

Bag/stex/letters/2015-16/AM/598  
August 27, 2015

To  
The Listing Department  
National Stock Exchange of  
India Ltd.  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai-400 051  
Fax: 91-22-26598237/38

The Listing Department  
Bombay Stock Exchange  
Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001.  
Fax: 91-22-2272 3121

The Listing Department  
Delhi Stock Exchange  
Limited,  
DSE House, 3/1 Asaf Ali  
Road  
New Delhi-110 002.  
Fax: 011-46470053/54

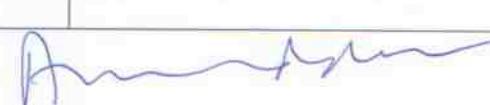
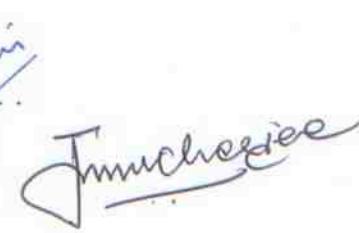
**Sub: Submission of Annual Report of the Company for the Financial Year  
2014-2015**

Dear Sir/Madam,

Pursuant to Clause 31 of the Listing Agreement, please find enclosed herewith six copies of Annual Report with prescribed Form A of the Company for the Financial Year 2014-2015;

**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock  
exchanges**

1.	Name of the Company:	B.A.G. Films and Media Limited
2.	Annual financial statements for the year ended	31st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- CEO/Managing Director	
	CFO	
	Auditor of the company	
	Audit Committee Chairman	



# 22<sup>nd</sup> ANNUAL REPORT 2014-15

**BAG Network** 24™

**Studio 24™ isomes™**



**न्यूज़ 24™**

**E 24™**

**दर्शन 24™**

**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
<b>Chief Financial Officer</b>	Mr. Ajay Jain	
<b>Company Secretary</b>	Mr. Rajeev Parashar	
<b>Statutory Adutiros</b>	Joy Mukherjee & Associates	
<b>Bankers</b>	Yes Bank Limited HDFC Bank Limited Canara Bank Punjab National Bank	
<b>Registered Office</b>	352, Aggarwal Plaza, Plot No. 8, Kondli, New Delhi-110 096	
<b>Corporate Office</b>	FC-23, Sector-16, Film City, Noida-201 301 (U.P.)	
<b>Registrar and Share Transfer Agent</b>	Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110 055	

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## 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](http://www.bagfilms.com), mail: [info@bagnetwork.in](mailto:info@bagnetwork.in)

### NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of B.A.G. Films and Media Limited will be held on Wednesday, September 23, 2015 at 4.30 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 Balance Sheet of the Company as at March 31, 2015, the Statement of Profit and Loss of the Company for the year ended on that date (including Consolidated Financial Statements) and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir Shukla (DIN: 01567595) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint 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 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 consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded, subject to the approval of Central Government, if required, for re-appointment of Ms. Anuradha Prasad (DIN:00010716) as Chairperson cum Managing Director of the Company, for a period of 5(five) years, with effect from April 01, 2015 to March 31, 2020 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period, subject to the requirements of Schedule V to the Companies Act, 2013) as enumerated herein below:

Consolidated Salary and Perquisites etc.: Rs 100 Lacs (Rupees One Hundred Lacs) per annum.

Perquisites include:

- (i) Reimbursement of leave travel expenses for self subject to ceiling of one month's basic salary per annum.
- (ii) Reimbursement of medical expenses for self and family, subject to ceiling of one month's basic salary per annum.
- (iii) Personal accident insurance of an amount the annual premium of which does not exceed Rs. 20,000/- (Rupees twenty thousand only).

In addition to the above, she shall be entitled to receive the following:-

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act.
- b) Gratuity payable should not exceed half a month's salary for each completed year of service.
- c) Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.



**Note:-** For the purpose of Perquisites stated above, "Family" means the spouse, the dependent children and dependent parents.

**RESOLVED FURTHER THAT** Ms. Anuradha Prasad, Chairperson cum Managing Director shall be entitled for the reimbursement of actual entertainment, traveling, boarding, and lodging expenses incurred by her in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executive of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Committee thereof be and is hereby authorized to alter or vary any or all of the terms, conditions and/or to increase the remuneration of Ms. Anuradha Prasad, as approved subject to a maximum remuneration within the limit specified in Schedule V of the Companies Act, 2013, without any further reference to the Company in general meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the forgoing Resolution, Mr. Sudhir Shukla, Director and/or Mr. Rajeev Parashar, Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matter and things as may be considered necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), as are made from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into contract(s)/arrangement(s)/transaction(s) with the following proposed Related Party(s) on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 100 crores every year thereafter (Expected maximum annual value of transaction over the next four years), however that contract(s)/arrangement(s)/transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business:

Sr. No.	Name of the Related Party	Relationship
1	News24 Broadcast India Limited	
2	E24 Glamour Limited	Subsidiaries
3	Skyline Radio Network Limited	
4.	Skyline Tele Media Services Limited	Enterprises over which KMP are able to exercise significant influence
5	B.A.G. Live Entertainment Limited	

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

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

Place: Noida  
Date: August 13, 2015

**Rajeev Parashar**  
Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON 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 17, 2015 to

Wednesday, September 23, 2015 (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 is annexed to this report.
4. Corporate Members intending to send their authorised representatives are requested to send duly certified copy of Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the company on or before September 21, 2015.
5. Members holding shares in electronic form are requested to intimate any change in their registered address/E-mail address and/or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change in their registered address to the Secretarial Department of the Company or M/s Alankit Assignments Limited, the Registrar and Share Transfer Agent.
6. 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 2006-07 has been deposited in the Investor Education and Protection Fund (IEPF) of the Central Government. Members are requested to note that dividend not claimed within seven years from the date of declaration shall, be transferred to the IEPF. After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company. The unpaid/ unclaimed dividend(s) declared for the financial year 2007-08, remaining unpaid or unclaimed for a period of seven years from the date the same became due for payment, will be transferred by the Company to the IEPF of the Central Government. Members are requested to contact M/s Alankit Assignments Limited/ Secretarial Department of the Company for claiming the unclaimed dividend standing to the credit of their account.
12. In view of the "Green Initiative" announced by Ministry of Corporate Affairs and circular issued by the Securities and Exchange Board of India (SEBI) , the Company will send all correspondences like General Meeting Notices, Annual Reports and any other communication in future (hereinafter referred as "documents") in electronic form. 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 copies will be made available to the shareholders of B.A.G. Films and Media Limited and its subsidiary companies upon request.
15. Pursuant to the requirement of the Listing Agreement of the Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/re-appointed at the Annual General Meeting is given in the Annexure to the Notice.
16. Members may also note that the Notice of the 22<sup>nd</sup> Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website [www.bagfilms.com](http://www.bagfilms.com) for ready reference. The Notice of the 22<sup>nd</sup> 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 Clause 35B of the Listing Agreement, 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 vote at the AGM by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule. 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, either through electronic voting system or 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 means 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, 19th September, 2015 at 9:00 am (IST)** and ends on **Tuesday, 22nd September, 2015 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. **16th September, 2015** 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 meeting.
- 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. 16th September, 2015** 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 vide its resolution passed on 13th August, 2015 has appointed M/s Upendar Kumar Sharma & Associates, Company Secretaries (Membership No. ACS 24500 and COP No. 10001), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.**

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, 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 Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman 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 immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The results shall also be forwarded to the stock exchanges 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/PIN noted in step (a) above. Click Login.
- e. Password change menu appears. Change the password/PIN 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. Upon confirmation the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution you will not be allowed to modify your vote.
- l. 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 with a copy marked to 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) or call on toll free no. 1800-222-990.
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 3:00 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**

Ms. Anuradha Prasad, Chairperson cum Managing Director of the Company, was last re-appointed by the shareholders in the AGM held on September 4, 2010 for a term of 5 (Five) years w.e.f. 1st April, 2010, with remuneration. As per the existing terms of her appointment, her tenure expires on 31st March, 2015.

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 12th February, 2015, and subject to the approval of Members of the Company, re-appointed Ms. Anuradha Prasad as the Chairperson cum Managing Director as Key Managerial Personnel under the Companies Act, 2013 for a period of 5 (Five) years w.e.f. 1st April, 2015 to 31st March, 2020.

As required under sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the Company, the Board recommends the re-appointment of Ms. Anuradha Prasad as the Chairperson cum Managing Director, to the Members for their approval.

Disclosure under clause 49 of the Listing agreement with the Stock Exchange is set out in the annexure to the Explanatory Statement.

The Board recommends the adoption of the resolutions as set out at Item no. 4 of the accompanying Notice as a Special Resolution. None of the Directors, Key Managerial Personnel of your Company and their relatives except Ms. Anuradha Prasad is concerned or interested in this resolution set out at item no.4.

**ITEM NO. 5**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

The Company being in existence for last two decades has developed into a Media House with efficient content business, competent production of serials, Hindi and regional films and stringent operational control processes, thus, may extend the required support to its subsidiary Companies.

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on May 29, 2015 and have approved the proposed arrangements with the Related Party(ies) given below and have also decided to seek approval of shareholders by way of special resolution pursuant to section 188 of the Companies Act 2013 read with the Companies ( Meeting of Board and its Powers) Rules , 2014 and Clause 49 of the Listing Agreement as amended from time to time.

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of the Related Party	1. News24 Broadcast India Limited, 2. E24 Glamour Limited, 3. Skyline Radio Network Limited, 4. Skyline Tele Media Services Limited 5. B.A.G. Live Entertainments Limited
Name of the Director or Key Managerial Personnel who is related	Ms. Anuradha Prasad, and Mr. Sudhir Shukla deemed to be concerned in their respective capacity
Nature of Relationship	Ms. Anuradha Prasad is Managing Directors of Skyline Radio Network Limited and Directors in News24 Broadcast India Limited, E24 Glamour Limited and Skyline Tele Media Services Limited. Mr. Sudhir Shukla is Director of B.A.G. Live Entertainment Limited, E24 Glamour Limited and Skyline Tele Media Services Limited.
The nature, material terms, monetary value and particulars of the contract or arrangement	The Company enters into agreements with respective related parties for leasing/ subleasing of equipments/ office sharing of the property of any kind, creating content for TV, Radio, web platforms for each other, facilitating sales of content and commercial time, facilitating distribution services and charging or paying royalties for content and brands. The support services being extended by the Company to its subsidiary Companies in relation to business enhancement, IT applications/ developments, security services and for building up robust practices and processes are towards the benefit of all the Companies. The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 100 crores (Expected maximum annual value of transaction over the next four years). All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length.
Any other information relevant or important for the members to take a decision on the proposed resolution	None

As per Clause 49(VII)(E) of the Listing Agreement, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders. Accordingly, no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 5 shall be entitled to vote on this Special Resolution.

The Board recommends the adoption of the resolution as set out at Item no. 5 of the accompanying Notice as a Special Resolution. Except Ms. Anuradha Prasad and Mr. Sudhir Shukla and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

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

Place: Noida  
Date: August 13, 2015

**Rajeev Parashar**  
Company Secretary

#### ANNEXURE

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:**

Name of Director	Date of Birth (No. of Equity Shares held)	Qualification (Relationship with other Directors)	Nature of Expertise	Name of the Companies in which she/he holds Directorship	Name of the Committees of which he/she holds Membership
Mr. Sudhir Shukla	11.08.1962 (26700 equity shares)	Mr. Shukla holds a Bachelor's degree in Commerce from Kanpur University.  (Not related with any Directors of the Company)	Mr. Sudhir Shukla was inducted earlier as a member of the Board of Directors in August 2011. Since joining the company he has shared his knowledge and experience for promoting and strengthening the business of the company. He was appointed as Non-Executive Director of the Company with effect from February 13, 2013.	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	1. Skyline Tele Media Services Limited Audit Committee (Member)  2. E24 Glamour Limited Audit Committee (Member) Nomination and Remuneration Committee (Member)

Ms. Anuradha Prasad	08.12.1962 (21479190 equity shares)	<p>Master's degree in Political Science from Delhi University</p> <p>(Not related with any Directors of the Company)</p> <p>Ms. Anuradha Prasad started her career in the electronic media at PTI. She subsequently worked in various positions with the Observer Channel, and also headed the Observer Channel. She has also worked with Network East, department of BBC Network.</p> <p>Working with top professionals of the industry, both national and international, Ms. Anuradha has produced, directed, conceived, scripted, reported and anchored many television programs. And most of these have been under the banner of B.A.G Films. Since its inception in 1993, under her capable leadership, the Company has grown tremendously.</p> <p>Some of the programs associated with Ms. Anuradha Prasad are AAJ KI BAAT (a talk show aired on DD Metro), ROZANA (news magazine on DD News Channel), ZAIKE KA SAFAR and RU-BA-RU (on Zee TV), Hindi film song based game show HAI NA BOLO BOLO and CHALTI KA NAAM ANTAKSHRI (on Star Plus), KUMKUM - PYARA SA BANDHAN (on Star Plus), KHABEREIN BOLLYWOOD KI (a film based infotainment show on DD-METRO), HAQEEQAT (series on human rights violation aired on Sahara TV), etc.</p> <p>For her immense contribution to Indian Television, Ms. Anuradha has won accolades and awards over the years. She is a member of CII and FICCI Entertainment Committee. She is on the board of Uttarakhand Film Development Council, and is an executive member of Film Producers Guild of India. In a journey spanning close to two decades; Ms. Anuradha Prasad has become one of the most influential person in the Indian entertainment industry today. Today she has made BAG Network a brand that offers quality entertainment and media content across genres and a force to reckon with internationally.</p> <p>Recently she got the "Pt. Haridutt Sharma Award" in the field of Journalism, Writing and Social Services from the <b>Vice President of India His Excellency Shri M. Hamid Ansari</b>.</p>	<p>1. News24 Broadcast India Limited</p> <p>2. Skyline Tele Media Services Limited</p> <p>3. E24 Glamour Limited</p> <p>4. Skyline Radio Network Limited</p> <p>5. ARVR Communications Private Limited</p> <p>6. News Broadcasters Association</p>	<p>1. Skyline Tele Media Services Limited Audit Committee (Member)</p> <p>2. E24 Glamour Limited Audit Committee (Member)</p> <p>Nomination and Remuneration Committee (Member)</p> <p>3. News24 Broadcast India Limited Audit Committee (Member)</p> <p>Nomination and Remuneration Committee (Member)</p> <p>4. Skyline Radio Network Limited Audit Committee (Member)</p> <p>Nomination and Remuneration Committee (Member)</p>
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**DIRECTORS' REPORT**

To,

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

The Directors have pleasure in presenting the 22nd Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended on March 31, 2015.

**FINANCIAL RESULTS**

The Company's financial performance, for the year under review alongwith previous figures are given hereunder:

(Rupees in Lakhs)

Particulars	2014-15	2013-14
Total Income	3,237.73	5,881.45
Profit before Depreciation & Financial Charges	1,452.76	1,973.77
Financial Charges	1,419.59	1,684.29
Cash Profit	33.59	289.48
Depreciation	1,548.71	1,157.34
Profit before Tax	(1,515.11)	(867.86)
Provision for Tax	(261.68)	(8.35)
Profit after Tax	(1253.43)	(859.50)
Proposed Dividend	Nil	Nil

**RESULTS OF OPERATIONS/ STATE OF COMPANY'S AFFAIRS**

During the year under review, the total income from operations of the company was Rs. 3237.73 lacs against Rs. 5881.45 lacs during the previous financial year. The Company recorded a net loss of Rs. 1253.43 lacs against net loss of Rs. 859.50 lacs during the previous financial years.

**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 News24 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 of your Company operating through its subsidiary E24 Glamour Limited, pitched as Bollywood's channel 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 the 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 operating in the brand name 'Dhamaal24' at 106.4 FM under its subsidiary Skyline Radio Network Limited (formerly known as Dhamaal24 Radio Network Limited) in the cities of Hissar, Karnal, Patiala, Shimla, Muzaffarpur, Ranchi, Jabalpur, Jalgaon, Dhule and Ahmednagar.

106.4 FM Radio Dhamaal24 – Har Khushi hai Jahan is a hybrid FM Channel bringing to the listeners life in all manifestations. Dhamaal24 is a channel with a slice of life and approach to the infotainment & entertainment programming.

**CHANGE IN NATURE OF BUSINESS IF ANY**

There was no change in the nature of Business of the Company during the financial year ended March 31, 2015.

**DIVIDEND**

The Directors express their inability to declare any dividend for the financial year ended March 31, 2015 on account of losses 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, from time to time on or before the prescribed due dates, 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 25.06.2014 (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, unclaimed or unpaid dividend relating to the financial year 2007-08 is due for remittance on or before 23.10.2015 to the Investor Education and Protection Fund. Details of transfer of funds to IEPF during the FY 2014-15 are given herein below:-

Particulars	Amount (in Rs.)
Opening Balance (01-04-2014)	210,091
Less: Transfer of Unclaimed Dividend to IEPF	77,880
Closing Balance (31-03-2015)	132,212

### DIRECTORS

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

#### Women Director

Your Company is in compliance with the provisions of section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, which prescribe the requirement of at least one Women Director on the Board of the Company. The Board of the Company, besides Ms. Anuradha Prasad, as the Chairperson cum Managing Director has 2(two) women Independent Directors, viz. Dr. Anuradha Mishra and Ms. Urmila Gupta.

#### Independent Directors

In terms of Clause 49 of the Listing Agreement, entered into with the Stock Exchanges and Section 149(6) of the Companies Act, 2013 and based on the confirmation/ disclosures received from the Directors. The Board comprises following Non-Executive Independent Directors:

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

#### Declaration by Independent Directors

The Independent directors have submitted their declaration of Independence, as required under to section 149 (7) of the

Companies Act, 2013, confirming that they meet the criteria of independence as provided in sub section (6).

#### Appointments/ Resignations from the Board of Directors

Ms. Urmila Gupta was appointed as Independent Director by the Members at the last Annual General Meeting of the Company held on 25 June 2014 for a term of 5(five) years.

Mr. Prem Behl, Independent Director of the Company resigned from the Board with effect from November 5, 2014. The Board places on record its appreciation for the outstanding contribution made by Mr. Behl during his tenure as the Director 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 Companies Act, 2013. Ms. Anuradha Prasad, Chairperson cum Managing Director and Mr. Rajeev Parashar, Secretary have been holding the respective position of the Company before the commencement of the Companies Act, 2013.

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, subject to the approval of Shareholders for further period of 5(five) years with effect from April 1, 2015.

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.

#### Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Sudhir Shukla retires by rotation and is eligible for re-appointment.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committees and Stakeholders Relationship Committee .

#### Familiarization programmes for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee Meetings thereof, on business and performance updates of the Company along with business strategy. Detailed presentations on the Company's business were made before the Board members as a part of familiarisation programme for effective policy and decision making.

## **Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 4 (four) Board Meetings and 4 (four) Audit Committee Meetings were convened and held, the details whereof are provided in the Corporate Governance Report of this Annual Report.

The intervening gap between the Meetings was within the time limit prescribed under the Companies Act, 2013 read with the Listing Agreements with the Stock Exchanges.

## **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.

At present there are following five Committees of the Board:

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

In addition, the Board is also empowered to constitute specific committees, from time to time, depending on the business exigencies, and simultaneously dissolves such Committees, that are no longer required. The terms of reference of the Committees are reviewed and modified by the Board from time to time. Meetings of each Committee are convened by the respective Committee Chairman. The Company Secretary prepares the agenda and explanatory notes, in consultation with the respective Committee Chairman and circulates the same in advance to all the members. Every member is free to suggest inclusion of item(s) on the agenda. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed before the Board. The detail of Committees are provided in Corporate Governance Report of this Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:-

- a) in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts for the financial year ended March 31, 2015 of the Company on a 'going concern' basis.
- e) that proper internal financial controls are in place and that the financial controls are adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were and that such system were adequate and operating effectively.

## **INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV**

There are four subsidiary companies out of which one is Wholly Owned Foreign Subsidiary. During the year, BAG Infotech Private Limited and BAG Live Entertainment Limited ceased to be associates.

The Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies, are not being attached with the Balance Sheet of the Company. Salient features of Financial Statements of Subsidiaries in the prescribed format, form part of this Financial Statements. However, the financial statements of the subsidiary companies are available on the website of the company. The Company will provide on demand a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Policy for determining material subsidiaries may be accessed under Investor section on the Company's website [www.bagfilms.com](http://www.bagfilms.com).

## **Consolidated Financial Statements**

The Consolidated Financial Statements of subsidiary Companies in terms of Section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014 are prepared in accordance with the Companies relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure I**.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

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 Companies Act, 2013 read alongwith Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption are not applicable.

During the year, your Company has incurred expenditure in foreign currency to the extent of Rs. 5,380,347/- as against Rs. 2,303,219 in the previous financial year 2013-2014 and earned Rs.1,328,53,055 (previous year Rs. 739,18,820).

**SIGNIFICANT AND MATERIAL ORDERS**

There were no significant or material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls with reference to financial statements, being examined by the management and internal auditors with the size, scale and complexity of its operation. To maintain its objectivity and independence, the Internal Financial Audit functions reports to the Chairman of the Audit Committee of the Board. During the year, no reportable material weaknesses in the design or operation were observed.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RISK MANAGEMENT POLICY**

In accordance with the requirements of the Companies Act, 2013 and Listing Agreement towards Company has adopted Risk Management Policy, approved by Board and established a risk management framework to identify, mitigate and control the risk and threat. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments .Risk management forms an integral part of the Company's Mid-Term Planning cycle. The key business risks identified by the Company and its mitigation plans are as under:

**Project Risks:**

The Media and Entertainment Industry is capital intensive in nature. According to a report on M & E Industry Indian market is poised to grow at a CAGR of 13.9 per cent, to grow from INR1026 billion in 2014 to reach INR1964 billion by 2019, a growth rate that is almost double that of the global media and entertainment industry. In the execution of large projects which are highly capital intensive in nature, there could be exposure to time and cost overruns. To mitigate these risks, the project management team and the project accounting and governance framework has been further strengthened.

**Competition Risks:**

The Media and Entertainment Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience and its created capacities to increase market share, enhance brand equity / visibility and enlarge product portfolio and service offerings. It would also leverage on its Infrastructure, Commercial and Institutional Sales team to offer value to customers. The Company tapping international market to beat local competition.

**Occupational Health and Safety Risks:**

Safety of employees is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified Occupational Health & Safety as one of its focus areas.

**PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposit 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 Corporate Social Responsibility initiatives, through the said provisions are not applicable. However, once the said provisions are applicable, the Company shall report the same in the coming years and shall submit the relevant report on such applicability.

**NOMINATION & REMUNERATION POLICY**

The Company has constituted a Remuneration Committee of Directors in compliance with provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement as amended from time to time. During the year under review, the nomenclature of Remuneration Committee was changed to "Nomination and Remuneration Committee" as required under the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the listing agreement (effective October 1, 2014), related to Corporate Governance, entered into with the Stock Exchanges.

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 before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. In accordance with the requirements of Listing Agreement, the Company has also adopted the Policy on Related Party Transaction and the same has been uploaded on the website of the company.

The particulars of every contract 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.

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

#### **VIGIL MECHANISM**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior and to meet the objective, it has formulated 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**

M/s. Joy Mukherjee & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office till the

conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

#### **Qualification in Auditors reports**

All observations made in the Independent Auditors' Report are self explanatory and suitably addressed in the Notes forming part of the Financial Statements and do not call for any further comments. The Company is in the regime of unqualified financial statements.

The Internal Auditor directly reports to the Audit Committee.

#### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with 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 undertake the Secretarial Audit of the Company for the financial year ended March 31, 2015. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure IV** to this Report.

#### **LISTING**

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

\*SEBI vide its Order No. WTM/PS/45/MRD/DSA/NOV/2014 dated 18.11.2014, has withdrawn recognition granted to DSE.

#### **CORPORATE GOVERNANCE**

The Report on Corporate Governance together with the Certificate from Statutory Auditors of the Company regarding the Compliance of conditions of Corporate Governance by the Company as stipulated in Clause 49 of the Listing Agreement is annexed and forms part of the Board Report.

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

The Certificates from CMD/CFO inter-alia confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of Internal Control measures and reporting of the matters to the Audit Committee in terms of Clause 49 of the Listing Agreement is attached in Corporate Governance Report and forms part of this Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report pursuant to Clause 49 of the Listing Agreement is provided separately and forms part of this Annual Report.

**CODE OF CONDUCT**

The Company has in place a comprehensive Code of Conduct (the Code) modified from time to time as prescribed under the Listing Agreement, 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.

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company in compliance with the SEBI Insider Trading Regulation. The Securities and Exchange Board of India ("SEBI") vide Notification No. LAD-NRO/GN/2014-15 dated 15th January, 2015 has introduced new regulation to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework viz. SEBI (Prohibition of Insider Trading) Regulations, 2015.

In compliance with the 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 Regulation. 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 Regulations. These codes are applicable to Directors/officers/connected person/designated employee of the Company and their immediate relatives. Both these codes have been made effective retrospectively from 15th day of May 2015.

**PREFERENTIAL ALLOTMENT****Convertible Warrants**

Your company issued and allotted 80,000,000 warrants, to eligible allottees under promoter/non-promoter group company 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 as per 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 share ("conversion price" including a premium of Rs. 1.40/- per share) 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

The paid up Equity Share Capital as on March 31, 2015 was Rs. 357,436,180/- (including calls in arrear of Rs. 170,341/-).

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled there to, excluding the information on employees' particulars which is available for inspection by the Members at the registered office of the Company during business hours on working days of the company up to the date of the ensuing Annual General Meeting. Any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in term of subsection (12) of section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as part of this report at **Annexure V**.

**ACKNOWLEDGEMENTS**

Your Directors take this opportunity to thanks 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, depositories, consultants, dealers, 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**

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

Date: May 29, 2015  
Place: Noida

## Annexure - I

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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
- 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	67.74
2	Leasing of Production and Broadcast Equipments and / are other assets	7730	17.62

**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, 2014)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2015)				% 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	12.64	21507790	-	21507790	12.03	0.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	0	-	0	0	-	-	-	-	-
(d)	Bodies Corporate	38194868	-	38194868	22.44	46694868	-	46694868	26.13	4.75
(e)	Banks /FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub – Total (A) (1)</b>	<b>59702658</b>	-	<b>59702658</b>	<b>35.07</b>	<b>68202658</b>	<b>0</b>	<b>68202658</b>	<b>38.16</b>	<b>4.75</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>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>59702658</b>	<b>0</b>	<b>59702658</b>	<b>35.07</b>	<b>68202658</b>	<b>0</b>	<b>68202658</b>	<b>38.16</b>	<b>4.75</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)	FIIs	2005241	-	2005241	1.18	-	-	0	-	-1.12
(h)	Foreign Venture Capital Investors	0	-	0	-	-	-	-	-	-
(i)	Other (specify):	0	-	0	-	-	-	-	-	-
	<b>Sub – Total (B) (1)</b>	<b>2005241</b>		<b>2005241</b>	<b>1.18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-1.12</b>
-2	Non-Institutions	0	-	0	-	-	-	-	-	-
(a)	Bodies Corporate	28053105	2	28053107	16.48	27795683	2	27795685	15.55	0.14
	i) Indian	-	-	-	-	-	-	-	-	-

Category	Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2014)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2015)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals –	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital upto Rs. 1 Lac	44185982	204860	44390842	26.08	43519235	205834	43725069	24.47	-0.37
	ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lac	34949454	70250	35019704	20.57	37656083	70250	37726333	21.11	1.51
(d)	Any other (specify)	-	-	-	-	-	-	-	-	-
	i)NRIs	947838	-	947838	0.56	1169645	0	1169645	0.65	0.12
	ii)OCBs	49300	49300	98600	0.06	49300	49300	98600	0.06	-
	iii)Trust	100	-	100	0.00	100	0	100	0.00	-
	<b>Sub - Total (B) (2)</b>	<b>108185779</b>	<b>324412</b>	<b>108510191</b>	<b>63.75</b>	<b>110190046</b>	<b>119552</b>	<b>110515432</b>	<b>61.84</b>	<b>1.12</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>110191020</b>	<b>324412</b>	<b>110515432</b>	<b>64.93</b>	<b>110190046</b>	<b>119552</b>	<b>110515432</b>	<b>61.84</b>	<b>0.00</b>
	<b>TOTAL (A) + (B)</b>	<b>169893678</b>	<b>324412</b>	<b>170218090</b>	<b>100.00</b>	<b>178392704</b>	<b>119552</b>	<b>178718090</b>	<b>100.00</b>	<b>4.75</b>
(C)	Shares held by Custodians for GDRs and ADRs	0	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>169893678</b>	<b>-</b>	<b>170218090</b>	<b>100.00</b>	<b>178392704</b>	<b>-</b>	<b>178718090</b>	<b>100.00</b>	<b>4.75</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year				% 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									
1	Anuradha Shukla	21479190	12.62	0	21479190	12.02	0	0	0
2	Jyoti Shukla	1900	0.00	0	1900	0.00	0	0	0
3	Sudhir Shukla	26700	0.02	0	26700	0.01	0	0	0
4	ARVR Communications Private Limited	38194868	22.44	0	38194868	21.37	0	0	0
5	Skyline Tele Media Services Limited	0	0.00	0	4250000	2.38	0	2.38	
6	B.A.G. Live Entertainment Limited	0	0.00	0	4250000	2.38	0	2.38	
	<b>Total</b>	<b>59702658</b>	<b>35.07</b>	<b>0</b>	<b>68202658</b>	<b>38.16</b>	<b>0</b>	<b>4.75</b>	

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	59702658	35.07	59702658	35.07
	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):	31.03.2015 8500000 equity shares		8500000	
	At the End of the year	68202658	38.16	68202658	38.16

## (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		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sameer Gehlaut	20250900	11.90	20250900	11.33
2	High Growth Distributors Private Limited	13078000	7.68	13078000	7.32
3	Pragmatic Traders Private Limited	1400000	0.82	1400000	0.78
4	Ashutosh	1124417	0.66	1124417	0.63
5	PAR Vision Consultancy Private Limited	1702054	1.00	1702054	0.95
6	Girdharilal V Lakhi	754770	0.44	754770	0.42
7	NITCO Paints Private Limited	728092	0.43	728092	0.41
8	Ritika Mukesh Agarwal	700000	0.41	700000	0.39
9	Narendrapal Gupta	680072	0.40	680072	0.38
10	SMC Global Securities Limited	578000	0.34	578000	0.32

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ms. Anuradha Prasad, Chairperson cum Managing Director				
	At the beginning of the year	21479190	12.62	21479190	12.62
		Nil		Nil	
	At the End of the year	21479190	12.02	21479190	12.02

Sl. No.	For Each of the Directors*	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	Mr. Sudhir Shukla, Director				
	At the beginning of the year	26700	00.02	26700	00.02
		Nil		Nil	
	At the End of the year	26700	00.01	26700	00.01
	<b>For Each of Key Managerial Personnel</b>				
3.	Mr. Rajeev Parashar, Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

\* 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) Rule, 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	100.00
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	100.00
	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>	<b>Mr. Prem Behl</b>	
	• Fee for attending board / committee meetings • Commission • Others, please specify	00.67	00.60	00.45	1.72
	Total (1)	00.67	00.60	00.45	1.72
	<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	00.90
	Total (B)=(1+2)	00.67	00.60	1.35	2.62
	<b>Total Managerial Remuneration</b>				<b>102.62</b>
	Overall Ceiling as per the Act*				

\*The above said remuneration are in compliance with provisions of Schedule V of the Companies Act, 2013 erstwhile Schedule XIII of the Companies Act, 1956 and as per the approval received from the Members of the Company.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Name of KMP other than MD/WTD/Manager	Total
		<b>Rajeev Parashar Company Secretary</b>	
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
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission - as % of profit - others, specify...	-	
5.	Others, please specify	-	
	<b>Total</b>		<b>30.00</b>
			<b>30.00</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: (NIL)

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>C. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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 endeavour 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 MANAGERS**

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 (Finance).

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 in consultation with the Managing Director and/ or the Whole-time Director of the Company.

**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 annual 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 transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –

**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.**

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts/arrangements/transactions: NA
- (c) Duration of the contracts / arrangements/transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Justification for entering into such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

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

(\*As defined under clause 49 of the Listing Agreement and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

- (a) Name(s) of the related party and nature of relationship: News 24 Broadcast India Limited (Subsidiary)
- (b) Nature of contracts / arrangements / transactions: Leasing of Equipment
- (c) Duration of the contracts / arrangements /transactions: Continuing contracts
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Rs. 55573888/-.
- (e) Date(s) of approval by the Board, if any: February 14, 2014
- (f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors

**B.A.G. Films and Media Limited**

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

Date: May 29, 2015

Place: Noida

## Annexure IV

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2014-15

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

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, 2014 and ended on 31st March, 2015 ("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 on 31st March, 2015 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) \*The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) \*The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

\* Not applicable on the Company during the Audit Period.

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 of the Institute of Company Secretaries of India. Not applicable on the Company during the Audit Period.
- ii. Listing Agreement entered into by the Company with National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. (SEBI vide its order No. WTM/PS/45/MRD/DSA/NOV/2014 dated 18.11.2014) has withdrawn the recognition granted to Delhi Stock Exchange Limited.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors 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.

Board 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, the members of the Company interalia passed the following Special Resolution(s):

Under Section 61 and Section 64 of the Act, for Increase in the Authorized Share Capital of the Company in the Annual General Meeting dated June 25, 2014.

Under Section 42 and Section 62 of the Act, for Issue of warrants with an option to convert into equity shares on Preferential Basis in the Annual General Meeting dated June 25, 2014.

Place: New Delhi

Date: 22.5.2015

**Balika Sharma & Associates**  
**Company Secretaries**  
**FCS No: 4816**  
**C P No: 3222**

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

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.

Place: New Delhi  
 Date: 22.5.2015

**Signature:**  
**Balika Sharma & Associates**  
**FCS No: 4816**  
**Company Secretaries**  
**C P No: 3222**

## 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 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15:
  - (a) Ms. Anuradha Prasad, Chairperson cum managing Director, get remuneration for the financial year 2014-15 Rs. 100 lacs, zero percentage increase in remuneration, Ratio of remuneration of each Director/to median remuneration of employees was 22:1.
  - (b) Mr. Rajeev Parashar, Company Secretary, get remuneration for the financial year 2014-15 Rs. 30 lacs, with 99 percentage increase in remuneration.

(Note :- No Remuneration is paid to Non-Executive Director except sitting seat).

- ii) The median remuneration of employees of the Company during the financial year was Rs. 4.59 Lacs;
- iii) In the financial year, there was an increase of 16.43% in the median remuneration of employees;
- iv) There were 37 permanent employees on the roll of Company as on March 31, 2015;
- 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 constitute 6.88% of the EBIDTA of the company where as Mr. Rajeev Parashar, Company Secretary 2.04% of EBIDTA.

- vii) a) Variations in the market capitalization of the Company : The market capitalization as on March 31, 2015 was Rs.5182.82 Lacs (Rs.3915 Lacs as on March 31, 2014)
- 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 2.90 as on March 31, 2015 indicating a Compounded Annual Growth Rate of -9.08%.
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 5.68% whereas the increase in the managerial remuneration for the same financial year was 13.80%.
- 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

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

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

The Board and the Management of the Company believe 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.

### 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 with 2 Independent Directors. The composition of the Board is in conformity with clause 49 of the listing Agreement entered into with the stock Exchanges.

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. Tenure of the Independent Directors are governed in accordance with the provisions contained under Section 149 and they shall not be liable to retire by rotation throughout their tenure.

#### (ii) Appointment of Directors

In terms of Article 89 of Articles of Associations of the Company and pursuant to section 152 of the Companies Act, 2013, Mr. Sudhir Shukla (DIN 01567595), retires at the ensuing Annual General Meeting and is eligible for re-appointment.

Ms. Anuradha Prasad Chairperson cum Managing Director of the Company was appointed for a period of five years with effect from April 01, 2010. Accordingly the terms of her appointment has expired on March 31, 2015. The Board has, subject to the approvals of shareholders, at the ensuing Annual General Meeting re-appointed her in its meeting held on February 12, 2015, for a further period of five years starting from April 01, 2015. Brief resume of Ms. Anuradha Prasad and Mr. Sudhir Shukla are given hereunder:

#### I. MS. ANURADHA PRASAD:

Ms. Anuradha Prasad (DIN: 00010716), age 52, Chairperson cum Managing Director of the Company, is a leading media personality. She has conceptualized, designed,

produced and anchored various shows for Doordarshan and private television channels.

In 1986 after completing her post graduation in Political Science, Ms. Anuradha Prasad started her career in the electronic media at PTI. She subsequently worked in various positions with the Observer Channel, and also headed the Observer Channel. She has also worked with Network East, department of BBC Network.

Working with the top professionals of the industry, both national and international, Ms. Anuradha has produced, directed, conceived, scripted, reported and anchored many television programs, and most of these have been under the banner of B.A.G Films. Since its inception in 1993, under her capable leadership, the Company has grown tremendously.

Some of the programs associated with Ms. Anuradha Prasad are AAJ KI BAAT (a talk show aired on DD Metro), ROZANA (news magazine on DD News Channel), ZAIKE KA SAFAR and RU-BA-RU (on Zee TV), Hindi film song based game show HAI NA BOLO BOLO and CHALTI KA NAAM ANTAKSHRI (on Star Plus), KUMKUM - PYARA SA BANDHAN (on Star Plus), KHABEREIN BOLLYWOOD KI (a film based infotainment show on DD-METRO), HAQEEQAT (series on human rights violation was aired on Sahara TV), etc.

For her immense contribution to Indian Television, Ms. Anuradha has won accolades and awards over the years. She is a member of CII and FICCI Entertainment Committee. She is on the board of Uttarakhand Film Development Council, and is an executive member of Film Producers Guild of India. In a journey spanning close to two decades; Ms. Anuradha Prasad has come to be one of the most influential people in the Indian entertainment industry today.

Recently she got the "Pt. Haridutt Sharma Award" in the field of Journalism, Writing and Social Services from the **Vice President of India His Excellency Shri M. Hamid Ansari.**

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

Directorship

- News24 Broadcast India Limited
- E24 Glamour Limited
- Skyline Radio Network Limited
- Skyline Tele Media Services Limited
- ARVR Communications Private Limited
- News Broadcasters Association

Chairman of Board Committee

None

Member of Board Committee

- News24 Broadcast India Limited
- E24 Glamour Limited
- Skyline Radio Network Limited
- Skyline Tele Media Services Limited

Shareholding in the Company

Ms. Anuradha Prasad holds 21,479,190 equity shares of the Company.

## II MR. SUDHIR SHUKLA:

Mr. Sudhir Shukla (DIN:01567595) was inducted earlier as a member of the Board of Directors in August 2011. Since joining the company he has contributed his knowledge and experience for promoting and strengthening the business position of the company. He was re-appointed as Non-Executive Director of the Company with effect from February 13, 2013. Mr. Shukla holds a Bachelor's degree in Commerce from Kanpur University.

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

Directorship

- ARVR Communications Private Limited
- Approach Films and Television Limited
- B.A.G. Live Entertainment Limited
- Skyline Tele Media Services Limited
- E24 Glamour Limited

Chairman of Board Committee

None

Member of Board Committee

- E24 Glamour Limited
- Skyline Tele Media Services Limited

Shareholding in the Company

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

During the year, Ms. Urmila Gupta (DIN 00637110) was appointed as Independent Director on the Board of the Company in 21st Annual General Meeting held on June 26, 2014 for 5 years.

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

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

Name of the Director	Category	Attendance*		Number of Directorship in other Public Companies**	Number of Committee Positions ***	
		Board Meeting	Last AGM		Members	Chairman/ Chairperson
Ms. Anuradha Prasad	Chairperson cum Managing Director (Executive Director)	3	Absent	4	4	-
Mr. Sudhir Shukla	Non-Executive Director	4	Present	4	2	1
Mr. Prem Behl <sup>#</sup>	Non-Executive Independent Director	2	Absent	1	2	1
Dr. Anuradha Mishra	Non-Executive Independent Director	3	Present	2	1	1
Ms. Urmila Gupta	Non-Executive Independent Director	3	Present	2	-	-

# Mr. Prem Behl resigned from the Board of Directors of the Company on November 05, 2014, his resignation was accepted by the Board at its meeting held on November 13, 2014. The details of Mr. Behl are only up to the date of resignation.

## 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 erstwhile Section 25 of the Companies Act, 1956 and B.A.G. Films and Media Limited.

\*\*\*Committees considered for the purpose are those prescribed under explanation to clause 49(II)(D)(2)(ii) of the Listing Agreement 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 Chairman of 5 (Five) Committees across all the Companies in which they are Directors. 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, 2015.

**(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:** During the financial year 2014-15, four Board Meetings were held on May 26, 2014; August 08, 2014; November 13, 2014; and February 12, 2015 respectively. The Board meets at least once in every quarter to review and approve the quarterly financial results in compliance with Clause 41 of the Listing Agreement along with other items on the agenda. Additional Board Meetings are held as and when necessary.

**(v) Independent Directors**

In terms of definition of Independent Director as prescribed under Clause 49 of the Listing Agreement, entered with the Stock Exchanges 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.

**Training of Independent Directors:**

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.

**Performance Evaluation of Non-executive and Independent Directors**

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.

**Separate Meeting of the Independent Directors:**

The Independent Directors held a Meeting without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting held on March 31, 2015. The following issues were discussed in detail:

- I) reviewed the performance of non-independent directors and the Board as a whole;
- II) reviewed the performance of the Chairperson of the Company;
- III) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(VI) Performance Evaluations:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

**COMMITTEES OF THE BOARD**

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

Presently the Company has following five Committees:

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. The Company Secretary prepares the agenda and explanatory notes, in consultation with the respective Committee Chairman and circulates the same in advance to all the members. Every member is free to suggest inclusion of item(s) on the agenda. Minutes of the Committee meetings are approved by the respective Committee and thereafter placed for noting and confirmation by the Board.

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

**3) AUDIT COMMITTEE**

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

**i) Terms of reference**

The broad terms of reference are as under:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;

2. Recommending appointment, reappointment, terms of appointment and removal of the statutory and internal auditors, of remuneration, fixation of audit fees and approval for payment of any other services;
3. Reviewing with the management, the periodical financial statements including subsidiaries / associates, in particular the investments made by the unlisted subsidiaries of the Company, before submission to the Board for approval;
4. Reviewing with the management and the statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
5. Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audit;
6. Discussion with internal auditors on any significant findings and follow-up thereon;
7. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
9. Evaluation of internal financial controls and risk management system;
10. Reviewing with the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters / letter of internal control weakness issued by statutory auditors, internal audit reports, the appointment, removal and terms of remuneration of the Chief internal auditor etc.;
11. Reviewing and monitoring auditor's independence and performance and effectiveness of audit process;
12. Scrutiny of Inter-corporate loans and advances;
13. Approval or any subsequent modification of transactions of the company with related parties;
14. Reviewing the Company's financial and risk management policies;
15. Reviewing the functioning of the Whistle Blower mechanism,

16. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
17. Valuation of undertakings or assets of the company, wherever it is necessary; and
18. Such other functions as may be delegated by the Board from time to time.

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

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

Presently, the Audit Committee of the Company comprises of three Non-executive Directors. Dr. Anuradha Mishra, Chairperson of the Committee is 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 2014-15, four Audit Committee Meetings were held on May 26, 2014; August 08, 2014; November 13, 2014; and February 12, 2015 respectively. The Meeting attended by its members is given below:

Name of the Director	Category	No. of meetings attended
Dr. Anuradha Mishra	Non-executive Independent Director	3
Mr. Prem Behl*	Non-executive Independent Director	2
Mr. Sudhir Shukla	Non-Executive Director	4
Ms. Urmila Gupta	Non-executive Independent Director	2

\*Mr. Prem Behl resigned from the Board of Directors of the Company on November 05, 2014.

**4) NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a remuneration committee of Directors in compliance with provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement as

amended from time to time. During the year under review, the nomenclature of Remuneration Committee was changed to "Nomination and Remuneration Committee" as required under the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the listing agreement (effective October 1, 2014).

All the matters relating to finalization of remuneration to executive directors are 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.

#### **Composition and Attendance at the Meeting**

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 act as the Secretary of the Committee.

The meeting of Nomination and Remuneration Committee was held during the year on February 12, 2015.

#### **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. The remuneration policy is attached as part of the 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. 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, 2015 to the Directors are as follows:-

<b>Name of the Directors</b>	<b>Sitting Fees (in Rs.)</b>
Mr. Prem Behl*	45,000
Dr. Anuradha Mishra	67,500
Mr. Sudhir Shukla	90,000
Ms. Urmila Gupta	60,000

\*Mr. Prem Behl resigned from the Board of Directors of the Company on November 05, 2014.

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. 10,00,000/- per annum was paid as remuneration to s. Anuradha Prasad, Executive Director of the Company for the financial year 2014-15.

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

#### **5) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Board of Directors of the Company has constituted Investors Grievance Committee for redressing shareholders' and investors' complaints in order to provide the best services to the investors and shareholders. During the year, the nomenclature of the Investor Grievance Committee was changed to "Stakeholders Relationship Committee" in line with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the listing agreement (effective October 1, 2014), related to Corporate Governance. The Stakeholders relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

The Board has delegated the power of redressal of Investor Grievances to Registrar and Share Transfer Agent who specifically looks into redressing of shareholders' and investors' complaints and queries and generally processes the grievance within the prescribe period. from the date of receipt. This has been done to integrate the whole process

i.e. the dematerialisation, rematerialisation, share transfer, issue of duplicate share certificate shares, non-receipt of shares, non-receipt of balance sheet, non receipt of dividend or revalidation of dividend and any other query related with the shareholders or beneficiary holders so as to bring it under one roof.

The Board has designated Mr. Rajeev Parashar, Company Secretary as the Compliance Officer.

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 committee has powers inter-alia to approve share transfer, transmission, issue of share certificates and to allot shares and other securities.

During financial year 2014-15, five Stakeholders Relationship Committee Meetings were held on May 26, 2014; July 16, 2014; November 13, 2014; and February 12, 2015 and March 31, 2015 respectively. The Meeting attended by its members is given below:

Name of the Director	Category	No. of meetings attended
Dr. Anuradha Mishra	Non-executive Independent Director	3
Mr. Prem Behl*	Non-executive Independent Director	2
Mr. Sudhir Shukla	Non-Executive Director	4
Ms. Urmila Gupta	Non-executive Independent Director	2

\*Mr. Prem Behl resigned from the Board of Directors of the Company on November 05, 2014.

During the period under review, Company received 24 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, 2015.

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

## 6) RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("the RMC") of the Board of Directors of B.A.G. Films and Media Limited has been formed in compliance with revised Clause 49 (VI) of the Listing Agreement (w.e.f. 1st October, 2014) to ensure that the affairs of the Company are carried out in a sound

and 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 RMC and Risk Management Policy ("the Policy") are in compliance with revised Clause 49 (VI) of the Listing Agreement (w.e.f. 1st October, 2014). The Policy is uploaded on the website of the company [www.bagfilms.com](http://www.bagfilms.com).

### (iii) 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 act as the Secretary of the Committee.

## 7) ESOP COMPENSATION COMMITTEE

The Committee for allotment of shares under ESOPs has been constituted as per the requirement of relevant regulations to expedite the process of allotment and issue of eligible shares to the employee of the Company under the BAG ESOP Scheme of the Company.

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

## 8) GENERAL BODY MEETINGS:-

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

Year	Date	Location	Time
21 <sup>st</sup> AGM 2013-14	June 25, 2014	FICCI Auditorium, Tansen Marg, Mandi House, New Delhi-110001	4.00 P.M.

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

- (ii) Several Special Resolutions were proposed in the above said meetings and duly passed.
- (iii) No special resolution was passed through postal ballot during the Financial Year 2014-15. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## (9) DISCLOSURES

### (i) Related Party Transactions

All 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 before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

### (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, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

### (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 has been denied access to the Audit Committee. The said policy has been posted on the Company's website at [www.bagfilms.com](http://www.bagfilms.com).

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

The Company has in place, a formal corporate policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" already notified by the Government of India. In accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, An Sexual Harassment Committee has been constituted under the above policy which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal. During the year, no complaint was lodged with the Committee.

Detailed mechanism has been laid down in the Policy for reporting of cases of sexual harassment to 'Sexual Harassment Committee' across its all locations, comprising senior officials of the Company and an independent member as prescribed under the said Act, and for conducting inquiry into such complaints, recommending suitable action during the pendency and/or completion of the inquiry including strict disciplinary action including termination of the services.

### (v) 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 are no audit qualifications in the Company's financial statements for the year under review.

### (vi) Risk Management

As required by revised Clause 49 of the listing agreement effective from October 1, 2014, the Risk Management Policy has been formulated and the same is available at the website of the Company at [www.bagfilms.com](http://www.bagfilms.com).

### (vii) 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.

The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them on consequences of non-compliances. The copy of the same is available on the website of the Company.

#### **viii) Compliances by the Company**

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

##### **(a) The Board**

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

##### **(b) 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 platform.

##### **(c) Auditors' Qualifications**

There are no audit qualifications in the Company's financial statements for the year under review.

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

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

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

The Internal Auditor submit its reports to the Audit Committee which are critically reviewed.

#### **(10) MEANS OF COMMUNICATION**

##### **(a) Results:**

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

The Company has its own web-site and all vital information relating to the Company and its performance, including quarterly and yearly results and presentation 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 Relation" where shareholders' information is available. The Company's Annual Report is also available in a user friendly and downloadable form.

##### **(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.

#### **(11) GENERAL SHAREHOLDER INFORMATION**

##### **i) Company Registration Details**

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

##### **ii) Annual General Meeting**

Date	23 September, 2015
Time	4.30 P.M.
Place	M P C U Shah Auditorium, Shree Delhi Gujарат Samaj Marg, Civil Lines, Delhi-110054

##### **iii) Financial Year**

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

**iv) Financial Calendar Year for 2015-2016**

For the year ended on 31.03.2016, the results will be announced on following tentative dates

For Quarter Ending	On or Before
30 June, 2015	14 August, 2015
30 September, 2015	14 November, 2015
31 December, 2015	14 February, 2016
31 March, 2016	30 May, 2016

**(v) Date of Book Closure:-** Thursday, September 17, 2015 to Wednesday, September 23, 2015 (both days inclusive)

**(vi) Dividend Payment Date:-** N.A.

**(vii) Listing on Stock Exchanges:-**

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

\*SEBI vide its Order No. WTM/PS/45/MRD/DSA/NOV/2014 dated 18.11.2014, has withdrawn recognition granted to DSE.

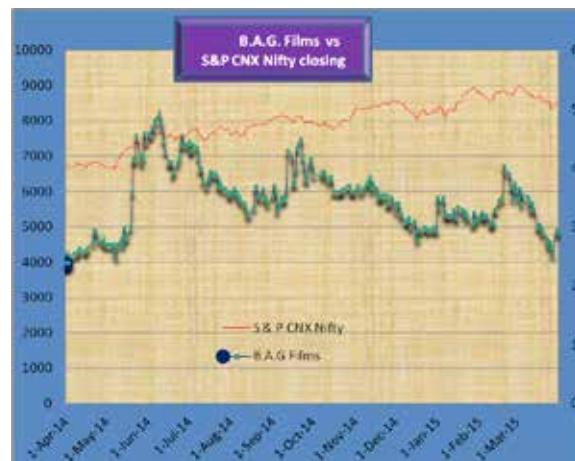
**(ix) Stock Code**

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

**(x) Market Price Data**

Month	(NSE)		(BSE)	
	Highest	Lowest	Highest	Lowest
	Rates (Rs.)	Rates (Rs.)	Rates (Rs.)	Rates (Rs.)
April 2014	3.05	2.35	3.27	2.32
May 2014	5.00	2.45	5.04	2.41
June 2014	5.15	3.90	5.10	3.86
July 2014	4.60	3.45	4.58	3.46
August 2014	3.90	3.10	3.80	3.14
September 2014	4.70	3.25	4.69	3.27
October 2014	4.10	3.35	4.10	3.46
November 2014	4.00	3.25	4.00	3.23
December 2014	3.50	2.60	3.50	2.75
January 2015	3.55	2.90	3.60	2.93
February 2015	4.20	2.85	4.20	2.95
March 2015	3.85	2.50	3.80	2.43

**xii) Performance of the share price of the Company in comparison to S&P CNX Nifty**



**xii) Registrar and Transfer Agent :-**

**Alankit Assignments Limited**

Alankit Heights  
1E/13, Jhandewalan Extension,  
New Delhi-110055  
011-42541234, 23541234  
Fax: 011-23552001  
Web: [www.alankit.com](http://www.alankit.com)  
e-mail: [info@alankit.com](mailto:info@alankit.com)

**xiii) Share Transfer System**

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

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

**xiv) Distribution of Shareholdings as on March 31, 2015**

Shareholding of Nominal Value of Rs. 2/- each	No. of Shareholders		No. of Shares	
From - To	Number	%Total	Number	%Total
1 - 100	22987	47.19	622086	0.35
101 - 500	12939	26.57	4253210	2.38

Shareholding of Nominal Value of Rs. 2/- each	No. of Shareholders		No. of Shares	
501 - 1000	5140	10.55	4526463	2.53
1001 - 5000	5679	11.66	14107288	7.89
5001 - 10000	978	2.01	7473731	4.18
10001 - 20000	506	1.04	7312158	4.09
20001 - 30000	175	0.36	4384410	2.45
30001 - 40000	71	0.15	2487466	1.39
40001 - 50000	63	0.13	2946100	1.65
50001 - 100000	80	0.16	5819166	3.26
100001-500000	71	0.15	14182692	7.94
500001- & Above	17	0.04	110603320	61.89
<b>Total</b>	<b>48706</b>	<b>100.00</b>	<b>178718090</b>	<b>100.00</b>

**Shareholding of Non- Executive Directors in the company as on March 31, 2015**

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

**xv) Dematerialization of shares and liquidity**

As at March 31, 2015, 99.82 % 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.

**xvi) Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments**

**OUTSTANDING WARRANTS**

During the year under review 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 previous Annual General Meeting held on June 25, 2014 to eligible allottees under promoter/non- promoter group company on Preferential Basis with an option to get allotted one equity share per equity warrant before expiry of eighteen months from the date of allotment.

Under the first tranche 8,500,000 warrants had been converted into equity shares in the financial year 2014-15 on 31.03.2015 and were listed for trading on the Stock Exchanges.

**xvii) Address for Correspondence Registered Office**

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

**Corporate Office**

FC-23, Sector 16A, Film City,

Noida- 201 301 (Uttar Pradesh)

Tel: 91 120 3911 444

Fax: 91 120 39 11 401

**xviii) Compliance Officer**

Mr. Rajeev Parashar

Contact No. 91-120-3911444 & 3911555

e-mail ID : rajeev.parashar@bagnetwork.in

Fax No. 91-120-3911401

**xix) Unclaimed Dividend**

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

Date of declaration of dividend since 2007-08 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are as given in the table below.

Financial Year Ended	Date of Declaration of Dividend	Amount remaining unclaimed/ unpaid as on 31.03.2015 (Rs.)	Last Date for Claiming unpaid dividend amount (before)	Last Date for Transfer to IEPF
31.03.2008	18.08.2008	132,212	24.09.2015	23.10.2015

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

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

**xx) Compliance**

The Certificate dated May 29, 2015 obtained from the Statutory Auditors M/s Joy Mukherjee & Associates forms part of this report.

**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, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

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.

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

**For Joy Mukherjee & Associates**  
Chartered Accountants

**Joy Mukherjee**  
Partner

Membership No. 074602  
FRN : 006792C

Place : Noida  
Date : May 29, 2015

**CEO'S/CFO'S CERTIFICATE**  
**TO WHOMSOEVER IT MAY CONCERN**

We, Ms. Anuradha Prasad, Chairperson cum Managing Director and Mr. Ajay Jain, Chief Financial Officer 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, 2015 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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
  - i) There are no significant changes in internal control over financial reporting during the year and any addition or modification if any, have been intimated to the Audit Committee;
  - ii) There is no significant change in accounting policies during the year.
  - 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 29, 2015

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

**Ajay Jain**  
(Chief Financial Officer)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENTS

2014 has been a turning point for the media and entertainment industry in India in many ways. With the current Government's optimistic outlook, business sentiment has been positive and strengthened by a number of growth-promoting policy initiatives taken in the recent months. A benign global economic environment and a stable central government likely prompted the Economic Survey to suggest that India has reached a sweet spot and could finally be launched on a double-digit medium-term growth trajectory. Top global institutes also seem to have an upbeat view on India. Rating agency S&P called India the Asia-Pacific region's bright spot while the International Monetary Fund revised India's growth forecast, expecting its growth rate to surpass China's in 2016.

Offering the world's largest base of young work-force, an expanding middle-class constituting one of the biggest consumer markets and a robust, well-functioning democratic system, India, along with its pro-reforms government, is now scripting a turnaround story. The global economy is struggling to gain momentum, as China suffers a slowdown, the euro-zone slips into deflation, and Japan's economy is too soft to absorb the fiscal consolidation plan. Despite the shaky global economy, India is performing relatively well, with a stable macroeconomic environment, (inflation eased while the current account deficit came under control) bolstering.

As a result, there is a marked shift in investor sentiment towards India, global investors increasingly see India with renewed interest and optimism, thanks to an optimistic government at the centre and its reform agenda. The government's budget announcements underpinned the sentiment further. Improved business sentiment together with policy reforms could boost the country's long-term growth potential.

This growth story extends itself across Media and Entertainment sectors. We estimate that the Indian market is poised to grow at a CAGR of 13.9 per cent, to grow from INR1026 billion in 2014 to reach INR1964 billion by 2019, a growth rate that is almost double that of the global media and entertainment industry.

The growth in popularity of digital media continued to surge in 2014 with a significant growth in digital advertising of 44.5 per cent over 2013. At the same time, traditional media continued to exhibit healthy growth rates, with the television sector continuing on its path of cable digitisation, advertising across media buoyed up by general election spends, and the emergence of e-commerce as a significant new category. Advertising revenues in 2014 grew at a growth rate of 14.2 per cent

over 2013, to reach INR414 billion, of which print (43 per cent) and television (37 per cent) captured the lion's share.

Television viewership continued to be driven by Hindi and Regional GECs, which accounted 49.1 per cent of total viewership in 2014. Over 2012 to 2014, Hindi GECs have seen an increase in viewership share from 29.3 to 31.2 per cent (partly due to increase in the number of channels), while the Regional GECs have seen their viewership share decline from 21.1 to 17.9 per cent. Hindi movies saw its viewership dip from 15.1 per cent in 2013 to 13.6 per cent in 2014. Kids and Music genres also saw decline in viewership shares to 7.3 per cent (from 7.5 per cent) and 3.2 per cent (from 3.6 per cent), respectively in 2014. News channels (including Regional News) accounted for 7.4 per cent viewership in 2014, up from 6.9 per cent in 2013, largely on account of elections.

In television, advertising saw strong growth, driven by the positive shift in the macroeconomic environment, the general election spends, and the emergence of e-commerce as a significant new advertising spender. At the same time, despite rollout of digital set top boxes (STBs) as a part of the ongoing DAS, the anticipated improvement in addressability, increase in subscription revenues and more equitable sharing of subscription revenues continues to evade the industry. A key challenge remains, i.e. lag in implementation. MSOs seem to be taking time to build internal processes to reflect the change in business models from B2B to B2C. This, coupled with continuing resistance from LCOs, has resulted in delays in implementation of gross billing and rollout of channel packages in Phase I and II cities. The Ministry of Information and Broadcasting (MIB) has now extended the deadlines for Phases III and IV of DAS implementation to 31 December 2015 and 31 December 2016, respectively.

The total TV advertising market is estimated to have grown at 14 per cent in 2014 to INR155 billion, higher than the 12 per cent projected in our report last year. Going forward, television advertising in India is expected to grow at a CAGR of 14 per cent over 2014 to 19, to reach INR299 billion.

The television industry continued to have a dynamic operating environment in 2014. Despite the ongoing cable digitisation, increase in the much-awaited addressability and resultant improvement in economics for Multi System Operators (MSOs) and broadcasters continued to evade the industry in 2014, while subscription revenue growth from Direct-to-home (DTH) continued at a fast clip. The break-up of the channel aggregators as a result of the disaggregation regulation from Telecom Regulatory Authority of India (TRAI) has not significantly impacted the larger broadcasters but is likely to affect the smaller and niche broadcasters more. Towards the end of the year, in an industry-first initiative Star India Private Limited decided

to provide all its channels on a transparent and non-discriminatory Reference Interconnect Offer (RIO) basis and offered incentives to MSOs based on availability and placement of its channels. This has the potential to push MSOs to introduce tiered packages and increase prices, which could benefit all the players in the industry but is likely to require support from other large broadcasters as well to be successful. In 2015, key things to watch will be the ability of MSOs to enforce channel packaging in Phase I and II cities and rollout of set-top-box (STB) in Phase III areas.

The absolute number of internet connections was at a record high in 2014. With almost 9 per cent penetration of social media, India's potential for social networking on the internet seems to be on a rise. 41 per cent of India's total mobile users are active on social media. The digital music industry witnessed a good deal of buyouts, sell-outs and new entries jockeying for a position. The revenue from distribution of music through digital channels already accounts for over 50 per cent of the overall size of the music industry in India.

The films sector was a mixed bag in 2014 with some films creating box office records, while several were unable to attract audiences to the theatre and profitability was impacted, overall. The exhibition sector saw several players expanding their footprint; both organically (especially in Tier II and Tier III cities) and through acquisitions. The cable and satellite market also saw correction. Regional films continued to see success, in particular the Tamil and Telugu markets. Going forward, with an increasing number of multiplex screens and better internet penetration and bandwidth Tier II and Tier III cities may soon hold the prime focus of the industry.

The radio sector saw the much awaited movement in Phase III auctions, with the government giving the go ahead for partial auctions across 69 cities, where potentially 135 channels are up for grabs. Though there may be some key contentious issues of exorbitant reserve prices for the auctions, the 15 per cent limit on the total number of frequencies that an entity may hold, as well as dearth of new frequencies in the profitable A and A+ cities remain, the commencement on Phase III provided the required fillip to the industry which hopes to revive its fortune with these new developments.

#### **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 2015 on account of

the rebound in the India growth story. The implementation of the viewership measurement system by Broadcast Audience Research Council (BARC) in 2015, will likely impact 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 INR475 billion in 2014, and is expected to grow at a CAGR of 15.5 per cent to reach INR975 billion in 2019. Subscription revenue growth at an annualised growth rate of 16 per cent is expected to outpace the advertising revenue annualised revenue growth of 14 per cent, on account of improving monetization due to digitisation.

The building blocks for future growth have been put in place in 2014 by offerings; such as new spectrum for mobile, ongoing digitisation in cable, consolidation in exhibition, and Phase III auctions for radio. India now needs to ensure flawless and timely execution of these policies. In addition, at a local level, interventions such as speeding up permissions for multiplexes, live events and film shoots, and so on, could go a long way in boosting confidence and growth. With an advertising boost due to the ICC cricket world cup, strong projections for economic growth and a sturdy base of these building blocks, 2015 seems to holds great promise for the industry.

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. DAS rollout in Phases III and IV is expected to be more challenging on account of the larger geographical spread, funding requirements and low potential for ARPUs. 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. We expect a delay of 12 months in the rollout of STBs in Phases III and IV each and expect rollout in Phase IV to be largely complete by December 2017. We believe that the government to be intolerant of any further delay; however, we will not be surprised, if this gets pushed further to December 2018. The benefits of digitization in these phases in terms of improved addressability and ARPU is expected to take much longer. At the end of 2019, we expect Digital cable subs and DTH subscribers to be in the ratio of 55:45, with 94 million digital cable subscribers and 76 million DTH subscribers by 2019.

#### **BARC Roll Out: Industry Optimistic**

Broadcast Audience Research Council (BARC) India, backed by the Indian Broadcasting Foundation (IBF), Advertising Agencies Association of India (AAAI) and Indian Society of Advertisers (ISA), is all set to replace the 15-year-old TAM Media, which has dominated the TV ratings space for several years. BARC aims to start operations with at least 20,000 people meters to provide deeper measurement of television viewing habits in the country against 9,650 currently, going to 50,000 in four years. It will use watermarking so that delayed viewing data or that



across devices can be captured. It will also use an open source software so that the ramp up to 50,000 happens faster without the hassle of proprietary technology. The meters to measure viewership will be made in India with an Intel chip and the data can be viewed live at will by users.

## HIGHLIGHTS

- 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 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.

Overall, the sector saw a healthy advertising growth on the back of the boost from general elections spend and the emergence of e commerce as a significant spender across media in 2014

- 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.

The exhibition sector saw expansion, both organic (in particular in tier II and tier III cities) and inorganic, with significant consolidation deals in 2014. This is enabling both economies of scale for exhibitors and stimulating growth for the sector, including a rise in cinema advertising deals.

- Digital Media:** Digital Media continued to show stupendous growth in 2014. 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, the media spend has been following suit. The digital advertising industry grew from INR 30.1 billion in 2013 to INR 43.5 billion in 2014, a growth of 44.5 per cent, driven by a steady growth in ad spends across most digital platforms.

- 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. In 2014, the Indian print industry experienced a growth of 8.3 per cent from INR243 billion in 2013 to INR263 billion in 2014.

We also saw concepts such as integrated newsroom, One India, and capacity sharing gain foothold in the industry.

The print industry is expected to grow in the coming years, riding on the back of growth in tier II and tier III cities-the disposable income and literacy rate is on rise in these cities, providing a steady impetus to growth.

- Radio:** The radio industry showed one of the highest growth rates amongst other traditional media segments, and this, despite further delays in the Phase III auctions. The Government has now started proceedings on the auctions, planned for 135 channels in 69 cities, and this bodes well for continued growth of the sector going forward.

Advertisers increasingly view the medium less as an add on but more as an integral part of their media plans. At the same time, challenges continued to hound the industry with smaller and standalone stations feeling the pressure of rising cost structures, measurement and royalty fee issues and the rising threat of the digital medium eating into the radio pie.

- Out of home Media:** The Indian Outdoor advertising (OOH) industry saw robust growth in 2014. Exceeding expectations, the industry grew by 14% primarily on the back of election spending, and growth of e commerce and transit media.

Metros continue to dominate and enjoy more than 50 per cent of the OOH market share. 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.

Billboards continue to dominate the OOH landscape. However, Airport and other transit media has been consistently growing over the last couple of years; a major factor for this growth has been the rapid infrastructure development seen in the country. With the new government's focus on infrastructure development, this is expected to continue to boost the outdoor industry in the coming years.

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.

- Animation:** 2014 was an exciting year for the Indian Animation and VFX Industry. The animation industry

witnessed a major box office success in Chaar Sahibzaade, which earned INR332 million in India. It also saw the release of India's costliest animation film and the first film shot with photorealistic performance capture technology, Kochadaiiyaan. Many animation channels carried more domestic content, driving the growth in the animation production segment. While India still appears to be a key destination for carrying out high-end outsourcing work, 2014 witnessed a lot of the more routine work being shifted to the Far East and China. The Indian VFX industry continues to make its presence felt in all segments i.e. films, television and advertisements. Out of the 10 movies nominated for Oscars, VFX work for six movies was carried out in India.

**8. Live Events:** The general positive shift in business sentiment, and increased spending by the government and corporate on events, resulted in a positive growth in Live events, particularly after the general elections. At the same time, the sector remains challenged by issues of fragmentation, poor infrastructure, and the need for more enabling taxation and regulatory interventions. Targeted brand communications and experiential marketing has been on the rise. In particular, there has been an explosion in IP or branded event properties, across segments like music, literature and the arts. 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**

B.A.G. Network's production house '**Studio 24**' holds the unique distinction of producing programmes of all genres for a range of channels and audience. The Company also plans to focus on sponsored programmes.

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

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

**News24**, a 24 hours National Hindi free to air news channel

operating through News24 Broadcast India Limited has been very well received by the audiences. It has consistently maintained market share and is available throughout India on cable and DTH platforms.

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

News channels (including Regional News) accounted for 7.4 per cent viewership in 2014, up from 6.9 per cent in 2013, largely on account of elections.

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

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

Your FM radio station, on frequency 106.4 in the name of "Dhamaal24" is now the voice of the regions and its many shows



are household names in all ten cities where it is operational i.e. Hissar, Karnal, Patiala, Ranchi, Muzaffarpur, Dhule, Jalgaon, Ahmednagar, Simla and Jabalpur.

The New Year rang in great tidings for Private FM radio operators when the Union Cabinet, headed by the Prime Minister Narendra Modi, announced that it has approved the auctioning of the first batch of FM Phase III licenses comprising 135 channels in 69 existing cities of Phase II.

**'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.

## **B. OPPORTUNITIES AND THREATS**

Your Company has a diversified business model in media and entertainment sector and the revenue is expected to come from various segments across various levels of the value chain. The diversified business model of the Company will provide scalability apart from spreading the risk profile of the overall business. The key focus area would continue to be (1) Television content (2) Broadcasting services (3) FM radio (4) Convergence. The detail discussion pertaining to the risk identification and measures for mitigation of identified risk are provided elsewhere in the Directors' Report.

## **Upcoming regulations that can impact the industry**

### **Commercial establishments**

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**

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

The recent KPMG report anticipates the market size of Indian M&E sector to touch Rs 1,661 billion by 2017. Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent of the total media industry. The TV industry continues to have headroom for further growth as television penetration in India is still at approximately 60 percent of total households. India continues to be the third largest TV market after USA and China with 153 million television households. Cable and Satellite (C&S) penetration of television households is close to 90 percent, with DTH driving a significant part of the growth in the last 12 months. With the ongoing digitization of all analog cable subscribers imminent, penetration level of digital households is expected to increase significantly, going forward. The overall television industry was estimated to be INR 370 billion in 2012, and is expected to grow at a CAGR of 18 percent over 2012-17, to reach INR 848 billion in 2017.

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

**E. RISK AND CHALLENGES**

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

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. 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 CEO/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 the your well experienced and learned management and often if required assistance is sought from one of the Leading and renowned Audit firms, which also helps in monitoring the adequacy and effectiveness of the internal control system and the status of compliance of operating systems and policies.

Your Company's Internal Control system is designed to:

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

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

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

**H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

B.A.G Network considers Human Resources to be one of the key elements to sustain competitive advantage in the News Media Sector. Media organizations are human driven; its growth depends upon the quality contribution made by the people in the organization. Therefore, your Company recognizes human resources as a key component for facilitating organizational growth. Your Company has continuously worked to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment and that is why that in this slowdown your company has managed to sustain its leadership in the electronic media.

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

media.

B.A.G aims to recruit, nurture and retain quality professionals and provide them with a high performance environment. Knowledge and intellectual assets are being strategically shared across B.A.G. No effort is spared to provide the employees with a healthy work environment and all assistance is rendered in order to bring-out the best in each one of them. B.A.G. is reassessing traditional notions about employment and experimenting with broad-based employee ownership. As a result, a new concept of ownership is emerging: one that focuses on the connections between shareholders, managers, and employees in the form of ESOP.

**Cautionary statement**

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

(\*Source of information: FICCI-KPMG Indian Media and Entertainment Industry Report, 2015)

**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 2015, 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 2015, its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report 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;
  - (b) 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;
  - (c) 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;
  - (d) 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;
  - (e) On the basis of the written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act;
  - (f) 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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
    - ii. 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
    - iii. 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

**Joy Mukherjee**

Partner

Membership No.074602  
FRN: 006792C

Place : Noida  
Dated : May 29, 2015

**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

Re: B.A.G. Films and Media Limited ("the Company")

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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 were physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
2. (a) The inventory of video tapes and films have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) 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.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of television serials. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. The Company has not accepted any deposits from the public.
6. 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.
7. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Wealth tax, Sales-tax, Service tax, Value added tax, cess and other material statutory dues were in arrears, as at 31 March 2015, for a period of more than six months from the date they became payable.
- (c) 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.
- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company has incurred loss amounting to Rs 125,342,765/- . (Previous Year Rs. 85,950,482/-) during the year ending March 31, 2015 further, The Company has Cash profit after tax of Rs 29,527,769/- (Previous year cash profit after tax of Rs. 29,783,361/-) during the financial year ended on that date.
9. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
10. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by subsidiaries from a bank is not *prima facie* prejudicial to the interest of the Company.
11. The company has obtained term loan of Rs 65,98,75,000 (Previous Year Rs. 61,86,00,000) from Yes Bank Limited during the year. On basis of overall examination of Balance Sheet of Company, in our opinion and according to the information & explanation given to us no such funds is used for purpose other than for which it was raised. Therefore clause 4(xvi) of the order is not applicable.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For and on behalf of Joy Mukherjee & Associates**  
Chartered Accountants

**Joy Mukherjee**

Partner

Membership No.074602

FRN: 006792C

Place : Noida  
Dated : May 29, 2015

**B.A.G Films and Media Limited**  
**Balance Sheet as at March 31, 2015**

<b>Particulars</b>	<b>Note No.</b>	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
		<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>
<b>I. Equity and Liabilities</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	1	357,265,839		340,265,339	
(b) Reserves and Surplus	2	2,274,280,845		2,414,337,352	
(c) Money received against Share /Shares warrants		60,775,000		-	
<b>Total of shareholders' funds</b>			2,692,321,684		2,754,602,691
<b>2. Non-current liabilities</b>					
(a) Long-term borrowings	3	554,517,258		619,699,422	
(b) Deferred Tax liabilities (Net)		-		21,430,026	
(c) Long-term Provisions	4	4,426,888		4,079,962	
			558,944,146		645,209,410
<b>3. Current Liabilities</b>					
(a) Short term borrowings	5	404,544,911		404,385,145	
(b) Trade payables		17,979,266		137,748,202	
(c) Other current liabilities	6	149,333,945		50,618,484	
(d) Short term provisions	7	12,428,189		12,388,017	
			584,286,311		605,139,848
<b>Total</b>			<b>3,835,552,141</b>		<b>4,004,951,949</b>
<b>II. Assets</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	8	449,843,132		611,022,837	
(ii) Intangible assets	9	1,209,756		3,964,389	
(iii) Capital work-in-progress		276,188,689		278,159,289	
(b) Non-current investments	10	2,530,931,942		2,469,356,130	
(c) Deferred tax assets (net)		4,778,635		-	
			3,262,952,154		3,362,502,645
<b>2. Current assets</b>					
(a) Inventories	11	230,841,367		266,665,851	
(b) Trade receivables	12	159,088,674		244,835,863	
(c) Cash and Cash equivalents	13	61,600,906		42,214,739	
(d) Short-term loans and advances	14	121,069,040		88,732,851	
			572,599,987		642,449,304
<b>Total</b>			<b>3,835,552,141</b>		<b>4,004,951,949</b>

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

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

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN No. 00010716  
Place : Noida  
Date : May 29, 2015

**Anuradha Mishra**  
Director  
DIN No. 01725234

**Ajay Jain**  
CFO

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

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner

M.No. 074602  
FRN: 006792C



**B.A.G Films and Media Limited**  
**Statement of Profit and Loss for the Period ended March 31, 2015**

<b>Particulars</b>	<b>Note No.</b>	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
		<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>
I Revenue from operations	15	315,374,256		570,114,219	
II Other Income	17	8,399,155		18,030,469	
<b>III Total Revenue (I + II)</b>			323,773,411		588,144,688
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in-trade		18,603,368		(60,459,075)	
Employee benefits expense	18	22,986,618		21,316,758	
Finance Costs	16	141,917,140		168,428,933	
Depreciation and amortization expense		154,870,533		115,733,843	
Other expense	19	136,907,006		429,910,152	
<b>Total Expense</b>			475,284,665		674,930,611
V Profit before exceptional and extraordinary items and tax (III-IV)			(151,511,254)		(86,785,923)
VI Exceptional Items					
VII. Profit before extraordinary items and tax (V-VI)			(151,511,254)		(86,785,923)
VIII Extraordinary items					
IX Profit before tax (VII-VIII)			(151,511,254)		(86,785,923)
X Tax expense:					
(1) Current tax/Wealth Tax		40,172		-	
(2) Deferred tax		(26,208,661)		(835,441)	
			(26,168,489)		(835,441)
XI Profit/(Loss) for the period from continuing operations (IX - X)			(125,342,765)		(85,950,482)
<b>XII Earnings per equity share:</b>					
(1) Basic			(0.89)		(0.58)
(2) Diluted			(0.89)		(0.58)

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

As per our report of even date

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

**For Joy Mukherjee & Associates**  
Chartered Accountants

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN No. 00010716

**Anuradha Mishra**  
Director  
DIN No. 01725234

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner

Place : Noida  
Date : May 29, 2015

M.No. 074602  
FRN: 006792C

**Notes to Financial Accounts****Note-1**

(Amount in ₹)

Particulars	March 31, 2015	March 31, 2014
<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	400,000,000
( Previous Year 200,000,000 Equity Shares @ Rs. 2/- each)		
<b>Total</b>	<b>550,000,000</b>	<b>400,000,000</b>
Particulars	March 31, 2015	March 31, 2014
<b>Issued, Subscribed and Fully Paid Share Capital</b>		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for Cash in Preferential Allotment	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 Fully paid up for cash by Converting Share Warrants	20,000,000	20,000,000
( Previous year 100,00,000 Equity Shares @ Rs 2/- Each)		
28,500,000 Equity Shares of Rs. 2/- Each Fully Paid up for cash by Converting Share Warrants	57,000,000	40,000,000
( Previous Year 20,000,000 Equity Shares @ Rs 2/- Each)		
3,70,00,000 Equity Shares @ 2.00 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 405000 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 as Bonus shares by Capitalising General Reserves		
	357,436,180	340,436,180
Calls unpaid (170,341 Equity Shares @ Rs. 1/- Each)	170,341	170,841
<b>Total</b>	<b>357,265,839</b>	<b>340,265,339</b>

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

Name of Shareholders	March 31, 2015
	No. of Shares
Anuradha Prasad	21,479,190
ARVR Communications Pvt. Ltd.	38,194,868
High Growth Distributors Pvt Ltd	13,078,000
Sameer Gehlaut	20,250,900

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

Amount in ₹

<b>Particulars</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
Equity share capital		
- Number of shares held	178,718,090	170,218,090
- Number of share holders [including their nominees]	48,706	46,345

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

<b>Particulars</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
Equity capital		
- Number of shares held	170,341	170,841
- Number of share holders [including their nominees]	286	287

**Details of Call unpaid**

<b>Particulars</b>	<b>March 31, 2015</b>		<b>March 31, 2014</b>	
	<b>Number of Shares</b>	<b>Total</b>	<b>Number of Shares</b>	<b>Total</b>
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,341	170,341	170,841	170,841

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March, 2015****Issued , Subscribed and fully paid up share capital:-**

<b>Particulars</b>	<b>Number of Shares</b>	<b>Total</b>
Equity share with Voting Rights		
Opening Balance	170,218,090	340,436,180
Fresh Issue	8,500,000	17,000,000
<b>Closing Balance</b>	<b>178,718,090</b>	<b>357,436,180</b>

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

<b>Particulars</b>	<b>Number of Shares</b>	<b>Total</b>
Equity share with Voting Rights		
Opening Balance	170,841	170,841
Conversion	500	500
<b>Closing Balance</b>	<b>170,341</b>	<b>170,341</b>

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

The 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 held. The dividend if, proposed 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 assets, 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, 2015	March 31, 2014
<b>Reserves and Surplus</b>		
<b>Capital Reserves</b>		
Opening Balance	60,150,000	60,150,000
Add: Additions during the year	-	-
Sub Total	<b>60,150,000</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	2,409,268,449	2,409,268,449
Add : Premium on Shares Issued during the year	11,900,000	
	2,421,168,449	2,409,268,449
Less: Calls Unpaid (170,341 Equity Shares @ Rs.4/- each)	681,364	683,364
Sub Total	<b>2,420,487,085</b>	<b>2,408,585,085</b>
<b>Employee Stock option outstanding account</b>		
Opening Balance	-	9,677,250
Less: ESOP Lapsed	-	9,677,250
Sub Total	-	-
<b>Surplus</b>		
Opening Balance	(92,325,017)	6,217,524
Add: Profit / (Loss) for the year	(125,342,765)	(85,950,482)
Adjustment relating to earlier year	(26,615,742)	(12,592,059)
Sub Total	<b>(244,283,524)</b>	<b>(92,325,017)</b>
<b>Total</b>	<b>2,274,280,845</b>	<b>2,414,337,352</b>

**Note-3**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<b>Long- Term Borrowings</b>		
<b>Secured Loans</b>		
A. Vehicle Loans		
- From Bank	1,277,257	874,422
B. Term loans		
- From Bank	553,075,001	618,600,000
C. Deposits	165,000	225,000
<b>Total</b>	<b>554,517,258</b>	<b>619,699,422</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 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:**

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

**C. Security Deposit:**

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

Disclosure in relation to defaulted 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 2015

**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 2015

\* For current portion of long term borrowings refer note no.06 'other current liabilities'

**Note-4**

Amount in ₹

Particulars	March 31,2015	March 31,2014
<b>Long-Term provisions</b>		
Provision for Employee Benefits		
- Provision for Gratuity	3,251,548	2,765,278
Others		
- Provision for Leave encashment	1,175,340	1,314,684
<b>Total</b>	<b>4,426,888</b>	<b>4,079,962</b>

**Note-5**

Amount in ₹

Particulars	March 31,2015	March 31,2014
<b>Short-Term Borrowings</b>		
Secured		
Loans repayable on demand		
From Bank	404,444,911	404,385,145
Unsecured		
Other loans and advances	100,000	-
<b>Total</b>	<b>404,544,911</b>	<b>404,385,145</b>

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

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

**Note-6**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<b>Other Current Liabilities</b>		
Current maturities of long term debt	107,210,050	414,775
Unclaimed Dividend	132,212	210,091
Other payables		
Statutory remittances	97,354	38,992
Taxes Payable	11,655,506	5,510,518
Other Liability	28,056,033	29,726,827
Employee Cost	2,182,790	3,757,618
Advances from customers	-	10,959,663
<b>Total</b>	<b>149,333,945</b>	<b>50,618,484</b>

**Note-7**

Particulars	March 31, 2015	March 31, 2014
<b>Short-Term Provisions</b>		
Provision for Income Tax	12,307,673	12,307,673
Provision for Wealth Tax	120,516	80,344
<b>Total</b>	<b>12,428,189</b>	<b>12,388,017</b>

**Note 8 - Fixed Assets schedule for the Year ended on March 31, 2015.**  
**Tangible Fixed Assets**

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block W.D.V as at 31.03.2015
	Cost as at 01.04.2014	Addition during the year	Sale/ Adj dur- ing the year	Cost as at 31.03.2015	Accumulated Depre- ciation as at 01.04.2014	Depreciation for the year	Adjustment for the year	Accumulated Depre- ciation as at 31.03.2015	
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	57,825,219
Building	176,255,435	-	-	176,255,435	56,962,981	6,818,433	-	63,781,414	112,474,021
Plant & Machinery	655,445,206	1,184,143	-	656,629,349	420,666,059	65,795,651	-	486,461,720	169,658,565
Computers & Peripherals	130,946,513	555,513	-	131,502,026	114,044,577	11,147,869	-	125,192,446	5,053,337
Vehicle	26,751,544	1,380,000	-	28,131,544	22,100,984	2,862,082	-	24,963,066	213,173
Furniture & Fixtures	310,306,101	465,000	-	310,771,101	150,042,564	57,686,800	-	207,729,364	504,705
Office Equipments	35,050,156	171,870	-	35,222,026	17,740,162	9,254,334	-	26,994,496	5,090,783
<b>Total</b>	<b>1,392,580,174</b>	<b>3,756,526</b>	-	<b>1,396,336,700</b>	<b>781,557,337</b>	<b>153,565,169</b>	-	<b>935,122,506</b>	<b>11,371,063</b>
									<b>449,843,132</b>

**Fixed Assets schedule for the Year ended on March 31, 2014.**  
**Tangible Fixed Assets**

Particulars	Gross Block				Depreciation				W.D.V as at 31.03.2014
	Cost as at 01.04.2013	Addition during the year	Sale/Adj during the year	Cost as at 31.03.2014	Accumulated Depre- ciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depre- ciation as at 31.03.2014	
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	57,825,219
Building	174,668,505	1,586,930	-	176,255,435	50,756,087	6,206,894	-	56,962,981	11,292,454
Plant & Machinery	654,187,338	1,257,868	-	655,445,206	364,538,845	56,127,224	-	420,666,069	234,779,137
Computers & Peripherals	129,861,993	1,084,520	-	130,946,513	103,013,076	11,031,501	-	114,044,577	6,901,936
Vehicle	26,751,544	-	-	26,751,544	20,476,332	1,624,652	-	22,100,984	4,650,560
Furniture & Fixtures	310,190,126	115,975	-	310,306,101	113,940,329	36,102,235	-	150,042,564	160,263,537
Office Equipments	34,335,986	714,170	-	35,050,156	14,993,536	2,746,626	-	17,740,162	17,309,994
<b>Total</b>	<b>1,387,820,711</b>	<b>4,759,463</b>	-	<b>1,392,580,174</b>	<b>667,718,205</b>	<b>113,839,132</b>	-	<b>781,557,337</b>	<b>611,022,837</b>

**Note 9 - Fixed Assets schedule for the Year ended on March 31, 2015.****Intangible Fixed Assets**

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block
	Cost as at 01.04.2014	Addition during the year	Sale/Adj during the year	Cost as at 31.03.2015	Accumulated Depreciation as at 01.04.2014	Depreciation for the year	
Computer Software	89,447,981	991,407	-	90,439,388	85,483,592	1,305,365	-
<b>Total</b>	<b>89,447,981</b>	<b>991,407</b>	<b>-</b>	<b>90,439,388</b>	<b>85,483,592</b>	<b>1,305,365</b>	<b>86,788,957</b>
							<b>2,440,675</b>
							<b>1,209,756</b>

**Fixed Assets schedule for the Year ended on March 31, 2014.****Intangible Fixed Assets**

(Amount in ₹)

Particulars	Gross Block			Depreciation			W.D.V as at 31.03.2014
	Cost as at 01.04.2013	Addition during the year	Sale/Adj during the year	Cost as at 31.03.2014	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	
Computer Software	89,197,981	250,000	-	89,447,981	82,881,762	2,601,830	-
<b>Total</b>	<b>89,197,981</b>	<b>250,000</b>	<b>-</b>	<b>89,447,981</b>	<b>82,881,762</b>	<b>2,601,830</b>	<b>85,483,592</b>

**Note-10**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<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.10/- Per Equity Share		
( Market Value as on 31-03-2015 is Rs. 29.70)		
(Previous Year Rs. 36.45)		
<b>Investment in Mutual Funds</b>	62,596	4,621,178
<b>Non Trade Investment at Cost</b>		
<b>Unquoted</b>		
Nil Equity Shares (Previous year 12400 equity shares) of B.A.G.Infotech Private Limited	-	124,000
Having Face Value of Rs 10/- per share fully paid-up		
Nil Equity Shares(Previous Year 24,500 Equity Shares) of B.A.G. Live Entertainment Limited	-	245,000
Having Face Value of Rs 10/- per share fully paid-up		
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 Debenture (Previous Year Nil ) 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 Debenture (Previous Year Nil ) 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 (formerly known as Dhamaal 24 Radio Network Limited)	346,112,034	346,112,034
Having Face Value of Rs 10/- per Share fully paid up		
18,453,039 Equity Shares (Previous Year 17,123,151 Equity Shares) of News24 Broadcast India Limited	1,100,374,749	1,044,230,373
Having Face value of Rs 10/- per share fully paid up		
18,564,909 Equity Shares (Previous Year 17,307,327 Equity Shares) of E24 Glamour Limited	1,028,130,309	1,017,771,291
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>2,530,931,942</b>	<b>2,469,356,130</b>

Particulars	Amount in ₹			
	As at 31 March 2015		As at 31 March 2014	
	Quoted	Unquoted	Quoted	Unquoted
<b>A. Trade</b>				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Franklin India Prima Fund	-	-	283,382	-
2. Principal Cash Management Fund	62,596	-	62,596	-
3. Pru ICICI Infrastructure Fund-Div Payout	-	-	2,000,000	-
4. Tata Dividend Yield Fund Plan A	-	-	2,000,000	-
5. Templeton Treasury Management Account	-	-	275,200	-
<b>B. Other Investment</b>				
Investment in equity instruments				
(i) of subsidiaries	-	2,474,732,546	-	2,408,229,152
(ii) of joint venture companies	-	-	-	-
(iii) of other entities	-	55,636,800	-	56,005,800
<b>Total</b>	<b>562,596</b>	<b>2,530,369,346</b>	<b>5,121,178</b>	<b>2,464,234,952</b>

The current market price of the Mukta Arts limited is Rs. 1,48,500/-

\* Aggregate values of quoted investment is Rs. 500,000/- (Previous Year Rs. 500,000/-) , The current market price of the said shares is Rs. 1,48,500/- , (Previous Year Rs. 182,250/-), This is being long term investment , the company considers this fall in value as temporary.

\*Aggregate value of quoted invetment(Mutual Fund) is Rs. 62,596/- (Previous Year Rs. 4,621,178/-)

\* Aggregate values of un-quoted investment is Rs. 2,530,369,346-- (Previous Year Rs. 2,464,234,952/-)

#### Valuation of Investment

Long term investments are stated at cost.

Particulars	Amount in ₹	
	March 31,2015	March 31,2014
<b>Inventories</b>		
Raw Materials	613,440	866,000
Work in Progress	20,974,826	35,974,826
Finished Goods	209,253,101	229,825,025
<b>Total</b>	<b>230,841,367</b>	<b>266,665,851</b>

Particulars	Amount in ₹	
	March 31,2015	March 31,2014
<b>Trade Receivables</b>		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	2,478,982	1,514,301
	2,478,982	1,514,301
Less: Provision for doubtful trade receivables	-	-
Sub Total	2,478,982	1,514,301
Other Trade receivables	156,609,692	243,321,562

Amount in ₹

Particulars		March 31,2015	March 31,2014
		156,609,692	243,321,562
Less: Provision for doubtful trade receivables		-	-
	Sub Total	<b>156,609,692</b>	<b>243,321,562</b>
<b>Total</b>		<b>159,088,674</b>	<b>244,835,863</b>

**Note-13**

Amount in ₹

Particulars		March 31,2015	March 31,2014
Cash and Cash Equivalents			
Cash in hand		2,025,941	924,605
Cheques , Draft in hand		2,163,271	2,710,425
Balance with Banks			
-In current accounts		10,186,355	20,555,343
- In deposit accounts		42,472,667	13,539,302
- Balances held as security against guarantees		3,819,000	3,819,000
Imprest with Staff		933,672	666,064
<b>Total</b>		<b>61,600,906</b>	<b>42,214,739</b>

**Note-14**

Amount in ₹

Particulars		March 31,2015	March 31,2014
<b>Short Term loans and advances</b>			
Unsecured , Considered Good			
A. Loans and advances to related parties		249,381	-
		249,381	-
Less: Provision for doubtful loans and advances		-	-
	Sub Total	249,381	-
B. Balances with government authorities			
Advance Taxes		53,348,681	49,055,676
Service Tax Credit		1,302,990	646,235
	Sub Total	54,651,671	49,701,911
C. Earnest Money & Security Deposits			
		8,615,224	10,187,224
		8,615,224	10,187,224
Less: Provision for doubtful loans and advances		-	-
	Sub Total	8,615,224	10,187,224
D. Prepaid Expenses			
		3,562,319	4,802,861
	Sub Total	3,562,319	4,802,861
E. Loans and advances to employees			
Unsecured, considered good		1,056,415	2,745,753
		1,056,415	2,745,753
Less: Provision for doubtful loans and advances		-	-
	Sub Total	1,056,415	2,745,753

Amount in ₹

Particulars		March 31,2015	March 31,2014
F. Others			
Advances to others		52,934,030	21,295,102
	Sub Total	52,934,030	21,295,102
<b>Total</b>		<b>121,069,040</b>	<b>88,732,851</b>

Note-15

Amount in ₹

Particulars		March 31,2015	March 31,2014
<b>Revenue from Operations</b>			
Revenue from- Sale of Services			
Audio-Video Productions		213,638,325	482,199,565
Income from Media Education		24,893,650	18,621,094
Income from Event Management		7,729,975	-
	Sub Total	<b>246,261,950</b>	<b>500,820,659</b>
Other Operating Revenues			
Income from Leasing of Equipment		55,573,888	55,573,888
Income from Rent		13,538,418	13,719,672
	Sub Total	<b>69,112,306</b>	<b>69,293,560</b>
<b>Total</b>		<b>315,374,256</b>	<b>570,114,219</b>

Note-16

Amount in ₹

Particulars		March 31,2015	March 31,2014
<b>Finance Cost</b>			
A. Interest expense on			
Borrowing		141,606,356	118,443,707
B. Other borrowing cost			
Bank Charges		310,784	180,226
Processing Fees		-	49,805,000
<b>Total</b>		<b>141,917,140</b>	<b>168,428,933</b>

Note-17

Amount in ₹

Particulars		March 31,2015	March 31,2014
<b>Other Income</b>			
<b>Interest Income</b>			
Interest income from Bank			
Deposit		2,642,985	1,238,799
Other Interest		9,171	912,492
		<b>2,652,156</b>	<b>2,151,291</b>
Dividend Income		809,212	2,500
Net Gain/Loss on sale of			
Long -Term Investment		995,376	6,906,674
Other Non-Operating Income(net of expenses directly attributable to such income)			
Miscellaneous income		379,479	268,628

<b>Particulars</b>	<b>Amount in ₹</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Employee Compensation Expenses written back	-	8,037,607
Sundry balance written back	3,544,008	663,769
	3,923,487	8,970,004
Net gain on foreign currency transactions and translation	18,924	-
<b>Total</b>	<b>8,399,155</b>	<b>18,030,469</b>

**Note-18**

<b>Particulars</b>	<b>Amount in ₹</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Employee Benefit Expense		
Salaries , Wages and Bonus	17,222,923	19,220,906
Contribution to Provident and other funds	1,867,472	1,286,009
Staff Welfare and other expenses	3,896,223	809,843
<b>Total</b>	<b>22,986,618</b>	<b>21,316,758</b>

**Note-19**

<b>Particulars</b>	<b>Amount in ₹</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Other Expenses		
Power and fuel	10,741,908	22,145,320
Lease Rent	2,698,167	408,957
Repairs to Building	187,250	1,436,969
Repairs to Machinery	8,132,555	9,444,241
Insurance	2,950,340	2,838,588
Rates and Taxes, Excluding Taxes on Income	2,557,623	2,648,309
Loss on foreign currency transaction	50,191	371,147
Payment to auditors		
- As Auditor	345,000	345,000
- For Taxation Matters	75,000	75,000
- For Management Services	25,000	25,000
- For Reimbursement of Expenses	136,009	125,757
Net Loss on sale of Investments		
from long-term investments	906,466	-
Camera Hiring Charges	754,800	7,209,250
Professional Charges Artist, Directors, Technicians	49,512,168	217,170,830
Location & Studio Hiring Charges	16,556,544	26,558,991
Set Expenses	4,259,008	28,323,041
Equipment Hiring Charges	5,733,895	29,442,140
Shooting Expenses	10,534,874	36,969,937
Publicity & Content expenses	3,896,567	16,524,439
Fees & Subscription	3,599,910	1,605,421
Miscellaneous Expenses	13,253,730	26,241,815
<b>Total</b>	<b>136,907,006</b>	<b>429,910,152</b>

**Notes Forming part of the Financial Statements****Note-20****Corporate Information**

The Company was incorporated on January 22, 1993. Its is one of the largest television content houses 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. Actual results could differ from these estimates and a revision to such accounting estimates is recognized in the accounting period in which such a revision takes place.

**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 at the rates and in the manner 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 lease agreement.

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

### 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. 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 three primary reportable business segments i.e. audio-video production, movies and leasing of property & broadcasting equipments.

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

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

### 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)

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

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

### 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 in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

#### 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, Contingent Liabilities and Contingent Assets

##### 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, 2015	As at March 31, 2014
Contingent liabilities		
a)Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
-to Bank (Guarantee given to bank amounting to Rs. 6,06,000 (Previous year Rs. 6,06,000) secure by fixed deposit.)	6,06,000	6,06,000
- <b>on behalf of subsidiaries companies</b>		
News24 Broadcast India Limited (Guarantee given to The President, New Custom House EPCG Cell, New Delhi on behalf of subsidiary company, News24 Broadcast India Limited ) amounting to Rs. 27,00,000 (Previous year Rs. 27,00,000).	27,00,000	27,00,000
<b>E24 Glamour Limited</b> (Corporate Guarantee given on behalf of subsidiary company, E24 Glamour Limited amounting to Rs. 9,80,00,000 to Dena Bank, G-35, Cannaught Circus, New Delhi-110001 (Previous year Rs. 9,80,00,000).	9,80,00,000	9,80,00,000
<b>Skyline Radio Network limited</b> (formerly known as Dhamaal24 Radio Network limited) (Corporate Guarantee given on behalf of subsidiary company, Skyline Radio Network Limited amounting to Rs. 9,85,00,000 to Dena Bank, M-36, Cannaught Circus, New Delhi-110001 (Previous year Rs. 9,85,00,000) and Guarantee given to Ministry of Information and Broadcasting, New Delhi on behalf of subsidiary company, Skyline Radio Network Limited ) amounting to Rs. 5,13,000 (Previous year Rs. 5,13,000).	9,90,13,000	9,90,13,000
- on behalf of Other		
<b>ARVR Education Society</b> Corporate Guarantees given in favour of Yes bank by creating charge on land situated at Plot No. HS-20, Sector-B-7, Greater Noida amounting to Rs. 25,00,00,000 (Previous year Rs. 25,00,00,000) on behalf of ARVR Education Society(Formerly Known as B.A.G. Education Society).	25,00,00,000	25,00,00,000
c) Other money for which the Company is contingently liable	Nil	Nil

#### 24. Export Obligation

The Company has obtained license under the Export Promotion Credit Guarantee Scheme (EPCG Scheme) for importing capital goods at a concessional rate of custom duty against submission of undertaking to custom department. Under the terms of the EPCG Scheme, the company is required to export goods or services of at least Rs. 23,15,54,713/-, (Previous Year Rs. Rs. 36,43,94,715/-) within eight years from issue of EPCG Licenses.

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

##### a) Defined Contribution Plans :

Employer's Contribution to Provident Fund :	Rs. 217,920 (Previous Year Rs. 1,87,428)
Employer's Contribution to ESI :	Rs. 27,616 (Previous Year Rs. 34,466)

##### 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

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of obligation as at the beginning of the period	27,65,278	19,56,739	13,14,684	10,95,087
Current Service Cost	5,59,587	3,17,632	1,72,518	1,40,945
Interest Cost	2,14,309	1,76,107	1,01,888	98,558
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	8,19,490	3,25,617	(4,13,750)	(19,906)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailment and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Benefits Paid	(11,07,116)	(10,817)	NIL	NIL
Present value of obligation as at the end of the period	32,51,548	27,65,278	11,75,340	13,14,684

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

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Current service cost	5,59,587	3,17,632	1,72,518	1,40,945
Past service cost	--	--	--	--
Interest cost	2,14,309	1,76,107	1,01,888	98,558
Expected return on plan assets	--	--	--	--
Curtailment cost / (Credit)	-	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	8,19,490	3,25,617	(4,13,750)	(19,906)
Expenses recognized in the statement of profit & losses	15,93,386	8,19,356	(1,39,344)	2,19,597

## c. Actuarial gain / loss recognized

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Actuarial gain/(loss) for the period- obligation	(8,19,490)	(3,25,617)	4,13,750	19,906
Actuarial (gain)/loss for the period - plan assets	-	-	-	-
Total (gain)/loss for the period	8,19,490	3,25,617	(4,13,750)	(19,906)
Actuarial (gain) / loss recognized in the period	8,19,490	3,25,617	(4,13,750)	(19,906)
Unrecognized actuarial (gains) losses at the end of period	-	-	-	-

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

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of obligation as at the end of the period	32,51,548	27,65,278	11,75,340	13,14,684
Fair value of plan assets as at the end of the period	-	-	-	-
Funded status / Difference	(32,51,548)	(27,65,278)	(11,75,340)	(13,14,684)
Excess of actual over estimated	-	-	-	-
Unrecognized actuarial (gains)/losses	-	-	-	-
Net asset/(liability) recognized in balance sheet	(32,51,548)	(27,65,278)	(11,75,340)	(13,14,684)

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:

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Discount Rate (%)	7.75	9.00	7.75	9.00
Expected Rate of increase in Compensation Levels (%)	5.25	6.50	5.25	6.50
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	19.90	20.83	19.90	20.83

ii) Demographic Assumption

(Amt. in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	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.

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

(Amt. in ₹)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Managing Directors Remuneration and Other Allowances	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>
(Amt. in ₹)		
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Sitting Fees,	262,500	307,500

27. 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.

**28. Activity in Foreign Currency**

(Amt in ₹)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Earnings in Foreign Currency</b>		
Income from Content & Sale of Rights	13,28,53,055	7,39,18,820
<b>Expenditure in Foreign Currency</b>		
Travel Expenses	10,83,760	4,01,969
Import of Services	42,96,587	19,01,250

29. Supplementary statutory information required to be given pursuant to Clause 32 of the listing agreement, in respect of the loans given

Interest free Loans and Advances in the nature of Loan given to wholly owned foreign subsidiary :

Name of Subsidiary	Balance as at March 31, 2015	Maximum outstanding during the year 2014-15	Balance as at March 31, 2014	Maximum outstanding during the year 2013-14
B.A.G Network Limited	2,49,381	2,49,381	Nil	Nil

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

(Amt. in ₹)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
<b>Opening Balance of Deferred Tax Liability (Net)</b>	<b>2,14,30,026</b>	<b>2,22,65,467</b>
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	(2,57,16,305)	(514,405)
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(4,92,356)	(321,036)
Disallowance under the Income Tax Act	Nil	Nil
<b>Closing Balance of Deferred Tax Assets (Net)</b>	<b>(47,78,635)</b>	<b>2,14,30,026</b>

31. Pursuant to Section 205C and other applicable provisions of Companies Act, 1956 (the corresponding provision in the Companies Act, 2013 have not been notified, and hence the earlier law is still applicable in respect of these provisions), Dividends that are unpaid/unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government and once unpaid / unclaimed dividend/application money for allotment of any securities and due for refund, is transferred to IEPF, no claim shall lie in respect thereof against the Company. To ensure maximum disbursement of unpaid/unclaimed dividend, the Company sends reminders to the concerned investors, before transfer of dividend to IEPF.

During the Year, the Company has transferred Rs. 77,879.80 (Previous Year Rs. 172,126.40) to Investor Education and Protection Fund. Unclaimed dividend of Rs 132,212.70 ( Previous Year 210,091) represent dividends not claimed for the financial year 2007-08.

32. Effective from April 1, 2014, the Company 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, an amount of Rs. 138.12 lakh representing the carrying value of assets, whose remaining useful life is Nil as at April 1 2014, has been charged to retained earning pursuant to provisions of Companies Act, 2013.

33. 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.

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

1. List Of Related Parties

<b>Name of Related Parties</b>	<b>Description of Relationship</b>
Ms. Anuradha Prasad	Chairperson cum Managing Director
Skyline Radio Network Limited (Formerly known as Dhamaal24 Radio Network Limited)	Subsidiary
News24 Broadcast India Limited	
E24 Glamour Limited	
E24 Entertainment Limited	Fellow Subsidiary
B.A.G Network Limited	Wholly owned foreign subsidiary
Skyline Tele Media Services Limited	
ARVR Communications Pvt. Limited	Promoter Company
B.A.G Live Entertainment Limited	

2. Detail of Related party Transactions during the year ended March 31, 2015

(Amt. in ₹)

<b>Particulars</b>	<b>Chairperson cum Managing Director</b>		<b>Subsidiaries</b>		<b>Promoter</b>		<b>Fellow Subsidiaries</b>	
	<b>Year Ended March, 31</b>	<b>2015</b>	<b>Year Ended March, 31</b>	<b>2015</b>	<b>2014</b>	<b>Year Ended March, 31</b>	<b>2015</b>	<b>2014</b>
<b>Salary</b>	10,00,000	10,00,000	-	-	-	-	-	-
<b>Lease rent on equipments received</b>	-	-	55,573,888	55,573,888	-	-	-	-

Particulars	Chairperson cum Managing Director		Subsidiaries		Promoter		Fellow Subsidiaries	
	Year Ended March, 31	Year Ended March, 31	Year Ended March, 31	Year Ended March, 31	Year Ended March, 31	Year Ended March, 31	Year Ended March, 31	Year Ended March, 31
	2015	2014	2015	2014	2015	2014	2015	2014
<b>Income from Television Programming</b>	-	-	-	14,878,531	-	-	-	-
<b>Advertisement Expenses</b>	-	-	210,000	-	-	-	-	-
<b>Expenses incurred</b>	-	-	58,055,304	57,760,708	-	-	-	-
<b>Loan &amp; Advances</b>	-	-	249,381	-	-	-	-	-
<b>Money received against share warrants</b>	-	-	-	-	62,475,000	-	-	-
<b>Share's Issued</b>	-	-	-	-	2,89,00,000	-	-	-

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

(Amt. in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
i) Net Profit after tax as per Statement of profit and loss account	(125,342,765)	(85,950,482)
ii) short provision for tax of earlier years	(26,615,742)	(12,592,059)
iii) Net Profit attributable to Equity Shareholders	(151,958,507)	(98,542,540)
iv) Net Profit before Exceptional Item	(151,958,507)	(98,542,540)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS	170,241,314	170,218,090
vi) Basic Earnings per share	(0.89)	(0.58)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	170,241,314	170,218,090
viii) Diluted Earnings per share	(0.89)	(0.58)
ix) Basic Earnings (before exceptional item) per share	(0.89)	(0.58)
x) Diluted Earnings (before exceptional item) per share	(0.89)	(0.58)
xi) Face Value per equity share	2.00	2.00

36. Schedule III of the Companies Act, 2013 has become effective from April 1, 2014 for the preparation of financial statements. Previous year's figures have been regrouped/reclassified to be comparable with current year's classification/disclosures.

**For Joy Mukherjee & Associates**  
Chartered Accountants

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

**Joy Mukherjee**  
Partner  
M. NO. 074602  
FRN: 006792C

Place : Noida  
Date : May 29, 2015

**Anuradha Prasad**  
(Chairperson Cum Managing Director)  
DIN No. 00010716

**Ajay Jain**  
CFO

**Anuradha Mishra**  
(Director)  
DIN No. 01725234

**Rajeev Parashar**  
(Company Secretary)

## B.A.G FILMS AND MEDIA LIMITED

## Cash Flow Statement for the year ended March 31, 2015

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>A. Cash flow from operating activities</b>				
<b>Net Profit / (Loss) before extraordinary items and tax</b>		(151,511,254)		(86,785,923)
<b>Adjustments for:</b>				
Depreciation and amortisation	154,870,533		115,733,843	
(Profit) / loss on sale / write off of assets	-		-	
Finance costs	141,917,140		168,428,933	
Interest income	(2,652,156)		(2,151,291)	
Dividend income	(809,212)		(2,500)	
Net (gain) / loss on sale of investments	(88,910)		(6,906,674)	
Liabilities / provisions no longer required written back	(3,544,008)		(663,769)	
Other non-cash charges				
Adjustment relating to earlier year	(26,615,742)		(12,592,059)	
		263,077,645		261,846,483
<b>Operating profit / (loss) before working capital changes</b>				
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	35,824,484		(60,459,075)	
Trade receivables	85,747,189		(80,068,486)	
Short-term loans and advances	(32,336,189)		164,557,789	
Other non-current assets	-		1,639,643	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(116,224,928)		66,087,027	
Other current liabilities	98,715,461		(14,427,790)	
Short-term provisions	40,172.00		0	
Long-term provisions	306,754	72,072,943	1,028,136	78,357,244
Cash generated from operations		183,639,334		253,417,804
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>183,639,334</b>		<b>253,417,804</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(4,747,933)		(55,009,463)	
Proceeds from sale of fixed assets	15,782,338			
Purchase of long-term investments				
- Subsidiaries	(66,503,394)		(251,100,044)	
- Others	5,016,492		(55,151,800)	
Proceeds from sale of long-term investments				
- Subsidiaries		8,454,408		
- Others		8,247,026		
Interest received				

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
- Subsidiaries	9,171		912,492	
- Others	2,642,985		1,238,799	
Dividend received				
- Others	809,212		2,500	
		(46,991,129)		(342,406,082)
Net cash flow from / (used in) investing activities (B)		<b>(46,991,129)</b>		<b>(342,406,082)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	28,902,500		(9,677,250)	
Proceeds from issue of share warrants	60,775,000		-	
Proceeds from long-term borrowings	(65,182,164)		(62,307,050)	
Proceeds from other short-term borrowings	159,766		264,990,185	
Finance cost	(141,917,140)		(168,428,933)	
		(117,262,038)		24,576,952
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(117,262,038)</b>		<b>24,576,952</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>19,386,167</b>		<b>(64,411,326)</b>
Cash and cash equivalents at the beginning of the year		42,214,739		106,626,065
Cash and cash equivalents at the end of the year		61,600,906		42,214,739
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		61,600,906		42,214,739
Cash and cash equivalents at the end of the year *		61,600,906		42,214,739
* Comprises:				
(a) Cash on hand		2,025,941		924,605
(b) Cheques, drafts on hand		2,163,271		2,710,425
(c) Balances with banks				
(i) In current accounts		10,186,355		20,555,343
(ii) In deposit accounts with original maturity of less than 3 months		42,472,667		13,539,302
(iii) In earmarked accounts		3,819,000		3,819,000
(d) Others				
Staff Imprest		933,672		666,064
		61,600,906		42,214,739

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

As per our separate report of even date

**For Joy Mukherjee & Associates**  
Chartered Accountants

**Joy Mukherjee**

Partner

M.No. 074602  
FRN: 006792C

Place : Noida  
Date : May 29, 2015

**Anuradha Prasad**

Chairperson cum Managing Director

DIN No. 00010716

**Rajeev Parashar**  
Company Secretary

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

**Anuradha Mishra**

Director

DIN No. 01725234

**Ajay Jain**  
CFO

### Independent Auditors' Report on Consolidated Financial Statements

**To**

#### **To the members of B.A.G Films & 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 2015, the consolidated statement of profit and loss and consolidated cash flows statement for the year ended 31st March 2015, 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 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. 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 2015;
- 2) in the case of the Consolidated Profit and Loss Account, of the consolidated loss 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**

1. As required by the Companies (Auditor's report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report 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 statement;
- (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 the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company which are incorporated in India none of the Directors of any such company is disqualified as on March 31, 2015 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 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:
  - i. The Consolidated financial statement 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

Place : Noida  
Dated : May 29, 2015

**Joy Mukherjee**  
Partner  
Membership No.074602  
FRN: 006792C

As stated in Para 1 'Report on Other Legal and Regulatory Requirements' in our Auditors' report of even date, the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company and subsidiary companies.

- i. (a) The Holding Company and its subsidiary companies have maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The Holding Company, its subsidiary companies have a regular programme of physical verification of its fixed assets by which all fixed assets are verified. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Group and the nature of its assets. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- ii. (a) The inventory, except goods-in-transit, has been physically verified by the respective management of the Holding Company and its subsidiary companies during the year. In our opinion, the frequency of such verification is reasonable.  
(b) The procedures for the physical verification of inventories followed by the management as referred to above are reasonable and adequate in relation to the size of the respective company and the nature of its business.  
(c) The Holding Company and its subsidiary companies are maintaining proper records of inventory. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. The Holding Company and its subsidiary companies have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained by it under Section 189 of the Act.
- iv. In their opinion and according to the information and explanations obtained by the statutory auditors of the Holding Company and its subsidiary companies these companies have an adequate internal control system commensurate with the respective size of each company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system in any of these companies.
- v. The Holding Company and its subsidiary companies have not accepted any deposits in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- vi. 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 Holding Company and its subsidiaries companies.
- vii. According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiaries company :
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
  - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Company	Relationship	Name of the Statute	Nature of dues	Period to Which the Amount relates	Amount (In Lakh)	Forum where disputes is pending
E24 Glamour Limited	Subsidiary	Income Tax Act, 1961	Income Tax	Assessment year 2012-13	1788.54	Commissioner (Appeals) of Income Tax
News24 Broadcast India Limited	Subsidiary	Income Tax Act, 1961	Income Tax	Assessment year 2012-13	428.97	Commissioner (Appeals) of Income Tax
News24 Broadcast India Limited	Subsidiary	Income Tax Act, 1961	Income Tax	Assessment year 2011-12	983.60	Commissioner (Appeals) of Income Tax
News24 Broadcast India Limited	Subsidiary	Income Tax Act, 1961	Income Tax	Assessment year 2010-11	407.54	Commissioner (Appeals) of Income Tax

(d) The Holding Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

There are no amounts that are due to be transferred by the subsidiary entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder

- viii. The Holding Company and its subsidiaries companies have accumulated losses at the end of the year further, no cash losses were incurred on consolidated basis in the current financial year and in immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, Holding Company and subsidiary companies, have not defaulted in repayment of their respective dues to their bankers. One of the subsidiary companies incorporated in India do not have dues to banks during the year. The holding company and its subsidiary companies did not have any outstanding dues to any financial institution or debentures holders during the year.
- x. According to the information and explanations given to us, the terms and conditions on which the holding company has given guarantees for loan taken by subsidiaries from bank is not prejudicial to its interest. The subsidiary companies incorporated in India have not given any guarantees for the loans taken by others from bank.
- xi. On basis of overall examination of Balance Sheet of Holding Company and its subsidiary companies, in our opinion and according to the information & explanation given to us no such funds is used for purpose other than for which it was raised. Therefore clause 4(xvi) of the order is not applicable.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company and its subsidiary companies, and no material fraud on the Holding Company and its subsidiary companies has been noticed or reported during the year.

**For Joy Mukherjee & Associates**  
Chartered Accountants

**Joy Mukherjee**  
Partner  
Membership No.074602  
FRN : 006792C

Place: Noida  
Date: May , 2015

## Consolidated Balance Sheet as at March 31, 2015

(Amount in ₹)

Particulars	Note No.	March 31, 2015		March 31, 2014	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>I. Equity and Liabilities</b>					
<b>1. Shareholder's funds</b>					
(a) Share Capital	1	357,265,839		340,265,339	
(b) Reserves and Surplus	2	664,067,388		807,806,689	
(c) Money received against share warrants		60,775,000		-	
Total of shareholders' funds			1,082,108,227		1,148,072,028
<b>2. Share application money pending allotment</b>	3	10,000,000	10,000,000	-	-
<b>3. Minority interest</b>		478,533,306	478,533,306	422,394,219	422,394,219
<b>4. Non-current liabilities</b>					
(a) Long-term borrowings	4	972,220,287		1,105,515,952	
(b) Deferred Tax liabilities (Net)		-		31,892,070	
(c) Long-term Provisions	5	10,663,839		9,531,289	
			982,884,126		1,146,939,311
<b>5. Current Liabilities</b>					
(a) Short term borrowings	6	404,544,911		409,385,145	
(b) Trade payables		82,509,228		206,932,043	
(c) Other current liabilities	7	261,678,885		131,011,756	
(d) Short term provisions	8	12,428,189		12,388,017	
			761,161,213		759,716,961
<b>TOTAL</b>			<b>3,314,686,872</b>		<b>3,477,122,519</b>
<b>II Assets</b>					
<b>1. Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	9	638,203,748		898,223,269	
(ii) Intangible assets	10	18,810,223		32,235,301	
(iii) Capital work-in-progress		332,772,065		292,481,608	
(b) Non-current investments	11	980,587,796		985,584,378	
(c) Deferred tax assets (net)		7,299,874			
(c) Other non-current assets	12	532,874		799,322	
			1,978,206,580		2,209,323,878
<b>2. Current assets</b>					
(a) Inventories	13	317,183,548		382,591,592	
(b) Trade receivables	14	506,719,332		483,824,678	
(c) Cash and Cash equivalents	15	213,234,893		125,211,958	
(d) Short-term loans and advances	16	299,342,519		276,170,413	
			1,336,480,292		1,267,798,641
<b>TOTAL</b>			<b>3,314,686,872</b>		<b>3,477,122,519</b>

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

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates  
Chartered AccountantsAnuradha Prasad  
Chairperson cum Managing Director  
DIN No. 00010716Anuradha Mishra  
Director  
DIN No. 01725234Ajay Jain  
CFORajeev Parashar  
Company SecretaryJoy Mukherjee  
PartnerPlace : Noida  
Date : May 29, 2015M.No. 074602  
FRN: 006792C

## B.A.G Films and Media Limited

## Consolidated Statement of Profit and Loss for the Period ended March 31, 2015

Particulars	Note No.	March 31, 2015		March 2014	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	17	1,276,721,521		1,444,950,402	
II Other Income	19	16,789,826		26,537,941	
<b>III Total Revenue (I + II)</b>			1,293,511,347		1,471,488,343
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		48,186,928		10,663,196	
Employee benefits expense	20	198,513,889		179,481,633	
Finance Costs	18	161,686,762		194,642,355	
Depreciation and amortization expense		244,342,909		186,558,055	
Other expense	21	774,817,889		995,583,813	
<b>Total Expense</b>			1,427,548,377		1,566,929,052
V Profit before exceptional and extraordinary items and tax (III-IV)			(134,037,030)		(95,440,709)
VI Exceptional Items					
VII. Profit before extraordinary items and tax (V-VI)			(134,037,030)		(95,440,709)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(134,037,030)		(95,440,709)
X Tax expense:					
(1) Current tax/Wealth Tax		40,172		-	
(2) Deferred tax		(39,191,944)		(4,111,866)	
			(39,151,772)		(4,111,866)
XI Profit/(Loss) for the period (IX - X)			<b>(94,885,258)</b>		<b>(91,328,843)</b>
XII Earnings per equity share:					
(1) Basic			(0.93)		(0.61)
(2) Diluted			(0.93)		(0.61)

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

As per our report of even date

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates  
Chartered Accountants

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN No. 00010716

Place : Noida  
Date : May 29,2015

**Anuradha Mishra**  
Director  
DIN No. 01725234

**Ajay Jain**  
CFO

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner

M.No. 074602  
FRN: 006792C

**Notes to Financial Accounts****Note-1**

Amount in ₹

**Share Capital**

Particulars	March 31, 2015	March 31, 2014
<b>Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
275,000,000 Equity Shares of Rs. 2/- each	550,000,000	400,000,000
(Previous Year 200,000,000 Equity Shares @ Rs. 2/- each)		
<b>Total</b>	<b>550,000,000</b>	<b>400,000,000</b>
Particulars	March 31, 2015	March 31, 2014
<b>Issued, Subscribed and Fully Paid Share Capital</b>		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for Cash in Preferential Allotment	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 Fully paid up for cash by Converting Share Warrants	20,000,000	20,000,000
( Previous year 100,00,000 Equity Shares @ Rs 2/- Each)		
28,500,000 Equity Shares of Rs. 2/- Each Fully Paid up for cash by Converting Share Warrants	57,000,000	40,000,000
( Previous Year 20,000,000 Equity Shares @ Rs 2/- Each)		
3,70,00,000 Equity Shares @ 2.00 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		
	357,436,180	340,436,180
Calls unpaid (170,341 Equity Shares @ Rs. 1/- Each)	170,341	170,841
<b>Total</b>	<b>357,265,839</b>	<b>340,265,339</b>

**Details of share holding in excess of 5% of share capital:****Equity shares with voting rights**

Name of Shareholders	March 31, 2015
	No. of Shares
Anuradha Shukla	21,479,190
ARVR Communications Pvt. Ltd.	38,194,868
High Growth Distributors Pvt Ltd	13,078,000
Sameer Gehlaut	20,250,900

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

Particulars	March 2015	March 2014
	Number of Shares	Number of Shares
<b>Equity share capital</b>		
- Number of shares held	178,718,090	170,218,090
- Number of share holders [including their nominees]	48,706	46,345

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

Particulars	March 2015	March 2014
	Number of Shares	Number of Shares
<b>Equity share capital</b>		
- Number of shares held	170,341	170,841
- Number of share holders [including their nominees]	286	287

**Details of Call unpaid**

	March 2015		March 2014	
	Number of Shares	Total	Number of Shares	Total
<b>Equity Shares with Voting rights</b>				
Aggregate of calls unpaid				
'- by others	170,341	170,341	170,841	170,841

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2015****Issued , Subscribed and fully paid up share capital:-**

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	170,218,090	340,436,180
Conversion	8,500,000	17,000,000
Closing Balance	178,718,090	357,436,180

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

Particulars	Number of Shares	Total
<b>Equity share with Voting Rights</b>		
Opening Balance	170,841	170,841
Fresh Issue	-	-
Conversion	500	500
<b>Closing Balance</b>	<b>170,341</b>	<b>170,341</b>

**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 held. The dividend if, proposed 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, 2015	March 31, 2014
<b>Reserves and Surplus</b>		
<b>Capital Reserves</b>		
Opening Balance	24,969,054	24,969,054
Add: Additions during the year	-	-
Sub Total	<b>24,969,054</b>	<b>24,969,054</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	3,589,284,899	2,836,067,193
Add : Premium on Share Issued during the year	70,895,000	753,217,706
	3,660,179,899	3,589,284,899
Less: Calls Unpaid (170841 Equity Shares @ Rs.4/-)	681,364	683,364
Sub Total	<b>3,659,498,535</b>	<b>3,588,601,535</b>
<b>Employee Stock option outstanding account</b>		
Opening Balance	-	9,677,250
Less: Esop Lapsed	-	9,677,250
Sub Total	-	-
<b>Surplus</b>		
Opening Balance	(2,843,691,184)	(2,580,535,240)
Add: Profit / (Loss) for the year	(94,885,258)	(98,235,517)
Minority Interest	(56,139,088)	(152,221,128)
Adjustment relating to earlier year	(63,611,955)	(12,699,299)
Sub Total	(3,058,327,485)	(2,843,691,184)
<b>Total</b>	<b>664,067,388</b>	<b>807,806,689</b>

**Note-3**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
Share Application Money Pending Allotment	10,000,000	-

**Note-4**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<b>Long- Term Borrowings</b>		
<b>Secured Loans</b>		
A. Vehicle Loans		
- From Bank	1,277,257	874,422
B. Term loans		
- From Bank	623,213,098	733,090,120
C. Deposits	165,000	2,025,000
D. Others Loan & advances	97,564,932	90,000,000

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<b>Unsecured Loans</b>		
A. Optionally fully convertible debentures	250,000,000	250,000,000
B. Others	-	29,526,410
<b>Total</b>	<b>972,220,287</b>	<b>1,105,515,952</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 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:**

Vechicle 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 , Studio for office use and shooting purpose ,repayment as per agreed terms of the contract.

**D. Others Loan & advances**

The amount of Rs 43,362,192.00(Previous year Rs. 40,000,000.00) availed by E24 Glamour Limited is secured by pledging 411,430 equity shares held by B.A.G. Films & Media Limited in E24 Glamour Limited. The amount is convertible into equity shares after a period mutually agreed between the parties.

The amount of Rs 54,202,740.00(Previous year Rs. 50,000,000.00) availed by News24 Broadcast India is secured by pledging 514,286 equity shares held by B.A.G. Films & Media Limited in News24 Broadcast India Limited. The amount is convertible into equity shares after a period mutually agreed between the parties.

For current portion of long term borrowings refer note no.07 'other current liabilities'

**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, 2015

**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, 2015

**Disclosure in relation to Convertible Debenture**

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

**Note-5**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	8,157,606	6,868,775
Others		
- Provision for Leave encashment	2,506,233	2,662,514
<b>Total</b>	<b>10,663,839</b>	<b>9,531,289</b>

**Note-6**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<b>Short-Term Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand		
From Bank	404,444,911	404,385,145
<b>Unsecured</b>		
Other loans and advances	100,000	5,000,000
<b>Total</b>	<b>404,544,911</b>	<b>409,385,145</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, 2015	March 31, 2014
<b>Other Current Liabilities</b>		
Current maturities of long term debt*	153,446,522	46,651,247
Unclaimed Dividend	132,212	210,091
Other payables		
Statutory remittances	2,644,393	998,817
Taxes Payable	39,369,517	9,176,149
Other Liability	40,037,935	40,362,065
Employee Cost	17,503,668	14,946,642
Advances from customers	6,944,638	18,666,745
Security deposits received	1,600,000	-
<b>Total</b>	<b>261,678,885</b>	<b>131,011,756</b>

\* Refer note 4 for security details

**Note-8**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
Short-Term Provisions		
Provision for Income Tax	12,307,673	12,307,673
Provision for Wealth Tax	120,516	80,344
<b>Total</b>	<b>12,428,189</b>	<b>12,388,017</b>

**Note 9 - Fixed Assets Schedule as per Companies Act, 2013 for the year ended on March 31, 2015**

**Tangible Fixed Assets**

Amount in ₹

Particulars	Gross Block			Depreciation			Net Block			
	Cost as on 01.04.2014	Addition during the year	Sale/ Adj During the Year	Cost as on 31-03-2015	Accumulated Depreciation as at 01.04.2014	Depreciation for the year		Depreciation for the year	Accumulated Depreciation as at 31-03-2015	Adjustment as per Company Act 2013
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	-	57,825,219
Building	176,255,435	-	-	176,255,435	56,962,981	6,818,433	63,781,414			112,474,021
Plant & Machinery	1,018,759,757	2,993,553	1,021,753,310	558,248,177	119,055,211		677,303,388	509,064	343,940,858	
Computers & Peripherals	223,678,595	2,144,938	225,823,533	199,491,395	14,111,358		213,602,753	8,857,939	3,362,841	
Vehicle	28,782,587	1,380,000	30,162,587	23,322,916	3,226,764		26,549,680	213,173	3,399,734	
Furniture's & Fixtures	356,936,240	495,180	357,431,420	183,092,399	64,716,385		247,808,784	504,705	109,117,931	
Office Equipments	119,682,466	222,410	119,904,876	62,579,154	26,737,945		89,317,099	22,504,633	8,083,144	
<b>TOTAL</b>	<b>1,981,920,299</b>	<b>7,236,081</b>	<b>- 1,989,156,380</b>	<b>1,083,697,022</b>	<b>234,666,096</b>	<b>-</b>	<b>1,318,363,118</b>	<b>32,589,514</b>	<b>638,203,748</b>	

**Fixed Assets Schedule for the year ended on March 31, 2014**  
**Tangible Fixed Assets**

Amount in ₹

Particulars	Gross Block			Depreciation			WDV as at 31-03-2014	
	Cost as on 01.04.2013	Addition during the year	Sale/Adj During the Year	Cost as on 31-03-2014	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31-03-2014
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-
Building	174,668,505	1,586,930	176,255,435	50,756,087	6,206,894		56,962,981	119,292,454
Plant & Machinery	1,013,960,011	5,512,382	712,636	1,018,759,757	457,352,835	101,284,223	388,881	558,248,177
Computers & Peripherals	222,553,387	1,125,208	-	223,678,595	183,628,842	15,862,553		199,491,395
Vehicle	28,782,587	-	-	28,782,587	21,415,604	1,907,312		23,322,916
Furniture's & Fixtures	356,863,585	122,155	49,500	356,936,240	144,031,080	39,093,461	32,142	183,092,399
Office Equipments	119,047,463	1,084,869	449,866	119,682,466	53,618,473	9,213,965	253,276	62,579,162
<b>TOTAL</b>	<b>1,973,700,757</b>	<b>9,431,544</b>	<b>1,212,002</b>	<b>1,981,920,299</b>	<b>910,802,921</b>	<b>173,568,408</b>	<b>674,299</b>	<b>1,083,697,030</b>
								<b>898,223,269</b>

**Note 10 - Fixed Assets Schedule as per Companies Act, 2013 for the year ended on March 31, 2015**  
**Intangible Fixed Assets**

Amount in ₹

Particulars	Gross Block				Depreciation				Net Block WDV as at 31-03-2015
	Cost as on 01.04.2014	Addition during the year	Sale/ Adj During the Year	Cost as on 31-03-2015	Accumulated Depreciation as at 01.04.2014	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31-03- 2015	
Computer Software	160,001,822	991,407	-	160,993,229	146,879,475	4,687,181	-	151,566,656	4,739,671
Radio Licences Fees	49,910,000	-	-	49,910,000	30,797,046	4,989,633	-	35,786,679	14,123,321
<b>Total</b>	<b>209,911,822</b>	<b>991,407</b>	-	<b>210,903,229</b>	<b>177,676,521</b>	<b>9,676,814</b>	-	<b>187,353,335</b>	<b>4,739,671</b>
									<b>18,810,223</b>

**Intangible Fixed Assets**

Amount in ₹

Particulars	Gross Block				Depreciation				WDV as at 31-03-2014
	Cost as on 01.04.2013	Addition during the year	Sale/Adj During the Year	Cost as on 31-03-2014	Accumulated Depreciation as at 01.04.2013	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31-03-2014	
Computer Software	159,751,822	250,000	-	160,001,822	138,172,342	8,707,133	-	146,879,475	13,122,347
Radio Licences Fees	49,910,000	-	-	49,910,000	25,807,413	4,989,633	-	30,797,046	19,112,954
<b>Total</b>	<b>209,661,822</b>	<b>250,000</b>	-	<b>209,911,822</b>	<b>163,979,755</b>	<b>13,696,766</b>	-	<b>177,676,521</b>	<b>32,235,301</b>

Pursuant to the requirement of Companies Act, 2013 ("the Act") effective from 1st April, 2014, the Company has revised depreciation rates on certain fixed assets as per the useful life specified in Part "C" of Schedule II of the act or as per management's estimate based on internal technical evaluation.

**Note-11**

Amount in ₹

<b>Particulars</b>	<b>March 31,2015</b>	<b>March 31,2014</b>
<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 31-03-2015 is Rs. 29.70)		
(Previous Year Rs. 36.45)		
<b>Investment in Mutual Funds</b>	62,596	4,621,178
<b>Non Trade Investment at Cost</b>		
<b>Unquoted</b>		
Nil Equity Shares (Previous year 12400 equity shares) of B.A.G. Infotech Private Limited	-	124,000
Having Face Value of Rs 10/- per share fully paid-up		
Nil Equity Shares(Previous Year 31,400 Equity Shares) of B.A.G. Live Entertainment Limited	-	314,000
Having Face Value of Rs 10/- per share fully paid-up		
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 Debenture (Previous Year 296,006 Optionally Fully Convertible Debenture) 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 Debenture (Previous Year 255,512 Optionally Fully Convertible Debenture) 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 Debenture (Previous Year 1,495,419 Optionally Fully Convertible Debenture) 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 Debenture (Previous Year 1,456,315 Optionally Fully Convertible Debenture) 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 Debenture (Previous Year 6,292,150 Optionally Fully Convertible Debenture) of Oscar Software Private Limited	629,215,000	629,215,000
Having Face Value of Rs 100/- per Optionally Fully Convertible Debenture		
<b>Total</b>	<b>980,587,796</b>	<b>985,584,378</b>

Particulars	As at March 31, 2015		As at March 31, 2014	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Franklin India Prima Fund		-	283,382	-
2. Principal Cash Management Fund	62,596	-	62,596	-
3. Pru ICICI Infrastructure Fund-Div Payout		-	2,000,000	-
4. Tata Indo-Global Infrastructure Fund		-	2,000,000	-
5. Templeton Treasury Management Account		-	275,200	-
B. Other Investment				
Investment in equity instruments				
(i) of subsidiaries	-	-	-	-
(ii) of joint venture companies	-	-	-	-
(iii) of other entities	-	980,025,200	-	980,463,200
	<b>562,596</b>	<b>980,025,200</b>	<b>5,121,178</b>	<b>980,463,200</b>

**C. Market value of Quoted Investment**

The current market price of the Mukta Arts limited is Rs. 1,48,500/-

\* Aggregate values of quoted investment is Rs. 500,000/- (Previous Year Rs. 500,000/-) , The current market price of the said shares is Rs. 1,48,500/- ,

(Previous Year Rs. 182,250/-), This is being long term investment , the company considers this fall in value as temporary.

\*Aggregate value of quoted investment(Mutual Fund) is Rs. 62,596/- (Previous Year Rs. 4,621,178/-)

\* Aggregate values of un-quoted investment is Rs. 980,025,200/- (Previous Year Rs. 980,463,200/-)

**Valuation of Investment**

Long term investments are stated at cost.

Particulars	Amount in ₹
<b>March 31, 2015</b>	<b>March 31, 2014</b>
Other Non-Current Assets	
Unamortised expenses	
A. Preliminary Expenses	
Opening Balance	799,322
Add: Incurred during the year	-
	799,322
Less: Written off	266,448
	532,874
Sub Total	<b>532,874</b>
	<b>799,322</b>
B. Deferred Employee Compensation	
Opening Balance	-
Add: Incurred during the year	-
	1,639,643
Less: Written off	-
	1,639,643
Sub Total	-
	1,639,643
<b>Total</b>	<b>532,874</b>
	<b>799,322</b>

**Note-13**

Amount in ₹

Particulars	March 31,2015	March 31,2014
Inventories		
Raw Materials	613,440	866,000
Work in Progress	20,974,826	35,974,826
Finished Goods	295,595,282	345,750,766
<b>Total</b>	<b>317,183,548</b>	<b>382,591,592</b>

**Note-14**

Amount in ₹

Particulars	March 31,2015	March 31,2014
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	55,476,123	37,648,360
	55,476,123	37,648,360
Less: Provision for doubtful trade receivables	-	-
Sub Total	<b>55,476,123</b>	<b>37,648,360</b>
Other Trade receivables		
	451,243,208	446,176,318
	451,243,208	446,176,318
Less: Provision for doubtful trade receivables	-	-
Sub Total	<b>451,243,208</b>	<b>446,176,318</b>
<b>Total</b>	<b>506,719,332</b>	<b>483,824,678</b>

**Note-15**

Amount in ₹

Particulars	March 31,2015	March 31,2014
<b>Cash and Cash Equivalents</b>		
Cash in hand	2,848,693	2,257,343
Cheques , Draft in hand	49,600,151	36,383,787
Balance with Banks		
-In current accounts	45,263,938	48,867,325
- In deposit accounts	92,817,671	15,079,749
- Balances held as security against guarantees	21,187,200	21,288,164
Imprest with Staff	1,517,240	1,335,590
<b>Total</b>	<b>213,234,893</b>	<b>125,211,958</b>

**Note-16**

Amount in ₹

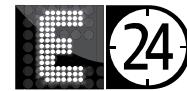
Particulars	March 31,2015	March 31,2014
Short Term loans and advances		
Unsecured , Considered Good		
A. Loans and advances to related parties	-	7,228,774
	-	7,228,774
Less: Provision for doubtful loans and advances	-	-
Sub Total	-	<b>7,228,774</b>

Amount in ₹

Particulars		March 31, 2015	March 31, 2014
B. Balances with government authorities			
Advance Taxes		99,706,806	99,095,430
Service Tax Credit		2,737,589	2,793,489
	Sub Total	<b>102,444,395</b>	<b>101,888,919</b>
C. Earnest Money & Security Deposits			
		22,343,502	23,868,067
		22,343,502	23,868,067
Less: Provision for doubtful loans and advances		-	-
	Sub Total	<b>22,343,502</b>	<b>23,868,067</b>
D. Prepaid Expenses			
		15,111,633	34,333,620
	Sub Total	<b>15,111,633</b>	<b>34,333,620</b>
E. Loans and advances to employees			
Unsecured, considered good		2,256,810	4,216,359
		2,256,810	4,216,359
Less: Provision for doubtful loans and advances		-	-
	Sub Total	<b>2,256,810</b>	<b>4,216,359</b>
F. Others			
Advances to others		157,186,179	104,634,674
	Sub Total	<b>157,186,179</b>	<b>104,634,674</b>
<b>Total</b>		<b>299,342,519</b>	<b>276,170,413</b>

Amount in ₹

Particulars		March 31, 2015	March 31, 2014
<b>Revenue from Operations</b>			
<b>Revenue from- Sale of Services</b>			
Audio-Video Productions		213,638,325	467,321,034
Media Education		24,893,650	18,621,094
Income from Event Management		7,729,975	-
Advertisement sales revenue		1,016,921,153	934,147,577
	Sub Total	<b>1,263,183,103</b>	<b>1,420,089,705</b>
Other Operating Revenues			
Income From IPTV		-	1,141,025
Income from Equipment Hiring		-	10,000,000
Income from Rent		13,538,418	13,719,672
	Sub Total	<b>13,538,418</b>	<b>24,860,697</b>
<b>Total</b>		<b>1,276,721,521</b>	<b>1,444,950,402</b>



**Note-18**

Amount in ₹

Particulars	March 31,2015	March 31,2014
Finance Costs		
A. Interest expense on		
Borrowing	161,208,284	143,302,029
Other	-	1,177
B. Other borrowing costs		
Bank Charges	478,478	533,898
Processing Fees	-	50,805,251
<b>Total</b>	<b>161,686,762</b>	<b>194,642,355</b>

**Note-19**

Amount in ₹

Particulars	March 31,2015	March 31,2014
Other Income		
Interest Income		
Interest income from Bank		
Deposit	7,576,588	2,734,849
Other Interest	1,276,901	1,328,830
	8,853,489	4,063,679
Dividend Income	809,212	2,500
Net Gain/Loss on sale of		
Long -Term Investment	995,376	6,906,674
Other Non-Operating Income(net of expenses directly attributable to such income)		
Income from Equipment Hiring	1,265,880	1,265,880
Employee Compensation Expenses written back	-	8,037,607
Foreign Exchange Fluctuation	28,072	-
Miscellaneous income	410,239	507,621
Sundry balance written back	4,427,558	5,753,980
	6,131,749	15,565,088
<b>Total</b>	<b>16,789,826</b>	<b>26,537,941</b>

**Note-20**

Amount in ₹

Particulars	March 31,2015	March 31,2014
Employee Benefit Expense		
Salaries , Wages and Bonus	184,071,444	169,915,442
Contribution to Provident and other funds	8,680,033	6,833,188
Staff Welfare Expenses	5,762,412	2,733,003
<b>Total</b>	<b>198,513,889</b>	<b>179,481,633</b>

**Note-21**

<b>Particulars</b>	<b>March 31,2015</b>	<b>March 31,2014</b>
Other Expenses		
Power and fuel	39,604,479	49,949,247
Rent	7,461,240	4,542,958
Repairs to Building	236,654	1,626,958
Repairs to Machinery	12,707,277	14,676,183
Insurance	2,990,607	2,891,652
Rates and Taxes, Excluding Taxes on Income	5,415,042	7,476,487
Loss on foreign currency transaction and transaction	117,391	675,391
Loss on sale of assets	-	52,703
Payment to auditors		
- As Auditor	570,000	570,000
- For Taxation Matters	225,000	225,000
- For Management Services	100,000	55,000
- For Reimbursement of Expenses	211,978	199,238
Net Loss on sale of Investments		
from long-term investments	906,466	-
Professional Charges Artist, Directors, Technicians	89,352,959	227,459,842
Location & Studio Hiring Charges	16,556,544	26,558,991
Shooting Expenses	13,747,711	39,160,519
Travellings & conveyance	22,495,109	32,470,451
Publicity & Content expenses	31,044,556	22,804,013
Royalty	41,931,086	35,880,423
License & Other Operational Fees	18,786,066	18,468,376
Space segment charges	13,298,534	13,765,733
Subscription Charges	20,747,685	18,902,874
Carriage Charges	350,115,688	334,721,942
Miscellaneous Expenses	86,195,817	142,449,832
<b>Total</b>	<b>774,817,889</b>	<b>995,583,813</b>

**Notes forming part of the Consolidated Financial Statements**

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

**Note-22**

**Significant Accounting Policies**

**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:

(a) The financial statements of the parent company and its subsidiary companies are combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealized profits in full in accordance with Accounting Standard (AS-21)-"Consolidated Financial Statements". The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in

the reserves of the consolidated entities.

- (b) Minority Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- (c) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Group's shareholders.
- (d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the parent company's standalone financial statements.
- (e) The excess of losses of minority shareholders in consolidated subsidiary over their interest in equity of subsidiary, are adjusted against the majority interest except to the extent that minority has binding obligation to, and is able to, make good the losses. If subsidiary subsequently reports profits, all such profits are allocated to majority interest until minority share of losses previously absorbed by majority has been recovered.
- (f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented to the extent possible, in the same manner as the Company's separate financial statements.
- (g) Following subsidiary companies have been considered in the preparation of the consolidated financial statements:-

<b>Name of the entity</b>	<b>Country of Incorporation</b>	<b>Percentage of shareholding and voting power either directly or indirectly through subsidiary as at 31 March 2015</b>
News24 Broadcast India Limited	India	53.82
E24 Glamour Limited	India	69.23
Skyline Radio Network Limited	India	71.05
B.A.G. Network limited	U.A.E	100
E24 Entertainment Limited	U.A.E	69.23

23. 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:

- (a) 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 at the rates and in the manner 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 lease agreement.

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

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.

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 using the time proportion method, based on the transactional interest rates..

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

**xii) Taxation**

Income tax expense comprises current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognized only if there is virtual certainty of realization of such

amounts. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability.

The credits arising from Minimum Alternate Tax paid are recognized as receivable only if there is reasonable certainty together with convincing/ reliable evidence that the Company will have sufficient taxable income in future years to utilize such credits.

**xiii) 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.

**xiv) Segment reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further,

- a) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.
- b) 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".

**xv) 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.

**xvi) 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.

**xvii) 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.

**xviii) Trade receivables and Loans and advances**

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

**xix) Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**xx) 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, 2015	As at March 31, 2014
<b>Contingent liabilities</b>		
<i>a) Guarantees</i>		
-to Bank	82,97,200	82,97,200
-on behalf of Other ARVR Education Society	250,00,000	250,00,000

**24. Export Obligation**

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

Under the terms of the respective schemes the company is required to export goods or services of FOB value equivalent to or more than five times its CIF value of imports in respect of certain license and eight times the duty saved in respect of license fair export obligation has been re-fixed by the order of Director General Foreign Trade Ministry of Finance as applicable. Accordingly, the company is required to export goods or services of FOB value of at least Rs. 29,52,50,433 (Previous year Rs. 42,80,90,435) within Eight years.

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

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Managing Directors Remuneration and Other Allowances	10,00,000	10,00,000
<b>Total</b>	10,00,000	10,00,000

**ii) Remuneration to Non-Executive Directors**

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Sitting Fees	262,500	307,500

26. 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.

**27. Activity in Foreign Currency**

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Expenditure in Foreign Currency	1,04,71,488	71,19,266
Earnings in Foreign Currency	21,62,74,255	11,00,59,845

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

(Amount in ₹)

Particulars	Year ended March 31 , 2015	Year ended March 31 , 2014
Opening Balance of Deferred Tax Liability(Net)	318,92,070	360,03,936
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	(38,236,398)	(34,45,784)
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(897,573)	(608,109)
Disallowance under the Income Tax Act	(57,973)	(57,973)
<b>Closing Balance of Deferred Tax Assets (Net)</b>	<b>(7,299,874)</b>	<b>318,92,070</b>

29. Pursuant to Section 205C and other applicable provisions of Companies Act, 1956 (the corresponding provision in the Companies Act, 2013 have not been notified, and hence the earlier law is still applicable in respect of these provisions), Dividends that are unpaid/unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government and once unpaid / unclaimed dividend/application money for allotment of any securities and due for refund, is transferred to IEPF, no claim shall lie in respect thereof against the Group. To ensure maximum disbursement of unpaid/unclaimed dividend, the Holding Company sends reminders to the concerned investors, before transfer of dividend to IEPF.

During the Year, the Holding Company has transferred Rs. 77,879.80 (Previous Year Rs. 172,126.40) to Investor Education and Protection Fund. Unclaimed dividend of Rs 132,212.70 ( Previous Year 210,091) represent dividends not claimed for the financial year 2007-08.

30. 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 earning pursuant to provisions of Companies Act, 2013.
31. 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:
  - (a) Amount due and outstanding to suppliers as at end of accounting year;
  - (b) Interest paid during the year;
  - (c) 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.
32. The business segments have been considered as the primary segment. The company is organized into five main Business namely Audio- Visual production, Movies, Leasing, FM Radio & Television Broadcasting. The above Business segments have been identified considering the different nature of activities carried on by these business divisions. Segments revenue, results, assets, and liabilities have been accounted for on the basis of their relationship to the related business activities of the segment and amounts allocated on a reasonable basis to the business segment.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

(Amount in ₹)

S. No.	Particulars	Year ended March 31, 2015	Year ended March 31, 2014
<b>1.</b>	<b>Segment Revenue</b>		
	a) Audio -Visual Production	246,261,950	485,942,128
	b) Movies	-	-
	c) Leasing	13,538,418	13,719,672
	d) FM Radio	74,825,738	50,870,884
	e) Television Broadcasting	942,095,415	894,417,718
	<b>Total</b>	<b>1,276,721,521</b>	<b>14,44,951,402</b>
	Less: Inter Segment Revenue	-	-
	<b>Net Sales/Income from Operations</b>	<b>1,276,721,521</b>	<b>14,44,951,402</b>
<b>2.</b>	<b>Segment Results</b>		
	a) Audio -Visual Production	45,995,067	93,192,347
	b) Movies	-	-
	c) Leasing	(52,695,462)	(36,857,979)
	d) F.M.Radio	(9,248,647)	(21,811,968)
	e) Television Broadcasting	318,599,187	310,946,856
	<b>Total</b>	<b>302,650,145</b>	<b>345,469,255</b>
	Less:		
	I) Interest	161,686,761	194,642,562
	II) Other Un-allocable Expenditure Net off unallocable income	275,000,178	246,267,339
	<b>Total Profit Before Tax</b>	<b>(134,036,794)</b>	<b>(95,440,647)</b>
<b>3.</b>	<b>Capital Employed</b>		
	a) Audio -Visual Production	702,746,572	807,011,895
	b) Movies	44,161,955	44,161,955
	c) Leasing	290,896,631	357,258,606
	d) F.M.Radio	329,692,255	367,628,798
	e) Television Broadcasting	148,338,41	151,486,434
<b>4.</b>	<b>Segment Depreciation</b>		
	a) Audio -Visual Production	77,435,267	57,866,922
	b) Movies	-	-
	c) Leasing	61,948,213	46,293,537
	d) F.M.Radio	45,791,566	31,685,365
	e) Television Broadcasting	43,680,810	39,138,847

**33. 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 Limietd	69.23%

**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	Promoter Company/ Enterprises over which key management personnel or their relatives have significant influence
B.A.G Live Entertainment Limited	Promoter Company
ARVR Communications Pvt. Ltd.	

**ii) Disclosure of transactions between the Group and Related Parties;**

(Amount in ₹)

Particulars	Chairperson cum Managing Director		Promoter		Enterprises over which key management personnel or their relatives have significant influence	
	Year Ended March, 31 2015	Year Ended March, 31 2014	Year Ended March, 31 2015	Year Ended March, 31 2014	Year Ended March, 31 2015	Year Ended March, 31 2014
Salary	10,00,00,000	10,00,00,000	-	-	-	-
Money received against share warrants	-	-	62,475,000	-	-	-
Share's Issued	-	-	28900000	-	-	-
Uplinking Recurring Charges	-	-	-	-	21,970,020	22,539,611
Expense Reimbursed	-	-	-	-	2,940,554	948,161

**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. 50,03,356

(Previous Year Rs. 39,41,991)

Employer's Contribution to ESI : Rs. 5,38,476

(Previous Year Rs. 7,20,341)

**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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of obligation as at the beginning of the period	68,68,775	56,351,06	26,62,514	26,62,966
Current Service Cost	18,17,485	19,01,866	4,97,970	4,24,777
Interest Cost	5,32,330	5,07,160	2,06,345	2,39,667
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain)/loss	5,54,951	(77,573)	(8,60,596)	(6,64,896)
Past Service Cost	-	-	-	-
Curtailment and settlement Cost/(credit)Benefits Paid	(16,15,935)	(4,97,784)	-	-
Present value of obligation as at the end of the period	81,57,606	68,68,775	25,06,233	26,62,514

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

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Current service cost	18,17,485	13,01,866	4,97,970	4,24,777
Past service cost	-	-	-	-
Interest cost	5,32,330	5,07,160	2,06,345	2,39,667
Expected Return on Plan Assets	-	-	-	-
Curtailment cost / (Credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Net actuarial (gain)/ loss recognized in the period	5,54,951	(77,573)	(8,60,596)	(6,64,896)
Expenses recognized in the statement of profit & losses	29,04,766	17,31,453	(1,56,281)	(452.00)

## c. Actuarial gain/loss recognized

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Actuarial gain/(loss) for the period- obligation	(5,54,951)	77,573	8,60,596	6,64,896
Actuarial (gain)/loss for the period - plan assets	-	-	-	-
Total (gain)/loss for the period	5,54,951	(77,573)	(8,60,596)	(6,64,896)
Actuarial (gain) / loss recognized in the period	5,54,951	(77,573)	(8,60,596)	(6,64,896)
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, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Present value of obligation as at the end of the period	81,57,606	68,68,775	25,06,233	26,62,514
Fair value of plan assets as at the end of the period	-	-	-	-
Funded status / Difference	(81,57,606)	(68,68,775)	(25,06,233)	(26,62,514)
Excess of actual over estimated	-	-	-	-
Unrecognized actuarial (gains)/losses	-	-	-	-
Net asset/(liability) recognized in balance sheet	(81,57,606)	(68,68,775)	(25,06,233)	(26,62,514)

## 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:

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Discount Rate (%)	7.75	9.00	7.75	9.00
Future salary increase	5.25	6.50	5.25	6.50
Expected Rate of Return on Plan Assets	0.00	0.00	0.00	0.00

**ii. Demographic Assumption**

Particulars	Gratuity		Leave Encashment	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
i) Retirement Age (Years)	60	60	60	60
ii) Mortality Table	IALM (2006.8)	IALM (2006-8)	IALM (2006.8)	IALM (2006-8)
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 :-**

(Amount in ₹)

Particulars	2014-15	2013-14
i) Net Profit/(loss) after tax as per Statement of profit and loss account	(94,885,258)	(91,328,843)
ii) Short provision for tax of earlier years	63,611,955	12,699,299
iii) Net Profit/(loss) attributable to Equity Shareholders	(158,497,213)	(104,028,141)
iv) Net Profit/(loss) before Exceptional Item	(158,497,213)	(104,028,141)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS.	170,707,729	170,218,090
vi) Basic Earnings per share	(0.93)	(0.61)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	204,902,908	204,125,194
viii) Diluted Earnings per share	(0.93)	(0.61)
ix) Basic Earnings (before exceptional item) per share	(0.93)	(0.61)
x) Diluted Earnings (before exceptional item) per share	(0.93)	(0.61)
xi) Face Value per equity share	2.00	2.00

35. Schedule III of the Companies Act, 2013 has become effective from April 1, 2014 for the preparation of financial statements. Previous year's figures have been regrouped/reclassified to be comparable with current year's classification/disclosures.

**For Joy Mukherjee & Associates**  
Chartered Accountants

**Joy Mukherjee**  
Partner (Chairperson Cum Managing Director)  
M. NO. 074602  
FRN: 006792  
Place: Noida  
Date: May 29, 2015

**Anuradha Prasad**  
(Director)

**Rajeev Parashar**  
(Company Secretary)

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

**Anuradha Mishra**  
**Ajay Jain**  
(CFO)



**B.A.G. FILMS AND MEDIA LIMITED**  
**Consolidated Cash Flow Statement for the year ended March 31, 2015**

<b>Particulars</b>	<b>For the year ended March 31, 2015</b>		<b>For the year ended March 31, 2014</b>	
	<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>
<b>A. Cash flow from operating activities</b>				
<b>Net Profit / (Loss) before extraordinary items and tax</b>		(134,037,030)		(95,440,709)
Adjustments for:				
Depreciation and amortisation	244,342,909		186,558,055	
(Profit) / loss on sale / write off of assets	(28,072)		52,703	
Finance costs	161,686,762		194,642,355	
Interest income	(8,853,489)		(4,063,679)	
Dividend income	(809,212)		(2,500)	
Net (gain) / loss on sale of investments	(88,910)		(6,906,674)	
Liabilities / provisions no longer required written back	(4,427,558)		(5,753,980)	
Other non-cash charges				
Adjustment relating to earlier year	(63,611,955)		(12,699,299)	
		328,210,475		351,826,981
<b>Operating profit / (loss) before working capital changes</b>				
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	65,408,044		10,663,196	
Trade receivables	(18,467,096)		(188,376,180)	
Short-term loans and advances	(23,172,106)		266,320,422	
Other non-current assets	266,448		1,906,091	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(124,422,815)		41,329,410	
Other current liabilities	130,667,129		(26,433,177)	
Short-term provisions	-		-	
Long-term provisions	1,132,550		1,233,217	
		31,412,154		106,642,980
Cash generated from operations		225,585,599		363,029,252
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>225,585,599</b>		<b>363,029,252</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(48,517,945)		(36,863,888)	
Proceeds from sale of fixed assets/Work-in-progress	37,357,249		485,001	
Purchase of long-term investments				
- Others			(979,540,200)	
Proceeds from sale of long-term investments				
- Others	5,085,491		9,794,760	
Interest received				

<b>Particulars</b>	<b>For the year ended March 31, 2015</b>		<b>For the year ended March 31, 2014</b>	
	<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>	<b>Amount in ₹</b>
- Others	8,853,489		4,063,679	
Dividend received		809,212		2,500
- Others				(1,002,058,148)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>3,587,496</b>		<b>(1,002,058,148)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	87,897,501		743,540,456	
Proceeds from issue of share warrants	60,775,000		-	
Share application money received / (refunded)	10,000,000		(176,600,000)	
Proceeds from long-term borrowings	(133,295,665)		(97,141,582)	
Proceeds from other short-term borrowings	(4,840,234)		269,990,185	
Finance cost	(161,686,762)		(194,642,355)	
		(141,150,160)		545,146,704
Net cash flow from / (used in) financing activities (C)		<b>(141,150,160)</b>		<b>545,146,704</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>88,022,935</b>		<b>(93,882,192)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>125,211,958</b>		<b>219,094,150</b>
Cash and cash equivalents at the end of the year		<b>213,234,893</b>		<b>125,211,958</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
<b>Cash and cash equivalents as per Balance Sheet</b>		213,234,893		125,211,958
<b>Cash and cash equivalents at the end of the year *</b>		<b>213,234,893</b>		<b>125,211,958</b>
<b>* Comprises:</b>				
(a) Cash on hand		2,848,693		2,257,343
(b) Cheques, drafts on hand		49,600,151		36,383,787
(c) Balances with banks				
(i) In current accounts		45,263,938		48,867,325
(ii) In deposit accounts		92,817,671		15,079,749
(iii) In earmarked accounts		21,187,200		21,288,164
(d) Others				
Staff Imprest		1,517,240		1,335,590
		<b>213,234,893</b>		<b>125,211,958</b>

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

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

**Anuradha Prasad**  
Chairperson cum Managing Director  
DIN No. 00010716

Place : Noida  
Date : May 29, 2015

**Anuradha Mishra**  
Director  
DIN No. 01725234

**Ajay Jain**  
CFO

**For Joy Mukherjee & Associates**  
Chartered Accountants

**Rajeev Parashar**  
Company Secretary

**Joy Mukherjee**  
Partner

M.No. 074602  
FRN: 006792C

**Additional information as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associate /Joint Ventures**

(Amount in Lakh)

	As at March 31, 2015		As at March 31, 2015	
	Net Asset, i.e. total assets minus total liabilities	Amount	Share in Profit or (Loss)	Amount
Name of the entity	As % of consolidated net assets	Amount	As a % of consolidated Profit & Loss	Amount
<b>Parent Company</b>				
BAG Films and Media Limited	65.58	26,923.22	132.10	(1253.43)
<b>Subsidiaries</b>				
E24 Glamour Limited	24.16	9917.35	(56.90)	539.94
News24 Broadcast India Limited	7.62	3126.40	(14.28)	135.48
Skyline Radio Network Limited	1.21	496.32	38.61	(366.40)
<b>Foreign</b>				
E24 Entertainment Limited	1.43	587.99	0.21	(1.96)
Bag Network Limited	-	1.15	0.26	(2.49)
Total	100	41052.43	100	(948.86)
<b>Minority Interest</b>		(4785.33)		(561.39)
Adjustment due to consolidation		(25,346.01)		-
Consolidated Net Asset/Profit after tax		10921.09		(1510.25)

The information in respect of these entities are extracted from the financial summary considered in the consolidated financial statements.

The balances have been considered after eliminating all inter-company balances and transactions.

## Form AOC-I

(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	
	As on March 31		As on March 31		As on March 31		As on December 31	
	2015	2014	2015	2014	2015	2014	2014	2013
Share Capital	3536.43	3478.54	2796.89	2686.21	2901.41	2901.41	595.04	-
Reserve & Surplus	(410.03)	(956.01)	7120.46	6589.91	(2405.09)	(1865.26)	(7.05)	(2.88)
Total Assets	5621.13	5405.48	13485.99	13064.42	1665.40	2240.89	589.95	-
Total Liabilities	2494.73	2882.95	3568.64	3788.30	1169.08	1204.74	1.96	-
Investment	758.76	758.76	9838.92	9838.92	-	0.69	-	-
Turnover	6111.08	5658.64	3311.97	3285.53	748.26	508.71	-	-
Profit/(Loss) before taxation	106.39	61.91	516.13	496.99	(443.32)	(645.45)	(1.96)	(0.36)
Provision for taxation	(29.10)	(8.00)	(23.81)	(11.87)	(76.93)	(12.89)	-	-
Profit/(Loss) after taxation	135.48	69.92	539.94	508.86	(366.40)	(632.56)	(1.96)	(0.36)
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	53.82	53.05	69.23	69.11	71.05	72.55	100.00	100.00

**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 No. 00010716

**Anuradha Mishra**

Director

DIN No. 01725234

**Ajay Jain**

CFO

**Rajeev Parashar**

Company Secretary

Place : Noida

Date : May 29, 2015



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**BAG Network 24**  
**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](http://www.bagfilms.com), E-mail: [info@bagnetwork.in](mailto:info@bagnetwork.in)

### **ATTENDANCE SLIP**

--

I/WE HEREBY RECORD MY/OUR PRESENCE AT THE TWENTY SECOND ANNUAL GENERAL MEETING OF B.A.G. FILMS AND MEDIA LIMITED TO BE HELD ON WEDNESDAY, SEPTEMBER 23, 2015 AT 4.30 P.M. AT M P C U SHAH AUDITORIUM, SHREE DELHI GUJARATI SAMAJ MARG, CIVIL LINES, DELHI-110054.

.....  
Member's Folio/DP ID-Client-ID

.....  
Member's/ Proxy's name in Block Letters

.....  
Member's/Proxy's Signature

**Note:**

1. Please complete the Folio/ DP ID-Client ID No. and name, sign this attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting hall.
2. Electronic copy of the Annual Report for 2014-2015 and Notice of the 22nd 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 2014-2015 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**

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

Web: [www.bagfilms.com](http://www.bagfilms.com), E-mail: [info@bagnetwork.in](mailto: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) ..... 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 22nd Annual General Meeting of the Members of B.A.G. Films and Media Limited to be held on Wednesday, September 23, 2015 at 4.30 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*	
<b>ORDINARY BUSINESS</b>		For	Against
1.	Adoption of Audited Financial Statements (Including Audited Consolidated Financial Statements) for the year ended March 31, 2015		
2.	Re-appointment of Mr. Sudhir Shukla (DIN 01567595), Director who retires by rotation		
3.	Re-appointment of M/s Joy Mukherjee & Associates, Chartered Accountants, the retiring Auditors, as Auditors of the Company and fixing their remuneration		
<b>SPECIAL BUSINESS</b>			
<b>SPECIAL RESOLUTION</b>			
4.	Re-appointment of Ms Anuradha Prasad (DIN : 00010716) as Chairperson cum Managing Director of the Company		
5.	Approval of Related Party Transactions		

Signed this .....day of .....2015

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:**

- 1) 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.
- 2) For the resolutions, explanatory statements and Notes, please refer to the Notice of 22nd Annual General Meeting.
- 3) \*It is optional to put 'u' in the appropriate column for 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
- 4) Please complete all details including details of member(s) in the above box before submission.





## **B.A.G. FILMS & MEDIA LIMITED**

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