

20th Annual Report 2012-13

BAG Network 24™

STUDIO 24™

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Broadcast 24™

दर्शन 24™

B.A.G. FILMS & MEDIA LIMITED

CORPORATE INFORMATION

Board of Directors	Ms. Anuradha Prasad Chairperson cum Managing Director Dr. Anuradha Mishra Director Mr. Prem Behl Director Mr. Sudhir Shukla Director
Company Secretary	Mr. Rajeev Parashar
Statutory Adutiros	Joy Mukherjee & Associates
Bankers	HDFC Bank Limited Canara Bank Punjab National Bank
Registered Office	C-4, Shivalik, Near Malviya Nagar Market, New Delhi-110 017
Corporate Office	FC-23, Sector-16, Film City, Noida-201 301 (U.P.)
Registrar and Share Transfer Agent	Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110 055

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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of B.A.G. Films and Media Limited will be held on Thursday, September 26, 2013 at 3.30 P.M. at MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi- 110054 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prem Behl who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s Joy Mukherjee & Associates, Chartered Accountants, as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

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

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Sudhir Shukla, who was appointed as an Additional Director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from the member under the provisions of section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as Director of the Company, liable to retire by rotation in terms of the provisions of the Articles of Association of the Company"

By Order of the Board of Directors

Place : Noida

Rajeev Parashar

Date : August 26, 2013

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON THE POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 19, 2013 to Thursday, September 26, 2013 (both days inclusive) .
3. Members/Proxies should bring the Attendance Slip duly completed and signed in accordance with the specimen signature registered with the Company for attending the Meeting. A Proxy Form is annexed to this report.
4. Corporate Members intending to send their authorised representatives are requested to send duly certified copy of Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the company on or before September 24, 2013.
5. Members holding shares in electronic form are requested to intimate any change in their registered address/E-mail address and/or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change in their registered address to the Secretarial Department of the Company or M/s Alankit Assignments Limited, the Registrar and Share Transfer Agent.
6. Members are requested to address all correspondence to the Registrar and Share Transfer Agent, Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055
7. Members are requested to quote Folio numbers/ DPID and Client ID, as the case may be, in all correspondence with the Company.
8. For security reasons briefcases, transistors, bags, tiffin boxes, cameras, binoculars etc. are not allowed inside the Auditorium.
9. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and form part of the Notice.
10. Members are requested to note that dividend not claimed within seven years from the date of declaration

shall, as per section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall be lie against IEPF or the Company. Members are requested to contact M/s Alankit Assignments Limited/ Secretarial Department of the Company for claiming the unclaimed dividend standing to the credit of their account.

11. In view of the "Green Initiative" announced by Ministry of Corporate Affairs and circular issued by the Securities and Exchange Board of India (SEBI) , the Company will send all correspondences like General Meeting Notices, Annual Reports and any other communication in future (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those shareholders, whose email address is registered with Depository Participant(DP)/Registrar & Share Transfer Agent {RTA} [herein after 'registered e-mail address'] and made available to us, which would be deemed to be the shareholder's registered email address for serving documents including those covered under section 219 of the Companies Act, 1956 [the Act] read with section 53 of the Act and Clause 32 of the Listing Agreement executed with the Stock Exchanges.

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

12. The Certificate from the Auditors of the Company certifying that the Company's Employees Stock Options Scheme is being implemented in accordance with the SEBI (Employee Stock Options Scheme) Guidelines, 1999 and in accordance with the resolutions of the Members in the General Meeting, will be available for inspection by the Members at the Annual General Meeting.
13. Appointment/Re-appointment of Directors:
Pursuant to Clause 49(IV) (G) of the Listing Agreement, the following information is furnished in respect of the Directors proposed to be appointed/re-appointed.

I. MR. SUDHIR SHUKLA:

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

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

Directorship

- ARVR Communications Private Limited
- Approach Films & Television Limited
- B.A.G. Live Entertainment Limited
- B.A.G. Business Ventures Limited
- B.A.G. Infotech Private Limited
- Sieun and B.A.G. Animation Private Limited
- Cineasia Entertainment Private Limited

Chairman of Board Committee

None

Member of Board Committee

None

Shareholding in the Company

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

II. MR. PREM BEHL

Mr. Prem Behl joined the Company as Non-Executive Independent Director with effect from 30th July, 2008. He is Graduate from Delhi University.

A veteran Businessman with 47 years of experience, Mr. Prem Behl is the Chairman & Managing Director of the Exhibition India Group, which pioneers in organizing international exhibitions and conferences in India. He was employed with Indian and International corporations for over 22 years before launching Exhibition India Group. Mr. Prem Behl maintains professional memberships with a large number of trade associations and business councils. Mr. Prem Behl is currently a member of the Asian Exhibition Council (AEC) and of the International Association of Exhibitions and Events (IAEE). He is also the General Secretary of the Indian Exhibition Industry Association (IEIA).

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

Directorship

- Comnet Exhibitions Private Limited
- Exhibitions India Private Limited
- Comnet Travels Private Limited
- Comnet Publishers Private Limited
- Convergence Plus.Com Private Limited
- Sai Infosytem (India) Limited

- Exhibitions India (Gujarati) Private Limited
- Comnet Design Private Limited

Chairman of Board Committee

- Exhibitions India Private Limited

Member of Board Committee

None

Shareholding in the Company

None

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

Mr. Sudhir Shukla was appointed as an Additional Director by the Board of Directors at its meeting held on February 13, 2013 in accordance with the provisions of section 260 of the Companies Act, 1956 and Article 80 of Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above Director holds office up to the date of the ensuing

Annual General Meeting. In this regard the Company has received his candidature for appointment as Director of the Company in accordance with provisions of section 257 and all other applicable provisions of the Companies Act, 1956 from a Member of the Company along with a deposit of Rs. 500 signifying an intention to propose Mr. Sudhir Shukla as a candidate for the office of Director.

The Board feels that presence of Mr. Sudhir Shukla on the Board is desirable and would be beneficial to the company and hence recommends resolution No. 4 for adoption.

None of the Directors, except Mr. Sudhir Shukla and Ms. Anuradha Prasad, Chairperson cum Managing Director are concerned or interested in this resolution.

By Order of the Board of Directors

Place : Noida

Date : August 26, 2013

Rajeev Parashar

Company Secretary

DIRECTOR'S REPORT

To,

The Members,

B.A.G. Films & Media Limited

Your Directors are pleased to present their 20th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2013.

FINANCIAL RESULTS

(Rupees in Lakhs)

Particulars	2012-13	2011-12
Total Income	4,538.65	5,081.40
Profit before Depreciation & Financial Charges	1,411.41	1,925.77
Financial Charges	941.65	741.68
Cash Profit	469.76	1,198.44
Depreciation	1453.00	1,120.72
Profit before Tax	(983.24)	63.37
Provision for Tax	(97.35)	61.71
Profit after Tax	(885.89)	1.66
Proposed Dividend	Nil	Nil

PERFORMANCE REVIEW

The year under review had marginal fall in revenues. The total revenue of your company has been Rs. 4,538.65 lacs compared to Rs. 5,081.40 lacs in the previous financial year. The cash profit has shown an decrease from Rs. 1,198.44 lakhs to Rs. 469.76 lakhs due to increase in financial charges compared to previous year.

Television Software:

Your Company developed and strengthened its client base and produced shows for prominent channels viz. Colors, Imagine TV, Life OK and Star. This development required investment in Capital expenditure, which resulted in higher financial cost and higher depreciation leading to negative profit after tax. The management is confident that this investment would result into improved revenues and better profits in the next financial year. Your Company also leveraged content creations and made optimum use of internal resources and its infrastructure.

The Company in association with 'Nautanki Films Private Limited' made a landmark show such as 'Madhubala- ek-ishq-ek-junoon' (Madhubala) for channel Colors and 'Sapno ke Bhawar mein' on Life OK channel. The Madhubala had won the "Favorite New TV Drama Award" at the People's Choice Award 2012 Show on Colors. It also bagged the Best Fiction Show at the Apsara Guild Awards. During the year the Madhubala has completed its 200 episodes. The

show received excellent reviews and has been liked across the audience for its unique concept.

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

B.A.G. Network's production house 'Studio 24' holds the unique distinction of producing programs of all genres for a range of channels and audience. Programs like Baba Aisa Var Dhundoo and Madhubala amongst others cover a gamut of genres in producing of television programs. Studio-24 produced programs "Sapno ke bhawar me" for television entertainment channels Star TV. Studio-24 has set all new standards in producing television programs. The Company continued its focus on commissioned programs and bagged contracts from prestigious channels.

Media Education

Your Company has been providing media education through its media school iSOMES (International School of Media & Entertainment Studies). iSOMES is offering full time graduate courses in Broadcast Journalism. iSOMES has its affiliation with Mahatma Gandhi University, Shilong and offers full time Graduate & Masters courses in Broadcast Journalism.

iSOMES ITA - iSOMES has spread its wings and its franchisee in Lucknow has witnessed healthy growth. In Mumbai the two leading schools of Media and Performing Arts of India namely iSOMES and Indian Television Academy have joined hands to provide a platform to empower students who are keen to carve a niche in Acting, Singing, Dancing and Grooming. The other courses offered by the school comprises:-

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

Broadcasting

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

Programs like Aaj Ka Reporter, Kaand, Aamne Saamne, Sabse Bada Sawal, Ek Shakhshiyat ki 50 Ansuni Kahania

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.

Aaj Ka Reporter is one of the most liked program on News 24. Ek Shakhsyat ki 50 Ansuni Kahania has also been awarded the most Best-Presented Popular News Show by the News Television Awards 2012.

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

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

During the year E24 launched a slew of new shows while continuing with its flagship shows like Bollywood Reporter and U Me & TV, thus strengthening its programming line-up further. There was 20 Ka Dum, featuring 20 of the most significant stories from Bollywood.

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

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

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

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

Radio

Your Company has 10 FM Radio stations operated with the brand name 'Dhamaal24' at 106.4 FM under its subsidiary

Dhamaal24 Radio Network Limited (formerly known as B.A.G. Infotainment Limited) in the cities of Hissar, Karnal, Patiala, Shimla, Muzaffarpur, Ranchi, Jabalpur, Jalgaon, Dhule and Ahmednagar.

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

Your Company has also revamped and changed the look of its radio station 'Dhamaal24' with revitalized, novel and popular shows like MorningPur, Gossip Mohalla, Sumiran, Dharma Yaatra, Jhumri Talaiya, Aamne-Saamne, Har Khushi Hai Jahan, Taka Tak Morning, Chughliyan, Velle Hum Velle Tum, Bolymal, Bumper Bachake, Back to Back, Reel Ki Real Life and Star Track are aired on Dhamaal24 keeping the regional flavor in each of its programmes offered to its listeners.

DIVIDEND

The Directors express their inability to declare any dividend for the financial year ended March 31, 2013 on account of losses during the year under review. The Company has not made any transfer to General Reserve.

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, dividend for the financial year 2005-06 which remains unpaid or unclaimed for a period of 7 years, shall be transferred by the Company to the Investors' Education and Protection Fund (IEPF).

DIRECTORS

During the year, Mr. Rajiv Shankar, Non-Executive Director resigned from the Board of the Company with effect from November 09, 2012. Ms. Ragini Kumar, Non-Executive Independent Director and Mr. Sudhir Shukla, were appointed as Non-Executive Director on the Board of the Company with effect from May 30, 2012 and February 13, 2013 respectively.

In terms of Article 89 of Articles of Associations of the Company and pursuant to section 256 of the Companies Act, 1956, Mr. Prem Behl, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment in terms of the provisions of the Articles of Association of the Company. The above re-appointment forms part of the Notice of the 20th Annual General Meeting and the relevant resolution are recommended for your approval.



Mr. Sudhir Shukla was appointed as Additional Director of the Company on February 13, 2013 to hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received notice along with requisite fee under Section 257 of the Companies Act, 1956 from Member proposing the appointment of Mr. Sudhir Shukla as Non-Executive Director of the Company. The Board recommends his appointment as Director, liable to retire by rotation.

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

Your Directors recommended their appointment/re-appointment at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed chapter on "Management Discussion and Analysis Report" pursuant to clause 49 of the Listing Agreement is given separately in the other part of the Annual Report.

CORPORATE GOVERNANCE

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

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

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

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The

Code of Conduct has been posted on the Company's website.

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

CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

During the year the Company has allotted 5,000,000 equity shares by conversion of 5,000,000 equity warrants on April 05, 2012 to M/s ARVR Communications Private Limited. These shares were allotted and admitted for trading in NSE, BSE and DSE.

The shares of your company continue to be listed on National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange Limited (DSE).

FIXED DEPOSITS

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

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, the Directors of the Company hereby state and confirm-

1. That in preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. That the Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit and loss of the Company for that year;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts for the financial year ended March 31, 2013 have been prepared on a "going concern" basis.

SUBSIDIARY COMPANIES

As per Section 212 of the Companies Act, 1956, we are required to attach the Balance Sheet, Statement of Profit and Loss and other documents of our subsidiaries. The Ministry of Corporate Affairs, Government of India (MCA) vide its Circular No. 2/2011 dated 08.02.2013, has approved an

exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2012-13 contains such financial statements of subsidiaries. A statement pursuant to section 212 of the Companies Act, 1956 for summery financial performance of Subsidiary Companies is attached to this report. The audited financial statement and related information of our subsidiaries will be made available on our website, www.bagfilms.com. The documents will also available for inspection during business hours at our registered office.

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

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

PREFERENTIAL ALLOTMENT

Convertible Equity Warrants

Your company had issued 5,000,000 convertible equity warrants pursuant to section 81(1A) of the Companies Act, 1956 as per the approval accorded by the Members of the Company at the 17th Annual General Meeting dated September 4, 2010 to M/s ARVR Communications Private Limited, a 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. The Company has allotted these 5,000,000 equity shares by conversion of 5,000,000 equity warrants on April 05, 2012 to M/s ARVR Communications Private Limited.

Employee Stock Option Scheme (ESOPS)

Pursuant to the Special Resolution passed by the Members at an Extra-Ordinary General Meeting held on February 13, 2007 and in principle approval from the Stock Exchanges, your Company has implemented an Employees Stock Option Scheme ("the BAG ESOP Scheme") to reward the employees of the Company and its subsidiaries for their performance and association with the Company and also to motivate them to contribute to the growth and profitability of the Company, whereby the Company planned to grant up to 10,000,000 options to eligible employees. In the financial year 2008-09 company granted 1,150,000 options to the eligible employees. Each option was exercisable for one equity share at a price of Rs. 13/- each fully paid up on payment to the Company on completion of vesting period as per the above scheme.(Price revised to Rs. 3/- per share under the approval of the members of the Company at Annual General Meeting dated September 04, 2010). Out of 1,150,000 options, 405,000 options are converted till date.

The applicable disclosures as stipulated under the SEBI (Employees Stock Options Scheme and Employees Purchase

Scheme) Guidelines, 1999 as at March 31, 2013 are annexed herewith as Annexure I and forms part of this report.

STATUTORY AUDITORS

M/s Joy Mukherjee & Associates, Chartered Accountants, Statutory Auditors of the Company, bearing Firm Registration No. 006792C, retire at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the Companies Act, 1956.

AUDITORS' REPORT

All observations made in the Independent Auditors' Report and notes to the accounts are self explanatory and do not call for any further comments under section 217 of the Companies Act, 1956.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has, during the year under review, transferred a sum of Rs. 1,80,801.40 to Investor Education Protection Fund, in compliance with the provisions of section 205C of the Companies Act, 1956. The said amount represents dividend for the year 2004-05 which remained unclaimed by the shareholders of the Company for a period exceeding 7 years from its due date of payment.

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time, forms part of this Report. However, as per the provision of section 219(1) (b) (iv) of the Companies Act, 1956 the Report and Accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under section 217(2A) of the Companies Act, 1956. Any member interested in obtaining such particulars may inspect the same at the Registered Office or Corporate Office of the Company or write to the Company Secretary for a copy.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company is not engaged in any manufacturing or

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, your Company has incurred expenditure in foreign currency to the extent of Rs. 28,36,348 as against Rs. 26,77,925 in the previous financial year 2011-2011.2

Foreign Exchange earnings during the year and in the previous financial year 2011-2012 were NIL.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep gratitude to the viewers, producers, vendors, investors and

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

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

For and on behalf of the Board of Directors

Place : Noida
Date : May 30, 2013

Anuradha Prasad
Chairperson cum
Managing Director

ANNEXURE-I TO THE DIRECTORS' REPORT

Disclosure regarding Employee Stock Option Scheme pursuant to the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and forming part of the Directors Report for the year ended March 31, 2013 are:

S. No.	Details	Nos.
1.	Total No. of Options in force at the beginning of the year	345,000
2.	Option granted during the year	NIL
3.	No. of options vested during the year	NIL
4.	No. of options exercised during the year	NIL
5.	No. of shares arising as a result of exercise of option during the year	NIL
6.	No. of options lapsed and forfeited during the year	NIL
7.	Variance in terms of option	N.A.
8.	Money realized by exercise of options during the year	NIL
9.	*Total No. of options in force at the end of the year	345,000

* Excluding the options granted to Senior Managerial Personnel who ceased to be in the employment with the Company.

Pricing Formula: Closing price of the Equity Shares of the Company prior to the date of the ESOP Compensation Committee ("ECC") in which stock options is granted on the Stock Exchange on which the shares of the Company are listed. The closing price of the shares of the Company at the National Stock Exchange of India Limited on the day immediately preceding the date of grant and exercise price of the options granted by ECC during the year is as per details:

Date of ECC Meeting	Closing Price per share at NSE	Exercise price per share
July 30, 2008	Rs. 31.05	Rs. 13

I. Options granted during the year to Senior Managerial Personnel of the Company and its subsidiaries*	NIL	
II. Details of other employee who received a grant of options amounting to 5% or more of the total options granted during the year:	NIL	
III. Employees who have been granted options during any one year equal to or exceeding 1% of the issued capital of the Company at the time of grant:	NIL	
IV. Diluted earnings per share (EPS):	Rs. (0.51)	
V. (a) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of the stock options.	
(b) Difference between the employee compensation	Rs. 3,349,928	
(c) Cost so computed at (a) above and the employee Compensation cost that shall have been recognized If it had used the fair value of the options		
(c) The impact of this difference on profit and on EPS of the Company:	Profit/loss after Tax	: (88,589,009)
	Less: Short provision of tax of earlier Year	: Rs. 978,250
	Add: Differential employee compensation cost based on fair value	: Rs. 3,349,928
	Adjusted Profit After Tax	: Rs.(84,260,831)
	Adjusted EPS (diluted)	: Rs. (0.50)

VI. Weighted-average exercise price and fair value of Stock Options granted:

N.A.

VII. Description of the method and significant assumptions used during the year to estimate the fair value of options :

Black Scholes Model: Fair value of the stock option has been estimated using an option pricing model.

The main assumption used in the Black-Scholes option pricing model during the year are as follow:

I. Risk Free Interest Rate:	8.00%
II. Expected life	2.33Years
III. Expected Volatility	5.69%
IV. Expected Dividends	0.00%

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”

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

Company believes that Corporate Governance is the commitment to 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 competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. Good governance practices stem from the culture and mindset of the organisation and at B.A.G. we are committed to meet the aspirations of all our stakeholders. Your Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS

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

(i) Composition

The Board comprises such number of Executive, Non-Executive and Independent Directors as required under applicable legislation. As on date of this Report, the Board of Directors consists of five Directors, out of which four are Non-Executive Directors. The 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.

During the year, Mr. Rajeev Shankar Non-Executive Director resigned from directorship of the Company with effect from May 30, 2012. Mr. Sudhir Shukla, has been appointed as Non-Executive Director and Ms. Ragini Kumar has been appointed as Non-Executive Independent Director on the Board of the Company with effect from February 13, 2013 and May 30, 2012 respectively.

APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

As per the provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. Prem Behl is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment. On May 30, 2012, the Board of Directors has appointed Mr. Sudhir Shukla as an Additional Director. Pursuant to section 260 of the Companies Act, 1956, Mr. Sudhir Shukla holds office up to ensuing Annual General Meeting. In this regard the company has received his candidature for appointment as Director of the Company. Brief profile of Mr. Prem Behl and Mr. Sudhir Shukla are given hereunder:

Mr. Prem Behl

Mr. Prem Behl is a veteran Businessman with 47 years of rich experience. He has completed his studies from Delhi University.

Mr. Prem Behl joined the Company as Non Executive Independent Director with effect from 30th July,2008. He is currently holding the position of Chairman & Managing Director of the Exhibition India Group, which pioneers in organizing international exhibitions and conferences in India. He was employed with Indian and International corporations for over 20 years before launching Exhibition India Group. Mr. Prem Behl maintains professional memberships with a large number of trade associations and business councils. Mr. Prem Behl is presently a member of the Asian Exhibition Council (AEC) and of the International Association of Exhibitions and Events (IAEE). He is also the General Secretary of the Indian Exhibition Industry Association (IEIA).

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

Directorship

- Comnet Exhibitions Private Limited
- Exhibitions India Private Limited
- Comnet Travels Private Limited
- Comnet Publishers Private Limited
- Convergence Plus.Com Private Limited
- Sai Infosytem (India) Limited
- Exhibitions India (Gujarati)Private Limited
- Comnet Design Private Limited

Chairman of Board Committee

- Exhibitions India Private Limited

Member of Board Committee

None

Shareholding in the Company

None

Mr. Sudhir Shukla

Mr. Sudhir Shukla, 48 years old, is a Social Activist. He holds a Bachelor's degree in Commerce from Kanpur University. He has over a decade experience in Media Industry. Mr. Shukla played important role in upliftment of social stature of common masses of society, benefiting millions of them. He is also a acclaimed social worker of Uttar Pradesh and Bihar, has raised strong voices at different times of the downtrodden sections of the society against social evils and instrumental in achieving their desired due.

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 appointed as Non-Executive Director of the Company with effect from 13th February, 2013.

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

Directorship

- ARVR Communications Private Limited
- Approach Films & Television Limited
- B.A.G. Live Entertainment Limited
- B.A.G. Business Ventures Limited
- B.A.G. Infotech Private Limited
- Sieun and B.A.G. Animation Private Limited
- Cineasia Entertainment Private Limited

Chairman of Board Committee

None

Member of Board Committee

None

Shareholding in the Company

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

(ii) Directors' Attendance Records

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

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

Name of the Director	Category	Attendance		Number of Directorship in other public companies*	Number of committee positions **	
		Board Meeting	Last AGM		Members	Chairman/Chairperson
Ms. Anuradha Prasad	Chairperson cum Managing Director (Executive Director)	3	Present	4	4	-
Mr. Sudhir Shukla	Non-Executive Director	4	Present	3	1	-
Mr. Prem Behl	Non-Executive Independent Director	3	Present	1	1	-
Dr. Anuradha Mishra	Non-Executive Independent Director	4	Present	3	1	3
Ms. Ragini Kumar	Non-Executive Independent Director	4	Present	-	2	-

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

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

During the year Mr. Rajeev Shankar resigned from the Board of Directors of the Company on May 30, 2012.

(iii) Number of Board Meetings

The Board meets at regular intervals to discuss and decide on Company policy and strategy apart from other regular business. The Board/Committee meetings are pre scheduled and a tentative calendar of Board and Committee meeting is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meeting. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution by circulation, as permitted by law, which is confirmed in the next Board Meeting.

During the financial year 2012-13, four Board Meetings were held on May 30, 2012; August 13, 2012; November 09, 2012; and February 13, 2013.

COMMITTEES OF THE BOARD

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

The Board comprises of five committees, viz The Audit Committee, Investors' Grievance Committee, Remuneration Committee, ESOP Compensation Committee and Securities Committee. All these Board committees are chaired by Non Executive Directors except ESOP Compensation Committee and Securities Committee which is chaired by Ms. Anuradha Prasad, Chairperson cum Managing Director.

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 Sec 292A of the Companies Act 1956 read with Clause 49 of the Listing Agreement.

Presently, the Audit Committee of the Company comprises of three non-executive Directors.

Dr. Anuradha Mishra, Chairperson of the Committee is an Independent Non-Executive Director. Other members are Mr. Sudhir Shukla, Non-Executive Director and Ms. Ragini Kumar, Independent Non-executive Director. All current members of the Committee have relevant experience in financial matters.

i) Terms of reference

The Audit Committee is inter-alia responsible for effective supervision of Company's financial reporting processes to ensure proper disclosure of financial statements, their credibility and compliance with the Accounting Standards and other legal requirements; reviewing, with

the management, performance of statutory and internal auditors, reviewing internal and external audit and internal control systems, assessing their adequacy ensuring compliance with internal controls; reviewing findings of internal audit, reviewing the Company's financial and risk management policies and ensuring follow up actions on significant findings, and reviewing quarterly, half yearly and yearly annual accounts.

As per the requirements of the Listing Agreements, Mr. Rajeev Parashar, Company Secretary acts as Secretary of the Audit Committee.

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

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. Further the Chairperson of the committee was also present in the Annual General Meeting.

During the last financial year, four Audit Committee Meetings were held on May 30, 2012, August 13, 2012, November 09, 2012 and February 13, 2013. The Composition of Remuneration committee and details of meeting attended by its members are given below:-

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

4) REMUNERATION COMMITTEE

The Company has constituted a remuneration committee of Directors in accordance with the requirements of Schedule XIII of the Companies Act, 1956 read with Clause 49 of the Listing Agreement. The Committee's scope of work includes deciding on remuneration and policy matters related to remuneration of Directors and laying guidelines for remuneration package or compensation.

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

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

Apart from receiving sitting fees, independent directors do not have any other material pecuniary relationship or

transactions with the Company, its promoters, and its management, which in the judgment of the Board may affect independence of judgment of directors.

Company is not paying any remuneration to the non-executive directors. During the year the Company paid sitting fees to Non-Executive Directors for attending meeting. The sitting fees paid for the year ended March 31, 2013 to the Directors are as follows:-

Name of the Directors	Sitting Fees (in Rs.)
Ms. Anuradha Prasad	-
Mr. Prem Behl	45,000
Dr. Anuradha Mishra	90,000
Mr. Sudhir Shukla	90,000
Ms. Ragini Kumar	90,000

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

5) INVESTORS GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted Investors Grievance Committee for redressing shareholders' and investors' complaints in order to provide the best services to the investors and shareholders. The 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 period of 7 days from the date of receipt. This has been done to integrate the whole process i.e. the dematerialisation, rematerialisation, share transfer, issue of duplicate share certificate shares, non- receipt of shares, non-receipt of balance sheet, non receipt of dividend or revalidation of dividend and any other query related with the shareholders or beneficiary holders so as to bring it under one roof.

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

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

During the period under review, Company received 12 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, 2013.

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

6) SECURITIES COMMITTEE

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

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

7) ESOP COMPENSATION COMMITTEE

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

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

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
19th AGM 2011-12	September 28, 2012	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	4.30 P.M.
18th AGM 2010-11	September 28, 2011	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	3.30 P.M.
17th AGM 2009-10	September 04, 2010	Air force Auditorium, Subroto Park Delhi Cantt, New Delhi-110010	4.00 P.M.

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

(i) During the year ended March 31, 2012 there were no special resolutions passed through Postal Ballot.

(9) DISCLOSURES

i) Related Party Transactions

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

ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

iii) Whistle Blower Policy

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

(iv) Disclosure of Accounting Treatment

The Company has followed the prevailing Accounting Standards as amended from time to time in the preparation of its financial statement.

(v) Risk Management

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

(vi) Code of Conduct

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

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

vii) Compliances by the Company

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

(a) The Board

The Company has an Executive Chairperson. None of the Independent Directors has a tenure exceeding nine years on the Board of the Company. All the Directors of the Company possess requisite qualification to contribute effectively to the Company in their respective capacity as Director. There is no fixed tenure for Independent Directors.

(b) Remuneration Committee

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

(c) Shareholders' Rights

The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication" herein below and also displayed on the website of the Company. The quarterly/half yearly results are not separately circulated to the shareholders.

(d) Audit Qualifications

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

(e) Training of Board Members

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

(f) Mechanism for evaluating Non-Executive Board Members

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

(10) MEANS OF COMMUNICATION

The Company publishes its quarterly, half yearly and yearly financial results in leading National newspapers like Economic Times, Business Standard 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 results and presentation to analysts are posted on the website www.bagfilms.com

(11) GENERAL SHAREHOLDER INFORMATION**i) Annual General Meeting**

- Date 26th September, 2013
- Time 3.30 P.M.

- Venue MPCU Shah Auditorium, Shree Delhi Gujarat Samaj Marg, Delhi-110054
- Last date of receipt of Proxies Wednesday, September 04, 2013

ii) Financial Calendar Year for 2013-2014
(Tentative and subject to change)

Financial Year	1st April, 2013 to 31st March, 2014
First Quarter Results (June, 2013)	Latest by second week of August, 2013
Half Yearly Results (September, 2013)	Latest by second week of November, 2013
Third Quarter Results (December, 2013)	Latest by second week of February, 2014
Fourth Quarter Results (March, 2014)	Latest by last week of May, 2014
Approval of Annual Accounts (2013-2014)	Latest by last week of May, 2014

(iii) Date of Book Closure Thursday, September 19, 2013 to Thursday, September 26, 2013 (both days are inclusive)

(iv) Dividend Payment Date Not Applicable

(v) Listing on Stock Exchanges:- Presently, the Equity Shares of the Company are listed with National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE) and Delhi Stock Exchange Limited (DSE). The Annual Listing fee for the Financial Year 2013-2014 has already been paid to all the above Stock Exchanges.

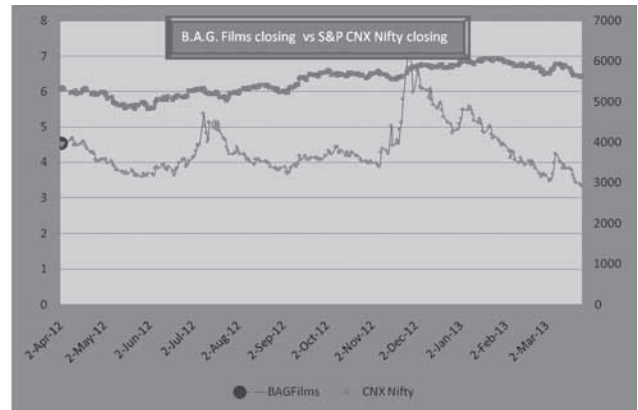
(vi) Stock Code

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

(vii) Market Price Data

Month	NSE		BSE	
	Highest Rates (Rs.)	Lowest Rates (Rs.)	Highest Rates (Rs.)	Lowest Rates (Rs.)
April 2012	5.00	4.00	4.98	4.02
May 2012	4.20	3.50	4.34	3.40
June 2012	4.15	3.55	4.11	3.56
July 2012	5.80	3.90	5.97	3.91
August 2012	4.50	3.65	4.45	3.71
September 2012	4.35	3.55	4.33	3.63
October 2012	4.75	3.95	4.72	3.95
November 2012	7.60	3.90	7.33	3.94
December 2012	6.80	4.70	6.83	4.66
January 2013	5.75	4.40	5.75	4.41
February 2013	4.65	3.50	4.60	3.51
March 2013	4.60	3.20	4.60	3.15

(viii) Performance of the share price of the Company in comparison to CNX Nifty



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

(x) Share Transfer System

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

In compliance with the Listing Agreements, every six months, the share transfer system is audited by the practicing

Company Secretary i.e. Balika Sharma & Associates and the certificates to that effect are issued by her.

(xi) Distribution of Shareholdings as on March 31, 2013

Shareholding of Nominal Value of Rs. 2/- each	No. of Shareholders		No. of Shares	
	From - To	Number	%Total	Number
1 - 100	16358	36.11	713582	0.42
101 - 500	15140	33.42	4964506	2.92
501 - 1000	5943	13.12	5223150	3.07
1001 - 5000	6038	13.33	14639704	8.60
5001 - 10000	981	2.17	7435099	4.37
10001 - 20000	442	0.98	6327449	3.72
20001 - 30000	159	0.35	3932542	2.31
30001 - 40000	55	0.12	1924514	1.13
40001 - 50000	39	0.09	1809578	1.06
50001 - 100000	71	0.16	5181397	3.04
100001 - 500000	56	0.12	11527856	6.77
500001 - & Above	14	0.03	106538713	62.59
Total	45296	100.00	170218090	100.00

Shareholding of Non- Executive Directors in the company as on March 31, 2013

Name of Non-Executive Director	No. of shares	Percentage of holding
Dr. Anurradha Mishra	-	-
Mr. Rajeev Shankar	500	0.00
Mr. Prem Behl	-	-
Mr. Sudhir Shukla	26700	0.017

(xii) Dematerialization of shares and liquidity

As at March 31, 2013, 99.83 % of fully paid up Equity Share Capital and 78.64 % of partly paid Equity Share Capital are held in electronic form with NSDL and CDSL

(xiii) OUTSTANDING GDRs/ ADRs/ WARRANTs/ ESOPs/ CONVERTIBLE INSTRUMENTS

Outstanding ESOPs

Number of Stock Options under "the BAG ESOP Scheme" outstanding as on March 31, 2013 are 345,000.

Outstanding Warrant's

Your company had issued and allotted 5,000,000 convertible equity warrants pursuant to section 81(1A) of the Companies Act, 1956 as per the approval accorded by the Members of the Company at the Annual General Meeting dated September 04, 2010 to ARVR Communications Private Limited a 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. These 5000000 equity warrants were converted into equity shares on April 05, 2012. These shares were allotted and admitted for trading in NSE, BSE and DSE.

(xiv) Plant Location

Not Applicable

(xv) Address for correspondence

Registered Office
C-4, Shivalik, Near Malviya Nagar Market, New Delhi-110 017

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

(xvi) Compliance Officer

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

(xvii) 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 and thereafter cannot be claimed by investors.

Dates of declaration of dividends since 2005-06 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 31.03.2012 (Rs.)	Last Date for Claiming unpaid dividend amount (before)	Last Date for Transfer to IEPF
31.03.2006	20.09.2006	172,486.40	26.10.2013	25.11.2013
31.03.2007	27.08.2007	79,019.80	02.10.2014	01.11.2014
31.03.2008	18.08.2008	132,501.60	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.

(xv) Compliance

The Certificate dated May 30, 2013 obtained from our Statutory Auditors M/s Joy Mukherjee & Associates forms part of this report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by B.A.G. Films and Media Limited ("the Company") for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis of our review and according to the information and explanations given to us, we state that in respect of investor grievances received during the year ended March 31, 2013, no investor grievances are pending against the Company.

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

For Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner

Membership No. 74602
FRN : 006792C

Place : Noida
Date : May 30, 2013

TO WHOMSOEVER IT MAY CONCERN

We have examined the compliance of conditions of Corporate Governance of B.A.G. Films & Media Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the officials of the Company, we hereby, in compliance of conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing certify that:

- a. We have reviewed financial statements and the cash flow statement for the year.
- b. Based on our knowledge and information these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading with respect to the statement made.
- c. Based on our knowledge and information the financial statements and other financial information included in this report present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- d. To the best of our knowledge and belief, no transaction entered into by the company during the year is fraudulent, illegal or violative of the company's code of conduct.
- e. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- f. 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.
- g. We, further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place : Noida
Date : May 30, 2013

Anuradha Prasad
(Chairperson cum Managing Director)

Vinay Srivastava
(V.P- Corporate & Finance)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian M&E industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. Recent policy measures taken by the government can pave the way for gradual recovery for the Indian economy. With some improvement also likely in the global economy in 2013, the prognosis for the Indian economy looks somewhat better and real GDP growth is expected to be in the range of 6.1 to 6.7 percent in 2013- 14. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

Overall Industry Size (INR BN)*	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013P	2014P	2015P	2016P	2017P	CAGR (2010-15)
Television	241	257	297	329	370	12.5%	420	501	607	725	848	18.0%
Print	172	175	193	209	224	7.3%	241	261	286	311.2	340	8.7%
Film	104	89	83	93	112	21.0%	122	138	154	171.7	193	11.5%
Radio	8	8	10	12	13	10.4%	14	15	19	22.7	27	16.6%
Music	7	8	9	9	11	18.1%	12	13	15	18.3	23	16.2%
Out of Home	16	14	17	18	18	2.4%	19	21	23	25	27	8.4%
Animation & VFX	18	20	24	31	35	13.9%	41	47	54	63.1	73	15.8%
Gaming	7	8	10	13	15	17.7%	20	24	31	36.2	42	22.4%
Digital Advertising	6	8	10	15	22	40.9%	28	37	49	65.1	87	32.1%
Total	580	587	652	728	821	12.6%	917	1059	1238	1438	1661	15.2%

(Source: FICCI-KPMG Report 2013)

The Media & Entertainment industry landscape is undergoing a significant shift. Cable digitization, the promise of wireless broadband, increasing DTH penetration, digitization of film distribution, growing internet use are all prompting strategic shifts in the way companies work. Traditional business models are evolving for the better as a host of new opportunities emerge.

The Year 2012 was a challenging year – especially for advertising, however, there are parts of the industry that grew robustly – especially film and new media. It was also a year in which significant developments took place – FDI in TV distribution and the roll out of digitization. These changes will position the industry well to achieve projected 15% growth figure.

As consumers evolve and with India's growing young population, there is a heightened need to engage with them across platforms and experiences. There is a greater need for integration and innovation across traditional and new media, with changing media consumption habits and preferences for niche content.

The New Media segment continues to power ahead. Digital advertising, social media marketing, gaming etc are all fast growing markets. With the roll out of 4G in 2013 and

increasing penetration of wired broadband coupled with widespread use of smart phones and tablets, New Media will continue to be an ever increasing part of the overall M&E industry

The Indian media & entertainment industry continues to be highly advertising dependent, especially from the content owner's perspective i.e. television and radio broadcasters, print and online publishers. Advertising spends are expected to grow at a CAGR of 14 percent to reach INR 630 billion in 2017. The media industry's ad revenue dependence is expected to continue for some time, largely due to the relatively low ARPUs on account of hyper competition and lower price elasticity of consumers. However, with digitisation and the growth in addressable media, revenue models based on end-user revenues are gaining traction. Audiences are becoming more willing to pay for content and value added services. Technology has enabled convenience and superior quality offerings to consumers who have responded positively. The growth in ticket prices of movies at multiplexes, increasing number of Pay-TV subscribers, increasing penetration of DTH with its user-friendly interface and technology, and introduction of Value Added Services (VAS) by media players are some examples of pay markets gaining importance.



We are looking forward to 2013 being a relatively more buoyant year in terms of growth for the industry. We wait to see the action in the television distribution space, and in radio, as both industries undergo regulatory changes. It will also be interesting to see print players adapt to the growing challenge being posed due to new media and changing news consumption habits. Lastly, new media such as Animation / VFX, digital advertising and gaming are expected to continue their growth momentum.

INDUSTRY ANALYSIS– KEY DRIVERS

Key trends and drivers have enabled the sector to grow fast are:-

- **Growth in Digital Content Consumption Across Media**

Digital technology continues to revolutionize media distribution – be it the rapid growth of DTH and the promise of digital cable, or increased digitization of film exhibition - and has enabled wider and cost effective reach across diverse and regional markets, and the development of targeted media content.

There has been increased proliferation and consumption of digital media content – be it newspapers and magazines, digital film prints, and online video and music or entirely new categories such as social media. Accordingly, online advertising spends have seen a spurt in growth viz-a-viz spends on traditional media.

- **Digitalization of Films and TV Distribution Infrastructure**

Digitalization of distribution has brought in the promise of more sustainable and profitable business modals across sectors. It has enabled to film sector to make a comeback in this year. The Industry has achieved 77 percentages digitalization of screens.

The developments have resulted in increased ability to invest in differentiated content, marketing and wider releases- all contributing to greater audience engagement and un precedented box office success across big and small budget movies alike. Overall, digital technology is expected to drive the M&E sector's growth in the challenging macro environment, by spurring on end- user spending & transparency.

- **Growth in New Media**

The rapid increase in mobile and wireless connections continues to drive the growth of internet penetration in India. With better access, through cheaper and smarter devices, audiences (especially the youth) are consuming more content and gathering increasingly engaged

Key beneficiaries are emerging new media segments, which include internet advertising, online classified and

gaming, all of which are on a rapid growth path. Going forward, better uptake of 3G connections and the beginning of the 4G rollout are expected to super growth further.

- **With Traditional Media Still Going Strong**

India remains a growth market for traditional media evidenced by the growth last year in TV audiences, radio listenership and footfalls in theaters. India is an outlier country where print is still a growth market. There is growing overseas demand for quality Indian animation/VFX work at affordable pricing.

There is a greater need for integration and innovation across traditional and new media, with changing media consumption habits and preferences for niche content. Media companies today have no choice but to provide more touch points to engage with audiences.

- **Regional Markets**

Advertisers continue to see higher growth in consumption from key regional markets. Hence regional media continues on a strong growth trajectory especially in the print and television sectors. Key media players are focusing on selectively expanding their presence in regional markets that are seeing higher rates of advertising revenue growth, and better insulation from slowdown than metros, which may be close to saturation in many cases.

Film studios are also building a regional films pipeline. Reliance Big Pictures, Disney UTV Motion Pictures and Eros International are increasingly investing in the regional space. Hollywood films are expanding their revenue potential by dubbing across regional languages such as Tamil and Telugu. Phase 3 licensing in the radio sector is also expected to garner particular interest in key regional markets.

- **Revenue Models Still Advertising Dependant**

M&E is still an advertising dependent industry in India. Hence it remains sensitive to the impact of business cycles.

While the print sector saw some increases in circulation revenues, and increases in cover price in some areas, cover prices still remain significantly lower than global counterparts. Established practices, competitive pressures from within the sector and from TV, and the threat of digital migration, are likely to keep prices under pressure.

In the TV sector, digitization has the potential to increase (Average Revenue Per User) ARPUs and improve the share of subscription revenues to the broadcasters. Early indicators suggest that carriage costs have already dropped somewhat in Metros after Phase 1 digitization.

Most companies are yet to see significant revenues from digital content. Dampeners include limitations in

measurement systems, decline in on deck revenues, and under investments in distribution platforms. There is a need for innovative or hybrid pricing models to cause a shift Overall, engaging consumers through more targeted offerings, innovative pricing and packaging models, and better quality of production, should enable players to get better realization for content.

• **Coming LIVE to you**

With changing lifestyles, there is an increase in media consumed out of home. Brands are also increasingly keen to connect with consumers via 'experiences' to ensure greater recall and amplification of brand values.

Activations/ events are now increasingly a key facet of radio and print media solutions.

Live music events/ festivals have been successful in attracting widespread audiences and engaging youth across key cities.

Increased consumption of music/radio/ video on-the-go via mobile and in cars provides opportunities for real time mobile, location-based advertising.

The Out of Home (OOH) advertising sector has also seen higher rates of growth in transit advertising.

There is hence an increased need to provide 360 degree solutions to advertisers and provide multiple platforms to reach out to consumers wherever they are.

• **Regulatory and Policy Support**

Regulatory interventions have been a key enabler of growth for the sector.

Anticipated developments in 2013 such as continued cable DAS rollout, Phase 3 licensing for Radio, and 4G rollout, will spur growth from the medium term.

However, continued and unflinching government support is needed. There is a need for measures to aid curtailment of piracy and encourage investments to support further growth.

Co-production treaties, rationalization of entertainment tax, government support to encourage formal skill development and training and incentives for animation/vfx and gaming are important areas of policy and regulation that need attention.

SEGMENTAL PERFORMANCE

1. Television & Digitization

In 2012, the television industry commenced its journey down a game changing path, with the seeds planted for sweeping changes that would significantly change the way business is done. Digitisation of cable is expected to

bring in transparency and increase subscription revenues for Multi System Operators (MSOs) and broadcasters. It is also expected to reduce carriage fees, building a case for the launch of niche channels and investment in content for existing channels. Developments and refinements in viewership measurement systems may affect the way advertising is distributed among channels.

Approximately 145 million television sets were sold in India in 2012. A large proportion of these television sales represent replacement of old television sets, institutional TV sales, and a second or third TV set entering a household. As per Information and Broadcasting (I&B) ministry estimates, institutional and multi TVs account for approximately 17 percent of television sets in metro cities. LCD and LED panels are estimated to account for 40 percent of sales in 2012 and this share is expected to rise to close to 100 percent by 2017.

In itself, 2012 was a challenging year for the industry, with companies conserving capital and cutting advertisement spends in the face of a soft macro-economic environment. Against this backdrop, leading players and networks stood out as they managed to hold out better than fringe and niche players. The TV sector also witnessed consolidation and exits, paving the way for a more sustainable, profitable future.

Digitisation is being tackled in a phased manner, with most players continuing to focus on Phase I and Phase II cities. Ground-level challenges have led to inadvertent delays in completion of the process in these cities. However, overall indications remain positive and industry believes that DAS will achieve significant success across all phases, albeit with some delays.

Online video viewership has witnessed significant traction in India, growing 45 percent between Dec 2011 and Dec 2012. Online television content consumption is expected to mirror this trend, and broadcasters are catching up to expand presence across digital platforms like online portals, video platforms, and mobile applications.

Availability of robust networks today has enabled secure delivery of live and on-demand content on multiple platforms. Several leading broadcasters have launched or partnered with mobile video delivery platforms, such as Apalya, Geodesic, Zenga, DigiVive and iStream. Google is also reported to be licensing entertainment and sports content for its Youtube website.

Despite the current challenges, the long-term outlook remains positive, and India continues to remain a key strategic market for leading international broadcasters.

B.A.G. Network's production house 'Studio 24' holds the unique distinction of producing programmes of all genres



for a range of channels and audience. Programs like Baba Aisa Var Dhundoo and Madhubala amongst others cover a gamut of genres in producing of television programs. Studio-24 produced programs "Sapno ke bhawar me" for television entertainment channels Star TV. Studio-24 has set all new standards in producing television programs. The Company continued its focus on commissioned programs and bagged contracts from prestigious channels. The Company also plans to focus on sponsored programmes. With various prestigious contracts in hand, and a few more programmes are lined up for launch, Studio24 seems poised for a very healthy financial year.

Over the years, Studio 24 has emerged as one of the key players in Indian M&E industry. To capitalise the future growth opportunities in television and film market, the Company is strategically positioning itself in the market. With increasing demand of creative and niche content in television and movies, there is higher focus on creating original and diverse show content to retain the leadership position. The Company already has a strong presence in Hindi GECs. Further, it is also expanding network on the regional GECs to leverage on the increasing opportunities in regional markets. All inclusive, the Company is poised to retain its growth and it will further leverage the tremendous opportunities of the M & E industry.

The Company made a landmark shows such as 'Madhubala-ek-ishq-ek-junoon' for channel Colors and 'Sapno ke Bhawar mein' on Life OK channel. The Madhubala has won the "Favorite New TV Drama Award" at the People's Choice Award 2012 Show on Colors. It also bagged the Best Fiction Show at the Apsara Guild Awards. During the year the Madhubala has completed its 200 episodes. The show has received excellent reviews and has been liked across the audience for its unique concept.

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

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

Programs like Aaj Ka Reporter, Kaand, Aamne Saamne, Sabse Bada Sawal, Ek Shakhshiyat ki 50 Ansuni Kahania 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.

Aaj Ka Reporter is one of the most liked program on News 24. Ek Shakhshiyat ki 50 Ansuni Kahania has also been

awarded the most Best-Presented Popular News Show by the News Television Awards 2012.

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

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

'E24' a 24 hours Bollywood Entertainment channel of your Company operating through its subsidiary E24 Glamour Limited has also been growing at a rapid pace and has garnered healthy channel shares. E24 managed to attract audiences of various age groups and succeeded in creating a new genre in television entertainment and today has become bollywood ka No.1 channel. The channel had not only successfully been able to entertain its audience but had also been educating the youth by sending important messages and uplifting the lifestyle up-to to the global standard at same time not forgetting its culture and traditions.

During the year E24 launched a slew of new shows while continuing with its flagship shows like Bollywood Reporter and U Me & TV, thus strengthening its programming line-up further. There was 20 Ka Dum, featuring 20 of the most significant stories from Bollywood. It's Controversial shared the most sensational news and gossip with the viewers and left them asking for more and Razmatazz explored an interesting and relevant topic indepth. In October 2012, E24 launched E100- the fastest entertainment bulletin, a half an hour show packed with 100 of the biggest stories from Bollywood, Hollywood and television. The show became an instant hit.

The channel also celebrated all the events that had a connection with the viewers. In February 2013, E24 celebrated Valentine's Day with a week- long special exploring the most interesting facets to the best on- screen and off- screen couples from Bollywood and Television. We also conducted an online and sms poll to decide the best Silver Screen Couple for which we received tremendous response. This week E24 had the highest time spent in the entire Bollywood and Music cluster of channels. In keeping with our promise to celebrate all that matters to our viewers, in March E24 celebrated Women's Day by dedicating the entire month of March to women in Bollywood and Television. Saluting Screen Divas brought interesting stories of our favourite heroines on Screen to the viewers and also played their most popular songs on the channel. We conducted a similar audience poll and declared people's favourite Bollywood Diva and TV heroine, thus closing the financial year by creating significant buzz on the channel.

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

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

The Company also unveiled its third channel namely 'Darshan24' on September 28, 2011. 'Darshan24' is a new age devotional channel which is made for masses and all age groups.

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

Ms. Anuradha Prasad, Chairperson cum Managing Director of B.A.G Films & Media Limited said,

"Darshan 24 shall portray a strong heritage of India, for the upliftment of Human life in all its spheres. It shall broadcast programs which would contribute to the goal of satisfying the deep spiritual needs from the vast community of Indian people worldwide".

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

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

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

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

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

Your Company has also revamped and changed the look of its radio station 'Dhamaal24' with revitalized, novel and popular shows like MorningPur, Gossip Mohalla, Sumiran, Dharma Yaatra, Jhumri Talaiya, Aamne-Saamne, Har Khushi Hai Jahan, Taka Tak Morning, Chughliyan, Velle Hum Velle Tum, Bolymal, Bumper Bachake , Back to Back, Reel Ki Real Life and Star Track are aired on Dhamaal 24 keeping the regional flavor in each of its programmes offered to its listeners.

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

Indian Readership Survey or IRS is one of the largest readership surveys conducted in India. It also captures listenership for radio. According to IRS 2012 Q3 findings, the listenership of radio increased from 155 million to 159 million from Q1 2012 to Q3 2012 registering a growth of 6.1 percent compared to 6.4 percent growth of Television during the same period. Majority of radio listenership comes from the age group of 20-40 years of age. As a result stations continue to focus on youth by developing youth centric programming.

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

The utilization levels have reached nearly 100 percent during peak season in the top eight metros putting pressure



on volume based growth from metros in the near future. For non-metro players too, utilization continued to be a lever for growth – for example, MY FM's average inventory utilization was at 95 percent in prime time followed by non prime time in the range of 75 to 85 percent.

Radio has been waiting for too long for Phase III and the associated regulatory reforms. After a challenging year in 2012, there is now renewed hope that in 2013, the industry will finally see its shackles removed and a regulatory structure enacted that will drive it to the next stage of growth.

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

2. Media School

Your Company has been providing media education through its media school iSOMES (International School of Media & Entertainment Studies) iSOMES is offering full time graduate courses in Broadcast Journalism. iSOMES has its affiliation with the top universities like Mahatma Gandhi University, Shilong and offers full time Graduate & Masters courses in Broadcast Journalism. The detailed discussion on the same is given elsewhere in the Director's Report.

The other courses offered by the school comprises:-

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

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

3. Internet and Mobile Entertainment

Internet has emerged as one of the strongest entertainment mediums owing to increasing internet penetration, higher awareness and changing demographics in the country. Not only for sending mails, watching videos and business

related transactions, internet is also being used for intensive shopping by the Indian buyers.

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

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

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

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

4. Tax and Regulatory

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

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

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

Further, the domestic withholding tax rate in case of payment of royalty and fees for technical services to non-residents has been increased from 10 percent to 25 percent. This

could have significant impact in relation to payments made for acquisition of content, transponder hire charges, etc. in cases where the tax treaty benefit is not available.

The Government also deferred implementation of the General Anti-Avoidance Rules (GAAR) by two years to FY 2015-16, providing a much needed respite to tax payers.

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

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

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

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

B. OPPORTUNITIES AND THREATS

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

The number of C&S households in India increased by 11 million in 2012, to reach 130 million. Excluding DD Direct,

the number of paid C&S households is estimated to be 121 million. This paid C&S base is expected to grow to 173 million by 2017, representing 91 percent of TV households. Radio is anticipated to see a spurt in growth post rollout of Phase 3 licensing. The benefits of Phase 1 cable digital access system (DAS) rollout, and continued Phase 2 rollout are expected to contribute significantly to strong continued growth in the TV sector revenues and its ability to invest in and monetize content. The sector is expected to grow at a CAGR of 18 percent over the period 2012-2017.

Moreover, corporate and infrastructure investment were also pulled down by the tightened monetary policy as well as the policy bottlenecks. Externally, a slowing global economy weighed down by the continued crisis in the Euro area and uncertainty in the US fiscal policy also increased risks to growth. The Central Statistical Organization's (CSO's) estimates indicate a 5 percent growth in real GDP in 2012-13, as compared to a growth of 6.2 percent posted in 2011-12. These factors resulted in a challenging year for the M&E industry, with reductions in advertising budgets across sectors.

The Indian M&E industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. Recent policy measures taken by the government can pave the way for gradual recovery for the Indian economy. With some improvement also likely in the global economy in 2013, the prognosis for the Indian economy looks somewhat better and real GDP growth is expected to be in the range of 6.1 to 6.7 percent in 2013-14. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

C. SEGMENT WISE PERFORMANCE

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

D. OUTLOOK

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

The recent KPMG report anticipates the market size of Indian M&E sector to touch Rs 1,661 billion by 2017. Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent of the total media industry. The TV industry continues to have headroom for further growth as television penetration in



India is still at approximately 60 percent of total households. India continues to be the third largest TV market after USA and China with 153 million television households. Cable and Satellite (C&S) penetration of television households is close to 90 percent, with DTH driving a significant part of the growth in the last 12 months. With the ongoing digitization of all analog cable subscribers imminent, penetration level of digital households is expected to increase significantly, going forward. The overall television industry was estimated to be INR 370 billion in 2012, and is expected to grow at a CAGR of 18 percent over 2012-17, to reach INR 848 billion in 2017.

Television clearly continues to be the dominant segment, however we have seen strong growth posted by new media sectors, animation/ VFX and a comeback in the Films (21 percent growth in 2012 over 2011 vis a vis 11 percent per growth in 2011 over 2010) and Music sectors (18 percent growth in 2012 over 2011 vs. 4.7 percent growth in 2011 over 2010) on the back of strong content and the benefits of digitization.

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

E. RISK AND CHALLENGES

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

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

2. Under-penetration of theatre screens: While India leads world averages in terms of the number of films produced each year and attendance, the under penetration of theatre screens in India remains the biggest challenge for the industry. There are just 8 screens per million people, unlike in the United States, where there are 117 per million. As per the Motion Pictures Distributors Association (MPDA), India is among the top nations in

the world in terms of video piracy. MPA India estimates that the loss due to piracy in 2012 was USD 1.1 billion, an increase of 15.79 percent from that in 2008.

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

3. Regulatory hurdles: High entertainment tax acts as a major impediment to the growth of exhibition industry, as the overall tax implication is as high as 40-50 percent in states like Maharashtra, Uttar Pradesh, Bihar and Karnataka. Such high rates of entertainment tax on box office admissions seem irrational considering that films are available on other platforms like television and Internet platforms for free or very little cost. Such regulations have also led to many corrupt trade practices. To save on entertainment tax, some theatre owners under-declare occupancy rates. It is estimated that approximately 25-30 percent of the ticket sales is under reported by these theatres. Hence, it is imperative that the entertainment tax structure across the country be rationalized by bringing down rates of entertainment taxes. .

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The CEO and VP Finance & Corporate Certification provided elsewhere in the report discusses about the adequacy of our internal control systems and procedures.

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

Your Company's Internal Control system is designed to:

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

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

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

H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

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

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

B.A.G aims to recruit, nurture and retain quality professionals and provide them with a high performance environment. Knowledge and intellectual assets are being strategically shared across B.A.G. At B.A.G, we have understood the

potential of the human resource and its contribution to the financial standing of your company. Therefore, the human asset is highly valued and regarded by your company. No effort is spared to provide the employees with a healthy work environment and all assistance is rendered in order to bring-out the best in each one of them. Your Company has B.A.G. ESOP Scheme wherein it is proposed to issue options to all the employees of the Company and its subsidiaries, which could give rise to the issue of equity shares of the Company not exceeding ten million equity shares. 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 differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the domestic market, in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors and unforeseen circumstances.

(*Source of information: FICCI-KPMG Indian Media and Entertainment Industry Report, 2013)

Independent Auditor's Report

To
The Members of
B.A.G. Films & Media Limited

Report on the Financial Statements

We have audited the accompanying financial statements of B.A.G. Films & Media Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from branches not visited by us];
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of Joy Mukherjee & Associates

Chartered Accountants

Joy Mukherjee

Partner

Place : Noida

Dated : May 30, 2013

Membership No.074602

FRN: 006792C

ANNEXURE TO AUDITOR'S REPORT

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

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

- (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. (a) The Company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of television serials. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, if any, have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, having regard to the fact that the items sold/services rendered/received are of a special nature and suitable alternate sources do not exist for obtaining comparative quotations, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time or the prices at which the transactions for similar goods have been made with other parties.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company as the Company is not involved in any manufacturing activity.
9. (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues where applicable have been generally, regularly deposited with appropriate authorities. According to the information and explanations given to us, none of the undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the dates of becoming payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.
10. The Company has no accumulated losses as at March 31, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. The company has obtained term loan of Rs 32,00,00,000 (Previous Year Rs. 19,95,28,900 from Punjab National Bank) from Canara Bank during the year. On basis of overall examination of Balance Sheet of Company, in our opinion and according to the information & explanation given to us no such funds is used for purpose other than for which it was raised. Therefore clause 4(xvi) of the order is not applicable.
16. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-terms investment.
17. The Company has not issued any debentures.
18. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee

Partner

Place : Noida

Dated : May 30, 2013

Membership No.074602

FRN: 006792C

B.A.G Films and Media Limited
Balance Sheet as at March 31, 2013

Particulars	Note No.	March 31, 2013		March 31, 2012	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	340,265,339		330,265,339	
(b) Reserves and Surplus	2	2,522,557,143		2,543,792,902	
(c) Money received against share warrants		-		109,187,500	
Total of shareholders' funds			2,862,822,482		2,983,245,741
2. Non-current liabilities					
(a) Long-term borrowings	3	682,006,472		320,120,965	
(b) Deferred Tax liabilities (Net)		22,265,467		32,040,807	
(c) Long-term Provisions	4	3,051,826		2,211,164	
			707,323,765		354,372,936
3. Current Liabilities					
(a) Short term borrowings	5	139,394,960		225,981,545	
(b) Trade payables		72,324,944		80,099,658	
(c) Other current liabilities	6	65,046,275		146,397,198	
(d) Short term provisions	7	12,388,017		12,347,845	
			289,154,196		464,826,246
TOTAL			3,859,300,443		3,802,444,923
II. Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	660,240,285		789,965,366	
(ii) Intangible assets	9	65,471,321		68,531,167	
(iii) Capital work-in-progress		228,159,289		19,030,658	
(b) Non-current investments	10	2,172,899,046		337,246,632	
(c) Other non-current assets	11	1,639,643		6,558,571	
			3,128,409,584		1,221,332,394
2. Current assets					
(a) Inventories	12	206,206,776		160,095,111	
(b) Trade receivables	13	164,767,378		167,367,986	
(c) Cash and Cash equivalents	14	106,626,065		48,340,498	
(d) Short-term loans and advances	15	253,290,640		2,205,308,934	
			730,890,859		2,581,112,529
TOTAL			3,859,300,443		3,802,444,923

As per our report of even date

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner

Place : Noida
Date : May 30, 2013

M.No. 074602
FRN: 006792C

B.A.G Films and Media Limited
Statement of Profit and Loss for the Period ended March 31, 2013

Particulars	Note No.	March 31, 2013		March 31, 2012	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	16	449,188,781		444,432,290	
II Other Income	18	4,676,370		63,707,668	
III Total Revenue (I + II)			453,865,151		508,139,958
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in-trade		(46,111,665)		(35,771,660)	
Employee benefits expense	19	25,986,432		25,721,587	
Finance Costs	17	94,164,569		74,168,480	
Depreciation and amortization expense		145,300,409		112,071,628	
Other expense	20	332,849,583		325,612,771	
Total Expense			552,189,328		501,802,806
V Profit before exceptional and extraordinary items and tax (III-IV)			(98,324,177)		6,337,152
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			(98,324,177)		6,337,152
VIII Extraordinary items					
IX Profit before tax (VII-VIII)			(98,324,177)		6,337,152
X Tax expense:					
(1) Current tax/Wealth Tax		40,172		1,392,882	
(2) Deferred tax		(9,775,340)		4,777,912	
			(9,735,168)		6,170,794
XI Profit/(Loss) for the period from continuing operations (IX - X)			(88,589,009)		166,358
XII Earnings per equity share:					
(1) Basic			(0.51)		0.01
(2) Diluted			(0.51)		0.01

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner

Place : Noida
Date : May 30, 2013

M.No. 074602
FRN: 006792C



Notes to Financial Accounts

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Note-1		
Share Capital		
Equity Share Capital		
Authorised Share Capital		
200,000,000 Equity Shares of Rs. 2/- each	400,000,000	400,000,000
(Previous Year 200,000,000 Equity Shares @ Rs. 2/- each)		
Total	400,000,000	400,000,000
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for Cash in Preferential Allotment	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)		
20,000,000 Equity Shares of Rs. 2/- Each Fully Paid up for cash by Converting Share Warrants	40,000,000	30,000,000
(Previous Year 15,000,000 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
405000 Shares of Rs. 2/- Each against ESOPS (Previous year 270000 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		
	340,436,180	330,436,180
Calls unpaid (170,841 Equity Shares @ Rs. 1/-)	170,841	170,841
Total	340,265,339	330,265,339

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

Name of Shareholders	March 31, 2013 No. of Shares
Anuradha Prasad 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 and subscribed and fully paid up:

Particulars	Number of Shares	
	March 31, 2013	March 31, 2012
Equity capital		
- Number of shares held	170,218,090	165,218,090
- Number of share holders [including their nominees]	45,295	46,482

Details of issued and subscribed and not fully paid up:

Particulars	Number of Shares	
	March 31, 2013	March 31, 2012
Equity capital		
- Number of shares held	170,841	170,841
- Number of share holders [including their nominees]	287	287

Details of Call unpaid

Particulars	March 2013		March 2012	
	Number of Shares	Total	Number of Shares	Total
Equity Shares with Voting rights Aggregate of calls unpaid - by others	170,841	170,841	170,841	170,841

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 2013
Issued , Subscribed and fully paid up:-

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	165,218,090	330,436,180
Conversion	5,000,000	10,000,000
Closing Balance	170,218,090	340,436,180

Issued , Subscribed and not fully paid up:-

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

Note-2

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Reserves and Surplus		
Capital Reserves		
Opening Balance	60,150,000	60,150,000
Add: Additions during the year	-	-
Sub Total	60,150,000	60,150,000
General Reserves		
Opening Balance	37,927,284	37,927,284
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Sub Total	37,927,284	37,927,284
Securities Premium Reserves		
Opening Balance	2,342,893,449	2,337,321,699
Add : Premium on Share Issued during the year	66,375,000	5,571,750
	2,409,268,449	2,342,893,449
Less: Calls Unpaid (170,841 Equity Shares @ Rs.4/-)	683,364	683,364
Sub Total	2,408,585,085	2,342,210,085
Employee Stock option outstanding account		
Opening Balance	9,677,250	8,664,000
Add: Repricing Cost	-	6,450,000
Less: Shares allotted during the year	-	5,436,750
Sub Total	9,677,250	9,677,250
Surplus		
Opening Balance	93,828,283	91,688,381
Add: Profit / (Loss) for the year	(88,589,009)	166,358
Adjustment relating to earlier year	978,250	1,973,544
Sub Total	6,217,524	93,828,283
Total	2,522,557,143	2,543,792,902

Note-3

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Long- Term Borrowings		
Secured Loans		
A. Vehicle Loans		
- From Bank	1,309,087	642,065
B. Term loans		
- From Bank	677,497,385	318,278,900
C. Deposits	3,200,000	1,200,000
Total	682,006,472	320,120,965

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 Loan of Rs. 25 Crores taken from Punjab National Bank, secured by pari passu charge on Immovable Property and repayable in 48 monthly installments start from 01st October 2013 .

Term Loan of Rs. 24.95 Crores taken from Punjab National Bank, secured by pari passu charge on Immovable Property and repayable in 41 monthly installments start from 01st October 2013 .

Term Loan of Rs. 32.00 Crores taken from Canara Bank, secured by hypothecation of assets, plant & machineries and pari passu charge on Immovable Property and repayable in 12 Quarters of equal installment start from 15th March 2015.

B. Vehicle Loans from banks:

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

C. Security Deposit:

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

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

A. Term loans from banks:

No default has been made in repayment of Principal and interest on term loan during the financial year ending March 31, 2013

B. Vehicle Loans from banks:

No default has been made in repayment of Principal and interest on vehicle loan during the financial year ending March 31, 2013

Note-4

Particulars	March 31, 2013	March 31, 2012
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	1,956,739	1,287,079
Others		
- Provision for Leave encashment	1,095,087	924,085
Total	3,051,826	2,211,164

Note-5

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Bank	119,394,960	127,544,045
Unsecured		
Loans and advances from related parties	-	98,437,500
Other loans and advances	20,000,000	-
Total	139,394,960	225,981,545

Details of security for the secured short-term borrowings:

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

Note-6

Particulars	March 31, 2013	March 31, 2012
Other Current liabilities		
Current maturities of long term debt	24,598,405	111,968,369
Income received in advance	4,911,648	6,448,704
Unclaimed Dividend	383,308	564,809
Other payables		
Statutory remittances	35,365	52,824
Taxes Payable	2,941,033	9,566,508
Other Liability	26,220,691	16,081,280
Employee Cost	2,939,046	1,381,773
Advances from customers	3,016,779	332,931
Total	65,046,275	146,397,198

Note-7

Particulars	March 31, 2013	March 31, 2012
Short-Term Provisions		
Provision for Income Tax	12,307,673	12,307,673
Provision for Wealth Tax	80,344	40,172
Total	12,388,017	12,347,845

Note 8 - Fixed assets schedule as per Companies act , 1956 for the Year ended on March 31 2013.
Tangible Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2012	Addition during the year	Sale/ Adj during the year	Cost as at 31.03.2013	Accumulated Depreciation as at 01.04.2012	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2013	W.D.V as at 30.03.2013	W.D.V as at 31.03.2012
	Amount in ₹									
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	57,825,219	57,825,219
Building	167,930,025	6,738,480	-	174,668,505	44,319,887	6,436,200	-	50,756,087	123,912,418	123,610,138
Plant & Machinery	559,163,640	752,152	-	559,915,792	236,069,461	62,865,555	-	298,935,016	260,980,776	323,094,179
Computers & Peripherals	205,935,915	676,925	-	206,612,840	134,307,612	23,259,240	-	157,566,852	49,045,988	71,628,303
Vehicle	25,097,021	1,654,523	-	26,751,544	18,860,530	1,615,802	-	20,476,332	6,275,212	6,236,491
Furnitures & Fixtures	248,994,731	1,160,579	-	250,155,310	70,842,006	43,098,323	-	113,940,329	136,214,981	178,152,725
Office Equipments	52,026,944	718,455	9,000	52,736,399	22,608,633	4,144,265	2,190	26,750,708	25,985,691	29,418,311
Total	1,316,973,495	11,701,114	9,000	1,328,665,609	527,008,129	141,419,385	2,190	668,425,324	660,240,285	789,965,366

Note 09 - Fixed assets schedule as per Companies act , 1956 for the Year ended on March 31. 2013.

Intangible Fixed Assets

Particulars	Gross Block			Depreciation			Net Block			
	Cost as at 01.04.2012	Addition during the year	Sale/ Adj during the year	Accumulated Depreciation as at 01.04.2012	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2013	W.D.V as at 30.03.2013	W.D.V as at 31.03.2012	
	Amount in ₹									
Computer Software	147,531,905	821,178	-	148,353,083	79,000,738	3,881,024	-	82,881,762	65,471,321	68,531,167
Total	147,531,905	821,178	-	148,353,083	79,000,738	3,881,024	-	82,881,762	65,471,321	68,531,167

Note-10

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Non-Current Investments		
Trade Investments at cost		
Quoted		
5,000 Equity Shares of Mukta Arts Limited Having Face Value of Rs. 5/- per share fully paid up Purchased @ RS.100/- Per Equity Share (Market Value as on 31-03-2013 is Rs. 28.40) (Previous Year Rs. 28.90)	500,000	500,000
Investment in Mutual Funds	4,621,178	14,621,178
Non Trade Investment at Cost		
Unquoted		
12,400 Equity Shares of B.A.G.Infotech Private Limited Having Face Value of Rs 10/- per share fully paid-up	124,000	124,000
24,500 Equity Shares (Previous Year 24,500 Equity Shares) of B.A.G. Live Entertainment Limited Having Face Value of Rs 10/- per share fully paid-up	245,000	245,000
485,000 Equity Shares (Previous Year 245,000 Equity Shares) of B.A.G. Business Ventures Limited Having Face Value of Rs 1/- per share fully paid-up	485,000	245,000
NIL Equity Shares (Previous Year 24,000 Equity Shares) of Nautanki Films Private Limited Having Face Value of Rs 10/- per share fully paid-up	-	240,000
In Joint Venture Company at Cost		
Unquoted		
483,376 Equity Shares (Previous Year 483,376 Equity Shares) of Sieun and B.A.G.Animation Private Limited Having Face Value of Rs. 10/- per Shares fully paid up	4,833,760	4,833,760
In Subsidiaries at cost		
Unquoted		
20,614,100 Equity Shares (Previous Year 12,200,000 Equity Shares) of Dhamaal 24 Radio Network Limited Having Face Value of Rs 10/- per Share fully paid up	346,112,034	135,759,534
17,123,151 Equity Shares (Previous Year 8,571,430 Equity Shares) Of News24 Broadcast India Limited Having Face value o Rs 10/- per share fully paid up	915,231,237	85,714,300
17,307,327 Equity Shares (Previous Year 9,000,286 Equity Shares) Of E24 Glamour Limited Having face Value of Rs. 10/- per Shares fully Paid up	895,785,837	90,002,860
496,100 Equity Shares (Previous Year 496,100 Equity Shares) of B.A.G. Animation Private Limited Having face Value of Rs. 10/- per Shares fully Paid up	4,961,000	4,961,000
Total	2,172,899,046	337,246,632

Particulars	As at March 31, 2013		As at March 31, 2012	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Franklin India Prima Fund	283,382	-	283,382	-
2. Principal Cash Management Fund	62,596	-	62,596	-
3. Pru ICICI Infrastructure Fund-Div Payout	2,000,000	-	2,000,000	-
4. Tata Fixed Maturity Plan	-	-	10,000,000	-
5. Tata Indo-Global Infrastructure Fund	2,000,000	-	2,000,000	-
6. Templeton Treasury Management Account	275,200	-	275,200	-
B. Other Investment				
Investment in equity instruments				
(i) of subsidiaries	-	2,162,090,108	-	316,437,694
(ii) of joint venture companies	-	4,833,760	-	4,833,760
(iii) of other entities	-	854,000	-	854,000
	5,121,178	2,167,777,868	15,121,178	322,125,454

The current market price of the Mukta Arts limited is Rs. 142,000/-

* Aggregate values of quoted investment is Rs. 500,000/- (Previous Year Rs. 500,000/-) , The current market price of the said shares is Rs. 142,000/-

(Previous Year Rs. 144,500/-), This is being long term investment , the company considers this fall in value as temporary.

*Aggregate value of quoted investment (Mutual Fund) is Rs. 4,621,178/- (Previous Year Rs. 14,621,178/-)

* Aggregate values of unquoted investment is Rs. 2,167,777,954/- (Previous Year Rs.321,885,454/-)

Valuation of Investment

Long term investments are stated at cost.

Note-11

Particulars	Amount in ₹	
	March 31, 2013	March 31, 2012
Other Non-Current Assets		
Unamortised expenses		
A. Preliminary Expenses		
Opening Balance	-	1,435,564
Add: Incurred during the year	-	-
	-	1,435,564
Less: Written off	-	1,435,564
Sub Total	-	-
B. Deferred Employee Compensation		
Opening Balance	6,558,571	6,091,876
Add: Incurred during the year	-	6,450,000
	6,558,571	12,541,876
Less: Written off	4,918,928	5,983,305
Sub Total	1,639,643	6,558,571
Total	1,639,643	6,558,571

Note-12

Particulars	March 31, 2013	March 31, 2012
Inventories		
Raw Materials	618,430	618,430
Work in Progress	20,848,375	20,848,375
Finished Goods	184,739,971	138,628,306
Total	206,206,776	160,095,111

Note-13

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	5,409,506	5,409,506
	5,409,506	5,409,506
Less: Provision for doubtful trade receivables	-	-
Sub Total	5,409,506	5,409,506
Other Trade receivables	159,357,872	161,958,480
	159,357,872	161,958,480
Less: Provision for doubtful trade receivables	-	-
Sub Total	159,357,872	161,958,480
Total	164,767,378	167,367,986

Note-14

Particulars	March 31, 2013	March 31, 2012
	Cash and Cash Equivalents	
Cash in hand	582,865	2,587,888
Cheques , Draft in hand	-	25,049,544
Balance with Banks		
- In current accounts	99,487,605	14,292,018
- In deposit accounts	1,138,806	1,831,176
- In earmarked accounts		
- Balances held as security against guarantees"	3,819,000	3,819,000
Imprest with Staff	1,597,789	760,872
Total	106,626,065	48,340,498

1. Guarantee given to bank amounting to Rs. 6,06,000 (Previous year Rs. 6,06,000) secured by fixed deposit.
2. Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited amounting to Rs. 27,00,000 (Previous year Rs. 27,00,000).
3. Guarantee given on behalf of subsidiary company, Dhamaal24 Radio Network Limited amounting to Rs. 5,13,000 (Previous year Rs. 5,13,000).

Note-15

Particulars	March 31, 2013	March 31, 2012
	Short Term Loans and Advances	
Unsecured , Considered Good		
A. Loans and advances to related parties	55,318,938	2,042,807,936
	55,318,938	2,042,807,936
Less: Provision for doubtful loans and advances	-	-
Sub Total	55,318,938	2,042,807,936
B. Balances with government authorities		
Advance Taxes	49,554,323	81,657,452
Service Tax Credit	556,190	
Sub Total	50,110,513	81,657,452
C. Earnest Money & Security Deposits	10,044,474	9,044,474
	10,044,474	9,044,474
Less: Provision for doubtful loans and advances	-	-
Sub Total	10,044,474	9,044,474
D. Prepaid Expenses	3,912,851	6,467,574
Sub Total	3,912,851	6,467,574
E. Loans and advances to employees		

Particulars	March 31, 2013	March 31, 2012
Unsecured, considered good	1,375,379	533,891
	1,375,379	533,891
Less: Provision for doubtful loans and advances	-	-
Sub Total	1,375,379	533,891
F. Others		
Advances to others	132,528,485	64,797,607
Sub Total	132,528,485	64,797,607
Total	253,290,640	2,205,308,934

Note-16

Particulars	March 31, 2013	March 31, 2012
Revenue from Operations		
Revenue from- Sale of Services		
Audio-Video Productions	365,654,477	372,894,910
Media Education	18,485,256	14,156,562
Sub Total	384,139,733	387,051,472
Other Operating Revenues		
Income from Leasing of Equipment	55,573,888	54,396,860
Income from Rent	9,475,160	2,983,958
Sub Total	65,049,048	57,380,818
Total	449,188,781	444,432,290

Note-17

Particulars	March 31, 2013	March 31, 2012
Finance Cost		
A. Interest expense on Borrowing	85,848,996	73,543,966
B. Other borrowing cost		
Bank Charges	661,221	624,514
Processing Fees	7,654,352	-
Total	94,164,569	74,168,480

Note-18

Particulars	March 31, 2013	March 31, 2012
Other Income		
Interest Income		
Interest income from Bank		
Deposit	394,894	620,413
Other Balance	-	-
	394,894	620,413
Other Interest	628,686	59,176,853
	1,023,580	59,797,266
Dividend Income	-	5,000
Net Gain/Loss on sale of Long -Term Investment	1,015,300	138,163
Other Non-Operating Income(net of expenses directly attributable to such income)		
Miscellaneous income	636,195	713,837
Sundry balance w/off	2,001,295	3,037,399
	2,637,490	3,751,236
Net gain on foreign currency transactions and translation	-	16,003
Total	4,676,370	63,707,668

Note-19

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Employee Benefit Expense		
Salaries and Wages	18,909,729	18,778,653
Contribution to Provident and other funds	1,141,372	502,057
Expense on Employee stock option scheme (ESOP)	4,918,928	5,983,305
Staff Welfare Expenses	1,016,403	457,572
Total	25,986,432	25,721,587

Note-20

Particulars	March 31, 2013	March 31, 2012
Other Expenses		
Power and fuel	15,313,053	9,574,850
Lease Rent	1,402,899	3,224,956
Repairs to Building	3,352,999	7,823,851
Repairs to Machinery	2,866,049	2,611,694
Insurance	5,051,789	3,017,969
Rates and Taxes, Excluding Taxes on Income	3,179,452	3,691,426
Loss on foreign currency transaction	84,358	3,137,522
Loss on sale of Assets	1,310	12,750
Payment to auditors		
- As Auditor	345,000	320,000
- For Taxation Matters	75,000	40,000
- For Management Services	25,000	60,000
- For Reimbursement of Expenses	112,071	79,837
Net Loss on sale of Investments		
from long-term investments	-	154,029
Camera Hiring Charges	5,006,850	4,832,733
Professional Charges Artist, Directors, Technicians	142,061,293	119,692,648
Location & Studio Hiring Charges	20,203,011	19,867,485
Set Expenses	26,192,207	12,191,455
Taxi and Equipment Hiring Charges	19,842,379	12,774,956
Shooting Expenses	27,870,541	20,420,673
Production travellings & conveyance	7,607,589	6,860,269
Publicity & Content expenses	32,797,250	66,315,122
Fees & Subscription	2,525,993	6,201,965
Consultancy & Legal charges	6,306,057	5,572,453
Miscellaneous Expenses	10,627,433	17,134,128
Total	332,849,583	325,612,771

Notes Forming part of the Financial Statements

NOTE-1

Corporate Information

The Company is running its production house under the brand name of "Studio-24". Programmes like, Sapno ke bhawar me, Baba Aisa Var Dhundoo and Madhubala amongst others cover a gamut of genres in producing of television programmes. The Company continues its focus on commissioned programmes and bagged contracts from prestigious channels. The Company also plans to focus on sponsored programmes.

NOTE - 2

Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 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.

2.3 Inventories

Stock of Tapes, Cassettes, Discs and Electronic Devices

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

Inventories Related to Television Software and Programme Pilots

The entire cost of the programme is charged to income when the programme is first exploited. The

inventory thus comprises of unamortized cost of such programmes. In case of Programme Pilots, the cost is expensed-off on first telecast or on after the review of realisability.

Inventories Related to Movies (Feature Films)

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

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

2.4 Cash and cash equivalents

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

2.5 Cash flow statement

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

2.6 Depreciation

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

2.7 Revenue Recognition

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

Interest is recognized using time proportion method.

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

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

2.8 Other Income

Interest income is accounted on accrual basis.

2.9 Fixed Assets & Capital Work-in-Progress

Tangible fixed assets

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

Capital work-in-progress

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

2.10 Intangible Fixed Assets

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

2.11 Foreign Currency Transactions

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

As per Schedule-VI of the Companies Act, 1956 exchange differences arising on foreign currency denominated liabilities relating to the Capital work in progress/Capital advance forms part of the Capital Work in progress/Capital Advance.

2.12 Government grants, subsidies and export incentives

No Government grants, subsidies and export incentives received during the financial year 2012-13

2.13 Investments

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

2.14 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 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".

2.15 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.

2.16 Segmental Reporting

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

2.17 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.

2.18 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.

2.19 Taxation

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

2.20 Impairment of Assets

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

2.21 Provisions, Contingent Liabilities and Contingent Assets

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

2.22 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.

2.23 Miscellaneous Expenditure

A. Preliminary Expenses

Preliminary expenses are amortized over a period of ten years from the year of commencement of commercial operations.

B. Deferred Revenue Expenditure

Deferred Revenue Expenditures are those expenditures which have been incurred in an accounting period and they do not create any assets but their benefit is spread in more than one accounting period.

Deferred Employee Compensation : 5 Years from the grant of the option

Expenditure incurred up to the date of commencement of commercial operations, not directly attributable to fixed assets are charged to the Statement of profit and loss during the year as per Accounting Standard-26 issued by the Institute of Chartered Accountants of India.

2.24 Employees stock option scheme (ESOS)

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognized as Deferred Employee Compensation expense and is amortized over the vesting period on the basis of generally accepting accounting principles in accordance with the guidelines of Securities and Exchange Board of India and guidance note issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price over the issue price of shares is recognized as employee compensation and is charged the Statement of profit and loss.

Additional information to the financial statements

1. Disclosure under Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 regarding Preferential Issue of Shares:
2. The financial disclosures as per Accounting Standard -27 issued by Institute of Chartered Accountants of India for the 50:50 Joint venture Sieun & B.A.G. Animation Private Limited of B.A.G. Films & Media Limited with Sieun Design Co. Limited of South Korea is given below.

	(Amt. in ₹)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
ASSETS		
Fixed Assets	11,914,970	11,914,970
Current Assets		
- Cash & Bank Balance	12,41,513	12,72,023
- Loans & Advances	Nil	Nil
Miscellaneous Expenses		
- Preliminary Expenses	2,46,670	2,46,670
- Pre-operative Expenses	12,28,189	11,94,663
LIABILITIES		
Share Capital		
Equity Share capital	96,67,520	96,67,520
Current Liabilities	49,63,821	49,60,806

The company has not started its commercial operations as at March 31, 2013

3. During the year B.A.G. Films & Media Limited has given loans and advances to its following subsidiaries:
 - i. News24 Broadcast India Limited: Rs. Nil (Maximum Amount outstanding during the year Rs. Nil) (Previous year Rs. 1,377,908,776).
 - ii. E24 Glamour Limited : Rs. Nil (Maximum Amount outstanding during the year Rs. Nil) (Previous year Rs. 269,403,815).
 - iii. Dhamaal24 Radio Network Limited : Rs. Nil (Maximum Amount outstanding during the year Rs. Nil) (Previous year Rs. 345,058,317).
 - iv. BAG Network Limited (Foreign subsidiary): Rs. 1,15,454 (Maximum Amount outstanding during the year Rs. 1,15,454) (Previous year Rs. Nil). The company BAG Network Limited became subsidiary of B.A.G. Films & Media Limited by virtue of control of the composition of the board of director in the company. The Company has not yet subscribed to the shares in wholly owned subsidiary i.e BAG Network Limited and there is nil transaction in this subsidiary.
 - v. BAG Animation Private Limited: Rs. 1,54,714 (Maximum Amount outstanding during the year Rs. 1,54,714) (Previous year Rs. Nil).
4. 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.
5. Earlier year adjustment (net) of Rs. 9,78,250 (Previous Year Rs. 19,73,544) in Reserves and Surplus Account
6. Employee Stock Option Scheme

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

Accordingly the Company under the intrinsic value method has recognized the excess of the market price over the exercise price of the option amounting to Rs. 49,18,928 as an expense during the year. Further, the Liability Outstanding as at March 31, 2013 in respect of Employees Stock Options Outstanding is Rs. 96,77,250. The balance deferred compensation expense Rs. 16,39,643 will be amortized over the remaining vesting period of Options.

The movement in the options granted to employees during the year ended March, 31 2013 under the “the BAG ESOP Scheme” is as below:

Particulars	March 31, 2013	March 31, 2012
Date of Grant	30-Jul-08	30-Jul-08
Market value on date of grant	Rs. 31.05	Rs. 31.05
Exercise Price	Rs. 3.00	Rs. 3.00
Vesting Period	5 Years	5 Years
Options outstanding at the beginning of year	1,50,000	2,25,000
Options granted (Nos)	NIL	NIL
Options forfeited/Lapsed (Nos)	NIL	NIL
Options exercised (Nos)	NIL	75,000
Options Expired (Nos)	NIL	NIL
Options outstanding at the end of year (Nos)	1,50,000	1,50,000

10. Contingent Liabilities and Commitments

(Amount in ₹)

	As at March 31, 2013	As at March 31, 2012
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
- to Bank	6,06,000	6,06,000
- on behalf of subsidiaries companies		

N24 Broadcast India Limited	5,27,00,000	5,27,00,000
E24 Glamour Limited	10,36,21,756	4,00,00,000
Dhamaal24 Radio Network limited	6,24,24,562	5,13,000
- on behalf of Other		
ARVR Education Society(Formerly Known as B.A.G. Education Society)	25,00,00,000	25,00,00,000
c) Other money for which the Company is contingently liable	Nil	Nil

	As at March 31, 2013	As at March 31, 2012
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	Nil	Nil
Intangible assets	Nil	Nil
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other commitments	Nil	Nil

- a) Guarantee given to bank amounting to Rs. 6,06,000 (Previous year Rs. 6,06,000) secure by fixed deposit.
- b) Guarantee given on behalf of subsidiaries:
- Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited amounting to Rs. 27,00,000 (Previous year Rs. 27,00,000).
 - Guarantee given on behalf of subsidiary company, Dhamaal24 Radio Network Limited amounting to Rs. 6,24,24,562 (Previous year Rs. 5,13,000).
 - Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited amounting to Rs. 5,00,00,000 (Previous year Rs. 5,00,00,000) by pledging 514,286 shares held by B.A.G. Films & Media Limited in the News24 Broadcast India Limited.
 - Guarantee given on behalf of subsidiary company, E24 Glamour Limited amounting to Rs. 10,36,21,756 (Previous year Rs. 4,00,00,000) (Guarantee of Rs. 400,00,000 secured by pledging 411,430 shares held by B.A.G. Films & Media Limited in the E24 Glamour Limited).
- c) Corporate Guarantees given in favour of bank by creating charge on land 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).

- d) Canara bank has provided Cash credit facility limit up to Rs. 12,00,00,000. The facility was sanctioned by the bank on the basis of 1st charge on Land and Building of B.A.G Films & Media Limited.
- e) During the year B.A.G Films & Media limited availed fresh facility of Rs. 32,00,00,000 (Previous Year Rs. 19,95,28,900 from Punjab National Bank) from Canara Bank in the form of term loan. The sanction given by bank on the basis of pari passu charge on Land and building of B.A.G Films & Media Ltd.

11. Loans & Advances

Interest free loans or advances given to subsidiary Companies are shown under the head Loans & Advances where there is no repayment schedule and are re-payable on demand. The loans have been given to fund the financial obligations for attaining the objective of media expansion plans of the Company.

12. 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. 43,52,16,860 (Previous Year Rs. Rs. 43,52,16,860) within eight years from issue of EPCG Licenses.

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

a) Defined Contribution Plans :

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

Employer's Contribution to Provident Fund :
Rs. 1,80,806 (Previous Year Rs. 1,87,905)

Employer's Contribution to ESI : Rs.39,617
(Previous Year Rs. 67,704)

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

Particulars	(Amt. in ₹)			
	Gratuity		Leave Encashment	
	March31, 2013	March31, 2012	March31, 2013	March31, 2012
Present value of obligation as at the beginning of the period	12,87,079	15,52,167	9,24,085	8,48,678
Current Service Cost	2,45,927	1,84,592	1,34,991	1,36,556
Interest Cost	1,02,966	1,31,934	73,927	72,138
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	3,77,047	(5,81,614)	(37,916)	(1,33,287)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailment and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Benefits Paid	(56,280)	NIL	NIL	NIL
Present value of obligation as at the end of the period	19,56,739	12,87,079	10,95,087	9,24,085

b. Expense recognized in the statement of profit and loss

Particulars	(Amt. in ₹)			
	Gratuity		Leave Encashment	
	March31, 2013	March31, 2012	March31, 2013	March31, 2012
Current service cost	2,45,927	1,84,592	1,34,991	1,36,556
Past service cost	--	--	--	--
Interest cost	1,02,966	1,31,934	73,927	72,138
Expected return on plan assets	--	--	--	--
Curtailment cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	3,77,047	(5,81,614)	(37,916)	(1,33,287)
Expenses recognized in the statement of profit & losses	7,25,940	(2,65,088)	1,71,002	75,407

c. Actuarial Assumptions

Particulars	(Amt. in ₹)			
	Gratuity		Leave Encashment	
	March31, 2013	March31, 2012	March31, 2013	March31, 2012
Discount Rate (%)	8.00	8.50	8.00	8.50
Expected Rate of increase in Compensation Levels (%)	5.50	6.00	5.50	6.00
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	22.04	22.83	22.04	22.83

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

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

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

Particulars	(Amt. in ₹)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Managing Directors Remuneration and Other Allowances	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

II. (Amt. in ₹)

Particulars	Year Ended March 31 , 2013	Year Ended March 31 , 2012
Sitting Fees,	315,000	450,000

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

iv. Activity in Foreign Currency

(Amt. in ₹)

Particulars	Year Ended March 31 , 2013	Year Ended March 31 , 2012
Earnings in Foreign Currency		
Income from Commissioned Serials	NIL	NIL
Income from Sale of Rights	NIL	NIL
Expenditure in Foreign Currency		
Fees & Subscription	7,68,734	5,85,810
Travel Expenses	1,49,339	NIL
Equipments Purchased	NIL	316,575
Import of Services	19,18,275	1,775,540
Interest	NIL	NIL

Value of Export of Services of Rs. NIL (Previous Year Rs. NIL).

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

(Amt. in ₹)

Particulars	Year Ended March 31 , 2013	Year Ended March 31 , 2012
Repairs & Maintenance –Building	33,52,999	7,823,851
Repairs & Maintenance – Machinery	28,66,049	2,611,694

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

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

(Amt. in ₹)

Particulars	Year Ended March 31 , 2013	Year Ended March 31 , 2012
Opening Balance of Deferred Tax Liability (Net)	3,20,40,807	2,72,62,895
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	(94,98,185)	52,90,396
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(277,155)	(68,895)
Disallowance under the Income Tax Act	Nil	(4,43,589)
Closing Balance of Deferred Tax Liability (Net)	2,22,65,467	3,20,40,807

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

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

1. List Of Related Parties

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

2. Detail of Related party Transactions during the year ended March 31, 2013

Particulars	Chairperson cum Managing Director		Subsidiaries		Promoter Company		Enterprises over which KMP are able to exercise significant influence & Associates	
	Year Ended March, 31		Year Ended March, 31		Year Ended March, 31		Year Ended March, 31	
	2013	2012	2013	2012	2013	2012	2013	2012
Salary	10,000,000	10,000,000	-	-	-	-	-	-
Lease rent on equipments received	-	-	55,573,888	54,396,860	-	-	-	-
Income from Television Programming	-	-	108,840,500	34,901,430	-	-	-	30,000,000
Advertisement Expenses	-	-	26,960,923	35,000,000	-	-	-	-
Expenses incurred	-	-	67,368,881	92,041,534	-	-	100,780	-
Interest Earned	-	-	-	59,156,584	-	-	-	-
Unsecured loan(taken)	-	-	-	-	-	98,437,500	-	-
Loan & Advances	-	-	154,714	187,599,382	-	-	-	50,288,123
Share application money invested	-	-	-	1,804,771,525	-	-	-	-

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

Particulars	As at March 31, 2013	As at March 31, 2012
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
iv) The amount of interest due and payable for the year	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

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

- The Company has not made any provision for cess payable u/s 441A of the Companies Act, 1956. The said provision shall be made as and when the requisite notification is issued by the Central Government in this regard.
- Earnings Per Share (EPS) is Computed in Accordance with Accounting Standard-20:-

(Amt. in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
i) Net Profit after tax as per Statement of profit and loss account	(8,85,89,009)	1,66,358
ii) short provision for tax of earlier years	978,250	19,73,544
iii) Net Profit attributable to Equity Shareholders	(8,76,10,759)	21,39,902
iv) Net Profit before Exceptional Item	(8,76,10,759)	21,39,902
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS	1,70,176,994	1,65,173,090
vi) Basic Earnings per share	(0.51)	0.01
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	1,70,176,994	1,79,066,533
viii) Diluted Earnings per share	(0.51)	0.01
ix) Basic Earnings (before exceptional item) per share	(0.51)	0.01
x) Diluted Earnings (before exceptional item) per share	(0.51)	0.01
xi) Face Value per equity share	2.00	2.00

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

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Joy Mukherjee
Partner

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

M.No. 074602
FRN: 006792C
Place : Noida
Date : May 30, 2013

Rajeev Parashar
Company Secretary

B.A.G FILMS AND MEDIA LIMITED

Cash Flow Statement for the year ended March 31, 2013

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(98,324,177)	6,337,152
Adjustments for:		
Depreciation and amortisation	145,300,409	112,071,628
(Profit) / loss on sale / write off of assets	1,310	12,750
Finance costs	94,164,569	74,168,480
Interest income	(1,023,580)	(59,797,266)
Dividend income	-	(5,000)
Net (gain) / loss on sale of investments	(1,015,300)	15,866
Liabilities / provisions no longer required written back	(2,001,295)	(3,037,400)
Other non-cash charges		
Adjustment relating to earlier year	978,250	1,973,544
	<u>236,404,363</u>	<u>125,402,602</u>
Operating profit / (loss) before working capital changes		
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(46,111,665)	(35,771,660)
Trade receivables	2,600,608	(14,415,954)
Short-term loans and advances	1,952,018,294	(339,024,168)
Other non-current assets	4,918,928	968,869
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(5,773,420)	(129,820,500)
Other current liabilities	(81,350,923)	53,992,101
Short-term provisions	-	(4,914,387)
Long-term provisions	840,662	791,344
	<u>1,827,142,484</u>	<u>(468,194,354)</u>
Cash generated from operations	1,965,222,670	(336,454,601)
Net cash flow from / (used in) operating activities (A)	<u>1,965,222,670</u>	<u>(336,454,601)</u>
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(12,522,292)	(277,629,455)
Proceeds from sale of fixed assets	(209,123,131)	158,334,578
Purchase of long-term investments		
- Subsidiaries	(1,845,652,414)	-
- Associates	-	(240,000)
- Others	-	(10,000,000)
Proceeds from sale of long-term investments		
- Others	11,015,300	114,563,928
Interest received		
- Subsidiaries	628,686	59,156,584

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
- Associates	-	20,269
- Others	394,894	620,413
Dividend received		
- Others	-	5,000
Net cash flow from / (used in) investing activities (B)	(2,055,258,957)	44,831,317
C. Cash flow from financing activities		
Proceeds from issue of equity shares	76,375,000	6,874,000
Proceeds from issue of share warrants	(109,187,500)	96,202,423
Proceeds from long-term borrowings	361,885,508	101,191,394
Proceeds from other short-term borrowings	(86,586,585)	102,283,369
Finance cost	(94,164,569)	(74,168,480)
Net cash flow from / (used in) financing activities (C)	148,321,854	232,382,706
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	58,285,567	(59,240,578)
Cash and cash equivalents at the beginning of the year	48,340,498	107,581,076
Cash and cash equivalents at the end of the year	106,626,065	48,340,499
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	106,626,065	48,340,498
Cash and cash equivalents at the end of the year *	106,626,065	48,340,498
* Comprises:		
(a) Cash on hand	582,865	2,587,888
(b) Cheques, drafts on hand	-	25,049,544
(c) Balances with banks		
(i) In current accounts	99,487,605	14,292,018
(ii) In deposit accounts with original maturity of less than 3 months	1,138,806	1,831,176
(iiii) In earmarked accounts	3,819,000	3,819,000
(d) Others		
Staff Imprest	1,597,789	760,872
	106,626,065	48,340,498

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

For and on behalf of the Board of Directors

Joy Mukherjee
Partner

Anuradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

M.No. 074602
FRN: 006792C
Place : Noida
Date : May 30, 2013

Rajeev Parashar
Company Secretary

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

Name of the Subsidiary Companies	Dhamaal24 Radio Network Limited	E24 Glamour Limited	News24 Broadcast India Limited	B.A.G. Animation Private Limited
Financial year ended on	March 31 ,2013	March 31 ,2013	March 31 ,2013	March 31 ,2013

Shares of the Subsidiary Held By

B.A.G. Films & Media Limited On The Above Date:

A) Number	20,614,100	17,307,327	17,123,151	496,100
Face Value	Rs. 10	Rs. 10	Rs. 10	Rs. 10
B) Extent Of Holding	72.55%	68.01%	66.64%	98.02%
The net aggregate amount of Profits/(Losses) of the Subsidiary Company for the above financial year so far as It concerns the members of B.A.G. Films & Media Limited	(38,136,236)	22,571,156	(157,589,581)	(72,876)
A) Dealt With In The Accounts of The Company For The Year Ended March 31,2013	Yes	Yes	Yes	Yes
B) Not Dealt With In The Accounts of The Company For The Year Ended March 31, 2013	Nil	Nil	Nil	Nil
Net Aggregate Amount of Profits/(Loss) For previous financial years of the subsidiary, A Subsidiary so far as It concerns members of since It became B.A.G. Films & Media Limited	(98,848,586)	(382,743,219)	(896,984,422)	(423,852)
A) Dealt With In The Accounts of The Company For The Year Ended March 31, 2013	Yes	Yes	Yes	Yes
B) Not Dealt With In The Accounts of The Company For The Year Ended March 31, 2013	Nil	Nil	Nil	Nil

The Company has not yet subscribed to the shares in wholly owned subsidiary i.e. B.A.G Network Limited (UAE) and there is nil transaction in this subsidiary.

For and on behalf of the Board of Directors

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Place : Noida
Date : May 30, 2013

Rajeev Parashar
Company Secretary

Independent Auditors' Report on Consolidated Financial Statements

To

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

We have audited the accompanying consolidated financial statements of BAG Films & Media Limited ('the Company') and its subsidiaries, which comprise the consolidated balance sheet as at 31 March 2013, the consolidated statement of profit and loss and consolidated cash flows statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the consolidated statement of profit and loss, of the loss for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of Joy Mukherjee & Associates
Chartered Accountants

Place : Noida
Dated : May 30, 2013

Joy Mukherjee
Partner
Membership No.074602
FRN: 006792C

B.A.G Films and Media Limited
Consolidated Balance Sheet as at March 31, 2013

Particulars	Note No.	March 31, 2013		March 31, 2012	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	340,265,339		330,265,339	
(b) Reserves and Surplus	2	327,422,177		901,932,331	
(c) Money received against share warrants		-		109,187,500	
Total of shareholders' funds			667,687,516		1,341,385,170
2. Share application money pending allotment	3	176,600,000	176,600,000	176,600,000	176,600,000
3. Minority interest		270,173,090	270,173,090	1,630,625	1,630,625
4. Non-current liabilities					
(a) Long-term borrowings	4	1,202,657,534		670,677,523	
(b) Deferred Tax liabilities (Net)		36,003,936		45,550,367	
(c) Long-term Provisions	5	8,298,072		7,154,020	
			1,246,959,542		723,381,910
5. Current Liabilities					
(a) Short term borrowings	6	139,394,960		237,579,084	
(b) Trade payables		165,602,633		147,366,779	
(c) Other current liabilities	7	157,444,933		244,602,076	
(d) Short term provisions	8	12,388,017		20,165,861	
			474,830,543		649,713,800
TOTAL			<u>2,836,250,691</u>		<u>2,892,711,505</u>
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	1,003,035,616		967,810,559	
(ii) Intangible assets	10	104,837,169		104,517,396	
(iii) Capital work-in-progress		265,299,264		27,190,033	
(b) Non-current investments	11	15,838,938		25,838,938	
(c) Other non-current assets	12	2,705,413		7,890,789	
			1,391,716,400		1,133,247,715
2. Current assets					
(a) Inventories	13	393,254,788		327,798,553	
(b) Trade receivables	14	289,694,518		420,436,476	
(c) Cash and Cash equivalents	15	219,094,150		136,222,150	
(d) Short-term loans and advances	16	542,490,835		875,006,611	
			1,444,534,291		1,759,463,790
TOTAL			<u>2,836,250,691</u>		<u>2,892,711,505</u>

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered AccountantsAnurradha Prasad
Chairperson cum Managing DirectorAnuradha Mishra
DirectorRajeev Parashar
Company SecretaryJoy Mukherjee
PartnerPlace : Noida
Date : May 30, 2013M.No. 074602
FRN: 006792C

B.A.G Films and Media Limited

Consolidated Statement of Profit and Loss for the Period ended March 31, 2013

Particulars	Note No.	March 31, 2013		March 31, 2012	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	17	1,175,570,515		1,169,287,494	
II Other Income	19	7,960,332		10,549,970	
III Total Revenue (I + II)			1,183,530,847		1,179,837,464
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		(65,456,235)		(75,577,334)	
Employee benefits expense	20	197,223,876		200,766,783	
Finance Costs	18	112,272,606		74,395,140	
Depreciation and amortization expense		208,195,335		155,815,516	
Other expense	21	1,121,951,574		1,155,805,005	
Total Expense			1,574,187,156		1,511,205,110
V Profit before exceptional and extraordinary items and tax (III-IV)			(390,656,309)		(331,367,646)
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			(390,656,309)		(331,367,646)
VIII Extraordinary items			-		-
IX Profit before tax (VII-VIII)			(390,656,309)		(331,367,646)
X Tax expense:					
(1) Current tax/Wealth Tax		40,172		1,392,882	
(2) Deferred tax		(9,546,431)		1,549,170	
			(9,506,259)		2,942,052
XI Profit/(Loss) for the period (IX - X)			(381,150,050)		(334,309,698)
XII Earnings per equity share:					
(1) Basic			(2.19)		(2.03)
(2) Diluted			(2.19)		(2.03)

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered Accountants

Anurradha Prasad
Chairperson cum Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner

Place : Noida
Date : May 30, 2013

M.No. 074602
FRN: 006792C

Notes to Financial Accounts

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Note-1		
Share Capital		
Equity Share Capital		
Authorised Share Capital		
200,000,000 Equity Shares of Rs. 2/- each	400,000,000	400,000,000
(Previous Year 200,000,000 Equity Shares @ Rs. 2/- each)		
Total	400,000,000	400,000,000
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for Cash in Preferential Allotment	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)		
20,000,000 Equity Shares of Rs. 2/- Each Fully Paid up for cash by Converting Share Warrants	40,000,000	30,000,000
(Previous Year 15,000,000 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
405000 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		
	340,436,180	330,436,180
Calls unpaid (170,841 Equity Shares @ Rs. 1/-)	170,841	170,841
Total	340,265,339	330,265,339

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

Equity shares with voting rights

Name of Shareholders	March 31, 2013
	No. of Shares
Anurradha Prasad 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 and subscribed and fully paid up:

Particulars	Number of Shares	
	March 31, 2013	March 31, 2012
Equity capital		
- Number of shares held	170,218,090	165,218,090
- Number of share holders [including their nominees]	45,295	46,482

Details of issued and subscribed and not fully paid up shares:

Particulars	Number of Shares	
	March 31, 2013	March 31, 2012
Equity capital		
- Number of shares held	170,841	170,841
- Number of share holders [including their nominees]	287	287

Details of Call unpaid

Particulars	March 2013		March 2012	
	Number of Shares	Total	Number of Shares	Total
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,841	170,841	170,841	170,841

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 31, 2013
Issued , Subscribed and fully paid up:-

Particulars	Number of Shares	Total
Equity share with Voting Rights		
Opening Balance	165,218,090	330,436,180
Conversion	5,000,000	10,000,000
Closing Balance	170,218,090	340,436,180

Issued , Subscribed and not fully paid up:-

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

Note-2

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Reserves and Surplus		
Capital Reserves		
Opening Balance	24,969,054	24,969,054
Add: Additions during the year	-	-
Sub Total	24,969,054	24,969,054
General Reserves		
Opening Balance	37,927,284	37,927,284
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Sub Total	37,927,284	37,927,284
Securities Premium Reserves		
Opening Balance	2,769,692,193	2,764,120,443
Add : Premium on Share Issued during the year	66,375,000	5,571,750
	2,836,067,193	2,769,692,193
Less: Calls Unpaid (170841 Equity Shares @ Rs.4/-)	683,364	683,364
Sub Total	2,835,383,829	2,769,008,829
Employee Stock option outstanding account		
Opening Balance	9,677,250	8,664,000
Add: Repricing Cost	-	6,450,000
Less: Shares allotted during the year	-	5,436,750
Sub Total	9,677,250	9,677,250
Surplus		
Opening Balance	(1,939,650,086)	(1,602,007,221)
Add: Profit / (Loss) for the year	(1,090,197,560)	(69,791,093)
Minority Interest	440,505,045	(266,149,230)
Adjustment relating to earlier year	8,807,361	(1,702,542)
Sub Total	(2,580,535,240)	(1,939,650,086)
Total	327,422,177	901,932,331

Note-3

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Share Application Money Pending Allotment	176,600,000	176,600,000

As at March 31, 2013, the company has Rs. 161,600,000 outstanding as share application money to be converted into equity. The Company proposes to convert this into equity shares at a fair valuation. The Company has sufficient authorised capital to cover the allotment of these shares.

As at March 31, 2013, the company has Rs. 15,000,000 outstanding as share application money to be converted into equity. The Company proposes to convert this into equity shares at a fair valuation. The Company has sufficient authorised capital to cover the allotment of these shares.

Note-4

Particulars	March 31, 2013	March 31, 2012
Long- Term Borrowings		
Secured Loans		
A. Vehicle Loans		
- From Bank	1,309,087	1,198,623
B. Term loans		
- From Bank	828,622,037	318,278,900
C. Deposits	3,200,000	1,200,000
D. Others Loan & advances	90,000,000	90,000,000
Unsecured Loans		
A. Optionally fully convertible Debentures	250,000,000	250,000,000
B. Others	29,526,410	10,000,000
Total	1,202,657,534	670,677,523

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 Loan of Rs. 25 Crores taken from Punjab National Bank, secured by pari passu charge on Immovable Property and repayable in 48 monthly installments start from 1st October 2013 .

Term Loan of Rs. 24.95 Crores taken from Punjab National Bank, secured by pari passu charge on Immovable Property and repayable in 41 monthly installments start from October 01, 2013 .

Term Loan of Rs. 32.00 Crores taken from Canara Bank, secured by hypothecation of assets and pari passu charge on Immovable Security, repayable in 12 Quarters of equal installment start from March 15, 2015.

Term Loan of Rs. 19.34 Crores taken from Dena Bank, secured by Immovable Property and repayable in 17 Quarters of equal installment start from first quarter of Financial year 2013-14.

B. Vehicle Loans from banks:

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

C. Security Deposit:

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

D. Others Loan & advances

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

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

Disclosure in relation to default in repayment of loans and interest in respect of the following:**A. Term loans from banks:**

No default has been made in repayment of Principal and interest on term loan during the financial year ending March 31, 2013.

B. Vehicle Loans from banks:

No default has been made in repayment of Principal and interest on vehicle loan during the financial year ending March 31, 2013.

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 both the parties.

Note-5

Particulars	March 31, 2013	March 31, 2012
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	5,635,106	4,515,904
Others		
- Provision for Leave encashment	2,662,966	2,638,116
Total	8,298,072	7,154,020

Note-6

Particulars	March 31, 2013	March 31, 2012
Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Bank	119,394,960	127,544,045
Unsecured		
Loans and advances from related parties	-	98,437,500
Other loans and advances	20,000,000	-
Total	139,394,960	225,981,545

Details of security for the secured short-term borrowings:

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

Note-7

Particulars	March 31, 2013	March 31, 2012
Current maturities of long term debt	71,391,435	112,516,268
Income received in advance	4,911,648	6,448,704
Unclaimed Dividend	383,308	564,809
Other payables		
Statutory remittances	866,620	2,153,353
Taxes Payable	8,573,651	63,657,175
Other Liability	35,175,972	41,347,690
Employee Cost	15,831,796	14,389,742
Advances from customers	20,310,503	3,524,335
Total	157,444,933	244,602,076

Note-8

Particulars	March 31, 2013	March 31, 2012
Short-Term Provisions		
Provision for Income Tax	12,307,673	20,125,689
Provision for Wealth Tax	80,344	40,172
Total	12,388,017	20,165,861

Note 9 - Fixed assets schedule as per Companies act , 1956 for the Year ended on March 31, 2013.
Tangible Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2012	Addition during the year	Sale/ Adj during the year	Cost as at 31.03.2013	Accumulated Depreciation as at 01.04.2012	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2013	W.D.V as at 31.03.2013	W.D.V as at 31.03.2012
Land & Site Development	57,825,219	-	-	57,825,219	-	-	-	-	57,825,219	57,825,219
Building	167,930,025	6,738,480	-	174,668,505	44,319,887	6,436,200	-	50,756,087	123,912,418	123,610,138
Plant & Machinery	697,596,533	208,694,488	-	906,291,021	288,319,581	94,593,813	-	382,913,394	523,377,627	409,276,952
Computers & Peripherals	291,197,313	8,106,919	-	299,304,232	208,935,073	29,247,544	-	238,182,616	61,121,616	82,262,240
Vehicle	27,180,630	1,654,523	52,566	28,782,587	19,432,835	2,001,480	18,711	21,415,604	7,366,983	7,747,795
Furnitures & Fixtures	295,228,851	1,229,607	-	296,458,458	97,135,940	46,711,571	-	143,847,511	152,610,947	198,092,911
Office Equipments	149,176,990	2,245,871	207,229	151,215,632	60,181,686	14,316,383	103,244	74,394,825	76,820,807	88,995,304
TOTAL	1,686,135,561	228,669,888	259,795	1,914,545,653	718,325,003	193,306,990	121,955	911,510,037	1,003,035,616	967,810,557

Amount in ₹

Note 10 - Fixed assets schedule as per Companies act , 1956 for the Year ended on March 31, 2013.
Intangible Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	Cost as at 01.04.2012	Addition during the year	Sale/ Adj during the year	Cost as at 31.03.2013	Accumulated Depreciation as at 01.04.2012	Depreciation for the year	Adjustment for the year	Accumulated Depreciation as at 31.03.2013	W.D.V as at 31.03.2013	W.D.V as at 31.03.2012
Computer Software	203,680,096	15,226,828	-	218,906,924	128,254,919	9,917,423	-	138,172,342	80,734,581	75,425,176
Radio Licences Fees	49,910,000	-	-	49,910,000	20,817,780	4,989,633	-	25,807,413	24,102,587	29,092,220
Total	253,590,096	15,226,828	-	268,816,924	149,072,699	14,907,056	-	163,979,755	104,837,168	104,517,396

Amount in ₹

Note-11

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Non-Current Investments		
Trade Investments at cost		
Quoted		
5,000 Equity Shares of Mukta Arts Limited Having Face Value of Rs. 5/- per share fully paid up Purchased @ Rs.100/- Per Equity Share (Market Value as on 31-03-2013 is Rs. 28.40) (Previous Year Rs. 28.90)	500,000	500,000
Investment in Mutual Funds	4,621,178	14,621,178
Non Trade Investment at Cost		
Unquoted		
12,400 Equity Shares of B.A.G.Infotech Private Limited Having Face Value of Rs 10/- per share fully paid-up	124,000	124,000
24,500 Equity Shares(Previous Year 24,500 Equity Shares) of B.A.G. Live Entertainment Limited Having Face Value of Rs 10/- per share fully paid-up	314,000	314,000
485,000 Equity Shares(Previous Year 245,000 Equity Shares) of B.A.G. Business Ventures Limited Having Face Value of Rs 1/- per share fully paid-up	485,000	245,000
NIL Equity Shares(Previous Year 24,000 Equity Shares) of Nautanki Films Private Limited Having Face Value of Rs 10/- per share fully paid-up	-	240,000
In Joint Venture Company at Cost		
Unquoted		
483,376 Equity Shares (Previous Year 483,376 Equity Shares) of Seiun and B.A.G. Animation Private Limited Having Face Value of Rs. 10/- per Shares fully paid up	4,833,760	4,833,760
In Subsidiaries at cost		
Unquoted		
496,100 Equity Shares (Previous Year 496,100 Equity Shares) of B.A.G. Animation Private Limited Having face Value of Rs. 10/- per Shares fully Paid up	4,961,000	4,961,000
Total	15,838,938	25,838,938

Particulars	As at March 31, 2013		As at March 31, 2012	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	-	500,000	-
ii) Investment in mutual funds				
1. Franklin India Prima Fund	283,382	-	283,382	-
2. Principal Cash Management Fund	62,596	-	62,596	-
3. Pru ICICI Infrastructure Fund-Div Payout	2,000,000	-	2,000,000	-
4. Tata Fixed Maturity Plan	-	-	10,000,000	-
5. Tata Indo-Global Infrastructure Fund	2,000,000	-	2,000,000	-
6. Templeton Treasury Management Account	275,200	-	275,200	-
B. Other Investment				
Investment in equity instruments				
(i) of subsidiaries	-	4,961,000	-	4,961,000
(ii) of joint venture companies	-	4,833,760	-	4,833,760
(iii) of other entities	-	923,000	-	923,000
	5,121,178	10,717,760	15,121,178	10,717,760

C. Market value of Quoted Investment

The current market price of investment in Mukta Arts Limited is Rs. 142,000/-

* Aggregate values of quoted investment is Rs. 500,000/- (Previous Year Rs. 500,000/-) , The current market price of the said shares is Rs. 142,000/-

(Previous Year Rs. 144,500/-), This is being long term investment , the company considers this fall in value as temporary.

*Aggregate value of quoted investment (Mutual Fund) is Rs. 4,621,178/- (Previous Year Rs. 14,621,178/-)

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

Valuation of Investment

Long term investments are stated at cost.

Note-12

Particulars	Amount in ₹	
	March 31, 2013	March 31, 2012
Other Non-Current Assets		
Unamortised expenses		
A. Preliminary Expenses		
Opening Balance	1,332,218	3,034,230
Add: Incurred during the year	-	-
	1,332,218	3,034,230
Less: Written off	266,448	1,702,012
Sub Total	1,065,770	1,332,218
B. Deferred Employee Compensation		
Opening Balance	6,558,571	6,091,876
Add: Incurred during the year	-	6,450,000
	6,558,571	12,541,876
Less: Written off	4,918,928	5,983,305
Sub Total	1,639,643	6,558,571
B. Preoperative Expense		
Opening Balance	-	1,265,695
Add: Incurred during the year	-	-
	-	1,265,695
Less: Written off	-	1,265,695
Sub Total	-	-
Total	2,705,413	7,890,789

Note-13

Particulars	March 31, 2013	March 31, 2012
Inventories		
Raw Materials	618,430	618,430
Work in Progress	20,848,375	20,848,375
Finished Goods	371,787,983	306,331,748
Total	393,254,788	327,798,553

Note-14

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Trade Receivables		
Unsecured, Considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	43,514,840	28,523,010
	43,514,840	28,523,010
Less: Provision for doubtful trade receivables	-	-
Sub Total	43,514,840	28,523,010
Other Trade receivables	246,179,678	391,913,466
	246,179,678	391,913,466
Less: Provision for doubtful trade receivables	-	-
Sub Total	246,179,678	391,913,466
Total	289,694,518	420,436,476

Note-15

Particulars	March 31, 2013	March 31, 2012
	Cash and Cash Equivalents	
Cash in hand	707,137	3,276,836
Cheques , Draft in hand	84,695,088	80,479,584
Balance with Banks		
- In current accounts	105,792,950	28,040,956
- In deposit accounts	5,622,163	3,958,993
- In earmarked accounts		
- Balances held as "security against guarantees"	20,554,643	19,562,913
Imprest with Staff	1,722,169	902,868
Total	219,094,150	136,222,150

1. Guarantee given to bank amounting to Rs. 6,06,000 (Previous year Rs. 6,06,000) secure by fixed deposit.
2. Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited amounting to Rs. 27,00,000 (Previous year Rs. 27,00,000).
3. Guarantee given on behalf of subsidiary company, Dhamaal24 Radio Network Limited amounting to Rs. 5,13,000 (Previous year Rs. 5,13,000).

Note-16

Particulars	March 31, 2013	March 31, 2012
	Short Term Loans and Advances	
Unsecured , Considered Good		
A. Loans and advances to related parties	93,430,435	58,954,740
	93,430,435	58,954,740
Less: Provision for doubtful loans and advances	-	-
Sub Total	93,430,435	58,954,740
B. Balances with government authorities		
Advance Taxes	87,512,024	112,120,856
Service Tax Credit	2,169,475	2,767,163
Sub Total	89,681,499	114,888,019
C. Earnest Money & Security Deposits	23,737,317	22,824,142
	23,737,317	22,824,142
Less: Provision for doubtful loans and advances	-	-
Sub Total	23,737,317	22,824,142
D. Prepaid Expenses	30,120,045	16,380,259
Sub Total	30,120,045	16,380,259
E. Loans and advances to employees		
Unsecured, considered good	2,638,987	1,534,633
	2,638,987	1,534,633

Particulars	March 31, 2013	March 31, 2012
Less: Provision for doubtful loans and advances	-	-
Sub Total	2,638,987	1,534,633
F. Others		
Advances to others	302,882,552	660,424,818
Sub Total	302,882,552	660,424,818
Total	542,490,835	875,006,611

Note-17

Particulars	March 31, 2013	March 31, 2012
Revenue from Operations		
Revenue from- Sale of Services		
Audio-Vedio Productions	256,813,977	348,094,410
Media Education	18,485,256	14,156,562
Advertisement sales revenue	890,796,122	804,052,564
Sub Total	1,166,095,355	1,166,303,536
Other Operating Revenues		
Income from Rent	9,475,160	2,983,958
Sub Total	9,475,160	2,983,958
Total	1,175,570,515	1,169,287,494

Note-18

Particulars	March 31, 2013	March 31, 2012
Finance Cost		
A. Interest expense on Borrowing	103,437,651	73,692,128
Other	32,141	-
B. Other borrowing cost		
Bank Charges	805,841	703,012
Processing Fees	7,996,973	
Total	112,272,606	74,395,140

Note-19

Particulars	March 31, 2013	March 31, 2012
Other Income		
Interest Income		
Interest income from Bank		
Deposit	1,871,759	1,576,524
Other Balance	-	160,766
	1,871,759	1,737,291
Other Interest	893,407	296,879
	2,765,166	2,034,170
Dividend Income	-	5,000
Net Gain/Loss on sale of Long -Term Investment	1,015,300	138,163
Other Non-Operating Income(net of expenses directly attributable to such income)		
Income from Equipment Hiring	1,265,880	1,265,880
Profit on sale of fixed assets	-	395,011
Miscellaneous income	853,166	1,959,515
Sundry balance w/off	2,060,820	4,736,228
	4,179,866	8,356,634
Net gain on foreign currency transactions and translation	-	16,003
Total	7,960,332	10,549,970

Note-20

Particulars	Amount in ₹	Amount in ₹
	March 31, 2013	March 31, 2012
Employee Benefit Expense		
Salaries and Wages	180,666,380	186,898,625
Contribution to Provident and other funds	7,153,186	5,802,691
Expense on Employee stock option scheme (ESOP)	4,918,928	5,983,305
Staff Welfare Expenses	4,485,382	2,082,162
Total	197,223,876	200,766,783

Note-21

Particulars	March 31, 2013	March 31, 2012
Other Expenses		
Power and fuel	41,488,173	33,760,971
Rent	7,419,959	8,355,548
Repairs to Building	3,695,185	8,375,952
Repairs to Machinery	6,578,167	6,437,386
Insurance	5,056,986	3,186,712
Rates and Taxes, Excluding Taxes on Income	8,566,715	9,011,746
Loss on foreign currency transaction and transaction	124,711	3,199,885
Loss on sale of assets	26,415	12,750
Payment to auditors		
- As Auditor	570,000	470,000
- For Taxation Matters	195,000	160,000
- For Management Services	55,000	90,000
- For Reimbursement of Expenses	177,709	104,210
Net Loss on sale of Investments from long-term investments	-	154,029
Camera Hiring Charges	5,006,850	4,832,733
Professional Charges Artist, Directors, Technicians	156,802,963	134,528,326
Location & Studio Hiring Charges	20,204,510	19,870,985
Set Expenses	1,208,872	12,999,858
Equipment Hiring Charges	19,980,379	12,794,705
Shooting Expenses	28,566,700	21,138,512
Travelling & conveyance	30,704,116	33,773,922
Publicity & Content expenses	31,471,805	32,857,315
Fees & Subscription	16,405,908	7,782,503
Consultancy & Legal charges	9,108,292	7,871,278
Royalty	54,178,412	47,710,353
License & Other Operational Fees	17,234,743	23,579,041
Security Services	1,514,236	1,453,483
Bad & doubtful debt W/off	9,882,513	1,955,274
Commission & Other Marketing Expenses	834,871	1,100,119
Preoperative W/off	-	1,265,695
Space segment charges	15,718,379	14,116,569
Telephone , Courier, Postage& Telegram	8,649,307	9,508,901
Subscription Charges	-	14,239,153
Stories Purchases	2,886,600	4,082,834
Office maintenance	8,503,349	12,296,893
Annual Maintenance charges	7,601,199	5,755,912
Carriage Charges	525,834,324	611,383,753
Advertisement & Publicity	34,863,220	11,479,295
Uplinking Charges	9,846,652	8,151,860
Miscellaneous Expenses	30,989,354	25,956,543
Total	1,121,951,574	1,155,805,005

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-1

Significant Accounting Policies

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

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

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

1.3 Other significant accounting policies

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

A) Notes to Accounts

Additional information to the Consolidated Financial Statements

Share application money pending allotment

1. As at March 31, 2013, Subsidiary Companies had received an amount to the tune of Rs 17,66,00,000.00 (Previous year Rs.17,66,00,000.00) as unsecured loan & advances. Companies proposed to convert this amount into equity shares within the financial year 2013-14 at price determined by Fair Valuation; hence the amount of unsecured loan has been converted into share application money. The authorized capital of the company may have to be increased depending upon the share premium determined as above.
2. The details of subsidiaries (all incorporated in India) included in the consolidated financial statements are as under :-

Name of the Subsidiaries	Proportion of ownership as at March 31, 2013
Dhamaal24 Radio Network Limited	72.55%
E24 Glamour Limited	68.01%
News24 Broadcast India Limited	66.64%
B.A.G Animation Private Limited**	98.02%
B.A.G. Network Limited**	100.00%

**The company B.A.G. Animation Private Limited became subsidiary of B.A.G. Films & Media Limited by virtue of the investment of Rs. 4,961,000 in 496,100 (98.02%) equity shares of Rs. 10 each made in the financial year 2007-08. The company B.A.G Network Limited (UAE) became subsidiary of B.A.G. Films & Media Limited by virtue of control of the composition of the board of director in the company. However the subsidiaries could not commence its commercial operations. The subsidiaries are immaterial to the group by virtue of insignificant investment as a whole and nil turnovers hence not included in the Consolidated Financial Statements as per the Accounting Standard-21. The investment in the subsidiary has been accounted for in accordance with Accounting Standard -13.

3. The Company has valued its investment in equity shares of Mukta Arts Limited at cost. The current market price of the said shares is Rs. 142,000 (Previous year Rs. 144,500). This being a long-term investment, the Company considers this fall in value as temporary.
4. The financial disclosures as per Accounting Standard

-27 issued by Institute of Chartered Accountants of India for the 50:50 Joint venture Sieun & B.A.G. Animation Private Limited of B.A.G. Films & Media Limited with Sieun Design Co. Limited of South Korea is given below.

(Amount in ₹)

Particular	For the year ended March 31, 2013	For the year ended March 31, 2012
(Amount in ₹)		
ASSETS		
Fixed Assets	11,914,970	11,914,970
Current Assets		
- Cash & Bank Balance	12,41,513	12,78,383
- Loans & Advances	Nil	Nil
Miscellaneous Expenses		
- Preliminary Expenses	2,46,670	2,46,670
- Pre-operative Expenses	12,28,189	11,94,663
LIABILITIES		
Share Capital		
Equity Share capital	96,67,520	96,67,520
Current Liabilities	49,63,821	49,60,806

The company has not started its commercial operations as at March 31, 2013.

5. Commitments & Contingent Liabilities

(Amount in ₹)

Particular	For the year ended March 31, 2013	For the year ended March 31, 2012
(Amount in ₹)		
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
- to Bank	93,88,231	12,571,231
- on behalf of Other	250,000,000	250,000,000
ARVR Education Society (Formerly Known as B.A.G. Education Society)		

Particular	For the year ended March 31, 2013	For the year ended March 31, 2012
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	Nil	Nil
Intangible assets	Nil	Nil
b) Uncalled liability on shares and other investments partly paid	Nil	Nil
c) Other commitments	Nil	Nil

6. 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. 498,912,580 (Previous year Rs.498,912,580) within Eight years.

7. Loans & Advances

Interest free Loans or advances given to subsidiary Companies are shown under the head Loans & Advances where there is no repayment schedule and are re-payable on demand. The loans have been given to fund the financial obligations for attaining the objective of media expansion plans of the Company.

8. Employee Stock Option Scheme

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

Accordingly the Company under the intrinsic value method has recognized the excess of the market price over the exercise price of the option amounting to Rs. 49,18,928 as an expense during the year. Further, the Liability Outstanding as at March 31, 2013 in respect of Employees Stock Options Outstanding is Rs. 96,77,250. The balance deferred compensation expense Rs. 16,39,643 will be amortized over the remaining vesting period of Options.

The movement in the options granted to employees during the year ended March 31, 2013 under the "the BAG ESOP Scheme" is as below:

(Amount in ₹)

Particulars	March 31, 2013	March 31, 2012
Date of Grant	30-Jul-08	30-Jul-08
Market value on date of grant	Rs. 31.05	Rs. 31.05
Exercise Price	Rs. 3.00	Rs. 3.00
Vesting Period	5 Years	5 Years
Options outstanding at the beginning of year	3,45,000	4,80,000
Options granted (Nos)		
Options forfeited/Lapsed (Nos)	NIL	NIL
Options exercised (Nos)	NIL	135,000
Options Expired (Nos)	NIL	Nil
Options outstanding at the end of year (Nos)	3,45,000	3,45,000

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

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

(Amount in ₹)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Managing Director Remuneration and Other Allowances	10,000,000	10,000,000
Total	10,000,000	10,000,000

Remuneration to Non-Executive Directors

(Amount in ₹)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Sitting Fees	315,000	450,000

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

c) Activity in Foreign Currency

(Amount in ₹)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Expenditure in Foreign Currency	68,27,620	133,66,955

d) Repairs & Maintenance included in the total cost is as follows:

(Amount in ₹)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Repairs & Maintenance – Others	36,95,185	83,75,952
Repairs & Maintenance – Machinery	65,78,167	64,37,386

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

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

(Amount in ₹)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Opening Balance of Deferred Tax Liability(Net)	455,50,367	4,40,01,197
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	(90,90,284)	33,87,145
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(373,815)	(10,85,618)
Disallowance under the Income Tax Act	(82,332)	(7,52,356)
Closing Balance of Deferred Tax Liability(Net)	360,03,936	455,50,367

11. The business segments have been considered as the primary segment. The company is organized into five main Business namely Audio- Visual production, Movies, Leasing, FM Radio & Television Broadcasting. The above Business segments have been identified considering the different nature of activities carried on by these business divisions. Segments revenue, results, assets, and liabilities have been accounted

for on the basis of their relationship to the related business activities of the segment and amounts allocated on a reasonable basis to the business segment.

Segment wise Revenue, Result and Capital Employed

(Amount in ₹)

S. No.	Particulars	Year ended March 31, 2013	Year ended March 31, 2012
1	Segment Revenue		
	a) Audio -Visual Production	275,299,233	362,250,972
	b) Leasing	9,475,160	-
	c) FM Radio	51,499,631	103,146,435
	d) Television Broadcasting	839,296,491	700,906,130
	Total	11,75,570,515	11,66,303,537
	Less: Inter Segment Revenue	-	-
	Net Sales/Income from Operations	11,75,570,515	11,66,303,537
2.	Segment Results		
	a) Audio -Visual Production	(22,752,603)	95,347,757
	b) Leasing	(54,645,847)	(40,187,259)
	c) F.M.Radio	(12,996,650)	46,296,409
	d) Television Broadcasting	97,988,381	(65,523,206)
	Total	7,593,281	35,933,700
	Less:		
	I) Interest	112,272,606	74,395,140
	II) Other Un-allocable Expenditure Net off unallocable income	285,976,991	292,906,206
	Total Profit Before Tax	(390,656,316)	(331,367,646)
3.	Capital Employed		
	a) Audio -Visual Production	649,368,955	701,557,021
	b) Movies	44,161,955	44,161,955
	c) Leasing	381,548,358	350,222,806
	d) F.M.Radio	353,487,049	358,454,899
	e) Television Broadcasting	142,945,993	186,181,071
5.	Segment Depreciation		
	a) Audio -Visual Production	72,650,205	61,639,395
	b) Leasing	58,120,164	39,225,070
	c) F.M.Radio	28,668,568	20,281,182
	d) Television Broadcasting	34,226,358	23,462,707

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

i) List of Related Party:

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

ii) Related Party Transactions :

(Amount in ₹)

Particulars	Managing Director		Promoter Company		Subsidiaries	Fellow Subsidiaries		Enterprises over which KMP are able to exercise significant influence & Associates	
	Year Ended March, 31		Year Ended March, 31		Year Ended March, 31	Year Ended March, 31		Year Ended March, 31	
	2013	2012	2013	2012		2013	2012	2013	2012
Salary	10,000,000	10,000,000	-	-	-	-	-	-	-
Unsecured loan(taken)	-	-	-	98,437,500	-	-	-	-	-
Loan & Advances	-	-	-	-	154,714	2,52,000	-	12,973,741	-
Income from Television Programming	-	-	-	-	-	-	-	-	60,000,000
Rent	240,000	240,000	-	-	-	-	-	-	-

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

Particulars	As at March 31, 2013	As at March 31, 2012
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
iv) The amount of interest due and payable for the year	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

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

14. The Company has not made any provision for cess payable u/s 441A of the Companies Act, 1956. The said provision shall be made as and when the requisite notification is issued by the Central Government in this regard.
15. Earning Per Share (EPS) is computed in Accordance with Accounting Standard-20 :-

(Amt. in ₹)

Particulars	2012-13	2011-12
i) Net Profit/(loss) after tax as per Statement of profit and loss	(381,150,050)	1,66,358
ii) Short provision for tax of earlier years	8,807,361	19,73,544
iii) Net Profit/(loss) attributable to Equity Shareholders	(372,342,689)	21,39,902
iv) Net Profit/(loss) before Exceptional Item	(372,342,689)	21,39,902
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS.	170,176,994	1,65,173,090
vi) Basic Earnings per share	(2.19)	0.01
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	221,695,847	1,79,066,533
viii) Diluted Earnings per share	(2.19)	0.01
ix) Basic Earnings (before exceptional item) per share	(2.19)	0.01
x) Diluted Earnings (before exceptional item) per share	(2.19)	0.01
xi) Face Value per equity share	2.00	2.00

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

For Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner
M.No. 074602
FRN: 006792C
Place : Noida
Date : May 30, 2013

Anurradha Prasad
Chairperson cum Managing Director

Rajeev Parashar
Company Secretary

For and on behalf of the Board of Directors

Anuradha Mishra
Director

B.A.G FILMS AND MEDIA LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2013

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(39,06,56,309)	(33,13,67,646)
Adjustments for:		
Depreciation and amortisation	20,81,95,335	15,58,15,516
(Profit) / loss on sale / write off of assets	26,415	(3,82,261)
Finance costs	11,22,72,606	7,43,95,140
Interest income	(27,65,166)	(20,34,170)
Dividend income	-	(5,000)
Net (gain) / loss on sale of investments	(10,15,300)	15,866
Liabilities / provisions no longer required written back	(20,60,820)	(47,36,228)
Other non-cash charges		
Adjustment relating to earlier year	88,07,361	(17,02,542)
	<u>32,34,60,431</u>	<u>22,13,66,321</u>
Operating profit / (loss) before working capital changes		
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(6,54,56,235)	(7,55,77,334)
Trade receivables	13,28,02,777	(16,01,42,580)
Short-term loans and advances	33,25,15,776	4,96,36,592
Other non-current assets	51,85,376	25,01,012
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,82,35,855	(12,39,64,449)
Other current liabilities	(8,71,57,143)	4,58,44,589
Short-term provisions	(78,18,016)	(49,14,387)
Long-term provisions	11,44,052	19,49,954
	<u>32,94,52,442</u>	<u>(26,46,66,603)</u>
Cash generated from operations	26,22,56,564	(37,46,67,928)
Net cash flow from / (used in) operating activities (A)	26,22,56,564	(37,46,67,928)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(24,38,96,716)	(31,54,92,241)
Proceeds from sale of fixed assets/Work-in-progress	(23,79,79,095)	17,75,94,619
Purchase of long-term investments		
- Associates	-	(2,40,000)
- Others	(1,00,00,000)	(1,00,69,000)
Proceeds from sale of long-term investments		
- Others	2,10,15,300	11,45,63,927
Interest received		
- Associates	20,269	20,269

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
- Others	27,44,897	20,13,901
Dividend received		
- Others	-	5,000
	(46,80,95,345)	(3,16,03,525)
Net cash flow from / (used in) investing activities (B)	(46,80,95,345)	(3,16,03,525)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	7,63,75,000	68,74,000
Proceeds from issue of share warrants	(10,91,87,500)	9,62,02,423
Share application money received / (refunded)	-	2,98,36,774
Proceeds from long-term borrowings	53,19,80,011	11,06,43,496
Proceeds from other short-term borrowings	(9,81,84,124)	5,49,77,446
Finance cost	(11,22,72,606)	(7,43,95,140)
	28,87,10,781	22,41,38,999
Net cash flow from / (used in) financing activities (C)	28,87,10,781	22,41,38,999
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	8,28,72,000	(18,21,32,454)
Cash and cash equivalents at the beginning of the year	13,62,22,150	31,83,54,604
Cash and cash equivalents at the end of the year	21,90,94,150	13,62,22,149
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	21,90,94,150	13,62,22,150
Cash and cash equivalents at the end of the year *	21,90,94,150	13,62,22,150
* Comprises:		
(a) Cash on hand	7,07,137	32,76,836
(b) Cheques, drafts on hand	8,46,95,088	8,04,79,584
(c) Balances with banks		
(i) In current accounts	10,57,92,950	2,80,40,956
(ii) In deposit accounts	56,22,163	39,58,993
(iii) In earmarked accounts	2,05,54,643	1,95,62,913
(d) Others		
Staff Imprest	17,22,169	9,02,868
	21,90,94,150	13,62,22,151

For and on behalf of the Board of Directors

For Joy Mukherjee & Associates
Chartered AccountantsAnurradha Prasad
Chairperson cum Managing DirectorAnuradha Mishra
DirectorRajeev Parashar
Company SecretaryJoy Mukherjee
PartnerPlace : Noida
Date : May 30, 2013M.No. 074602
FRN: 006792C

B.A.G. FILMS & MEDIA LIMITED

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

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

PROXY FORM

FOLIO NO.

NO. OF SHARES HELD

DP ID No.

CLIENT ID No.

I/We..... of in the district of being member/members of the above named Company hereby appoint of failing him/her of in the district of as my/our proxy to attend and vote for me/us our behalf at the 20th Annual General Meeting of the Company to held on Thursday, September 26, 2013 at 3.30 P.M. at MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054 and any adjournment thereof.

Signed this day of2013

Signature

Affix
Revenue
Stamp

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

B.A.G. FILMS & MEDIA LIMITED

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

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

ATTENDANCE SLIP

FOLIO NO.

NO. OF SHARES HELD

DP ID No.

CLIENT ID No.

NAME OF THE MEMBER
(in block letters)

NAME OF PROXY.....
(if any)

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company to held on Thursday, September 26, 2013.

.....
Signature of the Member/Proxy

B.A.G. FILMS & MEDIA LIMITED

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

Bag/stex/letters/AM/461
August 31, 2013

The Listing Department
National Stock Exchange of
India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),
Mumbai-400 051
Fax: 91-22-26598237/38
91-22-26598347/48

The Listing Department
Bombay Stock Exchange
Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.
Fax: 91-22-22722082/3132

The Listing Department
Delhi Stock Exchange
Limited,
DSE House, 4/4B Asaf Ali
Road
New Delhi-110 002.
Fax: 011-46470053/54

Sub: Submission of Annual Report of the Company for the Financial Year 2012-2013

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 2012-2013;

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 & Media Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	
5.	To be signed by- <input checked="" type="checkbox"/> CFO	