000,000

26. Export Obligation

B.A.G. Films and Media Limited and its subsidiary News24 Broadcast India Limited has obtained various licenses under the Export Promotion Credit Guarantee Scheme (EPCG) for importing capital goods at concessional rate of custom duty against submission of bank guarantee and bond.

Under the terms of the respective schemes the company is required to export goods or services of FOB value equivalent to or more than five times its CIF value of imports in respect of certain license and eight times the duty saved in respect of license fair export obligation has been re-fixed by the order of Director General Foreign Trade Ministry of Finance as applicable. Accordingly, the company is required to export goods or services of FOB value of at least Rs. 42,80,90,435 (Previous year Rs. 49,89,12,580) within Eight years.

27. Employee Stock Option Scheme

The Company instituted the Employee Stock option scheme – (“the BAG ESOP Scheme”) to grant equity to the eligible employees of the company and its subsidiaries. “the BAG ESOP Scheme” has been approved by the Shareholders in their Extra-Ordinary General Meeting held on February 13, 2007, for grant of 10,000,000 options representing one share for each option. The equity shares covered under the scheme shall vest over a period of five years. Pursuant to the scheme, the ESOP compensation committee on July 30, 2008 granted 1,150,000 options to employees of the B.A.G. Films & Media Limited and its subsidiaries.

During the year 3,45,000 vested option lapses on expiry of the exercise period i.e. 30-07-2013. Fair value of the option has already been accounted for as employee compensation now reversed and credited to employee compensation expense.

28. Additional information required to be given pursuant to Part II of Schedule VI of the Companies Act, 1956 is as follows: -

- i. The aggregate Managerial remuneration under section 198 read with Section 309 of the Companies Act, 1956 is as follows:

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Managing Directors Remuneration and Other Allowances	10,000,000	10,000,000
Total	10,000,000	10,000,000

Remuneration to Non-Executive Directors

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sitting Fees	307,500	315,000

- ii. The company is in the business of media and entertainment, which is not subject to any license; hence licensed capacity is not given.

- iii. Activity in Foreign Currency

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Expenditure in Foreign Currency	71,19,266	68,27,620
Earnings in Foreign Currency	11,00,59,845	Nil

- iv. Repairs & Maintenance included in the total cost is as follows: -

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Repairs & Maintenance – Others	16,26,958	36,95,185
Repairs & Maintenance – Machinery	146,76,183	65,78,167

- v. Information pursuant to other provisions of Part-II of Schedule-VI to The Act, is either nil or not applicable to the Company for the year.

29. The Deferred Tax Liability (Net) comprises of the following:

(Amount in ₹)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Opening Balance of Deferred Tax Liability(Net)	360,03,936	455,50,367
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	(34,45,784)	(90,90,284)
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(608,109)	(373,815)
Disallowance under the Income Tax Act	(57,973)	(82,332)
Closing Balance of Deferred Tax Liability(Net)	318,92,070	360,03,936

30. The business segments have been considered as the primary segment. The company is organized into five main Business namely Audio- Visual production, Movies, Leasing, FM Radio & Television Broadcasting.

The above Business segments have been identified considering the different nature of activities carried on by these business divisions. Segments revenue, results, assets, and liabilities have been accounted for on the basis of their relationship to the related business activities of the segment and amounts allocated on a reasonable basis to the business segment.

Segment wise Revenue, Result and Capital Employed

(Amount in ₹)

S. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
1	Segment Revenue		
	a) Audio -Visual Production	485,942,128	275,299,233
	b) Movies	-	-
	c) Leasing	13,719,672	9,475,160
	d) FM Radio	50,870,884	51,499,631
	e) Television Broadcasting	894,417,718	839,296,491
	Total	14,44,951,402	11,75,570,515
	Less: Inter Segment Revenue	-	-
	Net Sales/Income from Operations	14,44,951,402	11,75,570,515
2.	Segment Results		
	a) Audio -Visual Production	93,192,347	(22,752,603)
	b) Movies	-	-
	c) Leasing	(36,857,979)	(54,645,847)
	d) F.M.Radio	(21,811,968)	(12,966,650)
	e) Television Broadcasting	310,946,856	97,988,381
	Total	345,469,255	7,593,281
	Less:		
	I) Interest	194,642,562	112,272,606
	II) Other Un-allocable Expenditure Net off unallocable income	246,267,339	285,976,991
	Total Profit Before Tax	(95,440,647)	(390,656,317)
3.	Capital Employed		
	a) Audio -Visual Production	807,011,895	649,368,955
	b) Movies	44,161,955	44,161,955
	c) Leasing	357,258,606	381,548,358
	d) F.M.Radio	367,628,798	353,487,049
	e) Television Broadcasting	151,486,434	142,945,993
4.	Segment Depreciation		
	a) Audio -Visual Production	57,866,922	72,650,205
	b) Movies	-	-
	c) Leasing	46,293,537	58,120,164
	d) F.M.Radio	31,685,365	28,668,568
	e) Television Broadcasting	39,138,847	34,226,358

31. Related Parties disclosures as per Accounting Standard (AS-18) are as follows:

i) List of Related Party:

Name	Relationship
Anuradha Prasad	Chairperson cum Managing Director
B.A.G. Network Limited	Foreign Subsidiary
E24 Entertainment Limited	Foreign Subsidiary
Skyline Tele Media Services Limited	Enterprises over which KMP are able to exercise significant influence
ARVR Communications Pvt. Ltd.	Promoter Company

ii) Related Party Transactions :

(Amount in ₹)

Particulars	Managing Director		Promoter Company		Subsidiaries		Fellow Subsidiaries		Enterprises over which KMP are able to exercise significant influence & Associates	
	Year Ended March, 31		Year Ended March, 31		Year Ended March, 31		Year Ended March, 31		Year Ended March, 31	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Salary	10,000,000	10,000,000	-	-	-	-	-	-	-	-
Unsecured loan(given/ returned)	-	-	-	-	-	-	-	-	12,973,741	-
Loan & Advances	-	-	-	-	-	154,714	-	252,000	14,161,902	12,973,741
Rent	240,000	240,000	-	-	-	-	-	-	-	-

32. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2014	As at March 31, 2013
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
iv) The amount of interest due and payable for the year	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

Note: The above information regarding the small scale undertakings and Micro, Small and Medium Enterprise has been determined to the extent such parties have been identified on the basis of the information available with the Company.

33. The Company has not made any provision for cess payable u/s 441A of the Companies Act, 1956. The said provision shall be made as and when the requisite notification is issued by the Central Government in this regard.

34. Earning Per Share (EPS) is computed in Accordance with Accounting Standard-20 :-

(Amt. in ₹)

Particulars	2013-14	2012-13
i) Net Profit/(loss) after tax as per Statement of profit and loss account	(91,328,843)	(381,150,050)
ii) Short provision for tax of earlier years	12,699,299	(8,807,361)
iii) Net Profit/(loss) attributable to Equity Shareholders	(104,028,141)	(372,342,689)
iv) Net Profit/(loss) before Exceptional Item	(104,028,141)	(372,342,689)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS.	170,218,090	170,176,994
vi) Basic Earnings per share	(0.61)	(2.19)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	204,125,194	221,695,847
viii) Diluted Earnings per share	(0.61)	(2.19)
ix) Basic Earnings (before exceptional item) per share	(0.61)	(2.19)
x) Diluted Earnings (before exceptional item) per share	(0.61)	(2.19)
xi) Face Value per equity share	2.00	2.00

35. Previous year figures are regrouped, rearranged or recast wherever necessary to make them comparable with the current year figures.

or Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Joy Mukherjee
Partner

Anuradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

M.No. 074602
FRN: 006792C
Place : Noida
Date : May 26, 2014

Rajeev Parashar
Company Secretary

Ajay Jain
SVP-Finance & Accounts

B.A.G. FILMS AND MEDIA LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2014

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(95,440,709)	(390,656,309)
Adjustments for:		
Depreciation and amortisation	186,558,055	208,195,335
(Profit) / loss on sale / write off of assets	52,703	26,415
Finance costs	194,642,355	112,272,606
Interest income	(4,063,679)	(2,765,166)
Dividend income	(2,500)	-
Net (gain) / loss on sale of investments	(6,906,674)	(1,015,300)
Liabilities / provisions no longer required written back	(5,753,980)	(2,060,820)
Other non-cash charges		
Adjustment relating to earlier year	(12,699,299)	(17,02,542)
	351,826,981	323,460,431
Operating profit / (loss) before working capital changes		
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	10,663,196	(65,456,235)
Trade receivables	(188,376,180)	132,802,777
Short-term loans and advances	266,320,422	332,515,776
Other non-current assets	1,906,091	5,185,376
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	41,329,410	18,235,855
Other current liabilities	(26,433,177)	(87,157,143)
Short-term provisions	-	(7,818,016)
Long-term provisions	1,233,217	1,144,052
	106,642,980	329,452,442
Cash generated from operations	363,029,252	262,256,564
Net cash flow from / (used in) operating activities (A)	363,029,252	262,256,564
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(36,863,888)	(243,896,716)
Proceeds from sale of fixed assets/Work-in-progress	485,001	(237,979,095)
Purchase of long-term investments		
- Others	(979,540,200)	(10,000,000)
Proceeds from sale of long-term investments		
- Others	9,794,760	21,015,300

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest received		
- Others	4,063,679	2,744,897
Dividend received		
- Others	2,500	-
	(1,002,058,148)	(468,095,345)
Net cash flow from / (used in) investing activities (B)	(1,002,058,148)	(468,095,345)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	743,540,456	76,375,000
Proceeds from issue of share warrants	-	(109,187,500)
Share application money received / (refunded)	(176,600,000)	-
Proceeds from long-term borrowings	(97,141,582)	531,980,011
Proceeds from other short-term borrowings	269,990,185	(98,184,124)
Finance cost	(194,642,355)	(112,272,606)
	545,146,704	288,710,781
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(93,882,192)	82,872,000
Cash and cash equivalents at the beginning of the year	219,094,150	136,222,150
Cash and cash equivalents at the end of the year	125,211,958	219,094,150
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	125,211,958	219,094,150
Cash and cash equivalents at the end of the year *	125,211,958	219,094,150
* Comprises:		
(a) Cash on hand	2,257,343	707,137
(b) Cheques, drafts on hand	36,383,787	84,695,088
(c) Balances with banks		
(i) In current accounts	48,867,325	105,792,950
(ii) In deposit accounts	15,079,749	5,622,163
(iii) balance held as security against guarantees	21,288,164	20,554,643
(d) Others		
Staff Imprest	1,335,590	1,722,169
	125,211,958	219,094,150

As per our report of even date
For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Anuradha Prasad

Chairperson cum Managing Director

Anuradha Mishra

Director

Ajay Jain

SVP-Finance & Accounts

Rajeev Parashar

Company Secretary

Joy Mukherjee

Partner

Place : Noida

Date : May 26, 2014

M.No. 074602

FRN: 006792C



THIS PAGE LEFT INTENTIONALLY BLANK



B.A.G. FILMS AND MEDIA LIMITED

(CIN: L74899DL1993PLC051841)

Reg. Off: 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096

Corporate Off: FC-23, Film City, Sector-16A, Noida-201301, (U.P.)

Tel: 91 120 3911 444, Fax No. 91 120 3911 401

Web: www.bagfilms.com, E-mail: info@bagnetwork.in

ATTENDANCE SLIP

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE TWENTY FIRST ANNUAL GENERAL MEETING OF B.A.G. FILMS AND MEDIA LIMITED TO BE HELD ON WEDNESDAY, JUNE 25, 2014 AT 4.00 P.M. AT FICCI AUDITORIUM, TANSEN MARG, MANDI HOUSE, NEW DELHI-110001

.....
Member's Folio/DP ID-Client-ID Member's/ Proxy's name in Block Letters Member's/Proxy's Signature

Note:

1. Please complete the Folio/ DP ID-Client ID No. and name, sign this attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall.
2. Electronic copy of the Annual Report for 2013-2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-2014 and the Notice of the Annual General Meeting alongwith Attendance Slip and Proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

B.A.G. FILMS AND MEDIA LIMITED

(CIN: L74899DL1993PLC051841)

Reg. Off: 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096**Corporate Off:** FC-23, Film City, Sector-16A, Noida-201301, (U.P.)

Tel: 91 120 3911 444, Fax No. 91 120 3911 401

Web: www.bagfilms.com, E-mail: info@bagnetwork.in

PROXY FORM

Name of Member(s)

Registered Address:

E-mail Id:

Folio No. / Client Id:

DP ID:

I/ We being the member(s) of Shares of the above named Company hereby appoint:

(1) Name:.....Address.....

E-mail id.....Signature.....or failing him;

(2) Name:.....Address.....

E-mail id.....Signature.....or failing him;

(3) Name:.....Address.....

E-mail id.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Members of B.A.G. Films and Media Limited to be held on Wednesday, June 25, 2014 at 4.00 P.M. at FICCI Auditorium, Tansen Marg, Mandi House, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS
ORDINARY BUSINESS	
1.	Adoption of financial Statement for the year ended March 31, 2014
2.	Re-appointment of Mr. Sudhir Shukla (DIN 01567595), Director who retires by rotation
3.	Re-appointment of M/s Joy Mukherjee & Associates, Chartered Accountants, the retiring Auditors, as Auditors of the Company and fixing their remuneration
SPECIAL BUSINESS	
ORDINARY RESOLUTION	
4.	To Appoint Ms. Urmila Gupta (DIN 00637110) as an Independent Director of the Company
SPECIAL RESOLUTION	
5.	Increase in the Authorised Share Capital of the Company
6.	Issue of warrants with an option to convert into equity shares on Preferential Basis

Signed thisday of2014

Signature of shareholder

Signature of proxy holder(s)

Affix Re 1.00 Revenue Stamp

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

B.A.G. FILMS AND MEDIA LIMITED

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