

23<sup>rd</sup>  
ANNUAL  
REPORT  
2015-16



**BAG Network** 24<sup>TM</sup>

**Studio** 24<sup>TM</sup>

**न्यूज़** 24<sup>TM</sup>

**E** 24<sup>TM</sup>

**RADIO DHAMAAL**  
106.4 FM

**isomes**<sup>TM</sup>

**दर्शन** 24<sup>TM</sup>

**B.A.G. FILMS AND MEDIA LIMITED**

## CORPORATE INFORMATION

<b>Board of Directors</b>	Ms. Anuradha Prasad	Chairperson cum Managing Director
	Dr. Anuradha Mishra	Director
	Ms. Urmila Gupta	Director
	Mr. Sudhir Shukla	Director

**Chief Financial Officer** Mr. Ajay Jain

**Company Secretary** Mr. Rajeev Parashar

**Statutory Auditors** Joy Mukherjee & Associates

**Bankers** Yes Bank Limited

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

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

**Registrar and Share Transfer Agent** Alankit Assignments Limited, Alankit Heights,  
1E/13, Jhandewalan Extension, New Delhi-110 055

S.No.	Contents	Page No.
01	Notice	1
02	Board's Report	7
03	Corporate Governance Report	27
04	Management Discussion and Analysis Report	40
05	Auditors' Report	47
06	Balance Sheet	51
07	Statement of Profit & Loss	52
08	Cash Flow Statement	53
09	Notes Forming parts of Accounts	55
10	Auditors' Report with Consolidated Financial Statements	77
		& onwards

## 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, mail: info@bagnetwork.in

### NOTICE

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of B.A.G. Films and Media Limited will be held on Wednesday, September 28, 2016 at 4.00 p.m. at M P C U Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2016 and the Reports of the 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 Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration by passing the following resolution with or without modification(s), as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, M/s Joy Mukherjee & Associates, Chartered Accountants (FRN: 006792C), be and are hereby re-appointed as the Statutory 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/Audit Committee."

#### SPECIAL BUSINESS

4. **To appoint Mr. Pankaj Chaturvedi (DIN: 00003278) as an Independent Director of the Company**

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

**"RESOLVED THAT** Mr. Pankaj Chaturvedi (DIN: 00003278), who was appointed as an Additional Director of the Company with effect from August 12, 2016 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Act, Mr. Pankaj Chaturvedi (DIN: 00003278), a Non- Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, 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."

By Order of the Board of Directors  
**For B.A.G. Films and Media Limited**

Place : Noida  
Date : August 12, 2016

**Rajeev Parashar**  
Company Secretary  
ACS No. 18631

#### Registered Office:

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

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 (FOURTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Register of the Company will remain closed from Thursday, September 22, 2016 to Wednesday, September 28, 2016 (both days inclusive).
3. Members/Proxies should bring the Attendance Slip/Proxy Form duly completed and signed in accordance with the specimen signature registered with the Company for attending the Meeting. An Attendance Slip and Proxy Form are 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 representative to attend and vote at the ensuing Annual General Meeting so as to reach the company on or before September 26, 2016.
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 intimate 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. Pursuant to section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form.
7. Members are requested to address all correspondence to the Registrar and Share Transfer Agent, Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi- 110 055.
8. Members are requested to quote Folio numbers/ DPID and Client ID, as the case may be, in all correspondence with the Company.
9. For security reasons briefcases, transistors, bags, tiffin boxes, cameras, binoculars etc. are not allowed inside the Auditorium.
10. 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 form part of the Notice.
11. During the year, amount of unclaimed dividend for the financial year 2007-08 has been deposited in the Investor Education and Protection Fund (IEPF) established by Central Government.
12. In view of the "Green Initiative" announced by Ministry of Corporate Affairs, 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. Accordingly the Company sends all communications including the Notices along with Annual Report in electronic form to all the members whose email address is registered with Company/Depository Participant{DP}/Registrar & Share Transfer Agent (RTA) unless a specific request for hard copy has been requested.
13. The Company has received Notice(s) under section 141 of the Companies Act, 2013 from the Statutory Auditors of the Company, namely, M/s Joy Mukherjee & Associates Chartered Accountants confirming that their appointment if made, will be within the prescribed limits as per section 141 of the Companies Act, 2013. The auditors also informed that they had subjected themselves to the Peer Review Process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI.
14. The Annual accounts of the subsidiary companies along with the related detailed information are available for inspection at corporate office of the Company and of the subsidiaries concerned and copies will be made available to the shareholders of B.A.G. Films and Media Limited and its subsidiary companies upon request.
15. Brief resume of the Directors/person proposed to be appointed/re-appointed at the ensuing Annual General Meeting as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the SEBI Listing Regulations) is provided in the Annexure to the Notice.
16. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for the financial year 2015-16 shall also be available on the Company's website [www.bagfilms.com](http://www.bagfilms.com) for ready reference. The Notice of the 23rd Annual General Meeting shall also be available on the website of National Securities Depositories Limited (NSDL), viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Members 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 them, any time, as a member of the Company.

#### 17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide facility for voting by electronic means for all its Members to enable them to cast their vote electronically and the business may be transacted through such e-voting.

A member may exercise his/her vote at the AGM and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rules. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by National Securities Depositories Limited (NSDL).

The facility for voting by ballot/ polling paper shall also be made available at the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.

Members may contact Mr. Rajeev Parashar, Company Secretary for any grievances connected with electronic voting at the Corporate Office of the Company at FC-23, Sector 16A, Film City, Noida, 201301, (U.P.) Tel. # 91 120 39 11 444.

#### 18. The remote e-voting period commences on **Saturday, 24<sup>th</sup> September, 2016 at 9:00 am (IST)** and ends on **Tuesday, 27<sup>th</sup> September, 2016 at 5:00 pm (IST)**.

- Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 21<sup>st</sup> September, 2016** may opt for remote e-voting and cast their vote electronically.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
- Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the **cut-off date i.e. 21<sup>st</sup> September, 2016** may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@bagnetwork.in](mailto:info@bagnetwork.in) by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
- At the end of remote e-voting period, the facility shall forthwith be blocked.

#### 19. The Board of Directors has appointed M/s Upendar Kumar Sharma & Associates, Practicing Company Secretaries (Membership No. ACS 24500 and COP No. 10001), as the Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 (Three) days of the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairperson of the Company or any person authorized by him in writing and the Results shall be declared by the Chairperson or any person authorized by him thereafter.

The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.bagfilms.com](http://www.bagfilms.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Result by the Chairperson or any person authorized by her in writing. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

#### 20. Please see the instructions below for details on e-Voting facility.

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

- a. Open e-mail and open PDF file viz; "BAGFILMS e-Voting.pdf" with your Client ID or Folio No. as password containing your user ID and password for e-voting. Please note that the password is an initial password.

- b. Launch internet browser by typing the following  
URL: <https://www.evoting.nsdl.com/>
- c. Click on "Shareholder - "Login"
- d. Put user ID and password as initial password noted in step (a) above. Click Login.
- e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof.  
Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of "e-voting" opens. Click on "e-voting: --- Active Voting Cycles."
- g. Select "EVEN" of BAG Films and Media Limited.
- h. Now you are ready for "e-voting" as "Cast Vote" page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through E-mail [bagscrutinizer@gmail.com](mailto:bagscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**(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. Initial password is provided with separate sheet annexed with Annual Report. Please follow all steps from Sl. No. (b) to Sl. No. (j) above, to cast vote.
21. If you are already registered with NSDL for e-voting then you can use your existing User ID and password for casting your vote.
  22. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the "downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  23. 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 except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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

**ITEM NO. 4**

Mr. Pankaj Chaturvedi (DIN: 00003278) was appointed as an Additional Director of the Company with effect from August 12, 2016 by the Board of Directors under Section 161(1) of the Companies Act 2013 (the Act) and the Articles of Association of the Company. In terms of Section 161(1) of the Act, Mr. Pankaj Chaturvedi holds office only up to the date of the ensuing Annual General Meeting (AGM).

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Pankaj Chaturvedi for the office of Director of the Company.

The Directors are of the view that the appointment of Mr. Pankaj Chaturvedi will be beneficial to the Company and that the Company should receive the benefit of his valuable experience and advice and commends his appointment.

The Company has received a certificate from Mr. Pankaj Chaturvedi confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act as well as the relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the SEBI Listing Regulations). 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 he shall not be included in the total number of directors for retirement by rotation.

Mr. Pankaj Chaturvedi is an independent to the management and in the opinion of the Board, he fulfils the conditions specified in the Act read with rules made thereunder and in the SEBI Listing Regulations for appointment as an Independent Director of the Company. A copy of the draft letter of appointment as an Independent Director setting out the terms and conditions would be available for inspection

without any fee to the members at the Registered Office of the Company during normal business hours on any working day.

Other than Mr. Pankaj Chaturvedi, none of the Directors and Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution at Item No. 4 of the accompanying Notice.

Mr. Pankaj Chaturvedi is not related to any other Director of the Company.

The Board recommended passing of the resolution as set out at item no. 4 of the Notice.

By Order of the Board of Directors  
For B.A.G. Films and Media Limited

Place : Noida  
Date : August 12, 2016

**Rajeev Parashar**  
Company Secretary  
ACS No. 18631

**Registered Office:**

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

**ANNEXURE**

**Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**I. Mr. Sudhir Shukla**

Age	54 Years
Nationality	Indian
Date of Appointment	February 13, 2013
Qualification	Bachelor's degree in Commerce
Expertise in specific functional area	General management consultancy, implementing Organizational control systems and corporate performance management solutions.
Directorships held in other companies (excluding foreign Companies and section 8 companies)	1. ARVR Communications Private Limited
	2. Approach Films and Television Limited
	3. B.A.G. Live Entertainment Limited
	4. Skyline Tele Media Services Limited
	5. E24 Glamour Limited
	6. News24 Broadcast India Limited
Chairmanships/ Memberships of Committees in other companies	1. News24 Broadcast India Limited
	Audit Committee (Member)
	Nomination and Remuneration Committee (Member)
	2. E24 Glamour Limited
	Audit Committee (Member)
	Nomination and Remuneration Committee (Member)
Relationship with other Directors	None
No. of shares held	26, 700



## II. Mr. Pankaj Chaturvedi

Age	48 Years
Nationality	Indian
Date of Appointment	August 12, 2016
Qualification	Chartered Accountant and Bachelor's degree in Commerce.
Expertise in specific functional area	He has experience in handling Audits of Large Corporate and Banks. He is acting as Advisor to many Big Corporate Groups on Corporate Finance, Merger & Acquisitions and Risk Management.
Directorships held in other companies (excluding foreign Companies and section 8 companies)	1. Modern Rail Welders Private Limited
	2. Sagar Dymowld Private Limited
	3. Gordon House Estate Private Limited
	4. Galaxy Datamatics Private Limited
	5. First Advisory Services Private Limited
Chairmanships/ Memberships of Committees in other companies	None
Relationship with other Directors	None
No. of shares held	Nil



## BOARD'S REPORT

To,  
**The Members,**  
**B.A.G. Films and Media Limited**

Your Directors have pleasure in presenting their 23<sup>rd</sup> Annual Report on business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2016. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### FINANCIAL RESULTS

The Standalone and Consolidated performance of the Company and its subsidiaries, for the year under review along with previous year figures are given hereunder:

(Rupees in Lacs)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Income	2381.73	3237.73	11881.67	12935.11
Profit before Depreciation & Financial Charges	1553.45	1455.26	2985.17	2722.43
Financial Charges	1319.68	1421.67	1521.13	1619.37
Cash Profit	233.78	33.59	1466.67	1105.72
Depreciation	928.63	1548.71	1515.03	2443.43
Profit before Tax	(694.86)	(1515.11)	(50.99)	(1340.37)
Provision for Tax	(84.56)	(261.68)	(53.56)	(391.52)
Profit after Tax	(610.30)	(1253.43)	2.57	(948.85)
Proposed Dividend	Nil	Nil	Nil	Nil

### COMPANY PERFORMANCE/ STATE OF COMPANY'S AFFAIRS

During the year under review, the Standalone revenue from operation of the company is Rs. 2311.58 lacs against Rs. 3153.74 lacs during the previous financial year. As per the Consolidated Accounts, the total revenue from operations is down by 8% from Rs. 12,767.22 lacs to Rs. 11,724.08 lacs during the year. However your Company improved on bottom line by improving efficiency. There was consolidated cash profit of Rs. 233.78 lacs as against Rs. 33.59 lacs in previous year.

On standalone basis, loss after tax for the year was substantially curtailed down to Rs. 610.30 lacs against Rs. 1253.43 lacs in Financial Year 2014-15.

#### Television Software:

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. Your company gave significant impetus to international business regarding healthy growth in export.

#### Media Education

Your Company has earned royalties for its media education brand ISOMES (International School of Media & Entertainment Studies).

ISOMES is offering full time graduate courses in Broadcast Journalism under the aegis of B.A.G. Films Media Education Society.

#### Broadcasting

**News24**, a 24 hours National Hindi free to air Hindi news channel operating through its subsidiary News24 Broadcast India Limited, has consistently maintained healthy market share in Hindi News Genre and is available throughout India on cable and DTH platforms.

News 24, Hindi news channel is also available throughout West Asia and the MENA Region on DU network.

**E24** a 24 hours Bollywood Entertainment channel operating through its subsidiary E24 Glamour Limited, pitched as Bollywood's direct connection managed to attract audience of all age groups and succeeded in creating a new genre in television entertainment.

E24, now available throughout west Asia and the MENA region on DU network has gained popularity in international market too.

**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 and 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. 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.

### Radio

Your Company has 10 FM Radio stations popularly known as 'Dhamaal24' at 106.4 FM under its subsidiary Skyline Radio Network Limited in the cities of Hissar, Karnal, Patiala, Shimla, Muzaffarpur, Ranchi, Jabalpur, Jalgaon, Dhule and Ahmednagar. During the year the company has successfully migrated its radio stations from Phase-II to Phase-III.

**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.

### CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2016.

### DIVIDEND

The Directors express their inability to declare any dividend for the financial year ended March 31, 2016 on account of loss incurred during the year under review. The Company has not made any transfer to General Reserve.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the erstwhile 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 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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 23.09.2015 (date of last Annual General Meeting) on the Company's website [www.bagfilms.com](http://www.bagfilms.com) and also on the Ministry of Corporate Affairs' website.

In terms of Section 125 of the Companies Act, 2013 (herein after referred as "the Act") and erstwhile provisions of Section 205A(5) and 205C of the Companies Act, 1956, unclaimed or unpaid dividend relating to the financial year 2007-08 is due for remittance on or before 23.10.2015 transferred to the Investor Education and Protection Fund. Details of transfer of Fund to IEPF during the financial year 2015-16 are given herein below:-

Particulars	Amount (in Rs.)
Opening Balance (01-04-2015)	132,212
Less: Transfer of Unclaimed Dividend to IEPF	132,212
Closing Balance (31-03-2016)	Nil

### DIRECTORS

There are 4 (four) Directors on the Board of your Company, comprising of 2 Independent Directors, 1 Non-Executive Director and 1 Chairperson cum Managing Director (CMD).

The Board of the Company besides Ms. Anuradha Prasad, as the Chairperson cum Managing Director has 2 (two) women Independent Directors, i.e. Dr. Anuradha Mishra and Ms. Urmila Gupta.

### Independent Directors

Definition of Independence of Directors is derived from Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (herein after referred as "the SEBI Listing Regulations") and Section 149(6) of the Act. The Company has received necessary declaration from Independent Directors stating that they meet the prescribed criteria of independence.

Based on the confirmation/ disclosures received from the Directors under section 149 (7) of the Act, the following Non-Executive are considered as Independent Directors:

1. Dr. Anuradha Mishra
2. Ms. Urmila Gupta

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### Appointments/ Resignations from the Board of Directors

During the financial year under review, no changes have been made in Board of Directors of the Company.

### Appointments/ Resignations of the Key Managerial Personnel

Ms. Anuradha Prasad, Chairperson cum Managing Director, Mr. Ajay Jain, Chief Financial Officer and Mr. Rajeev Parashar, Secretary of the Company are the Key Managerial Personnel as per the provisions of the Act. The Board of Directors of the Company at their meeting held on May 29, 2015 appointed Mr. Ajay Jain as Chief Financial Officer of the Company.

The Board of Directors of the Company at their meeting held on February 12, 2015 re-appointed Ms. Anuradha Prasad as Chairperson cum Managing Director with approval of Shareholders at 22nd Annual General Meeting held on 23.09.2015 for a further period of 5(five) years with effect from April 1, 2015.

### Directors Retiring by Rotation

Pursuant to provision of section 152 of the Act read with the Articles of Association of the Company, Mr. Sudhir Shukla will retire by rotation at the 23rd Annual General Meeting and being eligible for re-appointment.

### Board Evaluation

Schedule IV of Companies Act, 2013 read with corporate governance requirements as prescribed under the SEBI Listing Regulations mandates that annual performance evaluation of Directors should be carried out by Independent Directors and annual performance evaluation of Independent Directors should be carried out by other Directors to the exclusion of Director being evaluated.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section in the Annual Report. The Board approved the evaluation process results as collated by the Nomination & Remuneration Committee of the Company.

The performance of the board was evaluated after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

### Meetings

The Board of Directors of your Company met 4 (four) times during the year under review. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this report.

### Composition of Committees of the Board of Directors

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 terms of reference of Board Committees are determined by the Board from time to time.

### The Company's Board has the following Committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Risk Management Committee

4. ESOP Compensation Committee
5. Nomination and Remuneration Committee

The details of terms of reference, membership, composition and attendance at meetings are provided in Corporate Governance Report of this Annual Report which forms part of this report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:-

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they 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 at the end of the financial year and of the loss of the Company for the year ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts of the Company on a 'going concern' basis.
- e) the internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### SUBSIDIARY COMPANIES

The Company has four subsidiaries as on March 31, 2016 out of which one is wholly owned foreign subsidiary. There is no associate company within the meaning of Section 2(6) of the Companies Act, 2013 ("the Act").

### Consolidated Financial Statements

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of section 136 of the Act, the financial statements of the Company including the consolidated financial statements along with relevant documents and separate audited financial accounts in respect of subsidiaries, are available on the company's website [www.bagfilms.com](http://www.bagfilms.com).

## EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) and section 134(3)(a) of the Act extract of the Annual Return as on March 31, 2016 in **Form No. MGT-9** is enclosed as **Annexure I** to this report.

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 134 (3) (m) of the Act read along with Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption are not applicable.

## FOREIGN EXCHANGE EARNING AND OUTGO

During the financial year 2015-16, your Company's foreign exchange earnings were Rs. 15,500,000/- and foreign exchange outgoings were Rs. 3,130,425/- as against Rs. 132,853,055/- of foreign exchange earnings and Rs. 5,380,347/- of foreign exchange outgoings for the financial year 2014-15.

## SIGNIFICANT AND MATERIAL ORDERS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board of your Company has laid down internal financial controls that are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

## RISK MANAGEMENT POLICY

In accordance with the requirements of the Companies Act, 2013 the Company has adopted Risk Management Policy, approved by Board and established a risk management framework to identify, mitigate and control the risk and threat.

An abridged policy on Risk Management has been placed on the Company's **website [www.bagfilms.com](http://www.bagfilms.com)**.

The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

## PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits under section 73 to 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company believes in voluntary commitment of Corporate Social Responsibility initiatives, though mandatory contribution is not yet applicable on the company. The Company shall report the same and shall submit the relevant report as and when they became applicable.

## NOMINATION AND REMUNERATION POLICY

The Company has constituted a Nomination and Remuneration Committee of Directors in compliance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations as amended from time to time.

The Remuneration policy of the Company is a comprehensive policy which is competitive, in consonance with the industry practices. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure II** and forms part of this Report.

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed on a quarterly basis before the Audit Committee and also before the Board for their approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. In line with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website **[www.bagfilms.com](http://www.bagfilms.com)**.

The particulars of every contract, transaction, and arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in **Form No. AOC -2** in **Annexure III** and form part of this Report.

## VIGIL MECHANISM

The Company has a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy to the



Audit Committee. There is no restriction for reporting any such occurrence and all the employees have uninterrupted access for reporting their concern in confidence to the Audit Committee.

The details of the Whistle Blower Policy are posted on the website of the Company at [www.bagfilms.com](http://www.bagfilms.com).

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, an audit firm can act as auditors for a maximum tenure of two terms of 5 consecutive years. For the purpose of reckoning this limit, existing tenure of the auditors needs to be counted. However, companies have been given a transition time of 3 years from April 1, 2014 to comply with this provision.

Accordingly, the Company's Auditors M/s. Joy Mukherjee & Associates (FRN: 006792C), Chartered Accountants, who retire at the ensuing Annual General Meeting, may continue as statutory auditors for auditing financial statements for the financial year ending March 31, 2017. M/s. Joy Mukherjee & Associates have confirmed their eligibility and willingness to accept office, if re-appointed. Based on the recommendation of Audit Committee, the Board has approved the proposal for placing the matter of re-appointment of M/s. Joy Mukherjee & Associates as statutory auditors at the 23rd Annual General Meeting.

### Qualification in Auditors reports

There are no qualifications, reservations or adverse remarks made by M/s. Joy Mukherjee & Associates, Statutory Auditors, in their report for the financial year ended March 31, 2016.

Pursuant to provisions of section 143(12) of the Companies Act, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Balika Sharma & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2016. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in her report. The Report of the Secretarial Audit in Form No MR-3 for the financial year ended March 31, 2016 is enclosed as **Annexure IV** to this Report.

## LISTING

The equity shares of the Company are listed with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). There are no arrears on account of payment of listing fee to the Stock Exchanges.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements.

As per Regulation 34 of the SEBI Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Managing Director, CFO and M/s. Joy Mukherjee & Associates, Statutory Auditors, on compliance with corporate governance norms under the Listing Regulations, is annexed and forms part of this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report on your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable, are provided separately and forms part of this Report.

## CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct (the Code) modified from time to time applicable to Directors, Independent Directors and senior management personnel. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company. A copy of the Code has been put on the Company's website [www.bagfilms.com](http://www.bagfilms.com). The Code has been circulated to Directors and Senior Management Personnel, and its compliance is affirmed by them annually.

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015 (SEBI Regulations), the existing Code of Conduct which was formulated under erstwhile regulation has been replaced with the new Code of Conduct, viz. "Code of conduct for trading by insiders" pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Besides, the Company has also formulated code of fair disclosure of Unpublished Price Sensitive Information in addition therewith pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations 2015. These codes are applicable to Directors/officers/connected person/designated employee of the Company and their immediate relatives.

## PREFERENTIAL ALLOTMENT

### Convertible Warrants

Your company had issued and allotted 80,000,000 warrants, to eligible allottees under promoter/non- promoter group on preferential basis with an option to get allotted one equity share per warrant before expiry of eighteen months from the date of allotment, pursuant to section 42 and 62 of the Companies Act, 2013 with the approval accorded by the Members of the Company at the 21st Annual General Meeting held on June 25, 2014. In the first tranche 8,500,000 warrants of Rs. 2/- each at a price of Rs. 3.40/- per shares ("conversion price" including a premium of Rs.

1.40/-per shares) were converted into equal number of equity shares of Rs. 2/- each during the FY 2014-15 and listing and trading permission for these shares have been duly obtained from the respective Stock Exchanges.

In the second tranche 9,400,000 warrants of Rs. 2/- each at a price of Rs. 3.40/- per shares ("conversion price" including a premium of Rs. 1.40/-per shares) were converted into equal number of equity shares of Rs. 2/- each vide Stakeholders Relationship Committee date 14.01.2016 and listing and trading permission for these shares have been duly obtained from the respective Stock Exchanges.

During the year under review, the Company has forfeited the balance 62,100,000 warrants which were not exercised within specified time by the warrant holders and balance amount of 25% received as upfront money was also forfeited.

The paid up equity share capital of the Company as on March 31, 2016 was Rs. 376,236,180/- (including the calls in arrear of Rs. 170,341/-) divided into 188,118,090 equity shares of Rs. 2 each.

#### PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under sub-section (12) of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as part of this report in **Annexure V**.

The information required pursuant to Section 197 of the Act read with Rule 5(2)& (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

#### Information Required Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and confidentiality of information. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an Internal Complaints Committee which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal. No complaints

were received by the committee during the year under review. No complaints were filed during the year. This is in compliance with section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### Material Events Occurred between the end of Financial Year to which the Financial Statements Relate and the Date of the Report :

No material events have occurred between the end of Financial Year 2015-16 and the date of this Report which have effect over the Financial position of the Company.

#### Additional Information

The consolidated financial statements of the Company forms part of this Annual Report. Accordingly, this Annual Report of your Company does not contain the financial statements of its subsidiaries. The Audited Annual Accounts and related information of the Company's subsidiaries will be made available upon request. These documents will also be available for inspection during business hours at the Company's registered office in Delhi, India. The subsidiary companies' documents will also be available for inspection at the respective registered offices of the subsidiary companies during business hours.

#### ACKNOWLEDGEMENTS

Your Directors the Central and State Government Departments, organizations and agencies for the continued help and co-operation extended by them.

Your Directors also gratefully acknowledge all stakeholders of the Company viz. viewers, producers, vendors, members, stock exchanges, auditors, consultants, dealer's, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors  
**B.A.G. Films and Media Limited**

**Anurradha Prasad**  
Chairperson cum Managing Director  
(DIN:00010716)

Date : May 30, 2016  
Place : Noida

# ANNEXURE I

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L74899DL1993PLC051841
- ii) Registration Date : 22.01.1993
- iii) Name of the Company : B.A.G. Films and Media Limited
- iv) Category / Sub-Category of the Company : Public Company/Limited by Shares/Indian Non-Government Company
- v) Address of the Registered office and contact details : 352, Aggarwal Plaza, Plot No-8, Kondli, New Delhi- 110096.  
Telephone No. 91 120 391 1444  
Fax: 91 120 3911401
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewala Ext., New Delhi- 110055. Phn: 011-42541234, Fax: 011-23552001.

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Motion Picture, Video and Television Programs Production Activities	5911	66.04
2	Leasing of Production and Broadcast Equipments and/ or other assets	7730	24.04

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Skyline Radio Network Limited A-60, Basement, Near Malviya Nagar Market, New Delhi-110017	U92132DL2005PLC142230	Subsidiary	71.05	2(87)
2	E24 Glamour Limited 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096	U92419DL2007PLC160548	Subsidiary	69.23	2(87)
3	News24 Broadcast India Limited 352, Aggarwal Plaza, Plot No.8, Kondli, New Delhi-110096	U32204DL2007PLC162094	Subsidiary	53.82	2(87)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category	Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter									
1	Indian									
(a)	Individuals/ HUF	21507790	-	21507790	12.03	21507790	-	21507790	11.43	-0.60
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	46694868	-	46694868	26.13	56094868	-	56094868	29.82	3.69
(e)	Banks /FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub – Total (A) (1)</b>	<b>68202658</b>	<b>-</b>	<b>68202658</b>	<b>38.16</b>	<b>77602658</b>	<b>0</b>	<b>77602658</b>	<b>41.25</b>	<b>3.09</b>
2	Foreign									
(a)	NRI – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks /FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub – Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>68202658</b>	<b>-</b>	<b>68202658</b>	<b>38.16</b>	<b>77602658</b>	<b>-</b>	<b>77602658</b>	<b>41.25</b>	<b>3.09</b>
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
(b)	Banks /FI	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Other (specify):	-	-	-	-	-	-	-	-	-
	<b>Sub – Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	Non-Institutions									
(a)	Bodies Corporate									
	i) Indian	27795683	2	27795685	15.55	27571501	2	27571503	14.66	-0.89
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 Lac	43519235	205834	43725069	24.47	45141070	208122	45349192	24.11	-0.37

Category	Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2015)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lac	37656083	70250	37726333	21.11	36202378	70250	36272628	19.28	-1.83
(d)	Any other (specify)									
	i) NRIs	1169645	-	1169645	0.65	1223409	-	1223409	0.65	-
	ii) OCBs	49300	49300	98600	0.06	49300	49300	98600	0.06	-
	iii) Trust	100	-	100	0.00	100	-	100	0.00	-
	<b>Sub - Total (B) (2)</b>	<b>110190046</b>	<b>119552</b>	<b>110515432</b>	<b>61.84</b>	<b>110187758</b>	<b>327674</b>	<b>110515432</b>	<b>58.75</b>	<b>-3.09</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>110190046</b>	<b>119552</b>	<b>110515432</b>	<b>61.84</b>	<b>110187758</b>	<b>327674</b>	<b>110515432</b>	<b>58.75</b>	<b>-3.09</b>
	<b>TOTAL (A) + (B)</b>	<b>178392704</b>	<b>119552</b>	<b>178718090</b>	<b>100.00</b>	<b>187790416</b>	<b>327674</b>	<b>188118090</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodians for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>178392704</b>	<b>119552</b>	<b>178718090</b>	<b>100.00</b>	<b>187790416</b>	<b>327674</b>	<b>188118090</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2015)			Shareholding at the end of the year (31 <sup>st</sup> March, 2016)			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anurradha Shukla	21479190	12.02	0	21479190	11.42	0	-0.60
2	Jyoti Shukla	1900	0.00	0	1900	0.00	0	0.00
3	Sudhir Shukla	26700	0.01	0	26700	0.01	0	0.00
4	ARVR Communications Private Limited	38194868	21.37	0	38194868	20.30	0	-1.07
5	Skyline Tele Media Services Limited	4250000	2.38	0	13650000	7.26	0	4.88
6	B.A.G. Live Entertainment Limited	4250000	2.38	0	4250000	2.26	0	-0.12
	<b>Total</b>	<b>68202658</b>	<b>38.16</b>	<b>0</b>	<b>77602658</b>	<b>41.25</b>	<b>0</b>	<b>3.09</b>

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year (April 1, 2015)		Cumulative Shareholding during the year (2015-16)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	68202658	38.16	77602658	41.25
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	14.01.2016 9400000 equity shares (allotment)	4.99		
	At the End of the year (March 31, 2016)	77602658	41.25	77602658	41.25

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2015)		Cumulative Shareholding during the year (2015-16)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sameer Gehlaut	20250900	11.33	20250900	10.76
2	High Growth Distributors Private Limited	13078000	7.32	13078000	6.95
3	Pragmatic Traders Private Limited	1400000	0.78	1400000	0.74
4	PAR Vision Consultancy Private Limited	1702054	0.95	1702054	0.90
5	Bonanza Portfolio Ltd	409976	0.23	952500	0.51
6	Ritika Mukesh Agarwal	700000	0.39	880000	0.47
7	Girdharilal V Lakhi	-	0.42	754770	0.40
8	NITCO Paints Private Limited	728092	0.41	728092	0.39
9	Narendrapal Gupta	680072	0.38	680072	0.36
10	Vinod Aggarwal	575000	0.32	575000	0.31

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors*	Shareholding at the beginning of the year (April 1, 2015)		Cumulative Shareholding during the year (2015-16)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Ms. Anuradha Prasad, Chairperson cum Managing Director</b>				
	At the beginning of the year	21479190	12.02	21479190	11.42
	Increase/Decrease in shareholding during the year	0	0	0	0
	At the End of the year	21479190	11.42	21479190	11.42
2.	<b>Mr. Sudhir Shukla, Director</b>				
	At the beginning of the year	26700	00.01	26700	00.01
	Increase/Decrease in shareholding during the year	0	0	0	0
	At the End of the year	26700	00.01	26700	00.01
	<b>For Each of Key Managerial Personnel</b>				
3.	<b>Mr. Ajay Jain, Chief Financial Officer</b>				
	At the beginning of the year	0	0	0	0
	Increase/Decrease in shareholding during the year	0	0	0	0
	At the End of the year	0	0	0	0
4.	<b>Mr. Rajeev Parashar, Company Secretary</b>				
	At the beginning of the year	0	0	0	0
	Increase/Decrease in shareholding during the year	0	0	0	0
	At the End of the year	0	0	0	0

\* Except Ms. Anuradha Prasad and Mr. Sudhir Shukla, (whose shareholding is given above), no other Directors hold shares in the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment"Refer Note 3 and 5 to Financial Statement.

The Company is not accepting any deposit under section 73 to 76 of the company Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Ms. Anuradha Prasad, Chairperson Cum Managing Director
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	83.33
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	83.33
	Ceiling as per the Act*	

### B. Remuneration to other Directors:

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	<b>3. Independent Directors</b>	<b>Dr. Anuradha Mishra</b>	<b>Ms. Urmila Gupta</b>		
	• Fee for attending board / committee meetings • Commission • Others, please specify	00.675	00.675		1.350
	Total (1)	00.675	00.675		1.350
	<b>4. Other Non-Executive Directors</b>			<b>Mr. Sudhir Shukla</b>	
	• Fee for attending board / committee meetings • Commission • Others, please specify			00.90	00.90
	Total (2)			00.90	00.900
	Total (B)=(1+2)	00.675	00.675	00.90	2.250
	<b>Total Managerial Remuneration (A+B)</b>				<b>85.58</b>
	Overall Ceiling as per the Act*				

\*The above said remuneration are in compliance with provisions of Schedule V of the Companies Act, 2013 and / or as per the approval received from the Members of the Company.

**C. Remuneration to Key Managerial Personnel Other than Managing Director / Manager / Whole Time Director**

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Name of KMP other than MD/WTD/Manager		
		Ajay Jain, CFO	Rajeev Parashar, Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	30.00	30.00	60.00
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - as % of profit - others, specify...	-	-	
5.	Others, please specify	-	-	
	Total	30.00	30.00	60.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

## ANNEXURE II

### NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES [B.A.G. Films and Media Limited]

#### INTRODUCTION

Section 178 of the Companies Act, 2013 and the provisions of clause 49 of the Listing Agreement with Stock Exchanges require the Nomination and Remuneration Committee (NRC) of the Board of Directors of every listed entity, among other classes of companies, to

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance.
- formulate the criteria for evaluation of Independent Directors and the Board.

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, Board of Directors adopted the Nomination and Remuneration Policy of B.A.G. Films and Media Limited (herein after called as B.A.G.) for the directors, key managerial personnel and other employees of the Company duly recommended by NRC as set out below.

#### COMPANY PHILOSOPHY

B.A.G. is an equal opportunities employer. The organization does not discriminate on grounds of age, gender, color, race, ethnicity, language, caste, creed, economic or social status or disability. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

Employee recognition schemes in the form of ESOPs have also been introduced as successful tools in acknowledging their contribution and making them partners in the wealth created by B.A.G.

The endeavor of the organization is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

#### GUIDING PRINCIPLES

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavored to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act,

2013 and the section on Responsibilities of Board under clause 49 of the Listing Agreement, summarized hereunder:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) remuneration to directors, key managerial personnel and senior management reflecting short and long term performance objectives appropriate to the working of the company and its goals;
- d) facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;
- e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

#### NOMINATION OF THE DIRECTORS

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

#### General Criteria

- The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.
- Directors should be selected so that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background, country of citizenship and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.
- Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.

- Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.
- Commitment of the nominee to understanding the Company and its industry, embracing the organisation's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

#### Specific Criteria

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted, global organisation.
- The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment, and high standards of integrity and professional conduct.
- Nominees understand and endeavour to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organisation above self-interest. He/ she has demonstrated a commitment to transparency and disclosure.
- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

#### REMUNERATION OF THE DIRECTORS

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organisations.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of the Companies Act, 2013.

Appointment and Remuneration of Managing Director and Whole-time Director

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of

the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 (Five) years at a time.

The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

#### Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings
- Reimbursement of expenses for participation in the Board and other meetings
- Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

#### Remuneration to Directors in other Capacity

The remuneration payable to the directors including Managing or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

- (a) the services rendered are of a professional nature; and



- (b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

#### EVALUATION OF THE DIRECTORS

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

#### NOMINATION AND REMUNERATION OF THE KEY MANAGERIAL PERSONNEL (OTHER THAN MANAGING DIRECTORS/WHOLE TIME DIRECTORS), KEY EXECUTIVES AND SENIOR MANAGERIAL PERSONNEL

The executive management of a company is responsible for the day to day management of a company. The Companies Act, 2013 has used the term "key managerial personnel" to define the executive management.

The KMPs are the point of first contact between the company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the key managerial personnel and the senior management who are responsible for not just laying down the strategies as well as its implementation.

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with "Remuneration of Managing Director and Whole-time Director".

#### Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company defined in the clause 49 of the Listing Agreement with the Stock Exchanges i.e.

personnel who are members of its core management team excluding the Board of Directors. Senior executives' one level below the Board shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholders interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department.

#### REMUNERATION OF THE EMPLOYEES

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HODs of various departments. Decisions on Annual Increments shall be made on the basis of this annual appraisal.

#### GENERAL

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors.

**ANNEXURE III**  
**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso there to is given below:

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016 which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2016 are as follow:

Sr. No.	Name of Related Party	Nature of Relationship	Nature of contracts or arrangements or transactions	Duration of contracts or arrangements or transactions	Salient Terms	Amount (in Rs.)
1	News24 Broadcast India Limited	Subsidiary	Leasing of Equipments	Continuing	As per Related Party Transaction Policy	49,384,768
2	E24 Glamour Limited	Subsidiary	Leasing of Equipments	Continuing	As per Related Party Transaction Policy	6,189,120
3	Anurradha Prasad	Chairperson cum Managing Director	Managerial Remuneration	Continuing	As per Agreement	8,333,330

For and on behalf of the Board of Directors  
**B.A.G. Films and Media Limited**

**Anurradha Prasad**  
Chairperson cum Managing Director  
(DIN:00010716)

Date : May 30, 2016  
Place : Noida

## ANNEXURE IV

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2015-16

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

B.A.G Films and Media Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **B.A.G. Films and Media Limited CIN L74899DL1993PLC051841, (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2015 and ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified and came into force;
  - 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - 4) Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d) Listing Agreement with Stock Exchanges in force upto 30th November, 2015;
    - e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement ) Regulations, 2015;
- During the Audit Period under review, the Company has complied with the provisions of the Acts, Laws and Regulations and guidelines, to the extent applicable, as mentioned above.
6. As informed by the management, being a programs and content provider, there is no sector specific law applicable to the Company. We have also examined compliance with the applicable clauses of the following:
    - i. Secretarial Standards issued by the Institute of Company Secretaries of India.
    - ii. Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited in force up to 30th November, 2015.
    - iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried out with unanimous consent and therefore no dissenting views were captured and recorded as part of the minutes

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as stated above.

**We further report that** during the audit period, there were no instances of:

- (i) Redemption / buy-back of securities.
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

**We further report that** during the Audit Period, the members of the Company inter-alia passed the following Special Resolution(s):

Under Section 196, 197, 198 and Section 203 of the Act, Re-appointment of Ms. Anuradha Prasad (DIN 00010716) as Chairperson cum Managing Director of the Company in the Annual General Meeting dated September 23, 2015.

Under Section 188 of the Act, Approvals for Related Part Transactions in the Annual General Meeting dated September 23, 2015.

The Company has issued equity shares on a preferential basis during the financial year under review in compliance with applicable provisions of Companies Act, 2013, relevant rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

**For Balika Sharma & Associates  
Company Secretaries**

**Balika Sharma**

Proprietor

FCS No: 4816

C P No: 3222

Place : Noida

Date : 30.05.2016

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

## Annexure 1

To,  
**The Members,**  
**B.A.G. Films and Media Limited**

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Balika Sharma & Associates**  
**Company Secretaries**

**Balika Sharma**  
 Proprietor  
 FCS No: 4816  
 C P No: 3222

Place : Noida  
 Date : 30.05.2016

## ANNEXURE V

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:
- Ms. Anuradha Prasad, Chairperson cum Managing Director, get remuneration for the financial year 2015-16 is Rs. 83.33 lacs, zero percentage increase in remuneration, Ratio of remuneration of each Director/to median remuneration of employees was 18:1.
  - Mr. Ajay Jain, Chief Financial Officer, get remuneration for the financial year 2015-16 Rs. 30 lacs with zero percentage increase in remuneration.
  - Mr. Rajeev Parashar, Company Secretary, get remuneration for the financial year 2015-16 Rs. 30 lacs with zero percentage increase in remuneration.

(Note: No remuneration is paid to Non-executive Directors except sitting fee).

- ii) The median remuneration of employees of the Company during the financial year was Rs. 4.57 Lacs;
- iii) In the financial year, there was a decrease of 0.29% in the median remuneration of employees;
- iv) There were 31 permanent employees on the roll of Company as on March 31, 2016;
- v) Relationship between average increase in remuneration and company performance: The increase in remuneration is not solely based on the Company performance but also includes various other factors like individual performance, experience, skill sets, industry trend, economic situation and future growth prospects etc. All these factors are considered for revision of remuneration.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The increase in remuneration is not solely based on the Company performance but also includes various other factors like individual performance, experience, skill sets, industry trend, economic situation and future growth prospects etc. All these factors are considered for revision of remuneration.

Ms. Anuradha Prasad, Chairperson cum Managing Director constitutes 5.36% of the EBIDTA of the Company, Mr. Ajay Jain, Chief Financial Officer 1.93% and Mr. Rajeev Parashar, Company Secretary 1.93% of the EBIDTA.

- vii) a) Variations in the market capitalization of the Company : The market capitalization as on March 31, 2016 was Rs.7900.96 Lacs (Rs. 5182.82 Lacs as on March 31, 2015)
- b) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year:
- The Company had come out with initial public offer (IPO) in 2003 An amount of Rs 10 (face value Rs. 2 at a premium of Rs. 8) invested in the said IPO would be worth Rs 4.20 as on March 31, 2016 indicating a Compounded Annual Growth Rate of -6.01%.
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was zero whereas the decrease in the managerial remuneration for the same financial year was 16.67%.
- ix) The key parameters for the variable component of remuneration availed by the Directors. Not Applicable;
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and senior management.

## Corporate Governance Report 2015-16

**“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”**

The Company is in compliance with the requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) with regard to Corporate Governance.

### 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 of Directors ("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 organization 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.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ("the SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the concern Stock Exchanges.

### 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) Size and Composition of Board of Directors

The Board comprises such number of Executive, Non-Executive and Independent Directors with one women director as required under applicable legislation. As on date of this Report, the Company has 4 Directors out of which 1 is Executive Director and 3 are Non-Executive Directors out of which 2 are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 (the Act).

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 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 does not have any specific term, but retire by rotation in accordance with the provisions of the Companies Act, 2013 and Rules made there under.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

#### (ii) Appointment of Directors

In terms of Article 89 of Articles of Association 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 is eligible for re-appointment.

Ms. Anuradha Prasad was appointed as Chairperson cum Managing Director of the Company for a period of five years with effect from April 01, 2015. The approval



of shareholders has been obtained at the 22nd Annual General Meeting dated 23.09.2015 for her re-appointment for further period of five years starting from April 01, 2015.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies are given herein below:

**(iii) Directors' Attendance Records and Committee Positions:**

Name of 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)	3	Present	4	2	-
Mr. Sudhir Shukla	Non-Executive Director	4	Present	5	2	-
Dr. Anuradha Mishra	Non-Executive Independent Director	3	Present	2	-	2
Ms. Urmila Gupta	Non-Executive Independent Director	3	Present	3	-	-

Notes:

\*Leave of absence was granted to the Director(s) for the Board Meeting(s), in which they did not attend and sought the leave of absence from the meeting.

\*\*Excludes private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 and B.A.G. Films and Media Limited.

\*\*\*Committees considered for the purpose are those prescribed under explanation to Regulation 26(1)(b) of the SEBI Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies excluding B.A.G. Films and Media Limited.

None of the Directors are members of more than 10 (Ten) Committees and Chairperson of 5 (Five) Committees across all the listed Companies in which they are Directors. None of the Directors held directorship in more than 10 public limited companies.

None of the Independent Directors of the Company served as Independent Director in more than 7 listed companies.

The necessary disclosures regarding other Directorship(s)/Committee Membership(s)/ Chairmanship(s) have been made by all the Directors in the first Board Meeting of the financial year which began on 1st April, 2016.

#### (iv) 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.

**Meetings:** Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held: on May 29, 2015; August 13, 2015; November 06, 2015; and February 11, 2016.

The necessary quorum was present for all the meetings.

#### (v) Independent Directors

In terms of definition of Independent Director as prescribed under the SEBI Regulations and Section 149(6) of the Companies Act, 2013 and based on the confirmation/ disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:

1. Dr. Anuradha Mishra
2. Ms. Urmila Gupta

The Company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the company [www.bagfilms.com](http://www.bagfilms.com).

During the year, one meeting of the Independent Directors was held on January 14, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to the Company's culture through appropriate orientation session and they are also introduced to the organization structure, our business, constitution,

board procedures, major risks and management strategy.

The Board has evaluated the performance of Non-executive and Independent Directors. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

The details of the familiarization programmes of the Independent Directors are available on the website of the Company at <http://bagnetwork24.in/Document/Familiarization%20Program%20for%20Independent%20Directors.pdf>.

#### (VI) Performance Evaluations:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations a separate exercise was carried out to evaluate the performance of individual Directors including the Chairperson of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

### 3. 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 needs 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 terms of reference of Board Committees are determined by the Board from time to time. All decisions and recommendations of the Committees are placed before the Board for information or approval.

We have five Committees of the Board as at March 31, 2016:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Risk Management Committee
4. ESOP Compensation Committee
5. Nomination and 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.

## A) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Companies Act, 2013.

### i) Terms of reference

The broad terms of reference of the Audit Committee are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient-accurate-timely and credible;
- Recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and

making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Examination of the financial statement and the auditors' report thereon;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- 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;
- 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;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- to review the functioning of the whistle blower mechanism;
- Discussion with internal auditors of any significant finding and follow up thereon;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
- Such other functions as may be delegated by the Board from time to time.

- The audit committee shall review the information required as per the SEBI Listing Regulations.

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

Presently, the Audit Committee of the Company comprises of three Non-executive Directors. Dr. Anuradha Mishra, Chairperson of the Committee is a Non-Executive Independent Director. Other members are Mr. Sudhir Shukla, Non-Executive Director and Ms. Urmila Gupta, Non-Executive Independent 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 2015-16, four Audit Committee meetings were held on May 29, 2015, August 13, 2015, November 06, 2015 and February 11, 2016 respectively. The Meeting attended by its members are given below:

Name of the Director	Category	No. of meetings attended
Dr. Anuradha Mishra	Non-executive Independent Director	3
Mr. Sudhir Shukla	Non-Executive Director	4
Ms. Urmila Gupta	Non-executive Independent Director	3

The meetings of Audit Committee are also attended by Finance 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.

**B) NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee (NRC) of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations as amended from time to time.

All the matters relating to finalization of remuneration to executive director is being taken in the meeting of said Committee for their consideration and approval.

**Terms of Reference**

Brief terms of reference of Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Such other matters as may be required under the Act/the SEBI Listing Regulations.

**Composition and Attendance at the Meeting**

Nomination and Remuneration Committee comprises of three Non-executive Directors. The Chairperson of the Committee is Dr. Anuradha Mishra, a Non-executive Independent Director and other members of the Committee are Mr. Sudhir Shukla, Non-executive Director and Ms. Urmila Gupta, Non Executive Independent director. The Company Secretary acts as the Secretary of the Committee.

The details of meeting of NRC held during the year on November 06, 2015 are given below:

Name of the Director	Category	No. of meetings attended
Dr. Anuradha Mishra	Non-executive Independent Director	1
Mr. Sudhir Shukla	Non-Executive Director	1

**Nomination and Remuneration Policy and Details of Remuneration Paid to the Directors**

The Remuneration policy of the Company is performance driven and is structured to motivate employees, recognize their merits and achievements and promote excellence in their performance. In line with this requirement, the Remuneration Policy is attached as part of Board Report.

The Board of Directors/Nomination and Remuneration Committee of Directors is authorized to decide the remuneration of the Managing Director/Executive Director's, subject to the approval of the Members and Central Government, if required. Remuneration comprises of fixed Component viz. salary, perquisites and allowances and a variable component

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 except sitting fee. During the year the Company duly paid sitting fees to Non-Executive Directors for attending meeting. 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, 2016 to the Directors are as follows:-

Name of the Directors	Sitting Fees (in Rs.)
Dr. Anuradha Mishra	67,500
Mr. Sudhir Shukla	90,000
Ms. Urmila Gupta	67,500

Besides above, the Company does not pay any other commission or remuneration to its Non-Executive Directors. Company is not paying any sitting fee to Ms. Anuradha Prasad- Executive Director of the Company. Rs. 8,333,330/- per annum was paid as consolidated remuneration to Ms. Anuradha Prasad, as Chairperson cum Managing Director of the Company for the financial year 2015-16.

None of the Independent Directors or their relatives has any material pecuniary relationship with the Company, its holding, subsidiary Company or their promoters or directors during the two immediately preceding financial years or during the current financial year.

### C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI Listing Regulations read with section 178 of the Act.

#### Terms of Reference

- ii. The broad terms of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
  - Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, the dematerialisation, rematerialisation etc.

- Power to allot shares and other securities.

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.

Presently, the Committee consists of three Members viz. Mr. Sudhir Shukla-Chairman, Non-executive Director, Dr. Anuradha Mishra, Non-executive Independent Director and Ms. Urmila Gupta, Non-executive Independent Director. The Board has designated Mr. Rajeev Parashar, Company Secretary as the Compliance Officer.

During the financial year 2015-16, five Stakeholders Relationship Committee Meetings were held on May 29, 2015; August 13, 2015; November 6, 2015; January 14, 2016 and February 11, 2016 respectively. The details of Meeting attended by its members are given below:

Name of the Director	Category	No. of meetings attended
Dr. Anuradha Mishra	Non-executive Independent Director	4
Mr. Sudhir Shukla	Non-Executive Director	4
Ms. Urmila Gupta	Non-executive Independent Director	4

During the period under review, Company received 21 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, 2016.

Name, designation and address of Compliance Officer:

Mr. Rajeev Parashar

Company Secretary and Compliance Officer  
Corporate Office: FC-23, Sector-16A,  
Film City, Noida-201301  
Tel: 91 120 39 11 444  
Fax: 91 120 39 11 401

The shareholders may directly e-mail to the Company at [info@bagnetwork.in](mailto:info@bagnetwork.in) for early redressal of their queries.



#### D) RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("the RMC") of the Board of Directors of the Company has been framed in compliance with the erstwhile Listing Agreement to ensure that the affairs of the Company are carried out in a sound and a prudent manner by managing its business, operating, strategic and financial risk by adopting appropriate risk identification, assessment, control and mitigation measures.

##### (i) Purpose & Objectives

The purpose of the RMC of the Board of Directors of the Company is to assist the Board in fulfilling its Corporate Governance oversight responsibilities with regard to the identification, evaluation and mitigation of business, operating, strategic and financial risk. The RMC has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The Policy is uploaded on the website of the company [www.bagfilms.com](http://www.bagfilms.com).

##### (ii) Composition of the Committee

Committee comprises of three Non-executive Directors. The Chairman of the Committee is Mr. Sudhir Shukla, a Non-executive Director and other members of the Committee are Dr. Anuradha Mishra, Non-executive Independent Director and Ms. Urmila Gupta, Non Executive Independent director. The Company Secretary acts as the secretary of the Committee.

#### E) 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". No meeting was held during the year.

#### 4. GENERAL BODY MEETINGS:-

- (i) The details of Annual General Meetings (AGMs) 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.
21st AGM 2013-14	June 25, 2014	FICCI Auditorium, Tansen Marg, Mandi House, New Delhi-110001	4.00 P.M.
22nd AGM 2014-15	September 23, 2015	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	4.30 P.M.

- (ii) Details of special resolutions passed in the previous three AGMs:

Date of AGM	Number of Special Resolution Passed	Details of Special Resolution Passed
September 26, 2013	0	No Special Resolution passed.
June 25, 2014	2	1. Increase in the Authorized Share Capital of the Company; and 2. Issue of warrants with an option to convert into equity shares on preferential basis.
September 23, 2015	2	1. Re-appointment of Ms Anuradha Prasad (DIN : 00010716) as Chairperson cum Managing Director of the Company; and 2. Approval of Related Party Transactions

- (iii) No special resolution was passed through postal ballot during the Financial Year 2015-16. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## 5) MEANS OF COMMUNICATION

### (a) Results:

The quarterly and annual financial results of the Company's performance are published in leading English newspaper like Business Standard and in regional language in Business Standard or Veer Arjun.

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 or official news and release, if any, to analysts are posted on the website [www.bagfilms.com](http://www.bagfilms.com).

### (b) Website

The Company's website [www.bagfilms.com](http://www.bagfilms.com) contains a separate dedicated section "Investor Relations" where shareholders' information is available. The Company's Annual Report is also available in a user friendly and downloadable form.

The Company files electronically the quarterly results, Corporate Governance report, Share holding pattern, etc in the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

### (c) Annual Report

The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members. The Management's Discussion and Analysis Report forms part of the Annual report.

### (d) SEBI Complaints System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## (6) DISCLOSURES

### (i) Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Policy on related party transactions is available on <http://bagnetwork24.in/images/Related%20Party%20Transactions%20Policy.pdf>.

The Company has adopted policy for determining material subsidiaries and is available on <http://bagnetwork24.in/Document/2015/Policy%20for%20Determining%20Material%20Subsidiaries.pdf>.

### (ii) Details of non-compliances by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years.

### (iii) Whistle Blower Policy

The Board has laid down a Vigil Mechanism' ("Whistle Blower Policy") for all the Directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the employment rules, working of the Company or ethics policy, genuine concerns and grievances. No personnel have been denied access to the Audit Committee. The said policy has been posted on the Company's website [www.bagfilms.com](http://www.bagfilms.com).

### (iv) Disclosure of Accounting Treatment

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India. There is no audit qualification in the Company's financial statements for the year under review.

### (v) Insider Trading Code in terms of SEBI (Insider-Trading) Regulations, 2015

The Securities and Exchange Board of India (SEBI) vide notification dated 15 January, 2015 has put in place a new framework for prohibition of Insider Trading in Securities and to strengthen the legal framework thereof. These new regulations of the SEBI under the above notification have become effective from 15 May, 2015. Accordingly, the Board at its meeting held on 29 May, 2015 has formulated the Code of Practice for Fair Disclosure of Unpublished Price Sensitive Information in accordance with Regulation 8 of Insider Trading Regulations 2015 and the Code of Conduct, as per Regulation 9 for regulating, monitoring and reporting of Trading of Shares by Insiders.



**(vi) Compliances by the Company with Mandatory Requirements**

Your Company has complied with all the mandatory corporate governance requirements under the SEBI Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the SEBI Listing Regulations.

**(vii) Compliance Report on Non-mandatory requirements**

Compliance Report on non-mandatory requirements as adopted/complied by the Company's under Regulation 27(1) of the SEBI Listing Regulations are 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 SEBI Listing Regulations. All the Directors of the Company possess requisite qualification to contribute effectively to the Company in their respective capacity as Director.

**(b) 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/BSE Listing Centre is a web-based application designed by NSE/BSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS/BSE Listing Centre platform.

**(c) Auditors' Opinion**

The Company's financial statements for the financial year 2015-16 do not contain any modified opinion.

**(d) Separate post of Chairman and CEO**

The company does not have a CEO and therefore there is no separate post.

**(e) Report of Internal Auditor's**

The Internal Auditors of the Company make presentation to the Audit Committee on their reports.

**7. GENERAL SHAREHOLDER INFORMATION**

**i) Annual General Meeting**

Details of Annual General Meeting for the Financial Year 2015-16 will be mentioned in the Notice of the 23rd AGM of the Company.

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of person/Director seeking appointment and/or re-appointment at the forthcoming AGM to be given in the Notice of the AGM.

**ii) Financial Year**

The Financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

**(iii) Date of Book Closure/Record Date**

Date of Book Closure/Record date will be mentioned in the Notice of the 23rd AGM of the Company.

**(iv) Dividend Payment Date:-**

The Company has not declared any dividend during the financial year 2015-16.

**(v) Listing on Stock Exchanges**

**National Stock Exchange of India Limited ("NSE")**  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

**BSE Limited ("BSE"), 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001**

The Company has paid the requisite Annual Listing Fees to the above Stock Exchanges for the financial year 2016-17. The securities of the Company have not been suspended from trading.

For the year ended on 31.03.2017, the results will be announced on following tentative dates:

For Quarter Ending	On or Before
30 June, 2016	14 August, 2016
30 September, 2016	14 November, 2016
31 December, 2016	14 February, 2017
31 March, 2017	30 May, 2017

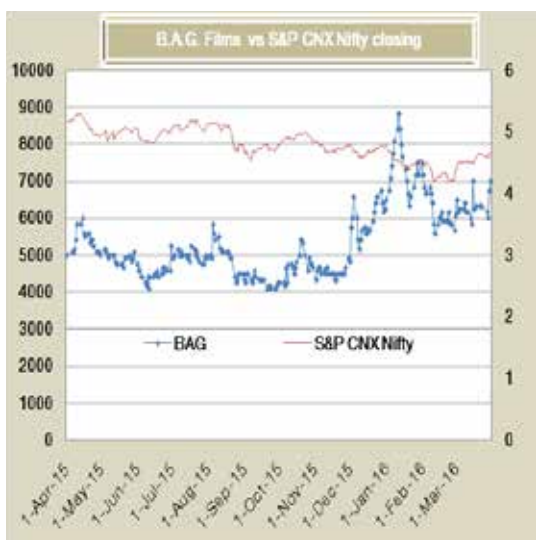
**(vi) Stock Code**

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

**(vii) Market Price Data**

High and Low price during each month of the Company's Equity Shares during the last financial year at NSE and BSE are given below :

Month	(NSE)		(BSE)	
	High	Low	High	Low
	Rates (Rs.)	Rates (Rs.)	Rates (Rs.)	Rates (Rs.)
April 2015	3.80	2.85	3.90	2.81
May 2015	3.20	2.80	3.49	2.75
June 2015	3.30	2.35	3.30	2.39
July 2015	3.25	2.50	3.22	2.77
August 2015	3.60	2.40	3.70	2.31
September 2015	2.85	2.35	2.94	2.30
October 2015	3.45	2.45	3.45	2.45
November 2015	2.95	2.35	2.97	2.36
December 2015	4.20	2.80	4.18	2.82
January 2016	5.55	3.65	5.71	3.63
February 2016	4.55	3.15	4.65	3.13
March 2016	4.50	3.40	4.52	3.43

**(viii) Performance of the Share Price of the Company in comparison to S&P CNX Nifty**

**(ix) Registrar and Transfer Agent**
**Alankit Assignments Limited**

Alankit Heights, 1E/13, Jhandewalan Extension,  
New Delhi-110055

Tel: 011-42541234, 23541234

Fax: 011-23552001

Web: www.alankit.com e-mail: info@alankit.com

**(x) 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 SEBI Listing Regulations, every six months, the share transfer system is audited by the Practicing Company Secretary M/s Balika Sharma & Associates and the certificates to that effect are issued by her.

**(xi) Distribution of Shareholdings as on March 31, 2016**

Category	No. of Shareholders		No. of Shares	
From - To	Number	%Total	Number	%Total
1 - 100	26793	51.07	610863	0.32
101 - 500	12631	24.08	4171188	2.22
501 - 1000	5196	9.90	4594449	2.44
1001 - 5000	5780	11.02	14522552	7.72
5001 - 10000	1075	2.05	8297450	4.41
10001 - 20000	508	0.97	7361443	3.91
20001 - 30000	171	0.32	4319585	2.30
30001 - 40000	69	0.13	2464935	1.31
40001 - 50000	63	0.12	2940443	1.56
50001 - 100000	88	0.17	6355752	3.38
100001 - 500000	72	0.14	13594114	7.23
500001 & Above	15	0.03	118885316	63.20
Total	52461	100.00	188118090	100.00

**(xii) Shareholding of Non- Executive Directors in the Company as on March 31, 2016**

Name of Non-Executive Director	No. of shares	Percentage of holding
Dr. Anuradha Mishra	-	-
Mr. Sudhir Shukla	26700	0.01
Ms. Urmila Gupta	-	-

**(xiii) Dematerialization of shares and liquidity**

As on March 31, 2016, 99.84 % of fully paid up Equity Share Capital and 78.87 % of partly paid Equity Share Capital are held in electronic form with NSDL and CDSL.

**(xiv) Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments**

**OUTSTANDING WARRANTS**

Your Company issued and allotted 80,000,000 warrants pursuant to section 42 and 62 of the Companies Act, 2013 as per the approval accorded by the Members of the Company at the 21st Annual General Meeting held on June 25, 2014 to eligible allottees under promoter/ non-promoter group on Preferential Basis with an option to get allotted one equity share per warrant before expiry of eighteen months from the date of allotment. During the year under review, the Company has forfeited the outstanding 62,100,000 warrants which were not exercised within specified time by the warrant holders and balance amount of 25% received as upfront money was also forfeited.

9,400,000 warrants were converted into equity shares in the financial year 2015-16 on 14.01.2016 and were listed for trading on the Stock Exchanges.

**(xv) Address for correspondence**

Registered Office:  
352, Aggarwal Plaza, Plot No. 8, Kondli,  
New Delhi-110096

Corporate Office  
FC-23, Sector 16A, Film City,  
Noida- 201 301 (Uttar Pradesh)  
Tel: 91 120 3911 444 Fax: 91 120 39 11 401  
E-mail: info@bagnetwork.in

**(xvi) Plant Location**

N.A.

**(xvii) Unclaimed Dividend**

The Company has transferred the unpaid or unclaimed final dividend for the financial year 2007-08 on due date to the Investor Education and Protection Fund and ministered by the Central Government.

**8. DECLARATION**

The declaration by the Chairperson cum Managing Director stating that all the Board Members and senior management personnel have affirmed their compliance with the laid down Code of Conduct is annexed to the Corporate Governance Report.

**9. COMPLIANCE CERTIFICATE**

The Compliance Certificate as required under Regulation 17(8) of the SEBI Listing Regulations from Chairperson cum Managing Director (CMD) and Chief Financial Officer (CFO) of the Company is annexed to the Corporate Governance Report.

**10. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

As stipulated in Clause 49 of the Listing Agreements and Regulation 34 of the SEBI Listing Regulations read with clause E of Schedule V of the SEBI Listing Regulations with Stock Exchanges in India, the auditor's certificate regarding compliance of conditions of corporate governance is annexed to the Corporate Governance Report.

## DECLARATION BY MANAGING DIRECTOR

I, Ms. Anuradha Prasad, Chairperson cum Managing Director of B.A.G. Films and Media Limited, hereby confirm pursuant to Regulation 34(3) read with Schedule V (D) of the SEBI, (Listing Obligations and disclosure Requirements) Regulations, 2015 that:

The Board of Directors of B.A.G. Films and Media Limited has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. [www.bagfilms.com](http://www.bagfilms.com). All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2016.

Place : Noida

Date : May 30, 2016

**Anuradha Prasad**

**Chairperson cum Managing Director**

(DIN: 00010716)

## CMD AND CFO CERTIFICATION

We, Ms. Anuradha Prasad, Chairperson cum Managing Director (CMD) and Mr. Ajay Jain, Chief Financial Officer (CFO) of B.A.G. Films and Media Limited ('the Company') to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are to the best of our knowledge and belief, no transaction entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility 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, wherever applicable, 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.
- d. We further certify that we have indicated to the auditors and the Audit Committee
  - i) There are no significant changes in internal control over financial reporting during the year;
  - ii) There is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) 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.
- e. 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 30, 2016

**Anuradha Prasad**

(Chairperson cum Managing Director)

(DIN: 00010716)

**Ajay Jain**

(Chief Financial Officer)

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of 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 (herein after referred to as "the Company") for the year ended on March 31, 2016 as stipulated in:

- Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
- Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the 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 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/Listing Regulations.

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.

Place : Noida

Date : May 30, 2016

**For Joy Mukherjee & Associates**

Chartered Accountants

**Joy Mukherjee**

Partner

Membership No. 074602

FRN : 006792C

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The year 2015 was a seminal year in many ways for the Media and Entertainment (M&E) industry. A year that sparked excitement and renewed hope but at the same time a year in which reality came to roost. For the M&E industry, the year was a mixed bag. Coming off the heady days of 2014, when election spending and renewed hope drove a significant level of media spend, 2015 was a year of settling in, rolling up one's sleeves and getting down to task. A healthy advertising environment, with close to 15 per cent growth propelled several parts of the industry to unprecedented growth. However, some parts of the industry – like film and print – continue to see challenges.

Television, again performed very well, led by the General Entertainment Channels (GEC). The year 2015 saw several new channels launches and the industry's adoption of a brand new ratings system – Broadcast Audience Research Council (BARC). Digitisation of cable continued with its implementation challenges but it was encouraging that progress is being made, with Phase III substantially complete. Addressability still remains a key challenge even after digitisation but the industry is hopeful that those challenges too, will get addressed in time. The cable industry too, awoke to the potential of broadband and the year saw several companies restructure and raise funds from private equity or through listings.

It was a year where radio performed exceptionally well. Phase III finally saw the light of day, although some regulatory challenges remain. Radio remains the only mass medium that has restrictions of carrying news and current affairs – a fact that Industry hopes shall will change soon. Overall, radio in India remains an industry with a very bright future, with double digit growth rates forecast – at least for the next five years.

### INDUSTRY SIZE & PROJECTIONS

Television advertising bounced back significantly on account of elections and improved macro-economic environment leading to companies increasing their ad spends. E-commerce emerged as a key sector driving growth, followed by mobile handset companies, while some of the traditionally large advertisers such as Fast Moving Consumer Goods (FMCG) and automobiles also saw renewed growth. The ecosystem for TV ad revenue growth is expected to remain strong in 2016 on account of the rebound in the India growth story. The implementation of the viewership measurement system by Broadcast Audience Research Council (BARC) India in 2015, has impacted the way advertising spend is allocated among different genres and channels, due to inclusion of new markets and increase in sample size.

The television industry in India is estimated at INR542 billion in 2015, and is expected to grow at a Compound Annual Growth Rate (CAGR) of 15 per cent to reach INR1098 billion 2020. Subscription revenue is estimated to grow at a CAGR of 15 percent on account of the increased monetisation while advertisement revenue growth is also estimated to remain strong, growing at a CAGR of 15 percent.

The number of TV household in India increased to 175 million in 2015, implying a TV penetration of 62 percent. The number of Cable & Satellite (C&S) subscribers is estimated to have reached 160 million. Excluding DD Free Dish, the number of paid C&S subscribers is estimated at 145 million in 2015, implying a paid C&S penetration of 83 per cent.

### THE INDIAN MEDIA AND INDUSTRY: SIZE

Overall Industry Size (Rs. Billion)	2010	2011	2012	2013	2014	2015	Growth over 2014 (%)	2020 (P)
TV	297	329	370.1	417.2	474.9	542.2	14.2	1097.6
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6	412.5
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3	227.3
Radio	10	11.5	12.7	14.6	17.2	19.8	15.3	43.3
Music	8.6	9	10.6	9.6	9.8	10.8	10.2	20.6
OOH	16.5	17.8	18.2	19.3	22	24.4	10.9	45.2
Animation & VFX	23.7	31	35.3	39.7	44.9	51.1	13.8	108
Gaming	10	13	15.3	19.2	23.5	26.5	12.8	50.7
Digital Advertising	10	15.4	21.7	30.1	43.5	60.1	38.2	255.2

Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2016



## ADVERTISING REVENUES: SIZE

Overall Industry Size (Rs. Billion)	2010	2011	2012	2013	2014	2015	Growth in 2015 over 2014 (in %)	2020 (P)
TV	103	116	124.8	135.9	154.9	181.3	17	364.5
Print	126	139.4	149.6	162.6	176.4	189.3	7.3	285.8
Radio	10	11.5	12.7	14.6	17.2	19.8	15.3	43.3
OOH	16.5	17.8	18.2	19.3	22	24.4	10.9	45.2
Digital Advertising	10	15.4	21.7	30.1	43.5	60.1	38.2	255.2

Source: KPMG India Analysis 2016

### Distribution:

With 175 million TV households, India is the world's second largest Television market after China. At the end of 2015, the digitization of C&S households (in terms of STBs rolled out) stood at 60 percent including DD FreeDish subscribers. However, Challenges in improving addressability and increasing monetisation continue to trouble the industry. In 2015 as well, there was no significant impact of digitization on sharing of subscription revenues among stakeholders or carriage fees. Subscription revenue for TV industry is estimated to have grown at 15 per cent in 2015 to reach INR 361 billion.

The Ministry of Information and Broadcasting (MIB) extended the deadlines for Phases III and IV of Digital Addressable System (DAS) implementation to 31 December 2015 and 31 December 2016, respectively. We continue to expect a delay of 12 months in the rollout of set-top-boxes (STBs) in Phases III and IV each and expected to rollout in Phase IV to be largely complete by December 2017. DTH is expected to take the larger share of analog subscribers in Phases III and IV than they did in Phases I and II given the advantage of DTH in sparsely populated areas and also due to their finances being healthier than those of MSOs. The benefits of digitization in these phases in terms of improved addressability and ARPU is expected to take much longer. At the end of 2020, we expect Digital cable subscribers and DTH subscribers to be in the ratio of 53:47, with 90 million digital cable subscribers and 79 million DTH subscribers by 2020.

### Content Deals and Carriage Fee:

Towards the end of 2014, based on a directive by Telecom Disputes Settlement and Appellate Tribunal (TDSAT), Star India had initiated a plan to provide all its channels on a transparent and non-discriminatory Reference Interconnect Offer (RIO) basis and offered incentive to Multi System Operators (MSOs) based on the availability and placement of its channels. The new RIO approach enabled to tiering of consumers through a structure that did not push all channels in the base pack and instead encouraged MSOs to create packages based on consumer requirements.

After rollout of STBs in Phase I and III markets, there was a decline of 25 to 30 per cent in carriage fees but there has not been any significant decline after 2014. As per industry discussions, there was an increase in overall carriage fee paid to distributors in

2015 due to launch of new channels and channels continuing to increase distribution in smaller towns and cities. Looking into 2016, carriage fee for existing deals is expected to remain stable but MSOs are expected to see 10 to 15 per cent increase in carriage fee due to the increasing number of channels being carried by each MSO.

### Broadcasting:

TV advertising revenue growth for broadcasters across genres in 2015 better than expected, in spite of high base in 2014 due to the general elections. The total TV advertising market is estimated to have grown at 17 per cent in 2015 to INR181 billion, higher than the 13 percent projected. On the other hand subscription revenue growth for broadcasters continued to underwhelm, growing at an estimated 15 per cent to INR85 billion, lower than our expectations of 20 per cent in the previous years report of FICCI.

Going forward, television advertising in India is expected to grow at CAGR of 15 per cent between 2015-20, to reach INR365 billion. Subscription revenue for broadcasters is expected to grow at a CAGR of 19 per cent between 2015-20 to INR203 billion.

### The Rollout of BARC India Rating was a Landmark Event for the TV Industry:

The TV audience measurement system from Broadcast Audience Research Council (BARC) India was launched in April 2015 as the sole government registered TV ratings service in India as a replacement of the system operated by TAM India. BARC India rolled out its ratings in a phased manner over the year 2015.

BARC India rolled out its first set of data with the release of the household data for all homes and HD separately in urban areas with the population of 0.1 million+ in April 2015. This was based on the New Consumer Classification System(NCCS) and with the following age cuts Kids (4-8yrs.), Tweens & Schoolers (9-14 yrs), youth (15-21 yrs), Young Adults (22-30 Yrs), Adults (31-40 yrs), Peak (41-50 yrs), Mature (51-60 yrs), senior (61 yrs +).

BARC India released Individual viewer ratings in June 2015. BARC India currently has a reach of 153.5 million TV households with 77.5 million urban and 76 million rural, spanning megacities, 1-7.5 million towns, less than 1 million urban areas and rural areas.

## HIGHLIGHTS

The Indian Media & Entertainment Industry is expected to grow at a CAGR of 14.3 percent to INR 2260 billion by 2020 with advertising revenue expected to grow to INR994 billion at a CAGR of 15.9 percent. Some of the highlights of M&E Industry are here under:

1. **Television:** In the television sector, the ongoing digitization of cable continued to progress. However, the promise of addressability, greater transparency and higher ARPUs is yet to be realized. This was chiefly on account of implementation challenges and hence delays in putting in place tiered packages and billing. On the other hand, DTH operators continued improve realisations by increasing penetration of HD channels, premium channels and value added services.

Television registered a 14.2 percent growth led by strong growth in advertising at 17 percent on the back of increased Ecommerce spends and renewed spending by other sectors.

2. **Films sector:** During the year, the gap between the top 10 films and the contribution of the rest of the industry further widened. The category A films with top league actors continued to perform well at the box office, however the same was not true for films which lacked both strong content and a top league actor to attract audiences to the theatres. At the same time, C&S sales of most films also saw corrections in price and a drop in bulk deals.

Films industry grow at 9.3 percent but the underlying fundamentals were mixed with Hollywood and Regional releases contributing to growth while Bollywood had a flat year. This is enabling both economies of scale for exhibitors and stimulating growth for the sector, including a rise in cinema advertising deals.

3. **Digital Media:** Digital Media continued its strong run with a 38.2 percent growth over 2014 as a growing internet user base and usage was supplemented. India became the second largest country in terms of number of internet users. The adoption of smart phones, healthy growth in number of 3G subscribers, continued adoption of 2G by masses in the hinterland and concerted efforts by various digital ecosystem players under the Digital India Programme have played a major role in making this possible.

As can be expected, as the eye balls have shifted into the digital world. By 2020 it is expected that digital advertising will be INR 255 billion and contribute to 25.7 percent of total advertising revenues.

4. **Print Media:** The structure of the Indian print industry continues to be highly fragmented at a national and regional level. While advertisement revenue held a significant part in the total revenue pie and continues to be the growth driver for the industry, circulation revenue growth was higher than

that of advertising revenue for Hindi and English markets last year.

Print media saw a slower growth at 7.6 percent, coming off an election year through increased cover prices partially contributed to growth.

5. **Radio:** The radio industry continued its strong run with 15.3 percent growth in 2015. Following the new stations licensed in Phase 3 and consolidation in the Industry, Radio is transforming from a (coverage) media to (reach) platform. Major radio stations have been operating at high and inventory utilization level and this coupled with the growing advertiser interest has enabled increase in ad rates. Release of additional inventory from launch of new stations will stabilise rates but result in continued advertisement inventory pick up.

Radio at CAGR of 16.9 percent is expected to show the strongest growth among the traditional sectors due to conversion to a reach medium in the long term supplemented by increased in inventory.

6. **Out of home Media:** In 2015, the Out of Home (OOH) industry in India received a boost by a combination of factors including new categories spending on OOH media, E-commerce and M-commerce. The current year's growth of 13 percent was driven mainly by automobile, e-commerce, and telecom sectors with different formats benefitting. The overall spend on OOH out of the total advertising pie was 5.4 percent, which is higher as compared to the previous year.

The new Metro lines, malls, corporate parks and world class airports have given a new boost to OOH advertising. Inventory utilization has improved but prices have not seen any significant changes. Tier II and III cities continue to grow, largely on account of development of better infrastructure such as malls, airports, roads, etc. in these cities.

Technological advancements and exploration of new avenues for advertising will likely increase in 2015 and this will prove critical for the OOH sector. Digitization of the OOH media in India has been long overdue and industry leaders expect that 2015 would see the necessary technological upgrades to the OOH display units.

7. **Animation:** The year 2015 could turn out to be cusp year for the Indian animation and VFX industry. The year saw the release of probably one of the biggest hits of the Indian film industry, (Baahubali- The Beginning, not only a movie which is considered to have cost of INR 3000 million but importantly, a movie where INR 850 million were spent on VFX only. On the animation front, traditional broadcasting channels increased their content mix to include more locally made content. Studios now look beyond traditional mediums such as theatricals release and television to showcase their content and use digital platforms such as You

Tube, Netflix and others. These are the important indicators that Now is the time for the Indian Story to be played out.

Today, India has nearly 300 animation, 40 VFX and 85 game development studios with more than 15000 professionals working for them. Over the last decade, the Indian animation industry has moved up the value chain from traditional outsourcing model to creating its own intellectual property and co-productions. While the Indian animation industry witness no major box office release during the year. Also 2015 saw a larger intake of local content by the kid entertainment channels including the regional players.

8. **Live Events:** Live Event (LE) experienced a mixed year in 2015. Some of the generic trends of 2013 and 2014 across sub sectors like experimental marketing, intellectual property (IP) and event management started to vary in 2015 by individual company, region and event type.

Event savvy governments- both centre and states- emerged as the major new client group. LE experienced a growth of 18 per cent in 2015 over 2014 with improved consumer spending, more variety, of events offered and generate penetration into Tier II and III cities. However, the industry continued to grapple with similar set of infrastructure and compliance related challenges this year as well as they did last year.

Events are now considered a part of integrated communications programmes, which include traditional and digital media platforms as well. Growth in this sector has also been observed particularly in tier II and tier III cities, which are likely to continue to be the focus for marketers and advertisers going forward.

## BAG NETWORK MARCHES AHEAD

BAG Network's production house 'Studio 24' holds the unique distinction of producing programmes of all genres for a range of channels and audience.

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 its 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 market share and is available throughout India on cable and DTH platforms.

Programs like National News Centre, Ye Hai India, Aaj Ka Agenda, Aamne Saamne, Sabse Bada Sawal, Mahabharat, Ek Shakhshiyat ki 50 Ansuni Kahania, News Shatak, Itihaas Gawah Hai and 100 Shahar 100 Khabrein amongst others cover a gamut of genres in news reporting and have been received exceptionally well with

the audiences across the nation. "Sabse Bada Sawal" and "Aamne Saamne" 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.

Ad revenue growth for News channels was muted in 2015, coming on the back of an election year. As per industry discussions, the TV news industry grew at mid single digit rates of 5-8 per cent.

**'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 all age groups and succeeded in creating a new genre in television entertainment. 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, E24 launched a slew of new shows while continuing with its flagship shows like Bollywood Reporter, E Special, Its Controversial, TV Ke Peeche Kya Hai, Sound of Bollywood, Golden Era and U Me & TV, thus strengthening its programming line-up further.

E 24's ratings has been consistent throughout year. The channel today is among the top channels in its segment and poised to grow even further. It has consistently maintained 15 percent market share and is available throughout India on cable and DTH platforms.

As per data from BARC India TV measurement system, regional entertainment channels comprising of regional GECs, regional movies and regional music accounted for 38.99 per cent viewer ship over the period week 41, 2015 to week 7, 2016.

**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. Various programming are purposely aligned for maximum listenership. Our content entices regional 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, Ahmednagar, Simla and Jabalpur.

Your Company has also revamped 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.

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

### 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.

The flagship courses offered by ISOMES are:

- \* Bachelors in Journalism and Mass Communication cum Graduate Diploma in Media and Convergence (BA-JMC + GDMC)
- \* Masters in Mass Communication (MA-JMC)
- \* Post Graduate Diploma in Broadcast Journalism (PGDBJ)
- \* Post Graduate Diploma in TV Production and Direction (PGDTV)

### 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 areas would continue to be (1) Television content (2) Broadcasting services (3) FM radio (4) Convergence.

Upcoming regulations that can impact the industry

#### Commercial establishments

The Union Budget 2016, was built on a transformative agenda with nine distinct pillars and intense focus on development of rural, agricultural, social sector, including skill development, and rationalization of Tax policies. Although no tax exemptions/benefits have been made available specifically to M&E sector. As per the amendment to the 2004 broadcasting and cable TV tariff order made by TRAI in July 2014, broadcasters cannot charge differential rates to commercial subscribers which do not specifically charge customers on account of showing TV programmes.

Instead broadcasters should charge them on a per television basis like an ordinary subscriber. The amendment also directs that commercial subscribers cannot obtain television service from broadcasters directly and have to do so only from a distribution platform such as MSO or DTH operator.

The TV broadcasters did not respond well to these amendments since at present they charge commercial establishments with a high premium. The Indian Broadcasting Federation (IBF) appealed against the order with TDSAT and the case is still pending. While revenues from commercial establishments is still under-monetized, it is said to contribute ~2.7 per cent of the overall subscription revenues of broadcasters.

#### Cross media ownership

In August 2014, TRAI released recommendations covering a comprehensive definition for control, cross-media ownership and vertical integration. For the purpose of cross holding restrictions, TRAI clarified that the DPOs can be categorised into two categories i.e. (1) DTH and (2) MSO and HITS together.

- More comprehensive definition of control: The definition of 'Control' has been made more comprehensive at 20 per cent shareholding, or over 50 per cent voting rights or right to appoint half the members in a media company's board, or a say in its management. Control could rest with an individual, group of individuals, companies, firms, trusts, societies and undertakings.
- Restrictions on cross holding/control: TRAI recommends that broadcasters and DPOs operators should be separate legal entities. Any entity controlling a DPO or the DPO itself to be restricted from controlling any DPO of another category. However, MSOs and HITS operators can have cross holding/'control' amongst them, subject to market share restrictions.
- Restrictions on vertically integrated broadcaster: Vertically integrated broadcasters can only enter into CPS deals with the related DPOs on a nondiscriminatory basis as well as file its RIO for its approval by the authority
- Restrictions on vertically integrated DPO: Vertically integrated DPOs can reserve only 15 per cent of channel capacity for its vertically integrated broadcasters. Vertically integrated DPOs should charge carriage fees on its network on a non-discriminatory basis and publish the charges over its network.

If the media cross holding recommendations are accepted, some of the major broadcasters, which have interests in cable as well as DTH, may have to give up control of one of the distribution platforms.



## DTH Licensing

TRAI in its recommendations on DTH licenses has addressed the two main issues that have been looming over the sector namely, continuity of DTH licenses and license fees. TRAI has recommended that the licenses will be issued for 20 years instead of the earlier 10 years, with one-time entry fee proposed to be retained at INR200 million. The license fee is proposed to be reduced from 10 per cent of gross revenue to 8 per cent of adjusted gross revenue (excl. service, entertainment and sales tax) in line with telecom license.

## C. SEGMENT WISE PERFORMANCE

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

## D. OUTLOOK

We are content producers and innovators. We create content that is relevant to diverse audiences and available across multiple platforms. We continue to make concrete strategies to ensure we leverage our leadership market position. We continue to create capabilities, infrastructure, content and platforms aligned to emerging consumer preferences and audience behavior. We are aligning our strategic priorities and tangible goals that will place us in a different orbit. Actions are geared towards not just thinking of what is, but thinking what can be. Our main businesses are:

1. Creating original and diverse show content;
2. Exploring opportunities across channels, languages;
3. Building our marketing and distribution capabilities;
4. Creating newer show formats for television content;
5. Leveraging opportunities in regional markets by expanding network.

We will leverage our expertise across facets, target the audiences and make a digitally connected society. We will strengthen our existing platforms and building new ones, gauging viewer preferences. We will continue to align our content offerings, making a borderless and seamless world of entertainment, targeting growth in viewership and content consumption.

## E. RISK AND CHALLENGES

Being a content driven entity, we are strengthening our Intellectual Property to ensure cost optimization at all levels. We continue to have a readily available database of

our IP, such as scripts, dialogues, clips and other content. The following risks and challenges are affecting our business:

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.

Despite the growth opportunities, the Indian M&E sector faces multiple challenges. All the segments of the M&E sector especially film, television, and music face one common issue piracy. The music sector piracy alone results in an annual loss of about USD4 billion to the sector. In this digital era, we witness higher levels of online piracy as compared to the traditional modes of piracy. The technically advanced digital world experiences online piracy perpetration through peer-to-peer (P2P) sharing, where thousands of active internet links can be created for a single file, resulting in mass distribution. This not only causes illegal streaming and distribution, but also amounts to huge revenue and market share losses suffered by intellectual property right owners.

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.

A few years back, China had less than half the number of theatre screens in India; however with an addition of almost 18 screens a day, it has left India way behind.

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.

Regulatory changes will be the catalyst to growth in the television and radio space. Digitalisation, Phase III licensing for radio and 4G rollout will provide the required impetus to the industry. Higher penetration of internet will, especially in the mobile space, continue to drive the investment in the digital media space. This will have an impact on the advertising as well as print and publishing sector in the coming years.

## F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The CMD/CFO 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 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.
- Prevention and detection of Fraud and Errors.
- 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.

## H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

BAG Network considers Human Resources to be one of the key elements to sustain competitive advantage in the 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.

BAG Network 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 BAG Network. At BAG Network, 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. BAG Network is reassessing traditional notions about employment and experimenting with broad-based employee ownership.

### 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 differ 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, 2016)



## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of**  
**B.A.G. Films and Media Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of B.A.G. Films and Media Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2016, its loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by section 143 (3) of the Act, we report, to the extent applicable, that:
  - We have sought and 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 it appears from our examination of those books;
  - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - On the basis of the written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of section 164(2) of the Act;
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in "Annexure B", which is based on the Auditors' Reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Joy Mukherjee & Associates**

Chartered Accountants  
Firm Registration No. 006792C

**Joy Mukherjee**

Partner

Place : Noida

Dated : May 30, 2016

Membership No.074602

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

In respect of the Annexure referred to in paragraph 1 of our report to Members of B.A.G Films and Media Limited ("the Company") for the year ended March 31, 2016, we report that:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The Company has a regular programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in the name of the Company.

- The inventory of video tapes and films have been physically verified by the management during the year and no material discrepancies were noticed on physical verification. 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 books of accounts.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- In our opinion and according to the information and explanations given to us, the Company does not have any transactions to which the provisions of Section 185 apply. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans, investments, guarantees and security.
- The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/ services of the Company.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2016 for a period of more

than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess on account of any dispute, which have not been deposited.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
9. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the company has made preferential allotment of shares during the year under review.  
In respect of the above issue, we further report that:
  - (a) the requirement of section 42 of the companies Act 2013, as applicable, have been complied with; and
  - (b) the amount raised has been applied by the company during the year for the purpose for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with

him and hence provisions of Section 192 of the Act are not applicable.

16. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Joy Mukherjee**

Partner

Place : Noida

Dated : May 30, 2016

Membership No.074602

#### **ANNEXURE 'B'** **TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of B.A.G Films and Media Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the standards on auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting (IFCoFR) and Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and

the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Joy Mukherjee**  
Partner  
Membership No.074602

Place : Noida  
Dated : May 30, 2016

**B.A.G Films and Media Limited**  
**Balance Sheet as at March 31, 2016**

Particulars	Note No.	March 31, 2016		March 31, 2015	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>I. Equity and Liabilities</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	1	376,065,839		357,265,839	
(b) Reserves and Surplus	2	2,283,628,985		2,274,280,845	
(c) Money received against Share /Shares warrants		-		60,775,000	
<b>Total of shareholders' funds</b>			2,659,694,824		2,692,321,684
<b>2. Non- current liabilities</b>					
(a) Long-term borrowings	3	332,549,399		554,517,258	
(b) Long-term Provisions	4	4,856,170		4,426,888	
			337,405,569		558,944,146
<b>3. Current Liabilities</b>					
(a) Short term borrowings	5	414,706,758		404,544,911	
(b) Trade payables		22,238,841		17,979,266	
(c) Other current liabilities	6	247,562,371		149,333,945	
(d) Short term provisions	7	11,075,479		12,428,189	
			695,583,449		584,286,311
<b>Total</b>			<b>3,692,683,842</b>		<b>3,835,552,141</b>
<b>II Assets</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	8	416,985,848		449,843,132	
(ii) Intangible assets	9	677,513		1,209,756	
(iii) Capital work-in-progress		196,377,735		276,188,689	
(b) Non-current investments	10	2,597,206,942		2,530,931,942	
(c) Deferred tax assets (net)		13,234,345		4,778,635	
			3,224,482,383		3,262,952,154
<b>2. Current assets</b>					
(a) Inventories	11	212,649,467		230,841,367	
(b) Trade receivables	12	171,077,729		159,088,674	
(c) Cash and Cash equivalents	13	34,862,785		61,600,906	
(d) Short-term loans and advances	14	49,611,478		121,069,040	
			468,201,459		572,599,987
<b>Total</b>			<b>3,692,683,842</b>		<b>3,835,552,141</b>

The Notes referred to above form an integral part of these financial statements.

**For and on behalf of the Board of Directors**

As per our report of even date  
**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2016



**B.A.G Films and Media Limited**  
**Statement of Profit and Loss for the Year ended March 31, 2016**

Particulars	Note No.	March 31, 2016		March 31, 2015	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	15	231,158,433		315,374,256	
II Other Income	17	7,014,948		8,399,155	
III <b>Total Revenue (I + II)</b>			238,173,381		323,773,411
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in-trade		18,191,900		18,603,368	
Employee benefits expense	18	17,606,582		22,986,618	
Finance Costs	16	131,968,011		142,167,140	
Depreciation and amortization expense		92,863,320		154,870,533	
Other expense	19	47,029,316		136,657,006	
<b>Total Expense</b>			307,659,129		475,284,665
V Profit before exceptional and extraordinary items and tax (III-IV)			(69,485,748)		(151,511,254)
VI Exceptional Items			-		-
VII Profit before extraordinary items and tax (V-VI)			(69,485,748)		(151,511,254)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(69,485,748)		(151,511,254)
X Tax expense:					
(1) Current tax/Wealth Tax		-		40,172	
(2) Deferred tax		(8,455,710)		(26,208,661)	
			(8,455,710)		(26,168,489)
XI Profit/(Loss) for the period from continuing operations (IX - X)			(61,030,038)		(125,342,765)
XII <b>Earnings per equity share:</b>					
(1) Basic			(0.31)		(0.89)
(2) Diluted			(0.31)		(0.89)

The Notes referred to above form an integral part of these financial statements.

**For and on behalf of the Board of Directors**

As per our report of even date  
**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2016



**B.A.G Films and Media Limited**  
**Cash Flow Statement for the year ended March 31, 2016**

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(69,485,748)		(151,511,254)
<u>Adjustments for:</u>				
Depreciation and amortisation	92,863,320		154,870,533	
Finance costs	131,968,011		142,167,140	
Interest income	(6,422,953)		(2,652,156)	
Dividend income	-		(809,212)	
Net (gain) / loss on sale of investments	-		(88,910)	
Liabilities / provisions no longer required written back	(202,517)		(3,544,008)	
Other non-cash charges				
Adjustment relating to earlier year	4,433,178		(12,804,004)	
		222,639,039		277,139,383
Operating profit / (loss) before working capital changes				
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	18,191,900		35,824,484	
Trade receivables	(11,989,055)		85,747,189	
Short-term loans and advances	71,457,561		(32,336,189)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	4,462,093		(116,224,928)	
Other current liabilities	98,228,426		98,715,461	
Short-term provisions	(1,352,710)		40,172	
Long-term provisions	429,282	179,427,497	306,754	72,072,943
Cash generated from operations		332,580,788		197,701,072
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>332,580,788</b>		<b>197,701,072</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(59,779,412)		(4,747,933)	
Proceeds from sale of fixed assets	80,116,573		1,970,600	
Purchase of long-term investments				
- Subsidiaries	(66,275,000)		(66,503,394)	
- Others	-		5,016,492	
Interest received				
- Subsidiaries	3,392,552		9,171	
- Others	3,030,401		2,642,985	
Dividend received				
- Others	-		809,212	
		(39,514,886)		(60,802,867)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(39,514,886)</b>		<b>(60,802,867)</b>

**B.A.G Films and Media Limited**  
**Cash Flow Statement for the year ended March 31, 2016**

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	31,960,000		28,902,500	
Proceeds from issue of share warrants	(7,990,000)		60,775,000	
Proceeds from long-term borrowings	(221,967,859)		(65,182,164)	
Proceeds from other short-term borrowings	10,161,847		159,766	
Finance cost	(131,968,011)		(142,167,140)	
		(319,804,023)		(117,512,038)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(319,804,023)</b>		<b>(117,512,038)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(26,738,121)</b>		<b>19,386,167</b>
Cash and cash equivalents at the beginning of the year		61,600,906		42,214,739
<b>Cash and cash equivalents at the end of the year</b>		<b>34,862,785</b>		<b>61,600,906</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet		34,862,785		61,600,906
<b>Cash and cash equivalents at the end of the year *</b>		<b>34,862,785</b>		<b>61,600,906</b>
* Comprises:				
(a) Cash on hand		75,555		2,025,941
(b) Cheques, drafts on hand		-		2,163,271
(c) Balances with banks				
(i) In current accounts		2,919,682		10,186,355
(ii) In deposit accounts with original maturity of less than 3 months		26,941,014		42,472,667
(iii) In earmarked accounts		3,819,000		3,819,000
(d) Others				
Staff Imprest		1,107,534		933,672
		34,862,785		61,600,906

The Notes referred to above form an integral part of these financial statements.

**For and on behalf of the Board of Directors**

As per our report of even date  
**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2016

## Notes to Financial Statements

### Note-1

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Share Capital</b>		
<b>Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
275,000,000 Equity Shares of Rs. 2/- each	550,000,000	550,000,000
(Previous Year 275,000,000 Equity Shares @ Rs. 2/- each)		
<b>Total</b>	<b>550,000,000</b>	<b>550,000,000</b>

Particulars	March 31,2016	March 31,2015
<b>Issued, Subscribed and Fully Paid Share Capital</b>		
37,518,890 Equity Shares of Rs. 2/- each	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each in Preferential Allotment	85,456,000	85,456,000
(Previous Year 42,728,000 Equity Shares @ Rs 2/- each)		
10,000,000 Equity Shares of Rs. 2/- each by Converting Share Warrants	20,000,000	20,000,000
(Previous year 100,00,000 Equity Shares @ Rs 2/- each)		
37,900,000 Equity Shares of Rs. 2/- each by Converting Share Warrants	75,800,000	57,000,000
(Previous Year 28,500,000 Equity Shares @ Rs 2/- each)		
37,000,000 Equity Shares @ 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	45,132,400	45,132,400
Issued as Bonus shares by Capitalising General Reserves		
	<b>376,236,180</b>	<b>357,436,180</b>
Calls unpaid (170,341 Equity Shares @ Rs. 1/- each)	170,341	170,341
<b>Total</b>	<b>376,065,839</b>	<b>357,265,839</b>

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

Name of Shareholders	March 31,2016
	<b>No. of Shares</b>
Anurradha Prasad	21,479,190
ARVR Communications Private Limited	38,194,868
High Growth Distributors Private Limited	13,078,000
Sameer Gehlaut	20,250,900
Skyline Tele Media Services Limited	13,650,000

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

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
	No. of Shares	No. of Shares
Equity share capital		
- Number of shares held	188,118,090	178,718,090
- Number of share holders [including their nominees]	52,461	48,706

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

Particulars	March 31,2016	March 31,2015
	No. of Shares	No. of Shares
Equity capital		
- Number of shares held	170,341	170,341
- Number of share holders [including their nominees]	286	286

**Details of Call unpaid**

Particulars	March 31,2016		March 31,2015	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,341	170,341	170,341	170,341

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2016**
**Issued, Subscribed and fully paid up share capital:-**

Particulars	March 31,2016	
	No. of Shares	Amount in ₹
Equity share with Voting Rights		
Opening Balance	178,718,090	357,436,180
Fresh Issue	9,400,000	18,800,000
<b>Closing Balance</b>	<b>188,118,090</b>	<b>376, 236,180</b>

**Issued , Subscribed and not fully paid up:-**

Particulars	March 31,2016	
	No. of Shares	Amount in ₹
Equity share with Voting Rights		
Opening Balance	170,341	170,341
Conversion	-	-
<b>Closing Balance</b>	<b>170,341</b>	<b>170,341</b>

**Rights, preferences and restrictions attached to shares**
**Equity shares**

The Company has one class of equity shares having a par value of Rs 2 per share. Each shareholder is eligible for one vote per share. The dividend proposed , if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the balance sheet date.

**Note-2**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Reserves and Surplus</b>		
<b>Capital Reserves</b>		
Opening Balance	60,150,000	60,150,000
Add: Additions during the year	52,785,000	-
Sub Total	<b>112,935,000</b>	<b>60,150,000</b>
<b>General Reserves</b>		
Opening Balance	37,927,284	37,927,284
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Sub Total	<b>37,927,284</b>	<b>37,927,284</b>
<b>Securities Premium Reserves</b>		
Opening Balance	2,421,168,449	2,409,268,449
Add : Premium on Shares Issued during the year	13,160,000	11,900,000
	2,434,328,449	2,421,168,449
Less: Calls Unpaid (170,341 Equity Shares @ Rs.4/- each)	681,364	681,364
Sub Total	<b>2,433,647,085</b>	<b>2,420,487,085</b>
<b>Surplus</b>		
Opening Balance	(244,283,524)	(92,325,017)
Add: Profit / (Loss) for the year	(61,030,038)	(125,342,765)
Adjustment relating to earlier year	4,433,178	(26,615,742)
Sub Total	<b>(300,880,384)</b>	<b>(244,283,524)</b>
<b>Total</b>	<b>2,283,628,985</b>	<b>2,274,280,845</b>

**Note-3**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Long- Term Borrowings</b>		
<b>Secured Loans</b>		
A. Vehicle Loans		
- From Bank	790,652	1,277,257
B. Term loans		
- From Bank	331,593,747	553,075,001
C. Deposits	165,000	165,000
<b>Total</b>	<b>332,549,399</b>	<b>554,517,258</b>

**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 situated 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, repayment as per agreed terms of the contract.

**Disclosure in relation to defaults 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 2016.

**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 2016.

**Note-4**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Long-Term Provisions</b>		
Provision for Employee Benefits	3,474,584	3,251,548
- Provision for Gratuity		
Others	1,381,586	1,175,340
- Provision for Leave encashment		
<b>Total</b>	<b>4,856,170</b>	<b>4,426,888</b>

**Note-5**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Short-Term Borrowings</b>		
Secured		
Loans repayable on demand		
From Bank	414,706,758	404,444,911
Unsecured		
Other loans and advances	-	100,000
<b>Total</b>	<b>414,706,758</b>	<b>404,544,911</b>

**Details of security for the secured short-term borrowings:**

Particulars	Nature of Security
<b>Loan repayable on demand</b>	
From Bank	Immovable Property



**Note-6**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Other Current liabilities</b>		
Current maturities of long term debt	220,204,002	107,210,050
Unclaimed Dividend	-	132,212
Other payables		
Statutory remittances payable	3,952,010	11,752,860
Other Liability	21,206,472	28,056,033
Employee Cost	2,199,887	2,182,790
<b>Total</b>	<b>247,562,371</b>	<b>149,333,945</b>

During the year, the company has transferred unclaimed or unpaid dividend of Rs. 132,211.60 relating to the financial year 2007-08, to investor education and protection fund.

**Note-7**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Short-Term Provisions</b>		
Provision for Income Tax	11,075,479	12,428,189
<b>Total</b>	<b>11,075,479</b>	<b>12,428,189</b>

# Note 8 - Fixed Assets schedule as per Companies Act, 2013 for the Year ended on March 31, 2016.

## Tangible Fixed Assets

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	Cost as at 01.04.2016	Addition during the year	Sale/Adj during the year	Cost as at 31.03.2016	Accumulated Depreciation as at 01.04.2016	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2016
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	57,825,219
Building	176,255,435	-	-	176,255,435	63,781,414	6,428,697	-	70,210,111
Plant & Machinery	656,629,349	2,545,186	-	659,174,535	486,970,784	47,142,610	-	534,113,394
Computers & Peripherals	131,502,026	284,567	-	131,786,593	130,245,783	563,917	-	130,809,700
Vehicle	28,131,544	-	719,289	27,412,255	25,176,239	1,164,780	413,670	25,927,349
Furnitures & Fixtures	310,771,101	56,777,041	-	367,548,142	208,234,069	34,757,894	-	242,991,963
Office Equipments	35,222,026	172,618	-	35,394,644	32,085,279	2,273,179	-	34,358,458
<b>Total</b>	<b>1,396,336,700</b>	<b>59,779,412</b>	<b>719,289</b>	<b>1,455,396,823</b>	<b>946,493,568</b>	<b>92,331,077</b>	<b>413,670</b>	<b>1,038,410,975</b>
								<b>416,985,848</b>
								<b>449,843,132</b>

# Note 9 - Fixed Assets schedule as per Companies Act, 2013 for the Year ended on March 31, 2016.

## Intangible Fixed Assets

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	Cost as at 01.04.2016	Addition during the year	Sale/Adj during the year	Cost as at 31.03.2016	Accumulated Depreciation as at 01.04.2016	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2016
Computer Software	90,439,388	-	-	90,439,388	89,229,632	532,243	-	89,761,875
<b>Total</b>	<b>90,439,388</b>	<b>-</b>	<b>-</b>	<b>90,439,388</b>	<b>89,229,632</b>	<b>532,243</b>	<b>-</b>	<b>89,761,875</b>
								<b>677,513</b>
								<b>1,209,756</b>
								<b>1,209,756</b>

**Note-10**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Non-Current Investments</b>		
<b>Trade Investments at cost</b>		
<b>Quoted</b>		
5,000 Equity Shares of Mukta Arts Limited	500,000	500,000
Having Face Value of Rs. 5/- per share fully paid up		
Purchased @ Rs.100/- Per Equity Share		
(Market Value as on 31-03-2016 is Rs. 58.80 per share)		
(Previous Year Rs. 29.70 per share)		
<b>Investment in Mutual Funds</b>	62,596	62,596
<b>Non Trade Investment at Cost</b>		
<b>Unquoted</b>		
485,000 Equity Shares(Previous Year 485,000 Equity Shares) of B.A.G. Business Ventures Limited	485,000	485,000
Having Face Value of Rs 1/- per share fully paid-up		
296,006 Optionally Fully Convertible Debentures (Previous Year 296,006 OFCDs) of B.A.G. Business Venture Private Limited	29,600,600	29,600,600
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
255,512 Optionally Fully Convertible Debentures (Previous Year 255,512 OFCDs) of Approach Films and Television Limited	25,551,200	25,551,200
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
<b>In Subsidiaries at cost</b>		
<b>Unquoted</b>		
20,614,100 Equity Shares (Previous Year 20,614,100 Equity Shares) of Skyline Radio Network Limited (includes share application money)	412,387,034	346,112,034
Having Face Value of Rs 10/- per Share fully paid up		
19,031,847 Equity Shares (Previous Year 19,031,847 Equity Shares) of News24 Broadcast India Limited	1,100,374,749	1,100,374,749
Having Face value of Rs 10/- per share fully paid up		
18,671,703 Equity Shares (Previous Year 18,671,703 Equity Shares) of E24 Glamour Limited	1,028,130,309	1,028,130,309
Having face Value of Rs. 10/- per Shares fully Paid up		
<b>In Foreign Subsidiaries at cost</b>		
<b>Unquoted</b>		
Investments in B.A.G. Network Limited	115,454	115,454
<b>Total</b>	<b>2,597,206,942</b>	<b>2,530,931,942</b>

(Amount in ₹)

Particulars	As at 31 March 2016		As at 31 March 2015	
	Quoted	Unquoted	Quoted	Unquoted
<b>A. Trade</b>				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
Principal Cash Management Fund	62,596	-	62,596	-
<b>B. Other Investment</b>				
Investment in equity instruments				
(i) of subsidiaries	-	2,541,007,546	-	2,474,732,546
(ii) of other entities	-	55,636,800	-	55,636,800
<b>Total</b>	<b>562,596</b>	<b>2,596,644,346</b>	<b>562,596</b>	<b>2,530,369,346</b>

**Note-11**

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
Inventories		
Raw Materials	866,000	613,440
Work in Progress	15,769,176	20,974,826
Finished Goods	196,014,291	209,253,101
<b>Total</b>	<b>212,649,467</b>	<b>230,841,367</b>

**Note-12**

(Amount in ₹)

Particulars	March 31, 2016	March 31, 2015
<b>Trade Receivables</b>		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,732,589	2,478,982
	1,732,589	2,478,982
Less: Provision for doubtful trade receivables	-	-
<b>Sub Total</b>	<b>1,732,589</b>	<b>2,478,982</b>
Other Trade receivables	169,345,140	156,609,692
	169,345,140	156,609,692
Less: Provision for doubtful trade receivables	-	-
<b>Sub Total</b>	<b>169,345,140</b>	<b>156,609,692</b>
<b>Total</b>	<b>171,077,729</b>	<b>159,088,674</b>

**Note-13**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Cash and Cash Equivalents</b>		
Cash in hand	75,555	2,025,941
Cheques , Draft in hand	-	2,163,271
Balance with Banks		
- In current accounts	2,919,682	10,186,355
- In deposit accounts	26,941,014	42,472,667
- Balances held as security against guarantees	3,819,000	3,819,000
Imprest with Staff	1,107,534	933,672
<b>Total</b>	<b>34,862,785</b>	<b>61,600,906</b>

**Note-14**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Short Term loans and advances</b>		
Unsecured , Considered Good		
A. Loans and advances to related parties	395,679	249,381
	395,679	249,381
Less: Provision for doubtful loans and advances	-	-
<b>Sub Total</b>	<b>395,679</b>	<b>249,381</b>
B. Balances with government authorities		
Advance Taxes	34,349,852	54,651,671
<b>Sub Total</b>	<b>34,349,852</b>	<b>54,651,671</b>
C. Earnest Money & Security Deposits	6,829,334	8,615,224
	6,829,334	8,615,224
Less: Provision for doubtful loans and advances	-	-
<b>Sub Total</b>	<b>6,829,334</b>	<b>8,615,224</b>
D. Prepaid Expenses	2,661,300	3,562,319
<b>Sub Total</b>	<b>2,661,300</b>	<b>3,562,319</b>
E. Loans and advances to employees		
Unsecured, considered good	1,295,088	1,056,415
	1,295,088	1,056,415
Less: Provision for doubtful loans and advances	-	-
<b>Sub Total</b>	<b>1,295,088</b>	<b>1,056,415</b>
F. Others		
Advances to others	4,080,225	52,934,030
<b>Sub Total</b>	<b>4,080,225</b>	<b>52,934,030</b>
<b>Total</b>	<b>49,611,478</b>	<b>121,069,040</b>

**Note-15**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Revenue from Operations</b>		
Revenue from- Sale of Services		
Audio-Video Productions	152,667,545	213,638,325
Income from Media Education	20,000,000	32,623,625
<b>Sub Total</b>	<b>172,667,545</b>	<b>246,261,950</b>
Other Operating Revenues		
Income from Leasing of Equipments	55,573,888	55,573,888
Income from Rent	2,917,000	13,538,418
<b>Sub Total</b>	<b>58,490,888</b>	<b>69,112,306</b>
<b>Total</b>	<b>231,158,433</b>	<b>315,374,256</b>

**Note-16**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Finance Cost</b>		
A. Interest expense on		
Borrowing	129,899,132	141,606,356
B. Other borrowing cost		
Bank Charges	33,629	310,784
Processing Fees	2,035,250	250,000
<b>Total</b>	<b>131,968,011</b>	<b>142,167,140</b>

**Note-17**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Other Income</b>		
<b>Interest Income</b>		
Deposit	3,030,401	2,642,985
Other Interest	3,392,552	9,171
	6,422,953	2,652,156
Dividend Income	-	809,212
<b>Net Gain/Loss on sale of</b>		
Long -Term Investment	-	995,376
<b>Other Non-Operating Income(net of expenses directly attributable to such income)</b>		
Miscellaneous income	389,478	379,479
Sundry balance written back	202,517	3,544,008
	591,995	3,923,487
Net gain on foreign currency transactions and translation	-	18,924
<b>Total</b>	<b>7,014,948</b>	<b>8,399,155</b>



**Note-18**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Employee Benefit Expense</b>		
Salaries, Wages and Bonus	16,247,407	17,222,923
Contribution to Provident and other funds	791,498	1,867,472
Staff Welfare Expenses	567,677	3,896,223
<b>Total</b>	<b>17,606,582</b>	<b>22,986,618</b>

**Note-19**

(Amount in ₹)

Particulars	March 31,2016	March 31,2015
<b>Other Expenses</b>		
Power and fuel	7,182,874	10,741,908
Lease Rent	1,856,529	2,698,167
Repairs to Machinery	4,979,262	8,319,805
Insurance	3,159,616	2,950,340
Rates and Taxes, Excluding Taxes on Income	3,274,488	2,557,623
Loss on foreign currency transaction	37,796	50,191
Payment to auditors		
- As Auditor	250,000	250,000
- For Taxation Matters	75,000	75,000
- For Management Services	25,000	25,000
- For Reimbursement of Expenses	87,204	231,009
Net Loss on sale of Investments		
from long-term investments	-	906,466
Professional Charges Artist, Directors, Technicians	6,735,129	49,512,168
Location & Studio Hiring Charges	900,000	16,556,544
Shooting Expenses	1,531,315	21,282,577
Production travellings & conveyance	693,307	1,778,346
Publicity & Content expenses	2,168,439	3,896,567
Consultancy & Legal charges	2,903,424	2,602,905
Miscellaneous Expenses	11,169,933	12,222,390
<b>Total</b>	<b>47,029,316</b>	<b>136,657,006</b>

## Notes Forming part of the Financial Statements

### Note-20

#### Corporate Information

The company was incorporated on January 22, 1993. It is a Public Limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). It is one of the largest television content house in India under the brand name "Studio 24".

### Note-21

#### Significant Accounting Policies

##### 21.1 Basis of accounting and preparation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP comprises mandatory accounting standards as specified under the section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and other accounting pronouncements of the Institute of Chartered Accountants of India.

##### 21.2 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. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

##### 21.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

##### 21.4 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.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

### **21.5 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.

### **21.6 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.

### **21.7 Depreciation**

Depreciation on fixed asset is provided on Written down Value method over the useful life of the assets as prescribed in schedule II of the Companies Act, 2013.

### **21.8 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.

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 agreement.

Income from infrastructure support, building rent and royalty income is recognised based on the terms of the underlying agreement.

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

### **21.9 Other Income**

Interest income is recognised using the time proportion method, based on the transactional interest rates.

Dividend income is recognised when the right to receive payment is established.

### **21.10 Fixed Assets and 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.

Depreciation on fixed assets is provided as per WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Depreciation for the year is recognised in the Statement of Profit and Loss.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

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.

### 21.11 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.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

### 21.12 Foreign Currency Transactions

- a) Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All nonmonetary assets and liabilities are stated at the rates prevailing on the dates of the transactions. Gains / (losses) arising out of fluctuations in the exchange rates are recognised as income / expense in the period in which they arise

- b) In the cases of exchange difference on reporting long term monetary items, the company has opted to avail the option provided under paragraph 46A of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" inserted vide notification dated 29 December 2011. Consequently, the exchange differences arising on reporting of long term foreign currency monetary items on account of a depreciable asset is adjusted in the cost of depreciable asset and would be depreciated over the balance life of the asset.

In cases other than the depreciable assets exchange differences is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset or liability.

- c) Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investments.
- d) The Company does not have any outstanding foreign exchange forward contracts or other derivative instruments for the purpose of hedging the risk associated with foreign exchange exposures as at the year end.

### 21.13 Investments

Non Current investments are stated at cost less other than temporary diminution in the value of such investments, if any. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### 21.14 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 1972. The Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. 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".

#### 21.15 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.

#### 21.16 Segmental Reporting

**Primary segments:** The company has two primary reportable business segments i.e. audio-video production 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.

#### 21.17 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.

#### 21.18 Earnings per Share (EPS)

##### Basic:

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.

##### Diluted

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity 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.

Dilutive potential equity shares are deemed converted proportionately during the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus

shares issued.

#### 21.19 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

**Current tax** is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**Minimum Alternative Tax ('MAT')** under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent, the aforesaid convincing evidence no longer exists.

**Deferred tax assets and liabilities** are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the group of the Company.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

#### 21.20 Impairment of Assets

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset, or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there is a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent the carrying amount of the asset that does not exceed the carrying amount that would have been determined net off depreciation or amortisation, if no impairment loss had been recognised.

#### 21.21 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.

22. 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.

#### 23. Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

#### Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

#### Contingent Liabilities and Commitments

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Contingent liabilities</b>		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
<b>-to Bank</b>		
(Guarantee given to bank amounting to Rs. 606,000 (Previous year Rs. 606,000) secure by fixed deposit.)	606,000	606,000
-on behalf of subsidiaries companies		
<b>News24 Broadcast India Limited</b>		
(Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited ) amounting to Rs. 2,700,000 (Previous year Rs. 2,700,000).	2,700,000	2,700,000
<b>E24 Glamour Limited</b>		
(The Company has provided Corporate guarantee on behalf of subsidiary Company, E24 Glamour Limited aggregating Rs. 98,000,000 to Dena Bank, G-35, Cannaught Circus, New Delhi-110001(Previous Year Rs. 98,000,000). Current outstanding balance of Loan is Rs. 35,320,783.The Company does not expect any outflow of resources in respect of the above).	98,000,000	98,000,000
<b>Skyline Radio Network Limited</b>		
(The Company has provided Corporate guarantee on behalf of subsidiary Company, Skyline Radio Network Limited aggregating Rs. 98,500,000 to Dena Bank, G-35, Cannaught Circus, New Delhi-110001(Previous Year Rs. 98,500,000). Current outstanding balance of Loan is Rs. 32,248,175.The Company does not expect any outflow of resources in respect of the above) and Guarantee given to Ministry of Information and Broadcasting, New Delhi on behalf of subsidiary Company, Skyline Radio Network Limited) amounting to Rs. 513,000 (Previous year Rs. 513,000).	99,013,000	99,013,000
-on behalf of Other		
<b>ARVR Education Society</b>		
(The Company has provided Corporate guarantee on behalf of ARVR Education Society aggregating Rs. 250,000,000 to Yes Bank Limited (Previous Year Rs. 250,000,000). Current outstanding balance of Loan is Rs. 150,200,000.The Company does not expect any outflow of resources in respect of the above).	250,000,000	250,000,000
c) Other money for which the Company is contingently liable	Nil	Nil

**24. 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. 262,416
	(Previous Year Rs. 217,920)
Employer's Contribution to ESI :	Rs. 21,144
	(Previous Year Rs. 27,616)

**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.

**a. Change in present value of obligation**

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Present value of obligation as at the beginning of the period	3,251,548	2,765,278	1,175,340	1,314,684
Current Service Cost	477,157	559,587	187,020	172,518
Interest Cost	251,995	214,309	91,089	101,888
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	(46,731)	819,490	(71,863)	(413,750)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailment and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Benefits Paid	(46,731)	(1,107,116)	NIL	NIL
Present value of obligation as at the end of the period	3,474,584	3,251,548	1,381,586	1,175,340

**b. Expense recognized in the statement of profit and loss**

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Current service cost	477,157	559,587	187,020	172,518
Past service cost	-	-	-	-
Interest cost	251,995	214,309	91,089	101,888
Expected return on plan assets	-	-	-	-
Curtailment cost / (Credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the period	(459,385)	819,490	(71,863)	(413,750)
<b>Expenses recognized in the statement of profit &amp; losses</b>	<b>269,767</b>	<b>1,593,386</b>	<b>206,246</b>	<b>(139,344)</b>

**c. Actuarial gain / loss recognized**

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Actuarial gain/(loss) for the period- obligation	459,385	(819,490)	71,863	413,750
Actuarial (gain)/loss for the period - plan assets	-	-	-	-
Total (gain)/loss for the period	(459,385)	819,490	(71,863)	(413,750)
Actuarial (gain) / loss recognized in the period	(459,385)	819,490	(71,863)	(413,750)
Unrecognized actuarial (gains) losses at the end of period	-	-	-	-

**d. The amounts to be recognized in balance sheet and related analysis**

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Present value of obligation as at the end of the period	3,474,584	3,251,548	1,381,586	1,175,340
Fair value of plan assets as at the end of the period	-	-	-	-
Funded status / Difference	(3,474,584)	(3,251,548)	(1,381,586)	(1,175,340)
Excess of actual over estimated	-	-	-	-
Unrecognized actuarial (gains)/losses	-	-	-	-
Net asset/(liability) recognized in balance sheet	(3,474,584)	(3,251,548)	(1,381,586)	(1,175,340)

**e. Actuarial Assumptions**

**i) Economic Assumptions**

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company:

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
Discount Rate (%)	8.00	7.75	8.00	7.75
Expected Rate of increase in Compensation Levels (%)	5.50	5.25	5.50	5.25
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
<b>Expected Average remaining working lives of employees (years)</b>	<b>17.97</b>	<b>19.90</b>	<b>17.97</b>	<b>19.90</b>

**ii) Demographic Assumption**

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages	Withdrawal Rate(%)	Withdrawal Rate(%)	Withdrawal Rate(%)	Withdrawal Rate(%)
Up to 30 Years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00

**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employees benefits. Benefits such as salaries , wages and bonus, etc., are recognized in the statement of Profit and Loss in the period in which the employee renders the related service.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

**Termination benefits**

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**25. (i) The aggregate Managerial remuneration:**

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Managing Directors Remuneration and Other Allowances	8,333,330	100,00,000
<b>Total</b>	<b>8,333,330</b>	<b>100,00,000</b>

(ii)

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Sitting Fees,	225,000	262,500

26. The Company is engaged in business of Media and Entertainment . Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 5(viii)(c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013.

**27. Activity in Foreign Currency**

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Earnings in Foreign Currency</b>		
Income from Content & Sale of Rights	15,500,000	132,853,055
Expenditure in Foreign Currency		
Travel Expenses	284,255	1,083,760
Import of Services	2,805,000	4,296,587

**28. The Deferred Tax Liability (Net) comprises of the following**

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Opening Balance of Deferred Tax Assets (Net)</b>	<b>4,778,635</b>	<b>(21,430,026)</b>
A. Tax effects of items constituting Deferred Tax Assets		
On difference between book balance and tax balance of fixed Assets	8,308,622	25,716,305
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	147,088	492,356
Disallowance under the Income Tax Act	Nil	Nil
<b>Closing Balance of Deferred Tax Assets (Net)</b>	<b>13,234,345</b>	<b>4,778,635</b>

29. Pursuant to the erstwhile 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 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In terms of Section 125 of the Companies Act, 2013 (herein after referred as "the Act") and erstwhile provisions of Section 205A(5) and 205C of the Companies Act, 1956, unclaimed or unpaid dividend of Rs 132,211.60 relating to the financial year 2007-08 is due for remittance on or before 23.10.2015 transferred to the Investor Education and Protection Fund.

30. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Amount due and outstanding to suppliers as at end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year have not been given.

31. Disclosure under Regulation 34(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Interest free loans and advances in nature of loan given to wholly owned foreign subsidiary.

Name of Subsidiary	Balance as at March 31, 2016	Maximum outstanding during the year 2015-16
B.A.G Network Limited	395,679	395,679

32. 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 News24 Broadcast India Limited E24 Glamour Limited	Subsidiary
E24 Entertainment Limited B.A.G. Network Limited	Fellow Subsidiary Wholly owned foreign subsidiary
Skyline Tele Media Services Limited ARVR Communications Private Limited	Enterprises over which KMP exercise significant influence

2. Detail of Related party Transactions during the year ended March 31, 2016

(Amount in ₹)

Particulars	Chairperson cum Managing Director Year Ended March, 31		Subsidiaries Year Ended March, 31		Enterprises over which KMP exercise significant influence Year Ended March, 31		Fellow Subsidiaries Year Ended March, 31	
	2016	2015	2016	2015	2016	2015	2016	2015
Salary	8,333,330	10,000,000	-	-	-	-	-	-
Lease rent on equipments received	-	-	55,573,888	55,573,888	-	-	-	-
Income from Television Programming	-	-	93,764,519	-	-	-	-	-
Advertisement Expenses	-	-	-	210,000	-	-	-	-
Expenses incurred	-	-	52,139,641	58,055,304	-	-	-	-
Loan & Advances	-	-	146,298	249,381	-	-	-	-
Money received against share warrants	-	-	-	-	-	62,475,000	-	-
Share's Issued	-	-	-	-	31,960,000	28,900,000	-	-

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

(Amount in ₹)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2016
i) Net Profit after tax as per Statement of profit and loss account	(61,030,038)	(125,342,765)
ii) short provision for tax of earlier years	4,433,178	(26,615,742)
iii) Net Profit attributable to Equity Shareholders	(56,596,860)	(151,958,507)
iv) Net Profit before Exceptional Item	(56,596,860)	(151,958,507)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS	180,670,003	170,241,314
vi) Basic Earnings per share	(0.31)	(0.89)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	180,670,003	170,241,314
viii) Diluted Earnings per share	(0.31)	(0.89)
ix) Basic Earnings (before exceptional item) per share	(0.31)	(0.89)
x) Diluted Earnings (before exceptional item) per share	(0.31)	(0.89)
xi) Face Value per equity share	2.00	2.00

**33. Previous year's figures have been regrouped/reclassified to be comparable with current year's classification/disclosures.**
**For Joy Mukherjee & Associates**

 Chartered Accountants  
 Firm Registration No. 006792C

**Joy Mukherjee**

 Partner  
 Membership No. 074602

Place : Noida

Date : May 30, 2015

**Anuradha Prasad**

 (Chairperson Cum Managing Director)  
 DIN : 00010716

**Ajay Jain**

(CFO)

**For and on behalf of the Board of Directors**
**Sudhir Shukla**

 (Director)  
 DIN : 01567595

**Rajeev Parashar**

(Company Secretary)



## Independent Auditors' Report on Consolidated Financial Statements

To

**The Members of  
B.A.G. Films and Media Limited**

We have audited the accompanying consolidated financial statements of BAG Films and Media Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss and consolidated cash flows statement for the year ended 31st March 2016, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. These financial statements have been prepared on the basis of separate financial statements and other financial information regarding subsidiaries.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Companies Act, 2013 ("the Act"), the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the standards on Auditing, issued by the Institute of chartered Accountants of India, as specified under section 143 (10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- 1) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31 March 2016;
- 2) in the case of the Consolidated Statement of Profit and Loss Account, of the consolidated profit for the year ended on that date; and
- 3) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report , to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated financial statements;
- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from Directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company and the reports of its subsidiary companies incorporated in India, none of the Directors of the Group companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in "Annexure A", which is based on the Auditors' Reports of the Company and its subsidiary companies incorporated in India.
- (g) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

**For Joy Mukherjee & Associates**

Chartered Accountants

Firm Registration No. 006792C

Place : Noida

Date : May 30, 2016

**Joy Mukherjee**

Partner

Membership No.074602

## ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**To**  
**the Members of**  
**B.A.G. Films and Media Limited**

We have audited the internal financial controls over financial reporting of B.A.G Films and Media Limited ('the Company') and its subsidiary companies incorporated in India as at March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiaries companies, which are incorporated in India internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company and its subsidiary companies which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company and its subsidiary companies which are incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of chartered Accountants of India.

**For Joy Mukherjee & Associates**

Chartered Accountants

Firm Registration No. 006792C

**Joy Mukherjee**

Partner

Membership No.074602

Place : Noida

Date : May 30, 2016

**B.A.G Films and Media Limited**  
**Consolidated Balance Sheet as at March 31, 2016**

Particulars	Note No.	March 31, 2016		March 31, 2015	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>I. Equity and Liabilities</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	1	376,065,839		357,265,839	
(b) Reserves and Surplus	2	695,375,684		664,067,388	
(c) Money received against share warrants		-		60,775,000	
Total of shareholders' funds			1,071,441,523		1,082,108,227
<b>2. Share application money pending allotment</b>	3	-	-	10,000,000	10,000,000
<b>3. Minority interest</b>		507,722,150	507,722,150	478,533,306	478,533,306
<b>4. Non- current liabilities</b>					
(a) Long-term borrowings	4	751,155,345		972,220,287	
(b) Long-term Provisions	5	12,685,671		10,663,839	
			763,841,016		982,884,126
<b>5. Current Liabilities</b>					
(a) Short term borrowings	6	529,138,247		404,544,911	
(b) Trade payables		171,730,642		82,509,228	
(c) Other current liabilities	7	450,962,421		261,678,885	
(d) Short term provisions	8	11,075,479		12,428,189	
			1,162,906,789		761,161,213
<b>TOTAL</b>			<b>3,505,911,478</b>		<b>3,314,686,872</b>
<b>II Assets</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	9	599,878,560		638,203,748	
(ii) Intangible assets	10	104,669,321		18,810,223	
(iii) Capital work-in-progress		210,850,054		332,772,065	
(b) Non-current investments	11	1,063,921,421		980,587,796	
(c) Deferred tax assets (net)		12,655,399		7,299,874	
(d) Other non-current assets	12	266,426		532,874	
			1,992,241,181		1,978,206,580
<b>2. Current assets</b>					
(a) Inventories	13	339,405,568		317,183,548	
(b) Trade receivables	14	650,841,640		506,719,332	
(c) Cash and Cash equivalents	15	154,180,435		213,234,893	
(d) Short-term loans and advances	16	369,242,654		299,342,519	
			1,513,670,297		1,336,480,292
<b>TOTAL</b>			<b>3,505,911,478</b>		<b>3,314,686,872</b>

The Notes referred to above form an integral part of these financial statements.

**For and on behalf of the Board of Directors**

As per our report of even date  
**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2016

**B.A.G. Films and Media Limited**  
**Consolidated Statement of Profit and Loss for the Period ended March 31, 2016**

Particulars	Note No.	March 31, 2016		March 2015	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	17	1,173,674,204		1,277,987,401	
II Other Income	19	14,492,304		15,523,946	
III <b>Total Revenue (I + II)</b>			1,188,166,508		1,293,511,347
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		(22,222,020)		48,186,928	
Employee benefits expense	20	200,353,881		198,513,889	
Finance Costs	18	152,113,128		161,936,762	
Depreciation and amortization expense		151,502,521		244,342,909	
Other expense	21	711,518,015		774,567,889	
<b>Total Expense</b>			1,193,265,525		1,427,548,377
V Profit before exceptional and extraordinary items and tax (III-IV)			(5,099,017)		(134,037,030)
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			(5,099,017)		(134,037,030)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(5,099,017)		(134,037,030)
X Tax expense:					
(1) Current tax/Wealth Tax		-		40,172	
(2) Deferred tax		(5,355,525)		(39,191,944)	
			(5,355,525)		(39,151,772)
XI Profit/(Loss) for the period (IX - X)			<b>256,508</b>		<b>(94,885,258)</b>
XII <b>Earnings per equity share:</b>					
(1) Basic			(0.03)		(0.93)
(2) Diluted			(0.03)		(0.93)

The Notes referred to above form an integral part of these financial statements.

**For and on behalf of the Board of Directors**

As per our report of even date  
**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2016



**B.A.G. Films and Media Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2016**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(5,099,018)		(134,037,030)
<u>Adjustments for:</u>				
Depreciation and amortisation	151,502,521		244,342,909	
(Profit) / loss on sale / write off of assets	(33,222)		-	
Finance costs	152,113,128		161,686,762	
Interest income	(13,192,421)		(8,853,489)	
Dividend income	-		(809,212)	
Net (gain) / loss on sale of investments	-		(88,910)	
Liabilities / provisions no longer required written back	(414,343)		(4,427,558)	
Other non-cash charges				
Adjustment relating to earlier year	(4,631,940)		(26,282,770)	
		285,343,723		365,567,732
Operating profit / (loss) before working capital changes				
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(22,222,017)		65,408,043	
Trade receivables	(143,707,965)		(18,467,096)	
Short-term loans and advances	(69,900,135)		(23,172,106)	
Other non-current assets	266,448		266,448	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	89,221,415		(124,422,815)	
Other current liabilities	189,283,536		130,667,129	
Short-term provisions	(1,352,710)		-	
Long-term provisions	2,021,832		1,132,550	
		43,610,404		31,412,153
Cash generated from operations		323,855,109		262,942,855
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>323,855,109</b>		<b>262,942,855</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(214,568,237)		(48,517,952)	
Proceeds from sale of fixed assets/Work-in-progress	136,414,609		-	
Purchase of long-term investments				
- Others	(83,333,626)		-	
Proceeds from sale of long-term investments				
- Others	-		5,085,491	
Interest received				
- Others	13,192,421		8,853,489	
Dividend received				
- Others	-		809,212	
		(148,294,833)		(33,769,760)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(148,294,833)</b>		<b>(33,769,760)</b>

**B.A.G. Films and Media Limited**  
**Consolidated Cash Flow Statement for the year ended March 31, 2016**

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	31,960,000		87,897,501	
Proceeds from issue of share warrants	(7,990,000)		60,775,000	
Share application money received / (refunded)	(10,000,000)		10,000,000	
Proceeds from long-term borrowings	(265,251,715)		(133,295,665)	
Proceeds from other short-term borrowings	168,780,109		(4,840,234)	
Finance cost	(152,113,128)		(161,686,762)	
		(234,614,734)		(141,150,160)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(234,614,734)</b>		<b>(141,150,160)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(59,054,458)</b>		<b>88,022,935</b>
Cash and cash equivalents at the beginning of the year		213,234,893		125,211,958
Cash and cash equivalents at the end of the year		154,180,435		213,234,893
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet		154,180,435		213,234,893
<b>Cash and cash equivalents at the end of the year *</b>		154,180,435		213,234,893
* Comprises:				
(a) Cash in hand		645,075		2,848,693
(b) Cheques, drafts on hand		19,359,241		49,600,151
(c) Balances with banks				
(i) In current accounts		43,964,216		45,263,938
(ii) In deposit accounts		62,511,912		92,817,671
(iii) In earmarked accounts		25,022,509		21,187,200
(d) Others				
Staff Imprest		2,677,482		1,517,240
		154,180,435		213,234,893

The Notes referred to above form an integral part of these financial statements.

**For and on behalf of the Board of Directors**

As per our report of even date  
**For Joy Mukherjee & Associates**  
Chartered Accountants  
Firm Registration No. 006792C

**Anurradha Prasad**  
Chairperson cum Managing Director  
DIN : 00010716

**Sudhir Shukla**  
Director  
DIN : 01567595

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2016

## Notes to Financial Statement

### Note-1

Amount in ₹

Particulars	March 31, 2016	March 31, 2015
<b>Share Capital</b>		
<b>Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
275,000,000 Equity Shares of Rs. 2/- each ( Previous Year 275,000,000 Equity Shares @ Rs. 2/- each)	550,000,000	550,000,000
<b>Total</b>	<b>550,000,000</b>	<b>550,000,000</b>

Particulars	March 31, 2016	March 31, 2015
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each (Previous year 37,518,890 Equity Shares @ Rs. 2/- each)	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each 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 by Converting Share Warrants ( Previous year 10,000,000 Equity Shares @ Rs 2/- each)	20,000,000	20,000,000
37,900,000 Equity Shares of Rs. 2/- each by Converting Share Warrants ( Previous Year 28,500,000 Equity Shares @ Rs 2/- each)	75,800,000	57,000,000
37,000,000 Equity Shares @ 2/- Per Share Represented by 37,00,000 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	45,132,400	45,132,400
Issued as Bonus shares by Capitalising General Reserves	376,236,180	357,436,180
Calls unpaid (170,341 Equity Shares @ Rs. 1/- each)	170,341	170,341
<b>Total</b>	<b>376,065,839</b>	<b>357,265,839</b>

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

#### Equity shares with voting rights

Name of Shareholders	March 31, 2016 No. of Shares
Anuradha Shukla	21,479,190
ARVR Communications Private Limited	38,194,868
High Growth Distributors Private Limited	13,078,000
Sameer Gehlaut	20,250,900
Skyline Tele Media Services Limited	13,650,000

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

Amount in ₹

Particulars	March 2016	March 2015
	Number of Shares	Number of Shares
<b>Equity share capital</b>		
- Number of shares held	188,118,090	178,718,090
- Number of share holders [including their nominees]	52,461	48,706

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

Particulars	March 2016	March 2015
	Number of Shares	Number of Shares
<b>Equity share capital</b>		
- Number of shares held	170,341	170,341
- Number of share holders [including their nominees]	286	286

**Details of Call unpaid**

	March 2016		March 2015	
	Number of Shares	Amount in ₹	Number of Shares	Amount in ₹
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,341	170,341	170,341	170,341

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2016**
**Issued, Subscribed and Fully paid up share capital:-**

Particulars	Number of Shares	Amount in ₹
Equity share with Voting Rights		
Opening Balance	178,718,090	357,436,180
Conversion	9,400,000	18,800,000
Closing Balance	188,118,090	376,236,180

**Issued, Subscribed and not fully paid up shares:-**

Particulars	Number of Shares	Amount in ₹
Equity share with Voting Rights		
Opening Balance	170,341	170,341
Fresh Issue	-	-
Conversion	-	-
Closing Balance	170,341	170,341

**Rights, preferences and restrictions attached to equity shares**

The parent company has only one class of equity shares having par value of Rs. 2 per share. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the parent company after distribution of all preferential assets, in proportion to their shareholding.

The parent company has not allotted any bonus shares or bought back any shares during the current year or for a period of five years immediately preceding the balance sheet date.

**Note-2**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Reserves and Surplus</b>		
<b>Capital Reserves</b>		
Opening Balance	24,969,054	24,969,054
Add: Additions during the year	52,785,000	-
Sub Total	77,754,054	24,969,054
<b>General Reserves</b>		
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
<b>Securities Premium Reserves</b>		
Opening Balance	3,660,179,899	3,589,284,899
Add : Premium on Share Issued during the year	13,160,000	70,895,000
	3,673,339,899	3,660,179,899
Less: Calls Unpaid (170,341 Equity Shares @ Rs.4/-)	681,364	681,364
Sub Total	3,672,658,535	3,659,498,535
<b>Surplus</b>		
Opening Balance	(3,058,327,485)	(2,843,691,184)
Add: Profit / (Loss) for the year	256,508	(94,885,258)
Minority Interest	(29,188,844)	(56,139,088)
Adjustment relating to earlier year	(5,704,368)	(63,611,955)
Sub Total	(3,092,964,189)	(3,058,327,485)
<b>Total</b>	<b>695,375,684</b>	<b>664,067,388</b>

**Note-3**

Amount in ₹

Particulars	March 31,2016	March 31,2015
Share Application Money Pending Allotment	-	10,000,000
<b>Total</b>	<b>-</b>	<b>10,000,000</b>

**Note-4**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Long- Term Borrowings</b>		
<b>Secured Loans</b>		
A. Vehicle Loans		
- From Bank	790,652	1,277,257
B. Term loans		
- From Bank	352,927,414	623,213,098
C. Deposits	165,000	165,000
D. Others Loan & advances	97,564,932	97,564,932
E. Finance Lease obligation	44,186,773	-
<b>Unsecured Loans</b>		
A. Optionally fully convertible debentures	255,520,574	250,000,000
<b>Total</b>	<b>751,155,345</b>	<b>972,220,287</b>

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

**A. Term loans from Banks:**

Term loans taken by B.A.G Films and Media Limited are secured by exclusive Charge on Land and Building situated 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 and Manesar.

**B. Vehicle Loans from Banks:**

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

**C. Security Deposit:**

Security deposit received against letting out of building premises, repayment as per agreed terms of the contract.

**D. Others Loan & Advances**

The amount of Rs 43,362,192(Previous year Rs. 43,362,192) availed by E24 Glamour Limited is secured by pledging 411,430 equity shares held by B.A.G. Films and 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 54,202,740(Previous year Rs. 54,202,740) availed by News24 Broadcast India is secured by pledging 514,286 equity shares held by B.A.G. Films and Media Limited in News24 Broadcast India Limited. The amount is convertible into equity shares after a period mutually agreed between the parties.

**E. Finance Lease**

Assets acquired under lease are secured by way of respective assets taken on lease.

**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, 2016

**B. Vehicle Loans from Banks:**

No default has been made in repayment of principal and interest on term loan during the financial year ended March 31, 2016

**Disclosure in relation to Convertible Debentures**

E24 Glamour Limited and News24 Broadcast India Limited had issued 1,250,000 optionally fully convertible debentures (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 parties.

**Note-5**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Long-Term provisions</b>		
Provision for Employee Benefits		
- Provision for Gratuity	9,643,308	8,157,606
Others		
- Provision for Leave encashment	3,042,363	2,506,233
<b>Total</b>	<b>12,685,671</b>	<b>10,663,839</b>



**Note-6**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Short-Term Borrowings</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
From Bank	523,797,904	404,444,911
<b>Unsecured</b>		
Other loans and advances	5,340,343	100,000
<b>Total</b>	<b>529,138,247</b>	<b>404,544,911</b>

**Details of security for the secured short-term borrowings:**

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

**Note-7**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Other Current liabilities</b>		
Current maturities of long term debt	266,439,294	153,446,522
Unclaimed Dividend	-	132,212
Other payables		
Statutory remittances	34,664,485	42,013,910
Other Liability	55,427,686	40,037,935
Employee Cost	18,475,243	17,503,668
Advances from customers	74,355,713	6,944,638
Security deposits received	1,600,000	1,600,000
<b>Total</b>	<b>450,962,421</b>	<b>261,678,885</b>

**Note-8**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Short-Term Provisions</b>		
Provision for Income Tax	11,075,479	12,428,189
<b>Total</b>	<b>11,075,479</b>	<b>12,428,189</b>

# **Note 9 - Fixed Assets Schedule as per Companies Act, 2013 for the year ended on March 31, 2016**

## **Tangible Fixed Assets**

Particulars	Amount in ₹									
	Gross Block	Addition during the year	Sale/Adj During the Year	Cost as on 31-03-2016	Depreciation Accumulated as at 01.04.2015	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31-03-2016	Adjustment as per Company Act 2013	Net Block
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	57,825,219	-	57,825,219
Building	176,255,435	-	-	176,255,435	63,781,414	6,428,697	-	70,210,111	-	106,045,324
Plant & Machinery	1,021,753,310	46,869,374	-	1,068,622,684	677,812,453	88,995,511	-	766,807,964	-	301,814,720
Computers & Peripherals	225,823,533	543,567	-	226,367,100	222,460,691	1,214,090	-	223,674,781	1,072,428	1,619,891
Vehicle	30,162,587	-	719,289	29,443,298	26,762,854	1,365,093	413,670	27,142,777	-	1,729,021
Furnitures & Fixtures	357,431,420	56,777,041	-	414,208,461	248,313,489	38,134,252	-	286,447,741	-	127,760,720
Office Equipments	119,904,876	924,352	382,814	120,446,414	111,821,732	5,893,393	352,376	117,362,749	-	3,083,665
<b>Total</b>	<b>1,989,156,380</b>	<b>105,114,334</b>	<b>1,102,103</b>	<b>2,093,168,611</b>	<b>1,350,952,633</b>	<b>142,031,036</b>	<b>766,046</b>	<b>1,492,217,623</b>	<b>1,072,428</b>	<b>599,878,560</b>
										<b>638,203,748</b>

# **Note 10 - Fixed Assets Schedule as per Companies Act, 2013 for the year ended on March 31, 2016**

## **Intangible Fixed Assets**

Particulars	Amount in ₹									
	Gross Block	Addition during the year	Sale/Adj During the Year	Cost as on 31-03-2016	Depreciation Accumulated as at 01.04.2015	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31-03-2016	Adjustment as per Company Act 2013	Net Block
Computer Software	160,993,229	-	-	160,993,229	156,306,327	2,159,907	-	158,466,234	-	2,526,995
Radio Licences Fees	49,910,000	109,453,903	49,910,000	109,453,903	35,786,679	7,311,577	35,786,679	7,311,577	-	102,142,326
<b>Total</b>	<b>210,903,229</b>	<b>109,453,903</b>	<b>49,910,000</b>	<b>270,447,132</b>	<b>192,093,006</b>	<b>9,471,484</b>	<b>35,786,679</b>	<b>165,777,811</b>	<b>-</b>	<b>104,669,321</b>
										<b>18,810,223</b>

**Note-11**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Non-Current Investments</b>		
<b>Trade Investments at cost</b>		
<b>Quoted</b>		
5,000 Equity Shares of Mukta Arts Limited	500,000	500,000
Having Face Value of Rs. 5/- per share fully paid up		
Purchased @ Rs.100/- Per Equity Share		
( Market Value as on 31-03-2016 is Rs. 58.80 per share)		
(Previous Year Rs. 29.70 per share)		
<b>Investment in Mutual Funds</b>	5,262,321	62,596
<b>Non Trade Investment at Cost</b>		
<b>Unquoted</b>		
485,000 Equity Shares (Previous Year 245,000 Equity Shares) of B.A.G. Business Ventures Limited	485,000	485,000
Having Face Value of Rs 1/- per share fully paid-up		
296,006 Optionally Fully Convertible Debentures (Previous Year 296,006 OFCDs) of B.A.G. Business Venture Private Limited	29,600,600	29,600,600
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
255,512 Optionally Fully Convertible Debentures (Previous Year 255,512 OFCDs ) of Approach Films and Television Limited	25,551,200	25,551,200
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
1,495,419 Optionally Fully Convertible Debentures (Previous Year 1,495,419 OFCDs) of B.A.G Convergence Pvt. Ltd	149,541,900	149,541,900
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
1,456,315 Optionally Fully Convertible Debentures (Previous Year 1,456,315 OFCDs ) of B.A.G Live Entertainment Limited	145,631,500	145,631,500
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
6,292,150 Optionally Fully Convertible Debentures (Previous Year 6,292,150 OFCDs) of Oscar Software Private Limited	629,215,000	629,215,000
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
781,339 Optionally Fully Convertible Debentures (Previous Year Nil OFCDs) of Skyline Tele Media Services Limited	78,133,900	-
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
<b>Total</b>	<b>1,063,921,421</b>	<b>980,587,796</b>

Particulars	As at March 31, 2016		As at March 31, 2015	
	Quoted	Unquoted	Quoted	Unquoted
<b>A. Trade</b>				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Principal Cash Management Fund	62,595	-	62,596	-
2. Canara Robeco Short Term - Regular Fund	5,199,726	-	-	-
<b>B. Other Investment</b>				
(i) of other entities	-	1,058,159,100	-	980,025,200
	<b>5,762,321</b>	<b>1,058,159,100</b>	<b>562,596</b>	<b>980,025,200</b>

**Note-12**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Other Non-Current Assets</b>		
<b>Unamortised expenses</b>		
Preliminary Expenses		
Opening Balance	532,874	799,322
Add: Incurred during the year	-	-
	532,874	799,322
Less: Written off	266,448	266,448
<b>Total</b>	<b>266,426</b>	<b>532,874</b>

**Note-13**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Inventories</b>		
Raw Materials	866,000	613,440
Work in Progress	15,769,176	20,974,826
Finished Goods	322,770,392	295,595,282
<b>Total</b>	<b>339,405,568</b>	<b>317,183,548</b>

**Note-14**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Trade Receivables</b>		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	27,797,691	55,476,124
	27,797,691	55,476,124
Less: Provision for doubtful trade receivables	-	-
Sub Total	<b>27,797,691</b>	<b>55,476,124</b>
Other Trade receivables	623,043,949	451,243,208
	623,043,949	451,243,208
Less: Provision for doubtful trade receivables	-	-
Sub Total	<b>623,043,949</b>	<b>451,243,208</b>
<b>Total</b>	<b>650,841,640</b>	<b>506,719,332</b>

**Note-15**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Cash and Cash Equivalents</b>		
Cash in hand	645,075	2,848,693
Cheques , Draft in hand	19,359,241	49,600,151
Balance with Banks		
-In current accounts	43,964,216	45,263,938
- In deposit accounts	62,511,912	92,817,671
- Balances held as security against guarantees	25,022,509	21,187,200
Imprest with Staff	2,677,482	1,517,240
<b>Total</b>	<b>154,180,435</b>	<b>213,234,893</b>

**Note-16**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Short Term loans and advances</b>		
Unsecured , Considered Good		
A. Balances with government authorities		
Advance Taxes	83,199,970	102,444,395
Sub Total	83,199,970	102,444,395
B. Earnest Money & Security Deposits	25,475,583	22,343,502
	25,475,583	22,343,502
Less: Provision for doubtful loans and advances	-	-
Sub Total	25,475,583	22,343,502
C. Prepaid Expenses	58,814,681	15,111,633
Sub Total	58,814,681	15,111,633
D. Loans and advances to employees		
Unsecured, considered good	2,997,188	2,256,810
	2,997,188	2,256,810
Less: Provision for doubtful loans and advances	-	-
Sub Total	2,997,188	2,256,810
E. Others		
Advances to others	198,755,232	157,186,179
Sub Total	198,755,232	157,186,179
<b>Total</b>	<b>369,242,654</b>	<b>299,342,519</b>

**Note-17**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Revenue from Operations</b>		
<b>Revenue from- Sale of Services</b>		
Audio-Video Productions	152,667,545	213,638,325
Media Education	20,000,000	32,623,625
Advertisement sales revenue	992,823,779	1,016,921,153
Sub Total	1,165,491,324	1,263,183,103
<b>Other Operating Revenues</b>		
Income from Equipment hiring	5,265,880	1,265,880
Income from Rent	2,917,000	13,538,418
Sub Total	8,182,880	14,804,298
<b>Total</b>	<b>1,173,674,204</b>	<b>1,277,987,401</b>

**Note-18**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Finance Costs</b>		
<b>A. Interest expense on</b>		
Borrowing	149,164,340	161,208,284
<b>B. Other borrowing costs</b>		
Bank Charges	315,170	478,478
Processing Fees	2,633,618	250,000
<b>Total</b>	<b>152,113,128</b>	<b>161,936,762</b>

**Note-19**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Other Income</b>		
Interest Income		
Deposit	7,622,563	7,576,588
Other Interest	5,569,858	1,276,901
	13,192,421	8,853,489
Dividend Income	-	809,212
Net Gain/Loss on sale of		
Long -Term Investment	-	995,376
Other Non-Operating Income(net of expenses directly attributable to such income)		
Foreign Exchange Fluctualtion	-	28,072
Profit on Sale of Fixed Assests	33,222	-
Miscellaneous income	852,318	410,239
Sundry balance written back	414,343	4,427,558
	1,299,883	4,865,869
<b>Total</b>	<b>14,492,304</b>	<b>15,523,946</b>

**Note-20**

Amount in ₹



Particulars	March 31,2016	March 31,2015
<b>Employee Benefit Expense</b>		
Salaries , Wages and Bonus	186,789,102	184,071,444
Contribution to Provident and other funds	8,693,831	8,680,033
Staff Welfare Expenses	4,870,948	5,762,412
<b>Total</b>	<b>200,353,881</b>	<b>198,513,889</b>

**Note-21**

Amount in ₹

Particulars	March 31,2016	March 31,2015
<b>Other Expenses</b>		
Power and fuel	35,959,036	39,604,479
Rent	5,992,400	7,461,240
Repairs to Building	49,459	236,654
Repairs to Machinery	8,539,199	12,707,277
Insurance	3,201,347	2,990,607
Rates and Taxes, Excluding Taxes on Income	11,498,364	5,415,042
Loss on foreign currency transaction	237,393	117,391
Payment to auditors		
- As Auditor	550,000	475,000
- For Taxation Matters	225,000	225,000
- For Management Services	100,000	100,000
- For Reimbursement of Expenses	177,972	306,978
Net Loss on sale of Investments		
from long-term investments	-	906,466
Corporate Social Responsibility Expenditure	900,000	-
Professional Charges Artist, Directors, Technicians	37,894,154	89,352,959
Location & Studio Hiring Charges	900,000	16,556,544
Shooting Expenses	1,848,489	13,747,711
Travellings & conveyance	21,322,619	22,495,109
Publicity & Content expenses	71,217,912	31,044,556
Royalty	48,788,894	41,931,086
License & Other Operational Fees	20,379,112	18,786,066
Space segment charges	12,218,132	13,298,534
Subscription Charges	19,040,509	20,747,685
Carriage Charges	332,569,585	350,115,688
Miscellaneous Expenses	77,908,439	85,945,817
<b>Total</b>	<b>711,518,015</b>	<b>774,567,889</b>

## Notes forming part of the Consolidated Financial Statements

### Note-22

#### Corporate Information

The Company was incorporated on January 22, 1993. It is a Public Limited Company domiciled in India and is Listing on the Bombay stock Exchange [BSE] and National Stock Exchange [NSE]. It is one of the largest television content house in India under the brand name "Studio 24"

#### Significant Accounting Policies

### Note-23

#### i) Basis of preparation and consolidation

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act") and other accounting pronouncements of the Institute of Chartered Accountants of India.

As per the Accounting Standard Interpretation (ASI-15) on "Notes to the Consolidated Financial Statements", only the notes involving items which are material, need to be disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiaries or of the parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

#### ii) Principles of Consolidation

The Consolidated financial statement relate to the BAG Films & Media Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"). The Consolidated financial statement have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down in Accounting Standard-21.

#### The consolidated financial statements have been prepared on the following basis:

- The consolidated Financial statements include the Financial statements of BAG Films and Media Limited and all its subsidiaries, which are more than 50% owned or controlled. The Financial statements of the parent company and its majority owned/ controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes

and expenses after eliminating all intra-group balances/ transactions and resulting unrealized gain/loss.

- The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve' in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of:
  - the amount of equity attributable to the minorities at the dates on which investment in a subsidiary is made; and
  - the minorities share of movements in equity since the date, the parent subsidiary relationship came into existence.
  - Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiaries is absorbed by the Company.
  - The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

### 24. The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

#### i) Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### ii) Current-non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;

- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

### **iii) Fixed Assets and 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.

Depreciation on fixed assets is provided as per WDV basis, based on the rates as per useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Depreciation for the year is recognised in the Statement of Profit and Loss.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

#### **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.

### **iv) 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.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

### **v) Impairment of assets**

The carrying values of all assets are reviewed at each reporting date to determine if there is an indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognized in the Consolidated Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would

have been determined net of depreciation or amortisation, if no impairment loss had been recognized.

#### vi) Depreciation

Depreciation on fixed asset is provided on Written down Value method over the useful life of the assets as prescribed in schedule II of the Companies Act, 2013.

#### vii) Employee benefits

##### (a) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of shortterm employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

##### (b) Post employment benefits

###### Defined contribution plans

Provident Fund and ESI: Eligible employees of Indian entities receive benefits from the provident fund and ESI, which is a defined contribution plan. Both the employees and the Indian entity make monthly contributions to the provident fund (with Regional Provident Fund Commissioner) equal to specified percentage of the covered employee's basic salary. The entities have no further obligation under the plan beyond its monthly contributions.

###### Defined benefit plan

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The calculation of the Group's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Consolidated Statement of Profit and Loss. All expenses related to defined benefit plans are recognized in employee benefits expense in the Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Actuarial gains and losses are recognized immediately in the Consolidated Statement of Profit and Loss.

#### Termination benefits

Termination benefits are recognized as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

#### viii) 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.

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

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

Income from infrastructure support, building rent and royalty income is recognised based on the terms of the underlying agreement.

Advertisement revenue from sale of advertising time is recognized on the accrual basis when advertisements are telecast in accordance with contractual obligations.

Revenue is reported net of discounts.

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

#### ix) Other Income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive payment is established.

#### x) Foreign Currency Transactions

a) Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All nonmonetary assets and liabilities are stated at the rates prevailing on the dates of the transactions. Gains / (losses) arising out of fluctuations in the exchange rates are recognised as income / expense in the period in which they arise

- b) In the cases of exchange difference on reporting long term monetary items, the company has opted to avail the option provided under paragraph 46A of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" inserted vide notification dated 29 December 2011. Consequently, the exchange differences arising on reporting of long term foreign currency monetary items on account of a depreciable asset is adjusted in the cost of depreciable asset and would be depreciated over the balance life of the asset.

In cases other than the depreciable assets exchange differences is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized over the balance period of such long term asset or liability.

- c) Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investments.
- d) Transactions in foreign currencies (other than the entity's functional currency) entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- e) Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- f) Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- g) Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.
- h) The Company does not have any outstanding foreign exchange forward contracts or other derivative instruments for the purpose of hedging the risk associated with foreign exchange exposures as at the year end.

#### xi) Investments

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value

is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### xii) Taxation

##### Income Tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes was computed under Minimum Alternate Tax (MAT). MAT credit are being recognized if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

##### Deferred tax:

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the group.

Deferred taxes are recognised in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance



tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Group is able to and intends to settle the asset and liability on a net basis.

The Company offsets, on a year on year basis, it's current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

### **xiii) Leases**

#### **a) Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss.

#### **b) Finance leases**

The Group companies lease some assets where the risks and rewards incidental to ownership are largely transferred to the Group. These assets are capitalised and recognised in the balance sheet at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease instalments payable are broken down into repayment and interest components, based on a fixed interest rate and equal instalments. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognised in the statement of profit and loss in accordance with the lease instalments. The relevant assets are depreciated over the remaining useful lives or the lease term, whichever is less.

### **xiv) 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.

### **xv) 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.

### **xvi) 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 Radio 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.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

### **xvii) Trade receivables and Loans and advances**

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

### **xviii) Earnings per share**

Basic:

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trust.

Diluted:

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity 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.

Dilutive potential equity shares are deemed converted as of the proportionate during the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

#### xix) Provisions and contingent liabilities

The Group recognizes a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Company.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### i) Commitments & Contingent Liabilities

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015
Contingent liabilities		
a) Guarantees		
- to Bank	8,297,200	8,297,200
- on behalf of Other ARVR Education Society	250,000,000	250,000,000

\*(Current outstanding balance of Loan is Rs. 150,200,000. The Company does not expect any outflow of resources in respect of the above)

25. The Group is engaged in business of Media and Entertainment. Such services are not capable of being expressed in any generic unit and hence, it is not possible to give the quantitative details required under paragraphs 5(viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013.

#### 26. Activity in Foreign Currency

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Expenditure in Foreign Currency	6,564,788	10,471,488
Earnings in Foreign Currency	52,020,000	216,274,255
CIF Value of imports	68,000	-

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

(Amount in ₹)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance of Deferred Tax Assets (Net)	7,299,874	(31,892,070)
A. Tax effects of items constituting Deferred Tax Assets		
- on difference between book balance and tax balance of fixed assets	4,516,957	38,236,398
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	780,595	897,573
Disallowance under the Income Tax Act	57,973	57,973
Closing Balance of Deferred Tax Asset(Net)	12,655,399	7,299,874

28. Pursuant to the erstwhile 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 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In terms of Section 125 of the Companies Act, 2013 (herein after referred as "the Act") and erstwhile provisions of Section 205A(5) and 205C of the Companies Act, 1956, unclaimed or unpaid dividend of Rs 132,211.60 relating to the financial year 2007-08 is due for remittance on or before 23.10.2015 transferred to the Investor Education and Protection Fund.

29. Effective from April 1, 2014, the Group has revised useful lives of tangible fixed assets based on an independent evaluation. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised remaining useful lives. Further, the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014, has been charged to retained earnings pursuant to provisions of Companies Act, 2013.

30. The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Amount due and outstanding to suppliers as at end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and

(d) Interest accrued and unpaid at the end of the accounting year have not been given.

### 31. Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further,

- Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.
- Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

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.

S. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1	<b>Segment Revenue</b>		
	a) Audio -Visual Production	172,667,545	246,261,950
	b) Movies	-	-
	c) Leasing	2,917,000	13,538,418
	d) FM Radio	80,264,180	74,825,738
	e) Television Broadcasting	917,825,479	943,361,295
	<b>Total</b>	<b>1,173,674,204</b>	<b>1,277,987,401</b>
	Less: Inter Segment Revenue	-	-
	<b>Net Sales/Income from Operations</b>	<b>1,173,674,204</b>	<b>1,277,987,401</b>
2.	<b>Segment Results</b>		
	a) Audio -Visual Production	89,882,470	45,995,067
	b) Movies	-	-
	c) Leasing	(38,384,357)	(52,695,462)
	d) F.M.Radio	13,513,937	(9,248,647)
	e) Television Broadcasting	237,966,816	319,865,067
	<b>Total</b>	<b>302,978,866</b>	<b>303,916,025</b>

Less:

I) Interest	152,113,128	161,686,761
II) Other Un-allocable Expenditure Net off unallocable income	155,964,755	276,266,294
<b>Total Profit Before Tax</b>	<b>(5,099,017)</b>	<b>(134,037,030)</b>

3. **Capital Employed**

a) Audio -Visual Production	621,372,799	702,746,572
b) Movies	-	44,161,955
c) Leasing	245,616,438	290,896,631
d) F.M.Radio	480,259,346	329,692,255
e) Television Broadcasting	162,642,245	148,338,441

4. **Segment Depreciation**

a) Audio -Visual Production	46,431,660	77,435,267
b) Movies	-	-
c) Leasing	37,145,328	61,948,213
d) F.M. Radio	28,023,452	45,791,566
e) Television Broadcasting	30,615,750	43,680,810

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

- i) Related parties with whom transactions have taken place during the year/previous year and the nature of related party relationship

Name of the subsidiary	Proportion of Interest
News24 Broadcast India Limited	53.82%
E24 Glamour Limited	69.23%
Skyline Radio Network Limited	71.05%
BAG Network Limited	100.00%
E24 Entertainment Limited	69.23%
(Fellow Subsidiary)	

Other related parties with whom Group had transactions during the year;

Name of related party	Nature of relationship
Anuradha Prasad	Chairperson cum Managing Director
Skyline Tele Media Services Limited ARVR Communications Private Ltd.	Enterprises over which KMP exercise significant influence

ii) Disclosure of transactions between the Group and Related Parties;

Particulars	Chairperson cum Managing Director		Enterprises over which key management personnel exercise significant influence	
	Year Ended March, 31		Year Ended March, 31	
	2016	2015	2016	2015
Salary	8,333,330	10,000,000	-	-
Money received against share warrants	-	-	-	62,475,000
Share's Issued	-	-	31,960,000	28,900,000
Uplinking Recurring Charges	-	-	19,940,012	21,970,020
Expense Reimbursed	-	-	3,159,954	2,940,554

34. 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. 5,303,935 (Previous Year Rs. 5,003,356)
Employer's Contribution to ESI :	Rs. 496,074 (Previous Year Rs. 538,476)

Defined Benefit Plans:

Gratuity is payable to all eligible employees of the Group on retirement/exit, death or permanent disablement in terms of the provisions of the Payment of Gratuity Act, 1972.

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.

a. Change in present value of obligation (Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the beginning of the period	8,157,606	6,868,775	2,506,233	2,662,514
Current Service Cost	1,926,779	1,817,485	579,017	497,970
Interest Cost	632,214	532,330	194,233	206,345
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	(515,288)	554,951	(237,120)	(860,596)
Past Service Cost	-	-	-	-
Curtailment and settlement Cost/(credit)Benefits Paid	(558,001)	(1,615,935)	-	-
Present value of obligation as at the end of the period	9,643,310	8,157,606	3,042,363	2,506,233

b. Expense recognized in the statement of profit and loss

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current service cost	1,926,779	1,817,485	579,017	497,970
Past service cost	-	-	-	-
Interest cost	632,214	532,330	194,233	206,345
Expected Return on Plan Assets	-	-	-	-
Curtailment cost / (Credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the period	(515,288)	554,951	(237,120)	(860,596)
Expenses recognized in the statement of profit & losses	2,043,705	2,904,766	536,130	(156,281)

c. Actuarial gain/loss recognized

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Actuarial gain/(loss) for the period- obligation	515,288	(554,951)	237,120	860,596
Actuarial (gain)/loss for the period - plan assets	-	-	-	-
Total (gain)/loss for the period	(515,288)	554,951	(237,120)	(860,596)
Actuarial (gain) / loss recognized in the period	(515,288)	554,951	(237,120)	(860,596)
Unrecognized actuarial (gains) losses at the end of period	-	-	-	-

d. The amounts to be recognized in balance sheet and related analysis

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Present value of obligation as at the end of the period	9,643,310	8,157,606	3,042,363	2,506,233
Fair value of plan assets as at the end of the period	-	-	-	-
Funded status / Difference	(9,643,310)	(8,157,606)	(3,042,363)	(2,506,233)
Excess of actual over estimated	-	-	-	-
Unrecognized actuarial (gains)/losses	-	-	-	-
Net asset/(liability) recognized in balance sheet	(9,643,310)	(8,157,606)	(3,042,363)	(2,506,233)

e. Actuarial Assumptions

i) Economic Assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the company

## ii. Demographic Assumption

Particulars	Gratuity		Leave Encashment	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
iii) Ages				
Up to 30 Years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00

### Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employees benefits. Benefits such as salaries , wages and bonus, etc., are recognized in the statement of Profit and Loss in the period in which the employee renders the related service.

Actuarial gains and losses are recognized in the Statement of Profit and Loss.

### Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

Particulars	2015-16	2014-15
i) Net Profit/(loss) after tax as per Statement of profit and loss account	256,508	(94,885,258)
ii) Short provision for tax of earlier years	(5,704,368)	(63,611,955)
iii) Net Profit/(loss) attributable to Equity Shareholders	(5,447,860)	(158,497,213)
iv) Net Profit/(loss) before Exceptional Item	(5,447,860)	(158,497,213)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS.	180,670,003	170,707,729
vi) Basic Earnings per share	(0.03)	(0.93)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	215,978,553	204,902,908
viii) Diluted Earnings per share	(0.03)	(0.93)
ix) Basic Earnings (before exceptional item) per share	(0.03)	(0.93)
x) Diluted Earnings (before exceptional item) per share	(0.03)	(0.93)
xi) Face Value per equity share	2.00	2.00

## 36. Previous year's figures have been regrouped/reclassified to be comparable with currents year's classification/disclosures.

### For Joy Mukherjee & Associates

Chartered Accountants  
Firm Registration No. 006792

#### Joy Mukherjee

Partner  
Membership No. 074602

Place : Noida  
Date : May 30, 2015

**Anuradha Prasad**  
(Chairperson Cum Managing Director)  
DIN : 00010716

**Ajay Jain**  
(CFO)

### For and on Behalf of the Board of Directors

**Sudhir Shukla**  
(Director)  
DIN : 01567595

**Rajeev Parashar**  
(Company Secretary)



Additional information as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associate / Joint Ventures

	As at March 31, 2016		As at March 31, 2016	
	Net Asset, i.e. total assets minus total liabilities		Share in Profit or (Loss)	
Name of the entity	As % of consolidated net assets	Amount (in Lakh)	As a % of consolidated Profit & Loss	Amount (in Lakh)
<b>Parent Company</b>				
BAG Films and Media Limited	63.63	26,596.95	(23,785.40)	(610.30)
<b>Subsidiaries</b>				
E24 Glamour Limited	24.81	10,368.34	23,642.87	606.64
News24 Broadcast India Limited	7.96	3,324.37	8,881.81	227.89
Skyline Radio Network Limited	2.21	925.09	(8,502.99)	(218.17)
<b>Foreign</b>				
E24 Entertainment Limited (Fellow Subsidiary)	1.40	585.96	(79.27)	(2.03)
Bag Network Limited	(0.01)	(3.89)	(57.02)	(1.46)
<b>Total</b>	<b>100</b>	<b>41,796.82</b>	<b>100</b>	<b>2.57</b>
<b>Minority Interest</b>		(5,077.22)		(291.89)
Adjustment due to consolidation		(26,005.19)		-
Consolidated Net Asset/Profit after tax		10,714.41		(289.32)

The information in respect of these entities are extracted from the financial summary considered in the consolidated financial statements.

### Form AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

(Amount in Lakh)

Name of Subsidiary	News24 Broadcast India Limited		E24 Glamour Limited		Skyline Radio Network Limited		E24 Entertainment Limited (Fellow Subsidiary)	
	As on March 31		As on March 31		As on March 31		As on December 31	
	2016	2015	2016	2015	2016	2015	2015	2014
Share Capital	3536.43	3536.43	2696.89	2696.89	2901.41	2901.41	595.04	595.04
Reserve & Surplus	(212.05)	(410.03)	7671.45	7120.46	(2639.07)	(2405.09)	(9.08)	(7.05)
Total Assets	7525.47	5621.13	14932.84	13485.99	2652.84	1665.40	589.95	589.95
Total Liabilities	4201.10	2494.73	4564.50	3668.64	1727.75	1169.08	3.99	1.96
Investment	2115.02	758.76	10041.00	9838.92	-	-	-	-
Turnover	6800.86	6111.08	3479.73	3311.97	802.64	748.26	-	-
Profit/(Loss) before taxation	218.08	106.39	598.30	516.13	(169.02)	(443.32)	(2.03)	(4.17)
Provision for taxation	(9.82)	(29.10)	(8.34)	(23.81)	49.16	(76.93)	-	-
Profit/(Loss) after taxation	227.90	135.48	606.64	539.94	(218.18)	(366.40)	(2.03)	(4.17)
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	53.82	53.82	69.23	69.23	71.05	71.05	69.23	69.23

#### The following Subsidiary is yet to commence operation:

1. BAG Network Limited

For and on Behalf of the Board of Directors

**Anuradha Prasad**  
(Chairperson Cum Managing Director)  
DIN : 00010716

**Sudhir Shukla**  
(Director)  
DIN : 01567595

**Rajeev Parashar**  
(Company Secretary)

**Ajay Jain**  
(CFO)

Date: May 30, 2016



Web: [www.bagfilms.com](http://www.bagfilms.com), E-mail: [info@bagnetwork.in](mailto:info@bagnetwork.in)

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 2015-2016 and Notice of the 23<sup>rd</sup> 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 2015-2016 and the Notice of the AGM 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

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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 23<sup>rd</sup> Annual General Meeting of the Members of B.A.G. Films and Media Limited to be held on Wednesday, September 28, 2016 at 4.00 P.M. at M P C U Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional*	
ORDINARY BUSINESS		For	Against
1.	To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2016 and the Reports of the 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.	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 Mr. Pankaj Chaturvedi (DIN: 00003278) as an Independent Director of the Company		

Signed this .....day of .....2016

Signature of shareholder ..... Signature of proxy holder(s) .....

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.

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.
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 23<sup>rd</sup> Annual General Meeting.
- \*It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in the above box before submission.







## **B.A.G. FILMS AND MEDIA LIMITED**

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