

BAG Network 24

19th ANNUAL REPORT 2011-2012

B.A.G. Films & Media Limited

BAG Network 24

STUDIO 24

Broadcast 24

न्यूज़ 24

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RADIO
DHAMAAL 24
106.4 FM
हर खुशी के जहाँ

CORPORATE INFORMATION

Board of Directors	Ms. Anuradha Prasad Dr. Anuradha Mishra Mr. Prem Behl Mr. Sudhir Shukla Ms. Ragini Kumar	Chairperson cum Managing Director Director Director Director Director
Company Secretary	Mr. Rajeev Parashar	
Statutory Auditors	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-16A, 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 19th Annual General Meeting of the Members of B.A.G. Films and Media Limited will be held on Friday, September 28, 2012 at 4.30 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, 2012, the Statement of Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Anuradha Mishra who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint M/s Joy Mukherjee & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration for the financial year ending 31st March 2013.

SPECIAL BUSINESS

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

"**RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Ms. Ragini Kumar, who was appointed as an Additional Director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956, 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
Date : August 29, 2012

Rajeev Parashar
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON THE POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 21, 2012 to Friday, September 28, 2012 (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 26, 2012.
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.bagnetwork.in 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. DR. ANURADHA MISHRA:

Dr. Anuradha Mishra was appointed as the Non-Executive Independent Director of the Company with effect from 30th December 2005. Dr. Mishra is PhD, D.Sc. in Science and Dean of School of Vocational Studies & Applied Sciences at Gautam Buddha University, Gautam Buddha Nagar.

She is Chairperson of Audit Committee and Investor Grievance Committee and member of ESOP Compensation Committee and Remuneration Committee of the Company. She has no inter-se relationship with any director of the Company and she does not hold any shares in the Company.

II. MS. RAGINI KUMAR

Ms. Ragini Kumar joined the Company as Non-Executive Independent Director with effect from 30th May, 2012. She is graduate from Delhi University.

Ms. Ragini is a visionary and an aggressive business lady. She has wide experience in anchoring, reporting and production. She is well known personality in Media Industry. She is associated with Television throughout her career. She has worked in many different positions

in the industry, both behind the scenes as well as in front of the camera. She is president Hindi Debating Society, Modern School, New Delhi, Western Dance Society, Hindu College, Delhi University and Sociology Deptt, Hindu College, Delhi University. She is director of ceremony of Spic Macay, Modern School Barakhambha Road, New Delhi and Hindu College, Delhi University.

She is the Chairperson of Remuneration Committee, member of Audit Committee and Investor Grievance Committee. She has no inter-se relationship with any director of the Company and she does not hold any shares in the Company. She does not hold any directorship and membership/chairmanship of Board Committee in other company.

EXPLANATORY STATEMENT

ITEM NO. 4

Ms. Ragini Kumar was appointed as an Additional Director by the Board of Director at its meeting held on May 30, 2012 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 her 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 Act from a Member of the Company along with a deposit of Rs. 500 signifying an intention to propose Ms. Ragini Kumar as a candidate for the office of Director.

The Board feels that presence of Ms. Ragini Kumar 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 Ms. Ragini Kumar is concerned or interested in this resolution.

By Order of the Board of Directors

Place : Noida
Date : August 29, 2012

Rajeev Parashar
Company Secretary

DIRECTOR'S REPORT

To,

The Members,

B.A.G. Films & Media Limited

Your Directors are pleased to present their 19th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS

(Rupees in Lakhs)

Particulars	2011-12	2010-11
Total Income	5,081.40	4,749.52
Profit before Depreciation & Financial Charges	1,925.77	1,228.18
Financial Charges	741.68	302.11
Cash Profit	1,198.44	946.27
Depreciation	1,120.72	822.29
Profit before Tax	63.37	103.77
Provision for Tax	61.71	101.95
Profit after Tax	1.66	1.82
Proposed Dividend	Nil	Nil

PERFORMANCE REVIEW

The year under review showed an improvement in revenues with change in programming style as per latest trends suiting tastes of audience at large. The total revenue of your company has been Rs. 5,081.40 lakhs compared to Rs. 4,749.52 lakhs previous financial year. The cash profit has shown an increase from Rs. 946.27 lakhs to Rs. 1,198.44 lakhs.

Your Company developed and strengthened its client base and produced shows for prominent channels viz. Colors, Imagine TV and Star. Your Company also leveraged content creations and did programming for its group companies as well, thus made optimum use of internal resources and its infrastructure.

The Company entered into a new venture namely 'Nautanki Films Private Limited' (hereinafter referred to as 'Nautanki Films') and made a bumper opening with the landmark shows such as "Madhubala" for channel Colors and 'Sapno ke Bhawar Mein' on Life OK channel. 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.

Television Software:

B.A.G. Network's production house '**Studio24**' has maintained the legacy of producing the programmes of all

genres for a range of channels and audience. The Programmes like *Luteri Dulhan*, *Wanted-High Alert*, *Sapno Ke Bhawar Me*, *Baba Aisa Var Dhundoo* and Madhubala amongst others cover a gamut of genres in producing of television programmes.

Media Education

Your Company has been providing media education through its media school iSOMES (International School of Media & Entertainment Studies) in collaboration with Missouri School of Journalism, U.S.A. iSOMES also has a Memorandum of Understanding with FTII, Pune for exchange of curricula and faculty wherein the students of both the institutes benefits immensely. iSOMES is offering full time graduate courses in Broadcast Journalism.

iSOMES ITA - 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. **iSOMES ITA** will have two state of the art facilities based out of Delhi and Mumbai,

Broadcasting

News24, a 24 hours National Hindi free to air news channel operating through its subsidiary News24 Broadcast India Limited (formerly known as B.A.G. Newline Network 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.

Programmes like *Ek Shakhsiyat ki 50 Ansuni Kahaniyaan*, *Aamne Saamne*, *Sabse Bada Sawal*, amongst others cover a gamut of genres in news reporting and have been received exceptionally well with the audiences across the nation.

Ek Shakhsiyat ki 50 Ansuni Kahania has also been awarded as 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 (formerly known as B.A.G. 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 today has become bollywood ka No.1 channel.

In its past years the channel had been applauded for its programs such as Bollywood Reporter, U, Me Aur TV, Bheja Fry, E Special and E20, E100, that easily qualify as channel drivers. Various other music programmes such as Mera Gana Kab Ayega, Melody Queen, Melody Afternoon, Maha Star, Singing Sensation of E24 have given new look and flavor to the channel.



Darshan24: Company also unveiled its third channel Darshan24 on September 28, 2011. 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.

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 Ahmadnagar.

Considering the new age of FM Radio industry, your Company has also revamped and changed the look of its radio station 'Dhamaal24 Dhinchak' with revitalized, novel and popular shows like Morning Pur, U Turn, Sumiran, Humraaz, Hit List, Dharma Yaatra, Aamne Saamne with Anuradha Prasad, Star Track, Sargoshiyan. Such shows are marked to make a difference and shall cater to needs of all listeners considering the regional flavor added in each of its Programmes making each of show unique and worth listening.

The response of the listeners has been extremely encouraging and our programming has proved to have a distinct edge over its competitors. Various new shows have been launched considering the demand & taste of masses which are bound to be more appealing and hence are ordained to gain more listeners.

DIVIDEND

The Directors are of the view that resources of the Company need to be conserved for its future growth plans and hence do not recommend any dividend for the financial year ended March 31, 2012.

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, dividend for the financial year 2004-05 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 Shukla, Non-executive Director, Mr. Bhupindar Singh, Non-Executive Independent Director and Mr. Rohit Lal, Non-Executive Independent Director resigned from directorship of the Company with effect from July 9, 2011, August 30, 2011 and March 3, 2012 respectively. Mr. Sudhir Shukla, has been appointed as Non-Executive Director and Ms. Ragini Kumar as Non-Executive Independent Director on the Board of the Company with effect from August 12, 2011 and May 30, 2012 respectively.

In terms of Article 89 of Articles of Associations of the Company and pursuant to section 256 of the Companies Act, 1956, Dr. Anuradha Mishra, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment in terms of the provisions of the Articles of Association of the Company. The above re-appointment form part of the Notice of the 19th Annual General Meeting and the relevant resolution are recommended for your approval.

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 explanatory statement to 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 elsewhere in the Annual Report separately.

CORPORATE GOVERNANCE

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



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

Certificate from 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

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). Global Depository Receipts are listed on the Stock Exchange at Luxembourg.

During the year under review 135000 Equity Shares allotted against the options exercised by employees pursuant to "the BAG ESOP Scheme" of the Company on August 12, 2011. These shares were allotted and admitted for trading in NSE and BSE.

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.

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, 2012, 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, 2012 have been prepared on a "going concern" basis.

SUBSIDIARY COMPANIES

As required under the provisions of Section 212 of the Companies Act, 1956, the audited accounts together with Directors' Report and Auditors' Report of its subsidiary companies, Dhamaal24 Radio Network Limited (formerly known as B.A.G. Infotainment Limited), E24 Glamour Limited (formerly known as B.A.G. Glamour Limited) and News24 Broadcast India Limited (formerly known as B.A.G. Newline Network Limited) are appended and form part of the Annual Report. The company also has a wholly owned foreign subsidiary company registered in the United Arab Emirates with the name of "B.A.G. Network Limited". The statement pursuant to Section 212 of the Companies Act, 1956 is attached. The Company has one more subsidiary namely B.A.G. Animation Private Limited. The subsidiary is immaterial to the group by virtue of insignificant investment as a whole and nil turnover hence not included in the Consolidated Financial Statement as per the Accounting Standard-21.

As required by Accounting Standard-21 issued by the Institute of Chartered Accountants of India, the financial statements of the Company reflecting the Consolidation of the Accounts of its subsidiary companies to the extent of its equity holding are included in this Annual Report.

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. The accounts of the subsidiary companies have been separately audited as per Generally Accepted Accounting Principles/ Practices.

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 and 17,500,000 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 18th Annual General Meeting dated September 28, 2011 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 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 the Extra-Ordinary General Meeting held on February 13, 2007 and in principle approval from the Stock Exchanges, your Company has implemented an Employees Stock Option Scheme ("the BAG ESOP Scheme") to reward the employees of the Company and its subsidiaries for their performance and association with the Company and also to motivate them to contribute to the growth and profitability of the Company, whereby the Company planned to grant up to 10,000,000 options to eligible employees. In the financial year 2008-09 company granted 1,150,000 options to the eligible employees. Each option was exercisable for one equity share at a price of Rs. 13/- each fully paid up on payment to the Company on completion of vesting period as per the above scheme. (Price revised to Rs. 3/- per share under the approval of the members of the Company at Annual General Meeting dated September 04, 2010). During the year under review out of 1,150,000 options 135,000 options were exercised and converted into equity shares. 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, 2012 are annexed herewith as **Annexure I** and forms part of this report.

AUDITORS

M/s Joy Mukherjee & Associates, Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of 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 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.

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

In terms of the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in **Annexure-II** to the Directors Report.

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. 26,77,925 as against Rs. 58,58,318 in the previous financial year 2010-2011.

Foreign Exchange earnings during the year and in the previous financial year 2010-2011 were NIL.

ACKNOWLEDGEMENT

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.

For and on behalf of the Board of Directors

Place: Noida
Date : May 30, 2012

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, 2012 are:

S. No.	Details	Nos.
1.	Total No. of Options in force at the beginning of the year	480,000
2.	Option granted during the year	NIL
3.	No. of options vested during the year	150,000
4.	No. of options exercised during the year	135,000
5.	No. of shares arising as a result of exercise of option during the year	135,000
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	Rs.405,000
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. 0.02										
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 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	(Rs. 3,114,578)										
	(c) The impact of this difference on profit and on EPS of the Company:	<table border="0"> <tr> <td>Profit/loss after Tax</td> <td>: Rs 166,358</td> </tr> <tr> <td>Less: Short provision of tax of earlier year</td> <td>: Rs. (444,420)</td> </tr> <tr> <td>Add: Defferential employee compensation cost based on fair value:</td> <td>: Rs. 3,114,578</td> </tr> <tr> <td>Adjusted Profit After Tax</td> <td>: Rs. 3,725,356</td> </tr> <tr> <td>Adjusted EPS (diluted)</td> <td>: Rs. 0.02</td> </tr> </table>	Profit/loss after Tax	: Rs 166,358	Less: Short provision of tax of earlier year	: Rs. (444,420)	Add: Defferential employee compensation cost based on fair value:	: Rs. 3,114,578	Adjusted Profit After Tax	: Rs. 3,725,356	Adjusted EPS (diluted)	: Rs. 0.02
Profit/loss after Tax	: Rs 166,358											
Less: Short provision of tax of earlier year	: Rs. (444,420)											
Add: Defferential employee compensation cost based on fair value:	: Rs. 3,114,578											
Adjusted Profit After Tax	: Rs. 3,725,356											
Adjusted EPS (diluted)	: Rs. 0.02											

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	2.33 Years
III.	Expected Volatility	5.69 %
IV.	Expected Dividends	0.00 %

ANNEXURE- II TO THE DIRECTORS' REPORT

Particulars of employees pursuant to the provisions of Sec 217(2A) of the Companies Act, 1956 is:

S. No.	Name	Age	Designation	Remu-neration (In Rs.)	Qualifications and Experience	Date of Comm-encement of employment	Last employment held	Percentage of Equity shares held
1	Anurradha Prasad	49	Chairperson cum Managing Director	10,000,000 P.A.	M.A. (Pol. Science) 26 Years	January 22, 1993	Observer Channel, 1990	13.02%

Notes:

1. Remuneration includes Basic Salary, Commission, other allowances and taxable value of perquisites and company's contribution to provident fund.
2. The above mentioned appointment is on contractual basis.

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”

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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.

At B.A.G, we firmly believe that good governance is critical to sustaining corporate development, increasing productivity and competitiveness. The governance process should ensure that the available resources are utilized in a manner that meets the aspirations of all its 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.

A. 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.

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. The number of non-executive Independent Directors on the Board is 50% of the Board strength at any point of time. 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 and enables the Board to discharge its responsibilities efficiently and provide effective leadership in the business.

During the year, Mr. Rajiv Shukla, Non-executive Director, Mr. Bhupindar Singh, Non-Executive Independent Director and Mr. Rohit Lal, Non-Executive Independent Director and Mr. Rajeev Shanker resigned from directorship of the Company with effect from July 09, 2011, August 30, 2011, March 03, 2012 and May 30, 2012 respectively. 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 August 12, 2011 and May 30, 2012 respectively.

The Board has five committees, viz The Audit Committee, Investors' Grievance Committee, Remuneration Committee, ESOP Compensation Committee and Securities Committee. During the year Finance Committee was dissolved. 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.

Directors' Attendance Records

As mandated by Clause 49 of the Listing Agreement, none of the Directors on the Board is a member of more than ten Board level Committee and Chairperson/Chairman of more than five such committees, across all such Companies in which he 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	Category	Attendance		Number of other Directorship held in public Companies	Committees membership in all other Companies	Chairmanship in committees where they are members
		Board Meeting	Last AGM			
Ms. Anuradha Prasad	Chairperson cum Managing Director, Executive Director	5	Present	4	4	2
Mr. Sudhir Shukla	Non- Executive Director	4	Present	8	2	—
Mr. Prem Behl	Non-Executive Independent Director	4	Present	2	2	—
Dr. Anuradha Mishra	Non-Executive Independent Director	5	Present	4	4	3
Mr. Rajeev Shankar	Non- Executive Director	2	Present	3	—	—

During the year Mr. Rajeev Shukla, Mr. Bhupindar Singh and Mr. Rohit Lal resigned from the Board of Directors of the Company on July 09, 2011, August 30, 2011 and March 03, 2012 respectively.

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 2011-12, five Board Meetings were held on May 30, 2011; August 12, 2011; August 29, 2011; November 11, 2011; and February 14, 2012.

B. COMMITTEES OF THE BOARD

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

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

1) 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.

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.

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, five Audit Committee Meetings were held on May 30, 2011, August 12, 2011, August 29, 2011, November 11, 2011 and February 14, 2012. The attendance of the Directors during these meetings is set down below:

S. No.	Name of the Director	No. of Meetings attended
1.	Mr. Rajeev Shukla*	1
2.	Mr. Bhupindar Singh*	2
3.	Dr. Anuradha Mishra	5
4.	Mr. Sudhir Shukla	4
5.	Mr. Rohit Lal*	4

Note: *During the Financial year Mr. Rajiv Shukla, Mr. Bhupindar Singh and Mr. Rohit Lal resigned from the Board of the Company.

2) 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 22 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, 2012.

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

3) 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.

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.

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.

Remuneration of 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, 2012 to the Directors are as follows:

Name of the Directors	Sitting Fees (in Rs.)
Ms. Anuradha Prasad	—
Mr. Rajiv Shukla	22,500
Mr. Bhupindar Singh	45,000
Mr. Prem Behl	60,000
Dr. Anuradha Mishra	112,500
Mr. Rajeev Shankar	30,000
Mr. Sudhir Shukla	90000
Mr. Rohit Lal	90000

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

4) SECURITIES COMMITTEE

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

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.

5) ESOP COMPENSATION COMMITTEE

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

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

During the year, Committee met once i.e. on August 12, 2011. The Minutes of the Committee are reviewed and noted by the Board.

C. DISCLOSURES

a) 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.

b) 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.

c) Risk Management

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

d) 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.

e) Compliances by the Company

There have been no instances of non-compliance by the Company on any matter related to capital market and no penalties or strictures been imposed by SEBI or the Stock Exchanges.

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 need based as per details given below:

1. 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.

2. Remuneration Committee

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

3. 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.

4. Audit Qualifications

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

5. 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.

6. Mechanism for Evaluating Non-Executive Board Members

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

7. 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.

D. 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. The Company also sends its 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.bagnetwork.in.

E. SHAREHOLDERS' INFORMATION

APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

As per the provisions of the Companies Act, 1956, and Articles of Association of the Company, Dr. Anuradha Mishra is liable to retire by rotation at the ensuing Annual General Meeting and she being eligible, offered herself for re-appointment. On May 30, 2012, the Board of Directors has appointed Ms. Ragini Kumar as an Additional Director. Pursuant to section 260 of the Companies Act, 1956, Ms. Ragini Kumar holds office up to ensuing Annual General Meeting. In this regard the company has received her candidature for appointment as Director of the Company. Brief resume of Dr. Anuradha Mishra and Ms. Ragini Kumar are given hereunder:

Dr. Anuradha Mishra

Dr. Anuradha Mishra was appointed as the Non-Executive Independent Director of the Company with effect from 30th December 2005. Dr. Mishra is a PhD, D.Sc. in Science and is Dean of School of Vocational Studies & Applied Sciences at Gautam Buddha University, Gautam Buddh Nagar.

She is the Chairperson of Audit Committee and Investor Grievance Committee and member of ESOP Compensation Committee and Remuneration Committee of the Company. She has no inter-se relationship with any director of the Company and she does not hold any shares in the Company.

Directorship in Other Companies

1. B.A.G. Live Entertainment Limited
2. Dhamaal24 Radio Network Limited
3. News24 Broadcast India Limited

Membership/Chairmanship of Board Committees in other Companies

1. Dhamaal24 Radio Network Limited: Chairperson of Audit Committee
2. News24 Broadcast India Limited: Member of Audit Committee

Ms. Ragini Kumar

Ms. Ragini Kumar joined the Company as Non-Executive Independent Director with effect from 30th May, 2012. She is a graduate from Delhi University.

Ms. Ragini has wide experience in anchoring, reporting and production. She is well known personality in Media Industry and has been associated with Television throughout her career. She has worked in many different positions in the industry, both behind the scenes as well as in front of the camera. She is president Hindi Debating Society, Modern School, New Delhi, Western Dance Society, Hindu College, Delhi University and Sociology Deptt, Hindu College, Delhi University. She is director of ceremony of Spic Macay, Modern School Barakhambha Road, New Delhi and Hindu College, Delhi University.

She is the Chairperson of Remuneration Committee, and is a member of Audit Committee and Investor Grievance Committee. She has no inter-se relationship with any director of the Company and she does not hold any shares in the Company. She does not hold any directorship and membership/chairmanship of Board Committee in any other company.

SHARE TRANSFERS

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.

GENERAL BODY MEETINGS

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

Year	Date	Location	Time
18 th AGM 2010-11	September 28, 2011	MPCU, Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110054	3.30 P.M.
17 th AGM 2009-10	September 04, 2010	Air force Auditorium, Subroto Park Delhi Cantt, New Delhi-110 010	4.00 P.M.
16 th AGM 2008-09	August 26, 2009	Air force Auditorium, Subroto Park Delhi Cantt, New Delhi-110 010	4.30 P.M.

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

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

Annual General Meeting

- Date	September 28, 2012
- Time	4.30 p.m.
- Venue	MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi-110 054

Last Date of Receipt of Proxies Wednesday, September 26, 2012

Financial Calendar for 2012- 2013:

(Tentative and subject to change)

Financial Year Ending:	31st March
First Quarter Results (June, 2012):	Latest by second week of August, 2012
Half Yearly Results (September, 2012):	Latest by second week of November, 2012
Third Quarter Results (December, 2012)	Latest by second week of February, 2012
Fourth Quarter Results (March, 2013)	Latest by Last week of May 2013
Approval of Audited Accounts (2012-2013)	Latest by Last week of May 2013

Book Closure Date Friday, September 21, 2012 to Friday, September 28, 2012 (both days inclusive).

Dividend Payment Date Not Applicable

Listing 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 2012-2013 has already been paid to all the above Stock Exchanges.

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

Corporate Identification Number Corporate Identification Number (CIN) of the Company, allotted by Ministry of Corporate Affairs, Government of India is L74899DL1993PLC051841

Dematerialization of shares and liquidity

As at March 31, 2012, 99.82 % of fully paid up Equity Share Capital and 78.63 % of partly paid Equity Share Capital are held in electronic form with NSDL and CDSL

Registrar and Transfer Agent

Alankit Assignments Limited, Alankit House 2E/21, Jhandewalan Extension, New Delhi-110055 011-42541234, 23541234 Fax: 011-23552001

Plant Location

Not Applicable

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)

Compliance Officer

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

OUTSTANDING GDRs/ ADRs/ WARRANTs/ ESOPs/ CONVERTIBLE INSTRUMENTS

Outstanding ESOPs

Number of Stock Options under "the BAG ESOP Scheme" outstanding as on March 31, 2012 are 345,000. During the year under review 135,000 equity shares were allotted to the eligible employees under "the BAG ESOP Scheme" vide ESOP Compensation Committee Meeting dated August 12, 2011.

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.

Your Company also issued fresh 17,500,000 convertible 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 28, 2011 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.

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 2004-05 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
31.03.2005	13.09.2005	180,801.40	19.10.2012	18.11.2012
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.

Details Regarding Listing

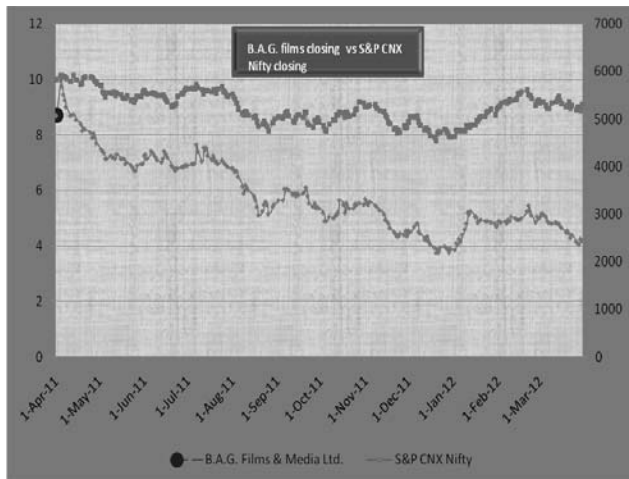
The Company's equity shares are listed on Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Limited (DSE). The Company has paid the Listing Fees, as applicable to the BSE, NSE, DSE. The Company has duly complied with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchanges, as well as with the Regulations of the Securities Exchange Board of India and such other statutory authority relating to the Capital Markets.



Market Price Data

Month	NSE		BSE	
	Highest Rates (Rs.)	Lowest Rates (Rs.)	Highest Rates (Rs.)	Lowest Rates (Rs.)
April 2011	10.45	7.30	10.76	7.31
May 2011	7.90	6.70	7.85	6.60
June 2011	7.65	6.65	7.64	6.70
July 2011	7.95	6.80	7.83	6.81
August 2011	6.90	4.90	7.00	4.91
September 2011	6.35	5.10	6.50	5.15
October 2011	5.95	4.85	5.99	4.85
November 2011	6.00	4.15	5.95	4.00
December 2011	4.90	3.65	4.85	3.52
January 2012	5.60	3.75	5.54	3.76
February 2012	5.45	4.70	5.65	4.75
March 2012	5.25	4.00	5.25	3.96

Stock Performance of the Company



Distribution of Shareholdings as on March 31, 2012.

Shareholding of Nominal Value of Rs. 2/- each	No. of Shareholders		No. of Shares	
	From -To	Number	%Total	Number
1-100	15819	34.03	762873	0.46
101-500	16277	35.02	5328397	3.23
501-1000	6330	13.62	5547646	3.36
1001-5000	6304	13.56	15182634	9.19
5001-10000	958	2.06	7210710	4.36
10001-20000	420	0.90	5944262	3.60
20001-30000	138	0.30	3423493	2.07
30001-40000	56	0.12	1970750	1.19
40001-50000	41	0.09	1911313	1.16
50001-100000	73	0.16	5185628	3.14
100001-500000	52	0.11	10343112	6.26
500001- & Above	15	0.03	102407272	61.98
Total	46483	100.00	165218090	100.00

Shareholding of Non- Executive Directors in the company as on March 31, 2012

Name of Non-Executive Director	No. of shares	Percentage of holding
Dr. Anuradha Mishra	—	—
Mr. Rajeev Shankar	500	—
Mr. Prem Behl	—	—

F. COMPLIANCE

The Certificate dated May 30, 2012 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, 2012 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, 2012, 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

Place: Noida
Date: May 30, 2012

Joy Mukherjee
Partner
Membership No. 74602
FRN : 006792C

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, 2012 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, 2012

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 has evolved greatly over the last decade against the backdrop of shifting consumer preferences towards niche content and digital delivery platforms, evolving business models, hyper competition due to entry of local and global players, and changing regulations. The industry has seen a focus on managing costs, innovation and research since the recessionary pressures in 2009. This has enabled players to look at sustainable cost optimization in difficult times.

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 saw important developments in terms of multiple films crossing the INR 100 Crore mark at the Box office, growing commitment from the cable industry to pursue digitization as per the government's mandate, regional markets defying recessionary trends in terms of growth of television and print, the government's commitment towards phase 3 for radio and the growth of new media.

The overall M&E market in India is expected to grow at a compounded annual growth rate of 15 percent per annum over the next five years, to reach INR 1.4 trillion in 2016. The potential for increase in media penetration, growing importance of regional markets, increasing consumption in tier 2 and 3 cities, impact of regulatory changes, more focused consumer research, innovation in content, marketing and delivery platforms to serve different niches, increasing device penetration like mobiles, tablets, PCs etc., all point towards a very positive future for the industry.

The industry is taking initiatives like regional content and distribution platforms (digital, non-digital and mobile) to enhance customer experience as well as monetize content. New technologies such as 3G, broadband and mobile infrastructure are also helping in propelling the growth rate.

2011 proved to be a year with mixed results in terms of growth across different sub sectors. The traditional media businesses experienced a slow down compared to last year, especially in the second half of the year. However, the new media segments like Animation and VFX, Online and Gaming businesses witnessed phenomenal growth rates.

2011 has been a challenging year not just for the Indian M&E industry, or even the Indian economy, but for the larger world economy. Challenges faced by key global economies were reflected in the US sovereign rating downgrade and continued weakness in the Eurozone, and impacted India through a trickle down effect. In addition, the RBI's interest rate hikes to battle inflation impacted GDP growth as did some other structural and regulatory issues that limited the reforms process and investment growth

While most sectors witnessed double digit growth, the film

industry witnessed a decline in revenues owing to content that failed to make a strong run at the box office. Television and print resumed their pace of growth as did radio and out of home. Meanwhile, with the growing popularity of digital platforms, content creators looked to build strong foundations to prepare themselves for the exciting road ahead.

While television continues to be the dominant medium, sectors such as animation & VFX, digital advertising, and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the advent of Phase 3. Print, while witnessing a decline in growth rate, will continue to be the second largest medium in the Indian M&E industry. Also, the film industry had a reason to cheer, with multiple movies crossing the INR 100 Crore marks in domestic theatrical collections, and INR 30 Crore mark in C&S rights.

We are looking forward to 2012 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.

- **Rise of new age user devices**

Smart phones, tablets, PCs, gaming devices, etc. all form the foundation of a new wave in media usage. This is gradually impacting the way content is being created and distributed as well. Multiple media including TV, films, news, radio, music etc are being impacted with this change.

- **New age consumers adapting themselves to the newer technologies**

As Indian consumers evolve, there is a heightened need to engage 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. Media companies today have no choice but to provide more touch points to engage with audiences.



• **Regionalization**

Regional television and print continued its strong growth trajectory owing to growth in incomes and consumption in the regional markets. National advertisers are looking at these markets as the next consumption hubs and the local advertisers are learning the benefits of marketing their products aggressively.

• **An advertising revenue dependant industry**

The ARPU (Average Revenue Per User) for television, average newspaper cost for print and average ticket price for films continue to be low on account of hyper competition in these industries. Segments like radio and a significant portion of online content are available free of cost to consumers. Owing to this, the Indian consumer is still not used to paying for content and hence the industry players are sensitive to the impact of the slowdown which affects the budgets of advertisers.

• **Awaited regulatory shifts**

Lastly, apart from the shifts in consumer preferences, company strategies and business models, one big change awaited for the next growth wave is the implementation of recently enacted and regulations on digitization for cable, implementation of Phase 3 and copyright for Radio and the roll out of 4G. These shifts are expected to be game changers in terms of how business is being done currently and what could be the path going forward

SEGMENTAL PERFORMANCE

1. Television & Digitization

Television continues to be the most prominent entertainment medium in the Indian M&E industry. 2011 has been a challenging year for the television broadcasting industry. Advertising rates faced pressure from the global and domestic economic slowdown, resulting in a lower than expected increase in advertising revenues, particularly in the second half of the year. At an aggregate level, the total TV advertising market is estimated to have grown around 12 percent in 2011, lower than the 15 percent growth projected last year. A study of the total marketing spends of large advertisers suggests muted growth in 2011 (vis-à-vis 2010), depressing advertising revenues for the television industry. Advertisers expect tighter budgets in 2012 given the current economic climate, and may face pressure to deliver 'more with less'.

It may be noted that the fundamental driver for advertising in India - private consumption expenditure -also appears to have been impacted. As per Central Statistical Organization's (CSO) advance estimates, private consumption expenditure at constant prices (2004 to 05) is estimated at INR 32,70,368 crore in 2011-12, a 6.5 percent increase over the previous year. In comparison, the increase in private consumption expenditure from 2009-10 to 2010-11 was 8.1 percent.

Moreover, TV accounted for Rs 329 billion (US\$ 6.6 billion) of revenues in overall M&E industry in 2011 and is estimated to grow at a CAGR of 17 per cent over 2011-16 to touch Rs 735 billion (US\$ 14.73 billion) in 2016.

At present India's DTH subscriber base is totaled at 45 million. India's top four metros-Delhi, Mumbai, Chennai and Kolkata-will replace all analog television networks with digital transmission from July 1, 2012. Year 2011 has been a challenging year for news channels, with carriage costs rising but advertising revenues showing muted growth. Rates have been under pressure, and not shown any material increase over the last 3 years. Further, there is very limited potential for revenue increase through volume growth for news channels, as inventory levels are already very high.

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. Programmes like Looteri Dulhan, Wanted-High Alert, Baba Aisa Var Dhundoo and Madhubala amongst others cover a gamut of genres in producing of television programmes. Studio-24 producing programme "Sapno ke bhawar me" for television entertainment channels Star TV. Studio-24 has set all new standards in producing television programmes. The Company continued its focus on commissioned programmes and bagged contracts from prestigious channels. The Company also produced documentary films for various State Authorities and private organizations including Ministry of External Affairs. 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 has entered into a new venture namely 'Nautanki Films Private Limited'(herein as 'Nautanki Films'). Your Company through Nautanki films has made a bumper opening with the very landmark shows such as 'Madhubala' for channel Colors and 'Sapno ke Bhawar mein' on Life OK channel. 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, has been very well received by the audiences. It has crossed all parameters and has touched the new high of 10 percent market share and is available throughout India on cable and DTH platforms.



Programmes like Ek Shakhshiyat ki 50 Ansuni Kahaniyaan, Aamne Saamne, Sabse Bada Sawal, & Sanjeevani amongst others cover a gamut of genres in news reporting and have been received exceptionally well with the audiences across the nation. The channel today boasts of being the fastest growing Hindi News channel in the country and is all geared to set new standards in news reporting. Ek Shakhshiyat ki 50 Ansuni Kahaniyaan, Aamne Saamne, & Sanjeevani are few of most liked shows by our Indian viewers.

Ek Shakhshiyat ki 50 Ansuni Kahania has also been awarded the most Best-Presented Popular News Show by the News Television Awards 2012. It showcases the life of legends of India in a very unique and original style, Ek Shakhshiyat ki 50 Ansuni Kahania covers the most important less known aspects of a person's life in a very crisp and concise format. Within its small spell the show has provided the much needed boost to the ratings of the channel.

These shows reflect 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.

Hindi GECs led among the genres with a 27.4 percent share of viewership, but witnessed a decrease from the 2010 figure of 29.6 percent. Nevertheless, this genre is expected to continue its dominant position going forward. South channels followed with a viewership share of 23.7 percent. Hindi movies came next, with a genre share of 11.9 percent while the Kids genre stayed flat at 6.3 percent.

'E-24' a 24 hours Bollywood Entertainment channel has also been growing at a rapid pace. Pitched as Bollywood's first news channel, E 24 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. It has consistently maintained 7 percent market share and is available throughout India on cable and DTH platforms.

In the past years the channel had been applauded for its programs such as Bollywood Reporter, U, Me Aur TV, Bheja Fry, E Special and E20, E100, that easily qualify as channel drivers. Various other music programmes such as **Mera Gana Kab Ayega, Melody Queen, Melody Afternoon, Maha Star, Singing Sensation** of E24 are most popular among the viewers and also qualify as channel drivers.

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.

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,

"Darshan24 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."

While the medium to long-term outlook remains very strong, there is a sense of caution that has set into the industry in recent times owing to the global economic slowdown. Our belief is that the challenges posed by these times would see the emergence of new business models and would lead media companies to change, innovate and re-examine their existing strategy.

B.A.G. Films & Media Limited continues to demonstrate its ideated innovations across all the well-linked broadcasters of the country. This widespread presence promises the viewers with more diversity over the years ahead.

Out of the approximately 15 million new colour TV sales in India, around 6 million are LCD / LED. Of the LCD/LED screens, around 15 percent are HD. With HD panel prices consistently dropping internationally, we see this 15 percent going up to 30 percent. Rather than move from a flat CRT to a SD LCD / LED TV set, the Indian consumer might move directly to a HD LCD / LED - just like the consumer leapfrogged landline telephones.

Radio

The radio industry in India has around 36 FM radio operators and is estimated at Rs 1,200 crore (US\$ 240.46 million). Emergence of regional media in a big way has driven the growth of Indian radio segment. According to an industry report, radio is expected to display a healthy growth rate in the years to come. After the advent of Phase 3, the industry will experience another growth wave after the implementation of awaited policies like copyright for radio and the roll out of 4G.

Radio is increasingly gaining acceptance among advertisers, which is expected to result in higher ad spends on radio. There are a number of advertiser categories that are currently under penetrated on radio, which could potentially increase spend. Advertisers are also increasingly focusing on non-metro markets, given the rising purchasing power of these markets. Phase III licensing, where licensees will be on offer in over 227 additional towns is hence likely to be a catalyst for growth. The resolution of the royalties issue and improved profitability could also encourage more investment in the sector, facilitating growth. The FM Phase-III policy extends FM radio services to about 227 new cities, in addition to the present 86 cities with a total of 839 new FM radio channels.



Overall, the industry grew at 15 percent in CY 2011 to reach INR 11.5 billion compared to INR 10 billion in CY 2010. The ad rates in metros increased by 7-10 percent and the utilization was also slightly better. In smaller cities the stations witnessed similar growth of 15 percent-18 percent in ad revenues driven largely by increased utilization as ad rates remained steady. Utilization levels are now in the 70- 85 percent range in the top eight metros, and in the 50-65 percent range in key non metros, leaving room for volume growth.

Considering the new age of FM Radio industry, our Company has also revamped and changed the look of its radio station '**Dhamaal-24 Dhinchak**' with revitalized, novel and popular shows like MorningPur, U Turn, Sumiran, Humraaz, Hit List, Dharma Yaatra, Aamne Saamne with Anuradha Prasad, Star Track, Sargoshiyan. Such shows are marked to make a difference and shall cater to needs of all listeners considering the regional flavor added in each of its Programmes making each of show unique and worth listening.

Indian Readership Survey or IRS is one of the largest readership surveys conducted in India. It also captures listenership for radio. IRS has been reporting stagnant listenership across cities. In fact, as per IRS Q4 report for 2010-11, radio listenership showed a decline. Industry players, however, feel differently on the subject. India is the fastest growing wireless market and 40 percent of mobile phones have in-built FM radio and car sales have been growing (with Maruti registering 15.5 percent growth in FY 2011). Given that 30 percent of radio listenership happens from out-of-home, it is unlikely that radio listenership would have dropped, say industry participants.

RAM data, on the other hand, has shown a consistent increase in listenership from 2007 across all major cities. The increase in listenership is partly driven by out-of home listenership driven by mobile phones. Share of radio listenership on mobile phones has increased from 20 percent in 2009 to 25 percent in 2011. Future growth in listenership is expected to come from increased penetration of FM in smaller cities as Phase III licenses are expected to be launched later this year and continued increase of listenership on platforms like mobile phones, internet, tablets etc.

In spite of partial resolution of the royalty issue, the profitability of the radio business still remains a concern.

The number of advertisers on the medium increased and a large part of these new advertisers consisted of local and regional players which are migrating from local print ads or are trying out advertising for the first time. Radio provides a more affordable option to local / regional advertisers compared to television and print and hence can be favorably included in their overall spends.

In the tier II and tier III cities advertising is driven more by the local advertisers than by national advertisers.

Radio's share in the advertising pie is expected to have increased from 3.8 percent in 2010 to 4 percent in 2011. Growing sectors like retail and services performed better in radio spends than the average. On the other hand, financial

services and telecom, which are traditionally heavy spenders on radio were seen to be shying away from the medium due to pressure on the overall macro growth rates. The key sectors advertising on radio vis-à-vis the previous year is shown in the table below.

The high point of 2011 for the radio industry was the announcement by the Government of the Phase III policy. As on February 2012, MIB has formalized a Request for Proposal (RfP) for the appointment of auctioneer. MIB secretary is confident that E-auction for the third phase of FM radio channels will commence in June.11 The FM Phase-III policy extends FM radio services to about 227 new cities, in addition to the present 86 cities with a total of 839 new FM radio channels. FM Phase III policy will result in coverage of all cities with a population of one lakh and above through private FM channels.

TRAI has also initiated a process of evaluating the possibility of reducing the channel separation between two adjoining FM channels from the present 800 Khz to 400 Khz - a worldwide practice. Doing this will immediately double the number of channels in each city. Some of the leading radio stations have supported the proposal for key metros on several grounds, including expansion of the FM radio revenue pie in the overall media spends and providing diversity of content to radio consumers. However, players are also of the view that in order to encourage niche content, the license fees have to be lower than the ones paid by general content stations to ensure sustainability.

The industry is forecast to grow at a 16 percent CAGR till the Phase III stations start operations (expected in 2013). Post Phase III, the industry is expected to grow at a CAGR of 22 percent. Correspondingly, radio's share of media ad spends is expected to increase from around 4 percent currently to 5 percent in 2016.

2. Media School

Your Company has been providing media education through its media school iSOMES (International School of Media & Entertainment Studies) in collaboration with Missouri School, U.S.A. iSOMES has its affiliation with the top universities like Guru Jambheshwar University, Hissar and offers full time graduate 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 comprise:

- Camera workshop (Three months, full time)
- Editing workshop (Three months, full time)
- Radio jockey (Three months, full time)
- Post Graduate full time Diploma in Broadcast Journalism
- Post Graduate Diploma in Television (Production and Direction)
- Post Graduate Diploma in Media Management



iSOMES has got the opportunity to host a number of well known professionals associated with FTII, like Raza Murad, Nadeem Khan, Adil Amaan, Kamalnath and many more who visit iSOMES to take classes.

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

iSOMES -ITA SCHOOL OF PERFORMING ARTS - the two leading schools of Media and Performing Arts of India, join hands to provide a platform to empower students who are keen to carve a niche in Acting, Singing, Dancing and Grooming.

Apart from having various new courses, the ISOMES is all set to establish new standards of education and vocational training.

Your Company's vision is to offer an ace media school, based on international standards, with absolutely practical courses for the young glamour struck generation. This generation gets a feel of the television industry, with a training that makes them professionals in their own right.

Cinema

With several high budget Hindi releases lined up across the year, 2012 is expected to sustain the growth momentum witnessed in 2011. The Indian film industry is projected to grow at a CAGR of 10.1 percent to touch INR 150 Billion in 2016. The industry is estimated to be INR 93 billion in 2011 indicating a growth of 11.5 percent vis-à-vis 2010.

While 2010 was the year of structural shift from physical formats to digital ones, 2011 provided users' viable options of music consumption through different digital platforms. The Indian music industry achieved revenues of INR 9 billion in 2011, registering a growth of 5 percent over 2010.

Your company did not produce any new feature films in this financial year. Your Company has produced three feature films so far which include Zindaggi Rocks, Mannat (in Punjabi) and Ami, Yaseen aur Amaar Madhubala (in Bengali).

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.

According to a recent finding, 72 per cent of all mobile internet users in India use their cell-phones as their 'exclusive or primary' instrument to access the web. The mobile phone comes handy as compared to other media and hence emerged as the most preferred medium for variety of

activities. These included entertainment (41 per cent on mobile compared to 26 per cent on television), information access (58 per cent on mobile compared to 20 per cent on television), communication (72 per cent on mobile compared to 16 per cent on desktop and laptops) and shopping or searching for products online (27 per cent on mobile compared to 19 per cent on desktop and laptops).

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.

Government Policies

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).

A government committee has proposed that FM radio frequencies should be auctioned by the department of telecommunications (DoT) after being separated from the broadcast licence by the MIB. The recommendation aims at accelerating the third phase of expansion in the FM radio industry by bringing about greater clarity in the roles and assets of the two ministries.

The government had given its nod in July 2011 for e-auctioning 839 new private radio stations under the third phase of expansion of FM radio. MIB has revealed that all the licences would be awarded by 2015 and the auction is anticipated to earn revenues of about Rs 1,733 crore (US\$ 347.26 million) for the government.

The Copyright Act (Amendment) Bill, 2012 was passed by the Lok Sabha unanimously, with members from all parties supporting the measure for creative artistes, whose benefits are cornered by producers under the existing law.

The Bill, passed by the Rajya Sabha earlier, declares authors owners of the copyright, which cannot be assigned to producers, as was the practice till now.

Introducing the Bill, Human Resource Development Minister Kapil Sibal said poor artistes had been left in the lurch, as producers cornered all royalties, but the new law would help them live a good life even in old age, as they would continue to get their dues for their work.

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



Signs of overall economic slowdown have affected the Media and Entertainment (M&E) industry too which clocked 12% growth in 2011 and touched Rs. 72,800 crore, says the latest FICCI-KPMG report. However, this is 1.5% lower (Rs. 1,000 crore) than the overall outlook for the industry projected by the last year's report of Ficci-KPMG on the M&E sector.

The print industry grew by 8.3% (instead of projected 9.5%) from Rs. 19,300 crore in 2010 to Rs. 20,900 crore in 2011. This was less than the earlier projections made by Ficci-KPMG report last year. Similarly, The over-all television industry touched Rs. 32,900 Crore in 2011 growing at 10.77%, much lower than the projections of reaching Rs. 34,100 crore made in 2011 report. Even the advertising industry witnessed a two percentage point dip in 2011 clocking only Rs. 30,000 crore as opposed to the projected Rs. 30,600 crore. Overall, the advertising revenues witnessed a growth of 13% in 2011 as against 17% in 2010, the report said. "While India is still expected to grow at a healthy pace, growth is projected to be lower than earlier expectations.

However, the performance of M&E sector in 2011 outshined its own performance of 2010 by one percentage point backed by strong consumption in tier II and III cities, and riding on the continued growth of regional media and fast-increasing new media business. Overall the industry is expected to register a CAGR of 15% to reach Rs. 1,45,700 Crore by 2016.

Radio is expected to display a healthy growth rate after the advent of Phase 3. Print, while witnessing a decline in growth rate, will continue to be the second largest medium in the Indian M&E industry. Also, the film industry had reason to cheer with multiple movies crossing the Rs. 100 Crore mark in domestic theatrical collections and Rs. 30 crore mark in C&S rights.

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 1,457 billion (US\$ 29.2 billion) by 2016. There is increased penetration in Indian markets, which is expected to even intensify further, owing to a revolution brought in by digital technology. Wireless broadband, growing internet usage, cable digitisation and higher DTH adoption would drive Indian M&E industry. The report also noted that smart phones, tablets, gaming devices have laid the foundation of a new wave in the industry.

The report states that the amount of media spends in India as a percentage of GDP is 0.41%. This ratio is almost half of the world's average of 0.80% and is much lesser compared to developed countries like USA and Japan. This indicates the potential for growth in spends as the industry in India matures and the potential of the untapped market is explored.

Backed by the strong consumption in Tier 2 and 3 cities, continued growth of regional media and fast increasing new

media business, the Indian Media and Entertainment industry grew by 12% in 2011 to Rs 72,800 crore, according to a report by KPMG and FICCI.

The industry is estimated to achieve a growth rate of 13% in 2012. The report suggests that the rate of expansion will accelerate to 2016 by which time the business will be worth Rs 1,45,700 crore. That translates into a compounded average growth rate (CAGR) of 15% over the five years.

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 M&E industry in 2011 reported a growth across all sectors. In 2011, ad spends grew 13% a year-on-year to Rs 30,000 crore and accounted for 41% of overall industry size.

While television continues to be the dominant medium, sectors such as animation and visual effects, digital advertising, and gaming will increase their share in the overall pie. Radio is expected to display a healthy growth rate after the advent of Phase 3 reforms.

Revenues from television advertising and subscription are expected to touch Rs 21,400 Crore and Rs 41,600 Crore respectively by 2016. Contrary to western markets, print media is expected to grow at CAGR of 9 percent to Rs 32,340 Crore mainly buoyed by growth in regional Media.

Radio is expected to grow at 21% per annum while film industry is going to grow to Rs 15,030 crore by 2015 from Rs 9,290 crore in 2011. Music industry is expected to grow at CAGR of 4.7% to reach Rs 1,820 crore while animation and gaming industry will grow at 17% and 29% respectively.

Digital advertising will have the highest growth rate of 30% to reach Rs 5700 Crore in 2016 from Rs 1540 crore in 2011.

Despite the growth, there could be various challenges posed by the industry which could see the emergence of new business models with media companies being under pressure to change, innovate and re-examine their existing business models to survive in the new environment.

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

E. RISK AND CONCERN

1. While the electronic auction planned for **Phase III** increases transparency, it could potentially lead to spiraling bids. A number of players have strong strategic reasons to acquire stations in the metros/ mini metros. Frequency availability is limited these markets, and the government has set the floor auction price as the highest price realized in Phase Two. This could result in high bid prices for these frequencies. Industry players will hence need to be cautious in their bidding strategy.
2. The Royalty issue is also not fully resolved yet, despite the August 2010 ruling by the Copyright Board limiting the royalty payment to 2 percent of revenues. Competition Commission of India (CCI) is investigating the matter and industry hopes for a resolution before Phase III bidding so they can account for costs in the auction price accordingly.



3. In addition, measurement continues to remain a challenge for the industry, particularly in the markets where RAM is not available. Due to lack of measurement, the acceptance of the medium is still not very high among media planners. Radio, therefore, still represents only 4 percent of media spends, while internationally this proportion is ~8 percent. Radioplayers have been trying to educate local advertisers on effectiveness of the medium and encouraging national advertisers by devising customizable options. Continued efforts, going forward will ensure an increase of radio's share in media pie.

4. The year 2011 has been a year of change for the whole Television & Media Industry due to the monumental change introduced through Policy Guidelines for Uplinking and Downlinking of TV channels by the Ministry of Information and Broadcasting ('MIB'), Government of India, vide its Notification dated 5 December 2011.. There were massive changes in basic qualifiers for start up of Television channels introduced in the said policy such as increase in net worth requirements, transfer of permission restriction, Stringent review of channels past history while renewal of their license for further 10 years etc. Such changes have although reduced and restricted the entrant of new television channel to the industry but on a longer term aspect is expected to be beneficial through its governance and has proved to creation of a code of conduct for the Television channels across India.

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. In this financial year your Company plans to extend the 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. During the previous year's your company has granted 11,50,000 options to their employees and its subsidiaries out of which 4,80,000 options are in force.

Cautionary statement

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

(*Source of information: FICCI-KPMG Indian Media and Entertainment Industry Report, 2012)



AUDITOR'S REPORT

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

1. We have audited the attached Balance Sheet of B.A.G. Films & Media Limited as at March 31, 2012 and the related Statement of Profit and Loss for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors of the Company, as on March 31, 2012 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on March 31, 2012 from

being appointed as a Director in terms of clause (g) of sub-section (1) Section 274 of the Act;

- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For and on behalf of
Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee

Partner

Place : Noida

Dated : 30th May 2012

Membership No. 74602

FRN: 006792C

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 3 of our Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) 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.
- (c) 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.
2. (a) The inventory of video tapes and films have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory of video tapes and films followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. (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, 2012 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, 2012 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 19,95,28,900 (Previous Year Rs. 25,00,00,000) from Punjab National 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 : 30th May 2012

Membership No. 74602
 FRN: 006792C



B.A.G Films and Media Limited
Balance Sheet as at 31st March 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	330,265,339		329,991,539	
(b) Reserves and Surplus	2	2,543,792,902		2,535,052,800	
(c) Money received against share warrants		109,187,500		12,985,077	
Total of shareholders' funds			2,983,245,741		2,878,029,416
2. Non-current liabilities					
(a) Long-term borrowings	3	320,120,965		218,929,571	
(b) Deferred Tax liabilities (Net)		32,040,807		27,262,895	
(c) Long-term Provisions	4	2,211,164		1,419,820	
			354,372,936		247,612,286
3. Current Liabilities					
(a) Short term borrowings	5	225,981,545		123,698,176	
(b) Trade payables		80,099,658		212,957,557	
(c) Other current liabilities	6	146,397,198		92,405,097	
(d) Short term provisions	7	12,347,845		15,869,350	
			464,826,246		444,930,180
TOTAL			3,802,444,923		3,570,571,882
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	789,965,366		618,566,112	
(ii) Intangible assets	9	68,531,167		74,385,344	
(iii) Capital work-in-progress		19,030,658		177,365,234	
(b) Non-current investments	10	337,246,632		441,586,426	
(c) Other non-current assets	11	6,558,571		7,527,440	
			1,221,332,394		1,319,430,556
2. Current assets					
(a) Inventories	12	160,095,111		124,323,451	
(b) Trade receivables	13	167,367,986		152,952,032	
(c) Cash and Cash equivalents	14	48,340,498		107,581,076	
(d) Short-term loans and advances	15	2,205,308,934		1,866,284,767	
			2,581,112,529		2,251,141,326
TOTAL			3,802,444,923		3,570,571,882

For and on behalf of the Board of Directors

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

Anuradha Prasad
Chairperson cum
Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May 2012



B.A.G Films and Media Limited
Statement of Profit and Loss for the Period ended 31st March 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	16	444,432,290		338,270,550	
II Other Income	18	63,707,668		136,681,295	
III Total Revenue (I + II)			508,139,958		474,951,845
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in-trade		(35,771,660)		(5,714,259)	
Employee benefits expense	19	25,721,587		25,280,653	
Finance Costs	17	74,168,480		30,211,018	
Depreciation and amortization expense		112,071,628		82,229,182	
Other expense	20	325,612,771		332,567,832	
Total Expense			501,802,806		464,574,426
V Profit before exceptional and extraordinary items and tax (III-IV)			6,337,152		10,377,419
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			6,337,152		10,377,419
VIII Extraordinary items					
IX Profit before tax (VII-VIII)			6,337,152		10,377,419
X Tax expense:					
(1) Current tax/Wealth Tax		1,392,882		4,655,070	
(2) Deferred tax		4,777,912		5,540,283	
			6,170,794		10,195,353
XI Profit/(Loss) for the period from continuing operations (IX - X)			166,358		182,066
XII Earnings per equity share:					
(1) Basic			0.01		0.01
(2) Diluted			0.01		0.01

For and on behalf of the Board of Directors

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

Anuradha Prasad
Chairperson cum
Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May 2012



Notes to Financial Statement

Particulars	Amount in ₹	Amount in ₹
	March 31, 2012	March 31, 2011
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
Particulars	March 31, 2012	March 31, 2011
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for cash in Preferential Allotment (Previous Year 42,728,000 Equity Shares @ Rs. 2/- Each)	85,456,000	85,456,000
10,000,000 Equity Shares of Rs. 2/- each Fully paid up for cash by Converting Share Warrants (Previous year 100,00,000 Equity Shares @ Rs. 2/- Each)	20,000,000	20,000,000
15,000,000 Equity Shares of R. 2/- Each Fully Paid up for cash by Converting Share Warrants (Previous Year 15,000,000 Equity Shares @ Rs.- 2/- Each)	30,000,000	30,000,000
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 @ Rs.2/- Each against ESOPs (Previous year 270000 Shares @ Rs.2/- Each)	810,000	540,000
22,566,200 Equity Shares of Rs.2/- Each Issued as Bonus shares by Capitalising General Reserves	45,132,400	45,132,400
	330,436,180	330,166,180
Calls unpaid (170,841 Equity Shares @ Rs. 1/-)	170,841	174,641
Total	330,265,339	329,991,539

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

Name of Shareholders	March 31, 2012 No. of Shares
Anuradha Prasad	21,479,190
ARVR Communications Pvt. Ltd.	33,194,868
High Growth Distributors Pvt Ltd	13,078,000
Sameer Gehlaut	20,250,900

Details of issued, subscribed and fully paid up shares:

Particulars	March 31, 2012 Number of Shares	March 31, 2011 Number of Shares
Equity capital		
- Number of shares held	165,218,090	165,083,090
- Number of share holders [including their nominees]	46,482	46,495

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

Particulars	March 31, 2012 Number of Shares	March 31, 2011 Number of Shares
Equity capital		
- Number of shares held	170,841	174,641
- Number of share holders [including their nominees]	287	294

Details of Calls unpaid

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	Total	Number of Shares	Total
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,841	170,841	174,641	174,641

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 31, 2012

Issued, Subscribed and fully paid up shares:-

Particulars	Number of Shares	Value
Equity share with Voting Rights		
Opening Balance	165,083,090	330,166,180
ESOP	135,000	270,000
Closing Balance	165,218,090	330,436,180

Issued, Subscribed and not fully paid up shares:-

Particulars	Number of Shares	Value
Equity share with Voting Rights		
Opening Balance	174,641	174,641
Conversion	3,800	3,800
Closing Balance	170,841	170,841

Note-2

Particulars	March 31, 2012	March 31, 2011
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	2,337,321,699	2,220,069,949
Add : Premium on ESOP issued during the year	5,571,750	3,143,250
Add : Premium on Share Warrant	—	101,983,500
Add: Received Through Upfront Money of share warrant	—	12,125,000
	2,342,893,449	2,337,321,699
Less: Calls Unpaid (170,841 Equity Shares @ Rs.4/-)	683,364	698,564
Sub Total	2,342,210,085	2,336,623,135

Particulars	March 31, 2012	March 31, 2011
Employee Stock option outstanding account		
Opening Balance	8,664,000	11,642,250
Add: Repricing Cost	6,450,000	—
Less: Shares allotted during the year	5,436,750	2,978,250
Sub Total	9,677,250	8,664,000
Surplus		
Opening Balance	91,688,381	93,367,041
Add: Profit / (Loss) for the year	166,358	182,066
Adjustment relating to earlier year	1,973,544	(1,860,726)
Sub Total	93,828,283	91,688,381
Total	2,543,792,902	2,535,052,800

Note-3

Particulars	March 31, 2012	March 31, 2011
Long- Term Borrowings		
Secured Loans		
A. Vehicle Loans		
- From Bank	642,065	2,262,904
B. Term Loans		
- From Bank	318,278,900	216,666,667
C. Deposits		
	1,200,000	—
Total	320,120,965	218,929,571

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

A. Term loan from banks:

Term Loan of Rs. 25 Crores taken from Punjab National Bank, Sector-63, Noida Branch secured by pari passu charge on Land and building of B.A.G Films & Media Limited situated at FC-23, Sector-16-A, Film City, Noida and repayable in 24 Quarters of equal instalment starting from July 01, 2012. Term Loan of Rs. 19.95 Crores taken from Punjab National Bank, Sector-63, Noida Branch secured by pari passu charge on Land and building of B.A.G Films & Media Limited situated at FC-23, Sector-16-A, Film City, Noida. and repayable in 12 Quarters of equal instalment starting from October 01, 2011.

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 for office use and repayment as per agreed terms of the contract.

Disclouser 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 31March 2012

B. Vehicle Loans from banks:

No default has been made in repayment of Principal and interest on vehicle loan during the financial year ending 31March 2012

Note-4

Particulars	March 31, 2012	March 31, 2011
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	1,287,079	1,419,820
Others		
- Provision for Leave encashment	924,085	—
Total	2,211,164	1,419,820

Note-5

Particulars	March 31, 2012	March 31, 2011
Short-Term Borrowings		
Secured		
Loans repayable on demand From Bank	127,544,045	123,698,176
Unsecured		
Loans and advances from related parties	98,437,500	—
Total	225,981,545	123,698,176

Details of security for the secured short-term borrowings:

Particulars	Nature of Security
<u>Loan repayable on demand</u>	
<u>From Bank</u>	
Canara bank	Land & Building
HDFC Bank Limited	Investment in Fixed Maturity Plan

Note-6

Particulars	March 31, 2012	March 31, 2011
Other Current liabilities		
Current maturities of long term debt	111,968,369	67,351,517
Income received in advance	6,448,704	1,411,216
Unclaimed Dividend	564,809	591,436
Other payables		
Statutory remittances	52,824	55,962
Taxes Payable	9,566,508	5,733,946
Other Liability	16,081,280	15,927,837
Employee Cost	1,381,773	1,040,301
Advances from customers	332,931	292,882
Total	146,397,198	92,405,097

Note-7

Particulars	March 31, 2012	March 31, 2011
Short-Term Provisions		
Provision for Income Tax	12,307,673	15,337,145
Provision for Wealth Tax	40,172	532,205
Total	12,347,845	15,869,350

Note 8 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Tangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost/AsAt 01.04.2011	Addition During theyear	Sale/Adj During theyear	Cost asat 31.03.2012	Accumulated Depreciation asat 01.04.2011	Depreciation for the year	Adjustment for the year	Accumulated Depreciation Asat 31.03.2012	W.D.V. As At 31.03.2012	W.D.V. AsAt 31.03.2011
Land & Site Development	57,825,219	—	—	57,825,219	—	—	—	—	57,825,219	57,825,219
Building	167,615,982	314,043	—	167,930,025	37,823,437	6,496,450	—	44,319,887	123,610,138	129,792,545
Plant & Machinery	469,813,306	89,350,334	—	559,163,640	179,552,680	56,516,781	—	236,069,461	323,094,179	290,260,626
Computers & Peripherals	174,151,446	31,789,969	5,500	205,935,915	117,013,980	17,297,795	4,163	134,307,612	71,628,303	57,137,466
Vehicle	25,097,021	—	—	25,097,021	16,681,839	2,178,691	—	18,860,530	6,236,491	8,415,182
Furniture & Fixtures	93,995,284	155,014,947	15,500	248,994,731	52,040,885	18,807,833	6,712	70,842,006	178,152,725	41,954,399
Office Equipments	51,116,782	910,162	—	52,026,944	17,936,107	4,672,526	—	22,608,633	29,418,311	33,180,675
Total	1,039,615,040	277,379,455	21,000	1,316,973,495	421,048,928	105,970,076	10,875	527,008,129	789,965,366	618,566,112

Note 9 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Intangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost/AsAt 01.04.2011	Addition During theyear	Sale/Adj During theyear	Cost asat 31.03.2012	Accumulated Depreciation asat 01.04.2011	Depreciation for the year	Adjustment for the year	Accumulated Depreciation Asat 31.03.2012	W.D.V. As At 31.03.2012	W.D.V. AsAt 31.03.2011
Computer Software	147,292,705	250,000	10,800	147,531,905	72,907,361	6,101,552	8,175	79,000,738	68,531,167	74,385,344
Total	147,292,705	250,000	10,800	147,531,905	72,907,361	6,101,552	8,175	79,000,738	68,531,167	74,385,344

Note-10

Particulars	March 31, 2012	March 31, 2011
Non-Current Investments		
<u>Trade Investments at Cost</u>		
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 Price as on 31-03-2012 is Rs. 28.90) (Previous Year Rs. 34.30)	500,000	500,000
Investment in Mutual Funds	14,621,178	119,200,972
<u>Non Trade Investment at Cost</u>		
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
245,000 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	245,000	245,000
24,000 Equity Shares (Previous Year Nil Equity Shares) of Nautanki Films Private Limited Having Face Value of Rs 10/- per share fully paid-up	240,000	—
<u>In Joint Venture Company at Cost</u>		
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
<u>In Subsidiaries at Cost</u>		
Unquoted		
12,200,000 Equity Shares (Previous Year 10,200,000 Equity Shares) of Dhamaal 24 Radio Network Limited (formerly known as B.A.G. Infotainment Limited) Having Face Value of Rs 10/- per Share fully paid up	135,759,534	135,759,534
8,571,430 Equity Shares (Previous Year 8,571,430 Equity Shares) of News24 Broadcast India Limited (formerly known as B.A.G. Newslime Network Limited) Having Face value of Rs 10/- per share fully paid up	85,714,300	85,714,300
9,000,286 Equity Shares (Previous Year 9,000,286 Equity Shares) of E24 Glamour Limited (formerly known as B.A.G. Glamour Limited) Having face Value of Rs. 10/- per Shares fully Paid up	90,002,860	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	<u>337,246,632</u>	<u>441,586,426</u>

Particulars	As at 31st March 2012		As at 31st March 2011	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	—	500,000	—
ii) Investment in mutual funds				
1. Birla Sun Life MIP - Wealth 25 Growth	—	—	15,000,000	—
2. Franklin India Prima Fund	283,382	—	283,382	—
3. HDFC Cash Management Fund	—	—	861,865	—
4. ICICI Pru Flexible Income Plan	—	—	20,000,000	—
5. Principal Cash Management Fund	62,596	—	62,596	—
6. Pru ICICI Infrastructure Fund-Div Payout	2,000,000	—	2,000,000	—
7. Reliance MIP- Growth	—	—	35,000,000	—
8. Tata Fixed Maturity Plan	10,000,000	—	—	—
9. Tata Indo-Global Infrastructure Fund	2,000,000	—	2,000,000	—
9. Tata MIP Plus- Growth	—	—	28,717,929	—
10. Templeton Treasury Management Account	275,200	—	275,200	—
11. UTI MIS Advantage Fund - Growth	—	—	15,000,000	—
B. Other Investment				
Investment in equity instruments				
(i) of subsidiaries	—	316,437,694	—	316,437,694
(ii) of joint venture companies	—	4,833,760	—	4,833,760
(iii) of other entities	—	854,000	—	614,000
Total	15,121,178	322,125,454	119,700,972	321,885,454
C. Market value of Quoted Investment				

The current market value of investment in Mukta Arts limited is Rs. 144,500/-

Note-11

Particulars	March 31, 2012	March 31, 2011
Other Non-Current Assets		
Unamortised expenses		
A. Preliminary Expenses		
Opening Balance	1,435,564	3,456,116
Add: Incurred during the year	—	—
	1,435,564	3,456,116
Less: Written off	1,435,564	2,020,552
Sub Total	—	1,435,564
B. Deferred Employee Compensation		
Opening Balance	6,091,876	8,799,376
Add: Incurred during the year	6,450,000	—
	12,541,876	8,799,376
Less: Written off	5,983,305	2,707,500
Sub Total	6,558,571	6,091,876
Total	6,558,571	7,527,440

Note-12

Particulars	March 31, 2012	March 31, 2011
Inventories		
Raw Materials	618,430	618,430
Work in Progress	20,848,375	15,656,715
Finished Goods	138,628,306	108,048,306
Total	160,095,111	124,323,451

Note-13

Particulars	March 31, 2012	March 31, 2011
Trade Receivables		
Secured/ Unsecured/ Doubtful		
Unsecured, considered good	5,409,506	10,988,103
	5,409,506	10,988,103
Less: Provision for doubtful trade receivables	—	—
Sub Total	5,409,506	10,988,103
Other Trade receivables	161,958,480	141,963,929
	161,958,480	141,963,929
Less: Provision for doubtful trade receivables	—	—
Sub Total	161,958,480	141,963,929
Total	167,367,986	152,952,032

Note-14

Particulars	March 31, 2012	March 31, 2011
Cash and Cash Equivalents		
Cash in hand	2,587,888	2,334,392
Cheques, Draft in hand	25,049,544	1,477,239
Balance with Banks		
- In current accounts	14,292,018	95,982,544
- In deposit accounts	5,650,176	5,488,317
Imprest with Staff	760,872	2,298,585
Total	48,340,498	107,581,076

1. Guarantee given to bank amounting to Rs. 606,000 (Previous year Rs. 606,000) secured by fixed deposit.
2. Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited (Formerly known as B.A.G. Newsline Network Limited) amounting to Rs. 2,700,000 (Previous year Rs. 2,700,000).
3. Guarantee given on behalf of subsidiary company, Dhamaal24 Radio Network Limited (Formerly known as B.A.G. Infotainment Limited) amounting to Rs. 513,000 (Previous year Rs. 513,000).

Note-15

Particulars	March 31, 2012	March 31, 2011
Short Term loans and advances		
Unsecured, Considered Good		
A. Loans and advances to related parties	2,042,807,936	1,748,019,226
	2,042,807,936	1,748,019,226
Less: Provision for doubtful loans and advances	—	—
Sub Total	2,042,807,936	1,748,019,226
B. Balances with government authorities		
Advance Taxes	81,657,452	83,322,049
Sub Total	81,657,452	83,322,049
C. Earnest Money & Security Deposits	9,044,474	7,029,474
	9,044,474	7,029,474
Less: Provision for doubtful loans and advances	—	—
Sub Total	9,044,474	7,029,474
D. Prepaid Expenses	6,467,574	2,933,426
Sub Total	6,467,574	2,933,426

Particulars	March 31, 2012	March 31, 2011
E. Loans and advances to employees		
Unsecured, considered good	533,891	949,647
	533,891	949,647
Less: Provision for doubtful loans and advances	—	—
Sub Total	533,891	949,647
F. Others		
Advances to others	64,797,607	24,030,945
Sub Total	64,797,607	24,030,945
Total	2,205,308,934	1,866,284,767

Note-16

Particulars	March 31, 2012	March 31, 2011
Revenue from Operations		
<u>Revenue from- Sale of Services</u>		
Audio-Video Productions	372,894,910	264,779,124
Media Education	14,156,562	19,465,980
Sub Total	387,051,472	284,245,104
<u>Other Operating Revenues</u>		
Income from Leasing of Equipment	54,396,860	54,025,446
Income from Rent	2,983,958	—
Sub Total	57,380,818	54,025,446
Total	444,432,290	338,270,550

Note-17

Particulars	March 31, 2012	March 31, 2011
Finance Cost		
A. <u>Interest expense on</u>		
Borrowing	73,543,966	30,115,934
B. <u>Other borrowing cost</u>		
Bank Charges	624,514	95,084
Total	74,168,480	30,211,018

Note-18

Particulars	March 31, 2012	March 31, 2011
Other Income		
<u>Interest Income</u>		
Interest income from Bank		
Deposit	620,413	4,718,667
Other Balance	—	—
	620,413	4,718,667
Other Interest	59,176,853	128,434,898
	59,797,266	133,153,565
Dividend Income	5,000	77,553
<u>Net Gain/Loss on sale of</u>		
Long -Term Investment	138,163	250,658
<u>Other Non-Operating Income (net of expenses directly attributable to such income)</u>		
Miscellaneous income	713,837	110,872
Sundry balance w/off	3,037,399	3,088,647
	3,751,236	3,199,519
Net gain on foreign currency transactions and translation	16,003	—
Total	63,707,668	136,681,295

Note-19

Particulars	March 31, 2012	March 31, 2011
Employee Benefit Expense		
Salaries, Wages & Bonus	18,778,653	21,010,798
Contribution to Provident and other funds	502,057	870,987
Expense on Employee stock option scheme (ESOP)	5,983,305	2,707,500
Staff Welfare Expenses	457,572	691,368
Total	25,721,587	25,280,653

Note-20

Particulars	March 31, 2012	March 31, 2011
Other Expenses		
Power and fuel	9,574,850	8,244,852
Lease Rent	3,224,956	3,622,987
Repairs to Building	7,823,851	10,432,824
Repairs to Machinery	2,611,694	3,228,883
Insurance	3,017,969	2,450,061
Rates and Taxes, Excluding Taxes on Income	3,691,426	3,419,203
Loss on foreign currency transaction	3,137,522	6,303,514
Loss on sale of assets	12,750	6,495
Payment to auditors		
- As Auditor	320,000	200,000
- For Taxation Matters	40,000	40,000
- For Management Services	60,000	60,000
- For Reimbursement of Expenses	79,837	99,042
Net Loss on sale of Investments from long-term investments	154,029	2,810,185
Camera Hiring Charges	4,832,733	2,107,626
Professional Charges Artist, Directors, Technicians	119,692,648	65,109,254
Location & Studio Hiring Charges	19,867,485	11,460,147
Set Expenses	12,191,455	6,980,403
Taxi and Equipment Hiring Charges	12,774,956	8,427,837
Shooting Expenses	20,420,673	14,231,318
Production travelling & conveyance	6,860,269	5,559,807
Publicity & Content expenses	66,315,122	146,814,820
Fees & Subscription	6,201,965	3,053,824
Consultancy & Legal charges	5,572,453	7,829,421
Miscellaneous Expenses	17,134,128	20,075,329
Total	325,612,771	332,567,832

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 Lootery Dulhan, Wanted, Sapno ke bhawar me, Baba Aisa Var Dhundoo and Madhubala amongst others cover a gamut of genres in producing of television programmes. The Company continue its focus on commissioned programmes and bagged contracts from prestigious channels. The Company also produced documentary films for various State Authorities and private organizations including Ministry of External Affairs. 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 preparation 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 and 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 and dividend income is recognized when the company's right to receive dividend is established.

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 Profit & Loss account.

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

2.12 Government grants, subsidies and export incentives

No Government grants, subsidies and export incentives received during the financial year 2011-12.

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 Profit and Loss Account.

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

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 Profit and Loss Account 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 profit and losses account

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 profit and loss account 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 BAG ESOP 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 to the profit and loss account.

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:

During the year under review your company has received balance 75% money against 5,000,000 Lacs share warrants issued at Rs. 17.70 per share warrant amounting to Rs. 66,375,000 and 25% upfront money towards 17,500,000 share warrant issued at Rs. 7.50 per share warrant amounting to Rs 32,812,500 as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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 ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
ASSETS		
Fixed Assets	11,914,970	11,914,970
Current Assets		
- Cash & Bank Balance	12,72,023	12,78,383
- Loans & Advances	Nil	115,633
Miscellaneous Expenses		
- Preliminary Expenses	2,46,670	2,46,670
- Pre-operative Expenses	11,94,663	10,74,915
LIABILITIES		
Share Capital		
Equity Share capital	96,67,520	96,67,520
Current Liabilities	49,60,806	49,63,051

The Company has not started its commercial operations as at March 31, 2012.

3. During the year B.A.G. Films & Media Limited has given loans and advances to its following subsidiaries:
- News24 Broadcast India Limited (Formerly known as B.A.G. Newline Network Limited): Rs. 1,377,908,776 (Maximum Amount outstanding during the year Rs. 1,379,099,470) (Previous year Rs. 1,157,115,126).
 - E24 Glamour Limited (Formerly known as B.A.G. Glamour Limited): Rs. 269,403,815 (Maximum Amount outstanding during the year Rs. 374,950,288) (Previous year Rs. 436,614,013).
 - Dhamaal24 Radio Network Limited (Formerly known as B.A.G. Infotainment Limited): Rs. 345,058,317 (Maximum Amount outstanding during the year Rs. 648,229,531) (Previous year Rs. 402,032,065).
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. 1,973,544 (Previous Year Rs. 1,860,726) 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. 5,983,305 as an expense during the year. Further, the Liability Outstanding as at March 31, 2012 in respect of Employees Stock Options Outstanding is Rs. 9,677,250. The balance deferred compensation expense Rs. 6,558,571 will be amortized over the remaining vesting period of Options.

The movement in the options granted to employees during the year ended March, 31 2012 under the "the BAG ESOP Scheme" is as below:

Particulars	March 31, 2012	March 31, 2011
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	2,25,000	3,20,000
Options granted (Nos)	NIL	NIL
Options forfeited/Lapsed (Nos)	NIL	NIL

Options exercised (Nos)	75,000	95,000
Options Expired (Nos)	NIL	NIL
Options outstanding at the end of year (Nos)	1,50,000	2,25,000

10. Contingent Liabilities and Commitments (In ₹)

	As at 31 March,12	As at 31 March,11
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	4,00,00,000	4,00,00,000
Dhamaal24 Radio Network Limited	5,13,000	5,13,000
- on behalf of Other		
ARVR Education Society (Formerly Known as B.A.G. Education Society)	25,00,00,000	18,00,00,000
c) Other money for which the Company is contingently liable	Nil	Nil
	As at 31 March,12	As at 31 March,11
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 (Formerly known as B.A.G. Newline Network Limited) amounting to Rs. 2,700,000 (Previous year Rs. 2,700,000).
- Guarantee given on behalf of subsidiary company, Dhamaal24 Radio Network Limited (Formerly known as B.A.G. Infotainment Limited) amounting to Rs. 513,000 (Previous year Rs. 513,000).
- Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited (Formerly known as B.A.G. Newline Network Limited) amounting to Rs. 50,000,000 (Previous year Rs. 50,000,000) by pledging 514,286 shares held by B.A.G. Films & Media Limited in the News24 Broadcast India Limited (Formerly known as B.A.G. Newline Network Limited).

- iv) Guarantee given on behalf of subsidiary company, E24 Glamour Limited (Formerly known as B.A.G. Glamour Limited) amounting to Rs. 4,00,00,000 (Previous year Rs. 4,00,00,000) by pledging 411,430 shares held by B.A.G. Films & Media Limited in the E24 Glamour Limited (Formerly known as B.A.G. Glamour Limited).
- c) Corporate Guarantees given in favour of bank by creating charge on land situated at Plot No. HS-20, Sector-B-7, Greater Noida amounting to Rs. 25,00,00,000 (Previous year Rs. 18,00,00,000) on behalf of ARVR Education Society (Formerly Known as B.A.G. Education Society).
- d) During the year Canara bank took over the Cash credit facility limit of Rs. 12,00,00,000 from State bank of India. The facility was sanctioned by the bank on the basis of 1st charge on Land and Building of B.A.G Films & Media limited situated at FC-23, Sector-16-A, Film City, Noida.
- e) During the year B.A.G Films & Media limited availed facility of Rs. 19,95,28,900 (Previous Year Rs. 25,00,00,000 from Punjab National Bank) from Punjab National Bank Limited 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. situated at FC-23, Sector-16-A, Film City, Noida.

11. Loans & Advances

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. Interest has been charged from the subsidiaries against loans given. The loans have been given in the best interest of the Company to fund the

a. Change in present value of obligation

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. 1,87,905 (Previous Year Rs. 210,938)

Employer's Contribution to ESI : Rs. 67,704
(Previous Year Rs.86,216)

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.

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Present value of obligation as at the beginning of the period	15,52,167	10,06,651	8,48,678	7,50,388
Current Service Cost	1,84,592	2,68,429	1,36,556	1,55,016
Interest Cost	1,31,934	80,532	72,138	60,031
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	(5,81,614)	(73,394)	(1,33,287)	(1,167,757)
Past Service Cost	NIL	2,69,949	NIL	NIL
Curtailement and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Present value of obligation as at the end of the period	12,87,079	15,52,167	9,24,085	8,48,678

b. Expense recognized in the statement of profit and loss

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Current service cost	1,84,592	2,68,429	1,36,556	1,55,016
Past service cost	—	2,69,949	—	—
Interest cost	1,31,934	80,532	72,138	60,031
Expected return on plan assets	—	—	—	—
Curtailment cost / (Credit)	—	—	—	—
Settlement cost / (credit)	—	—	—	—
Net actuarial (gain)/ loss recognized in the period	(5,81,614)	(73,394)	(1,33,287)	(1,16,757)
Expenses recognized in the statement of profit & losses	(2,65,088)	5,45,516	75,407	98,290

c. Actuarial Assumptions

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Discount Rate (%)	8.50	8.00	8.50	8.00
Expected Rate of increase in Compensation Levels (%)	6.00	5.50	6.00	5.50
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	22.83	24.47	22.83	24.47

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:

(Amt. in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Managing Directors Remuneration and Other Allowances	10,000,000	10,000,000
Total	10,000,000	10,000,000

- ii. (Amt. in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sitting Fees	450,000	390,000

- 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, 2012	Year ended March 31, 2011
Earnings in Foreign Currency		
Income from Commissioned Serials	NIL	NIL
Income from Sale of Rights	NIL	NIL
Expenditure in Foreign Currency		
Fees & Subscription	585,810	451,034
Travel Expenses	NIL	203,743
Equipments Purchased	316,575	3,670,441
Import of Services	1,775,540	1,573,100
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, 2012	Year ended March 31, 2011
Repairs & Maintenance -Building	7,823,851	1,276,500
Repairs & Maintenance - Machinery	2,611,694	1,721,804

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, 2012	Year ended March 31, 2011
Opening Balance of Deferred Tax Liability (Net)	27,262,895	21,722,612
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of Fixed Assets	5,290,396	6,412,490
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(68,895)	(185,421)
Disallowance under the Income Tax Act	(443,589)	(686,786)
Closing Balance of Deferred Tax Liability (Net)	32,040,807	27,262,895

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
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
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. Related party Transactions

(Amt. in ₹)

Particulars	Chairperson cum Managing Director		Subsidiaries		Promoter Company		Enterprises over which KMP are able to exercise significant influence	
	2012	2011	2012	2011	2012	2011	2012	2011
Salary	10,000,000	10,000,000	-	-	-	-	-	-
Advance against share capital given	-	-	-	-	-	-	-	-
Lease rent on equipments received	-	-	54,396,860	54,025,446	-	-	-	-
Security deposit Receipt - Refunded	-	-	-	-	-	-	-	-
Income from Television Programming	-	-	34,901,430	149,900,000	-	-	30,000,000	-
Advertisement Expenses	-	-	35,000,000	145,000,000	-	-	-	-
Expenses incurred	-	-	92,041,534	186,418,576	-	70,515	-	-
Expenses Reimbursed	-	-	-	156,736,302	-	-	-	-
Interest Earned	-	-	59,156,584	130,983,645	-	-	-	-
Unsecured loan(taken)	-	-	-	642,104,096	98,437,500	-	-	-
Unsecured loan (given/returned)	-	-	-	1,398,487,797	-	-	-	-
Loan & Advances	-	-	187,599,382	-	-	-	50,288,123	-
Share application money invested	-	-	1,804,771,525	357,737,974	-	-	-	-
Share application money Received	-	-	-	-	-	22,125,000	-	-
Share's issued	-	-	-	-	-	101,983,500	-	-

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

	As at 31 March, 2012	As at 31 March, 2011
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.

2. 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.
3. Earnings Per Share (EPS) is Computed in Accordance with Accounting Standard-20:-

(Amt. in ₹)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
i) Net Profit after tax as per profit and loss account	1,66,358	1,82,066
ii) Short provision for tax of earlier years	19,73,544	(18,60,726)
iii) Net Profit attributable to Equity Shareholders	21,39,902	20,42,792
iv) Net Profit before Exceptional Item	21,39,902	20,42,792
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS	1,65,173,090	157,030,900
vi) Basic Earnings per share	0.01	0.01
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	1,79,066,533	157,071,070
viii) Diluted Earnings per share	0.01	0.01
ix) Basic Earnings (before exceptional item) per share	0.01	0.01
x) Diluted Earnings (before exceptional item) per share	0.01	0.01
xi) Face Value per equity share	2.00	2.00

19. 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. 74602
FRN: 006792

Place: Noida
Date: 30th May, 2012

For and on behalf of Board of Directors

Anuradha Prasad
(Chairperson cum
Managing Director)

Anuradha Mishra
(Director)

Rajeev Parashar
(Company Secretary)

B.A.G Films and Media Limited

Cash Flow Statement for the year ended March 31, 2012

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		6,337,152		10,377,419
<i>Adjustments for:</i>				
Depreciation and amortisation	112,071,628		82,229,182	
(Profit) / loss on sale / write off of assets	12,750		6,495	
Finance costs	74,168,480		30,211,018	
Interest income	(59,797,266)		(133,153,565)	
Dividend income	(5,000)		(77,553)	
Net (gain) / loss on sale of investments	15,866		2,559,527	
Liabilities / provisions no longer required written back	(3,037,400)		(3,088,647)	
Other non-cash charges				
Adjustment relating to earlier year	1,973,544		(1,860,726)	
		<u>125,402,602</u>		<u>(23,174,269)</u>
Operating profit / (loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase)/decrease in operating assets:</i>				
Inventories	(35,771,660)		(5,714,259)	
Trade receivables	(14,415,954)		4,174,681	
Short-term loans and advances	(339,024,168)		(779,973,750)	
Long-term loans and advances	—		—	
Other non-current assets	968,869		4,728,052	
<i>Adjustments for increase/(decrease) in operating liabilities:</i>				
Trade payables	(129,820,500)		135,927,012	
Other current liabilities	53,992,101		(2,676,247)	
Short-term provisions	(4,914,387)		(6,716,004)	
Long-term provisions	791,344	(468,194,355)	360,302	(649,890,213)
Cash generated from operations		(336,454,601)		(662,687,063)
Net cash flow from / (used in) operating activities (A)		(336,454,601)		(662,687,063)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(277,629,455)		(420,941,075)	
Proceeds from sale of fixed assets	158,334,578		956,501	
Purchase of long-term investments				
- Subsidiaries	—		(33,759,534)	
- Associates	(240,000)		—	
- Others	(10,000,000)		(114,579,793)	
Proceeds from sale of long-term investments				
- Others	114,563,928		6,090,473	
Interest received				
- Subsidiaries	59,156,584		126,294,960	
- Associates	20,269			
- Others	620,413		6,858,605	
Dividend received				
- Others	5,000		77,553	
		<u>44,831,317</u>		<u>(429,002,310)</u>
Net cash flow from / (used in) investing activities (B)		44,831,317		(429,002,310)

Particulars	For the year ended March 31,2012		For the year ended March 31,2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
C. Cash flow from financing activities				
Proceeds from issue of equity shares	6,874,000		130,353,000	
Proceeds from issue of share warrants	96,202,423		(5,199,015)	
Proceeds from long-term borrowings	101,191,394		265,992,294	
Proceeds from other short-term borrowings	102,283,369		(93,680,847)	
Finance cost	(74,168,480)		(30,211,018)	
		232,382,706		267,254,414
Net cash flow from / (used in) financing activities (C)		232,382,706		267,254,414
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(59,240,578)		(824,434,959)
Cash and cash equivalents at the beginning of the year		107,581,076		932,016,035
Cash and cash equivalents at the end of the year		48,340,498		107,581,076
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		48,340,498		107,581,076
Cash and cash equivalents at the end of the year *		48,340,498		107,581,076
* Comprises:				
(a) Cash on hand		2,587,888		2,334,392
(b) Cheques, drafts on hand		25,049,544		1,477,239
(c) Balances with banks				
(i) In current accounts		14,292,018		95,982,544
(ii) In deposit accounts		5,650,176		5,488,317
(d) Others				
Staff Imprest		760,872		2,298,585
		48,340,498		107,581,076

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anuradha Prasad
(Chairperson cum
Managing Director)

Anuradha Mishra
(Director)

Place: Noida
Date: 30th May, 2012

Rajeev Parashar
(Company Secretary)

**Statement Pursuant to Section 212 of the Companies Act, 1956
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, 2012	March 31, 2012	March 31, 2012	March 31, 2012
Shares of the Subsidiary Held By				
B.A.G. Films & Media Limited on the above date:				
A) Number	12,200,000	9,000,286	8,571,430	496,100
Face Value	Rs. 10	Rs. 10	Rs. 10	Rs. 10
B) Extent Of Holding	61%	52.50%	50%	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				
	11,333,853	3,207,088	(206,407,940)	(172,446)
A) Dealt With In The Accounts Of The Company For The Year Ended March 31,2012	Yes	Yes	Yes	Yes
B) Not Dealt With In The Accounts Of The Company For The Year Ended March 31, 2012	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				
	(110,182,439)	(385,950,307)	(690,576,482)	(251,406)
A) Dealt With In The Accounts Of The Company For The Year Ended March 31, 2012	Yes	Yes	Yes	Yes
B) Not Dealt With In The Accounts Of The Company For The Year Ended March 31, 2012	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Anuradha Prasad
(Chairperson cum Managing Director)

Anuradha Mishra
(Director)

Place : Noida
Date: 30th May, 2012

Rajeev Parashar
(Company Secretary)



DIRECTORS' REPORT

To,

The Members,

Dhamaal24 Radio Network Limited

(Formerly known as B.A.G. Infotainment Limited)

Your Directors are pleased to present their 7th Annual Report on the business and operations of the company along with the Audited Statements of Accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2011-12	2010-11
Total Income	1,137.66	1075.52
Profit/(Loss) before depreciation and financial charges	381.27	404.35
Financial charges	0.28	200.12
Cash Profit/(Loss)	394.43	217.67
Depreciation	202.81	201.45
Profit/(Loss) before Tax	178.17	2.77
Provision for Tax	(7.00)	10.16
Profit/(Loss) after Tax	185.18	(7.40)
Proposed Dividend (%)	—	—

PERFORMANCE REVIEW

During the financial year under review, your company's revenue from operations has been Rs. 1,137.66 lacs compared to Rs. 1,075.52 lacs last year, a marginal increase of 5.78 %, however, profitability of the Company shown a healthy improvement due to saving on financial charges. Profit after tax has been Rs. 185.18 lacs compared to loss of Rs. 7.40 lacs in the previous year.

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

Your Company has also revamped and changed the look of its radio station 'Dhamaal24' with revitalized, novel and popular shows like MorningPur, Gossip Mohalla, Dhamaal Matinee, U Turn, Sumiran, Humraaz, Dharma Yaatra, Jhumri Talaiya, Tau on Air, Sargoshiyan and Star Track are aired on Dhamaal 24 keeping the regional flavor in each of its programmes offered to its listeners. During the year new programmes like Gossip Mohalla Dharma Yaatra, Jhumri Talaiya, Tau on Air, Sargoshiyan and Star Track are aired on our radio stations which gives positive response from listeners.

Radio FM is now a new lifestyle of young Indians. Radio has the reputation of being the oldest and the cheapest

medium of entertainment in India. The radio industry has been completely energized by the various private players that entered the sector after the government has allowed foreign investment into the segment and opened the licenses to the private players with new innovation happening almost every day basis thereby keeping up the spirit of competitiveness alive and also providing the daily dose of unique and new entertainment.

DIVIDEND

The Directors are of the view that resources of the Company need to be conserved for its future growth plans and hence do not recommend any dividend for the financial year ended March 31, 2012.

DIRECTORS

There are three directors in the company viz. Ms. Anuradha Prasad, Dr. Anuradha Mishra and Ms. Ankita Kumar.

Pursuant to the provisions of section 256 of the Companies Act, 1956, and Articles of Association of the Company, Dr. Anuradha Mishra is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment. Your Board of Directors recommends her re-appointment. During the year, Mr. Rohit Lal, Mr. Prem Behl and Mr. Rajeev Shanker appointed as Additional Director have resigned from the Board of the Company.

Ms. Ankita Kumar was appointed as Additional Director of the Company on May 30, 2012 to hold office upto 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 Ms. Ankita Kumar as Director of the Company. The Board recommends her appointment as Director, liable to retire by rotation.

CHANGE IN NAME OF THE COMPANY

During the year the Company changed its name to Dhamaal24 Radio Network Limited pursuant to resolution passed by the Members of the Company at the Extra-Ordinary General Meeting dated August 24, 2011.

DEPOSITS

During the year the Company did not accept any Deposits as per the provisions of Section-58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm-

1. That in preparation of the accounts for the financial period ended 31st March, 2012, 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 period and of profit and loss of the Company for that period;
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 period ended 31st March 2012 have been prepared on a "going concern" basis.

SUBSIDIARY COMPANY

The Company has a wholly owned foreign subsidiary company which has been registered in the United Arab Emirates with the name of "Radio Dhamal Twenty Four Network Limited" with a view to expansion in International Market.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirements of section 292A of the Companies Act 1956. Presently, the Audit Committee of the Company comprises of three Members, Dr. Anuradha Mishra, Chairperson of the Committee is an independent director, other members are Ms. Anuradha Prasad and Ms. Ankita Kumar.

During the last financial year, four Audit Committee Meetings were held on May 30, 2011, August 12, 2011, November 11, 2011 and February 14, 2012.

AUDITORS

M/s Joy Mukherjee & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be within the prescribe limit as mentioned under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of section 226 of such Act.

AUDITORS' REPORT

All observations made in the 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.

HUMAN RESOURCES

Your Directors would like to place on record their deep appreciation of all employees for rendering quality services 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.

PERSONNEL

There is no employee whose particulars are required to be disclosed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 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. 848,534/- as against Rs. NIL in the previous financial year.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the cooperation and support received from vendors, customers, bank, financial institutions, Central and State Government Bodies, Auditors, legal advisors, consultants, shareholders and the society at large. Your directors also place on record their appreciation for the contribution and hardwork of employees across all levels. Without their commitment, inspiration and hard work, your company's consistent growth would not have been possible.

For and on behalf of the Board of Directors

Place: Noida
Date: May 30, 2012

Anuradha Prasad
Chairperson



AUDITORS' REPORT

To
The Members of
Dhamaal24 Radio Network Limited
(Formerly known as B.A.G. Infotainment Limited)

1. We have audited the attached Balance Sheet of **Dhamaal24 Radio Network Limited**, as at March 31, 2012 and the related, Statement of Profit and Loss for the year ended on that date annexed thereto, and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors of the Company, as on March 31, 2012 and taken on record by the Board of Directors of the Company, none of the Directors of

the Company is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) Section 274 of the Act;

- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said Financial accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For and on behalf of
Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner

Place: Noida
Dated: 30th May 2012

Membership No. 74602
FRN: 006792C

ANNEXURE TO AUDITORS' REPORT [Referred to in paragraph 3 of our Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) 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.
- (c) 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.
2. (a) The inventory of audio tapes, cassettes and compact discs 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, cassettes and compact discs 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 was 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. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (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. Accordingly, clauses (iii) (f) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
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 fixed assets for the radio broadcasting. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls 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, 2012 for a period of more than six months from the dates of becoming payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.
10. The Company has incurred profit amounting to Rs 18,517,776/-. (Previous Year loss Rs. 739,509/-) during the year ending March 31, 2012 further, The Company has incurred Cash profit after tax of Rs 40,143,485/- (Previous year cash profit of Rs. 20,750,311/-) during the financial year ended on that date.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not obtained any term loan during the period. So the clause 4(xvi) of the order is not applicable.
17. 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.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year
19. The Company has not issued any debentures.
20. During the year, the Company has not raised money by public issue(s).
21. 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: 30th May 2012

Membership No. 74602
 FRN: 006792C



Dhamaal24 Radio Network Limited
(Formerly known as B.A.G Infotainment Limited)

Balance Sheet as at March 31, 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	200,000,000		200,000,000	
(b) Reserves and Surplus	2	(195,818,911)		(214,398,997)	
			4,181,089		(14,398,997)
2. Share application money pending allotment					
	3	360,058,316	360,058,316	367,737,974	367,737,974
3. Non-current liabilities					
(a) Deferred Tax liabilities (Net)		8,019,325		8,719,628	
(b) Long-term Provisions	4	490,326		351,439	
			8,509,651		9,071,067
4. Current Liabilities					
(a) Short term borrowings	5	—		51,318,830	
(b) Trade payables		27,062,268		19,259,178	
(c) Other current liabilities	6	18,748,367		17,399,822	
			45,810,635		87,977,830
TOTAL			418,559,691		450,387,874
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7	88,668,821		102,231,566	
(ii) Intangible assets	8	29,975,287		35,567,302	
(iii) Capital work-in-progress		2,662,500		2,291,988	
(b) Non-current investments	9	69,000		—	
(c) Other non-current assets	10	394,170		1,738,697	
			121,769,778		141,829,553
2. Current assets					
(a) Inventories	11	10,075,495		—	
(b) Trade receivables	12	46,767,120		55,889,471	
(c) Cash and Cash equivalents	13	28,679,725		66,030,274	
(d) Short-term loans and advances	14	211,267,573		186,638,576	
			296,789,913		308,558,321
TOTAL			418,559,691		450,387,874

For and on behalf of the Board of Directors

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

Anuradha Prasad
Managing Director

Anuradha Mishra
Director

Ajay Mishra
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May 2012



Dhamaal24 Radio Network Limited
(Formerly known as B.A.G Infotainment Limited)

Statement of Profit and Loss for the period ended 31st March 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	15	113,146,435		107,468,972	
II Other Income	17	619,575		83,089	
III Total Revenue (I + II)			113,766,010		107,552,061
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in-trade		(10,075,495)		—	
Employee benefits expense	18	18,957,759		13,692,621	
Finance Costs	16	27,971		20,012,459	
Depreciation and amortization expense		20,281,182		20,145,292	
Other expense	19	66,757,120		53,424,663	
Total Expense			95,948,537		107,275,035
V Profit before exceptional and extraordinary items and tax (III-IV)			17,817,473		277,026
VI Profit before extraordinary items and tax (V-VI)			17,817,473		277,026
VII Extraordinary items			—		—
VIII Profit before tax (VI-VII)			17,817,473		277,026
IX Tax expense:					
(1) Current tax			—		
(2) Deferred tax		(700,303)		1,016,535	
			(700,303)		1,016,535
X Profit/(Loss) for the period from continuing operations (VIII - IX)			18,517,776		(739,509)
XI Earnings per equity share:					
(1) Basic			0.93		(0.04)
(2) Diluted			0.25		(0.04)

For and on behalf of the Board of Directors

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

Anuradha Prasad
Managing Director

Anuradha Mishra
Director

Ajay Mishra
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May 2012



Notes to Financial Statement

Particulars	Amount in ₹	
	March 31, 2012	March 31, 2011
Note-1		
Share Capital		
Authorised share capital		
Equity Share Capital		
25,000,000 equity shares of Rs.10 each	250,000,000	250,000,000
(Previous Year 25,000,000 Equity Shares of Rs. 10/- each)		
Total	250,000,000	250,000,000
Issued, subscribed and fully paid share capital		
20,000,000 equity shares of Rs. 10 each	200,000,000	200,000,000
(Previous Year 20,000,000 equity shares of Rs. 10/- each)		
Total	200,000,000	200,000,000

Particulars	March 31, 2012		March 31, 2011	
	Qty	Value	Qty	Value
Subscribed and fully paid up				
Equity Shares of Rs. 10 each	20,000,000	200,000,000	20,000,000	200,000,000

- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the 31 March 2012

Particulars	March 31, 2012		March 31, 2011	
	Qty	Value	Qty	Value
Number of Shares outstanding at the Beginning of the Year :	Qty	20,000,000	200,000,000	2,000,000,000
	Value	200,000,000		
Add : Further Issue during the year	Qty	—	—	—
	Value	—	—	—
Number of Shares outstanding at the end of the Year :	Qty	20,000,000	200,000,000	200,000,000
	Value	200,000,000	200,000,000	

- Details of shares held by the holding company, their subsidiaries and associates :

Number of Shares	March 31, 2012	March 31, 2011
B.A.G. Films & Media Limited (Holding Company)	12,200,000	12,200,000

- Details of shares holding in excess of 5% shares capital:

Name of shareholders	March 31, 2012 No. of Shares
B.A.G. Films & Media Limited	12,200,000
Santosh Industries Limited	1,000,000
ARVR Communication Private Limited	5,200,000

Note 2

Particulars	March 31, 2012	March 31, 2011
Reserves and Surplus		
Securities Premium Reserves		
Opening balance	1,500,000	1,500,000
Add: Premium on shares issued during the year	—	—
Less: Utilised during the year	—	—
Closing balance	<u>1,500,000</u>	<u>1,500,000</u>
	Sub Total	1,500,000
Surplus		
Opening balance	(215,898,997)	(215,159,488)
Add: Profit / (Loss) for the year	18,517,776	(739,509)
Adjustment relating to earlier year	62,310	—
Less: Tranfered to General Reserve	—	—
Closing balance	<u>(197,318,911)</u>	<u>(215,898,997)</u>
	Sub Total	(215,898,997)
	Total	(214,398,997)

Note 3

Particulars	March 31, 2012	March 31, 2011
Share Application Money Pending Allotment	<u>360,058,316</u>	<u>367,737,974</u>
	Total	367,737,974

Note 4

Particulars	March 31, 2012	March 31, 2011
Long-Term Provisions		
Provision for Employee benefits		
- Provision for Gratuity	367,578	351,439
- Provision for Leave encashment	122,748	—
	<u>490,326</u>	<u>351,439</u>
	Total	351,439

Note 5

Particulars	March 31, 2012	March 31, 2011
Short-term borrowings		
Unsecured		
A. <u>Loans from related parties</u>		
Unsecured	—	51,318,830
	<u>—</u>	<u>51,318,830</u>
	Total	51,318,830

Note 6

Particulars	March 31, 2012	March 31, 2011
Other Current Liabilities		
Other payables		
Statutory remittances	164,260	119,424
Advance received from customers	1,358,630	—
Other Liabilities	4,543,998	8,152,051
Employee Cost	1,742,814	967,197
Taxes Payable	10,938,665	8,161,150
	<u>18,748,367</u>	<u>17,399,822</u>
	Total	17,399,822

Note 7 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Tangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost As At 01.04.2011	Addition During the year	Sale/Adj During the year	Cost as at 31.03.2012	Accumulated Depreciation as at 01.04.2011	Depreciation for the year	Adjustment for the year	Accumulated Depreciation As at 31.03.2012	W.D.V. As At 31.03.2012	W.D.V. As At 31.03.2011
Plant & Machinery	71,386,218	—	—	71,386,218	27,331,829	6,127,965	—	33,459,794	37,926,424	44,054,389
Computer & Peripherals	7,188,107	—	—	7,188,107	5,868,938	527,667	—	6,396,605	791,502	1,319,169
Furniture and Fixture	3,586,677	—	—	3,586,677	1,555,022	367,730	—	1,922,752	1,663,925	2,031,655
Office Equipment	76,510,294	4,256,055	3,516,009	77,250,340	21,683,941	7,665,805	386,376	28,963,370	48,286,970	54,826,353
Total	158,671,296	4,256,055	3,516,009	159,411,342	56,439,730	14,689,167	386,376	70,742,521	88,668,821	102,231,566

Note 8 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Intangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost As At 01.04.2011	Addition During the year	Sale/Adj During the year	Cost as at 31.03.2012	Accumulated Depreciation as at 01.04.2011	Depreciation for the year	Adjustment for the year	Accumulated Depreciation As at 31.03.2012	W.D.V. As At 31.03.2012	W.D.V. As At 31.03.2011
Software	7,307,316	—	—	7,307,316	5,835,537	588,712	—	6,424,249	883,067	1,471,779
Radio Licences Fees	49,910,000	—	—	49,910,000	15,814,477	5,003,303	—	20,817,780	29,092,220	34,095,523
Total	57,217,316	—	—	57,217,316	21,650,014	5,592,015	—	27,242,029	29,975,287	35,567,302

Note 9

Particulars	March 31, 2012	March 31, 2011
Non Trade Investment at Cost		
Unquoted		
6900 Equity Shares OF B.A.G. Live Entertainment Limited Having Face Value of Rs 10/- per share fully paid-up	69,000	—
Total	69,000	—

Particulars	As at 31st March 2012		As at 31st March 2011	
	Quoted	Unquoted	Quoted	Unquoted
A. Other Investment				
Investment in equity instruments				
(i) of other entities	—	69,000	—	—

Note 10

Particulars	March 31, 2012	March 31, 2011
Other Non-Current assets		
Unamortised expenses		
A. Preliminary Expenses		
Opening Balance	473,002	551,834
Add: Incurred during the year	—	—
	473,002	551,834
Less: Written off during the year	78,832	78,832
Sub Total	394,170	473,002
B. Preoperative Expense		
Opening Balance	1,265,695	2,531,391
Add: Incurred during the year	—	—
Sub Total	1,265,695	2,531,391
Less: Written off	1,265,695	1,265,696
Sub Total	—	1,265,695
Total	394,170	1,738,697

Note 11

Particulars	March 31, 2012	March 31, 2011
Inventories		
Finished goods	10,075,495	—
Total	10,075,495	—

Note 12

Particulars	March 31, 2012	March 31, 2011
Trade Receivables (Unsecured)		
Considered good		
Over six months from the date they were due for payment	345,170	8,590,204
Less: Provision for doubtful trade receivables	—	—
Sub Total	345,170	8,590,204
Other Trade receivables	46,421,950	47,299,267
Less: Provision for doubtful trade receivables	—	—
Sub Total	46,421,950	47,299,267
Total	46,767,120	55,889,471

Note 13

Particulars	March 31, 2012	March 31, 2011
Cash and Cash Equivalents		
Cash on hand	17,321	20,775
Cheques, Draft in hand	22,631,859	52,839,826
Balance with bank		
In current accounts	4,678,616	11,654,094
Balances held as security against guarantees	1,271,200	1,271,200
Others		
Imprest with staff	80,729	244,379
Total	28,679,725	66,030,274

Note 14

Particulars	March 31, 2012	March 31, 2011
Short Term Loans and Advances (Unsecured)		
Considered Good		
A. Loans and advances to related parties	5,987,807	52,500,000
	<u>5,987,807</u>	<u>52,500,000</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	5,987,807	52,500,000
B. Balances with government authorities		
Advance Taxes	5,548	—
TDS receivable	2,754,385	2,438,770
Sub Total	2,759,933	2,438,770
C. Security Deposits	7,923,131	7,923,131
	<u>7,923,131</u>	<u>7,923,131</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	7,923,131	7,923,131
D. Prepaid Expenses	5,380,101	5,377,257
Sub Total	5,380,101	5,377,257
E. Loans and advances to employees		
Staff Advances	110,318	192,000
	<u>110,318</u>	<u>192,000</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	110,318	192,000
F. Others		
Advance to Other	189,102,848	118,200,000
Advance to Vendor	3,435	7,418
Sub Total	189,106,283	118,207,418
Total	211,267,573	186,638,576

Note 15

Particulars	March 31, 2012	March 31, 2011
Revenue from Operations		
Revenue from - Sale of Services		
Income from Advertisement Sales	113,146,435	107,468,972
Total	113,146,435	107,468,972



Note 16

Particulars	March 31, 2012	March 31, 2011
Finance Costs		
A. Interest expense on other	—	19,967,079
B. Other borrowing costs		
Bank Charges	27,971	45,380
Total	27,971	20,012,459

Note 17

Particulars	March 31, 2012	March 31, 2011
Other Income		
<u>Other non-operating income</u> (net of expenses directly attributable to such income)		
Miscellaneous income	19,195	83,089
Sundry balance w/off	205,369	—
Profit on sale of assets	395,011	—
Total	619,575	83,089

Note 18

Particulars	March 31, 2012	March 31, 2011
Employee Benefits Expense		
Salaries, Wages & Bonus	17,633,404	12,435,140
Contribution to Provident and other funds	1,015,827	918,377
Staff welfare expenses	308,528	339,104
Total	18,957,759	13,692,621

Note 19

Particulars	March 31, 2012	March 31, 2011
Other Expenses		
Power and fuel	14,538,297	13,173,063
Rent	1,647,750	1,767,353
Repairs to buildings	552,101	—
Repairs to machinery	1,536,984	1,149,803
Insurance	1,355	—
Rates and taxes , excluding, taxes on income	1,786,252	543,515
Loss on foreign currency transaction and transaction (Other than considered as finance Cost)	10,782	80,414
Loss on sale of fixed assets	—	236,784
Payment to auditors		
- As Auditor	50,000	50,000
- For Taxation Matters	40,000	40,000
- For Management Services	10,000	10,000
- For Reimbursement of Expenses	470	—
Professional Charges	1,572,692	1,435,111
Royalty	5,783,339	7,291,680
Programming & Promo Expenses	11,643,123	3,403,369
License & Other Operational Fees	18,646,764	12,592,276
Security Services	1,453,483	1,405,006
Bad & doubtful debt W/off	1,786,476	1,029,996
Commission & Other Marketing Expenses	1,100,119	5,263,891
Preoperative W/off	1,265,695	1,265,696
Miscellaneous Expenses	3,331,438	2,686,706
Total	66,757,120	53,424,663



NOTE-1

Corporate Information

Dhamaal24 Radio Network Limited (formerly known as B.A.G. Infotainment Limited) was incorporated on 21st October 2005 with main objective to carry on the business of Radio Broadcasting through FM radio channels.

Presently the company is running FM radio channel at frequency of 106.4 MHz under the brand name "Dhamaal 24" at 10 locations viz, Hissar, Karnal, Patiala, Shimla, Ranchi, Muzaffarpur, Jabalpur, Ahmednagar, Dhule and Jalgaon.

Dhamaal24 Radio Network Limited launched its first three radio broadcasting stations in June 2007 and had all the ten stations made operational by November 2009 vide the licenses granted under the FM Radio Broadcasting Phase II.

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 the 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.

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 recognised in the accounting year 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 Radio Software and Programme Pilots

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

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.
- One time entry fee paid by the company for acquiring radio license is amortized over a period of ten years, being the period of the license, from the date of operationalisation of the radio station.

2.7 Revenue recognition

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

Interest is recognized using time proportion method and dividend income is recognized when the company's right to receive dividend is established.

2.8 Other Income

Profit/Loss on sale of Fixed Assets is accounted as per accounting policy.

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 Profit & Loss account.

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

2.12 Government grants, subsidies and export incentives

No Government grants, subsidies and export incentives received during the financial year 2011-12

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 Profit and Loss Account.

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

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 Profit and Loss Account as per the provisions of "The Payment of Bonus Act, 1965".

2.15 Borrowing Costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.16 Segmental Reporting

In accordance with Accounting Standard -17 issued by the Institute of Chartered Accountants of India, the company's business segment is radio FM broadcasting and it has no other primary reportable segment. The Company caters only to the needs of Indian market hence there are no reportable geographical segments.

2.17 Operating Leases

The Company has taken broadcasting equipments under operating leases. These lease agreements are normally renewable on expiry. The rental expenses on operating leases are charged to Profit and Loss account.

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 earning 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 year comprise 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 year. 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 recognised 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

As per Accounting Standard-28 issued by the Institute of Chartered Accountants of India, 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 License Fee

As per the new Frequency Module (FM) effective from April 1st, 2005 License Fees are charged to revenue at rate of 4% of Gross Revenue for the period or 10% of revenue one time entry fees (ROTEF*) for the concerned city, whichever is higher. Gross Revenue for this purpose shall mean revenue on the basis of billing rate inclusive of any taxes and without deduction of any discount given to the advertiser and any commission paid to advertising agency. Barter advertising contracts shall also be included in gross revenue on basis of relevant billing rates.

[* ROTEF means 25% of highest value bid in the city]

2.24 Miscellaneous Expenditure

A. Preliminary Expenses

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

B. Pre-Operative Expenditure

Expenditure incurred by the Company from the date of acquisition of radio license up to the date of operationalisation of that station, not directly attributable to fixed asset, are charged to the profit and loss account.

Additional Information to the Financial Statements

1. Share application money pending allotment

As at 31st March 2012, the Company had received amount from parent company & others to the tune of Rs 360,058,316.00 (Previous year 367,737,974.00) as unsecured loan & advances. The company proposed to convert this amount into equity shares within the financial year 2012-13 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.

2. Contingent Liabilities and Commitments

	As at 31 March, 12	As at 31 March, 11
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
-Bank Guarantee given	12,71,200	12,71,200
-Bank Guarantee given by holding company (B.A.G. Films & Media Limited)	5,13,000	5,13,000
c) Other money for which the Company is contingently liable	Nil	Nil

	As at 31 March, 12	As at 31 March, 11
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

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

	As at 31 March, 12	As at 31 March, 11
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 information available with the company. This has been relied upon by the Auditors.

4. The detail of Capital Work in Progress (including Capital Advances) is as follows :

(Amt. in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
	Capital Work in Progress	26,62,500
Capital Advances	Nil	Nil
Total	26,62,500	22,91,988

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



6. 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.
7. Advances taken from associated companies are shown as unsecured loans under the head short term borrowing where there is no repayment schedule and are re-payable on demand.
8. The Deferred Tax Liability (Net) comprises of the following:

(Amt. in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance of Deferred Tax Liability (Net)	87,19,628	77,03,093
Related to Fixed Assets	(3,31,987)	6,71,521
Disallowance under the Income Tax Act	(3,66,741)	4,15,459
Related to Leave encashment & Gratuity	(1575)	(70,445)
Deferred Tax Liability (Net)	80,19,325	87,19,628

9. 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 recognised as expense for the year is as under:

Employer's Contribution to Provident Fund : Rs. 7,04,280 (Previous Year Rs. 6,54,279)

Employer's Contribution to ESI : Rs. 2,95,408 (Previous Year Rs. Nil)

Defined Benefit Plans:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each year 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 recognised in the same manner as gratuity.

a. Change in present value of obligation

(Amt in Rs.)

Particulars	Gratuity		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Present value of obligation as at the beginning of the period	3,51,439	1,23,461	1,33,789	1,90,487
Current Service Cost	1,27,583	1,58,066	48,158	71,479
Interest Cost	29,872	14,269	11,372	15,239
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	(1,41,316)	55,643	(70,571)	(1,43,416)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailement and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Present value of obligation as at the end of the period	3,67,578	3,51,439	1,22,748	1,33,789

b. Expense recognized in the statement of profit and loss

(Amt in Rs.)

Particulars	Gratuity		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Current service cost	1,27,583	1,58,066	48,158	71,479
Past service cost	--	--	--	--
Interest cost	29,872	14,269	11,372	15,239
Expected return on plan assets	--	--	--	--
Curtailement cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	(1,41,316)	55,643	(70,571)	(1,43,416)
Expenses recognized in the statement of profit & losses	16,139	2,27,978	(11,041)	(56,698)



c. **Actuarial Assumptions**

(Amt in Rs.)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Discount Rate (%)	8.50	8.00	8.50	8.00
Expected Rate of increase in Compensation Levels (%)	6.00	5.50	6.00	5.50
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	28.25	26.67	28.25	26.67

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.

d) **Commitments and Contingencies**

(Amt. in Rs.)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Bank Guarantees given	12,71,200	12,71,200
Bank Guarantees given by holding company, B.A.G. Films & Media Limited	5,13,000	5,13,000
Bank Guarantees given on behalf of holding company, B.A.G. Films & Media Limited	NIL	NIL

e) Additional information required to be given pursuant to part II of Schedule VI of the Companies Act, 1956 is as follows:

- Managerial Remuneration : Nil (Previous Year Nil)
- The business of the company is not subject to license as required by schedule VI; hence licensed capacity is not given.
- CIF Value of Imports - Rs. Nil (Previous Year Nil)
- Expenditure in Foreign Currency : Rs. 8,48,534 (Previous Year Rs. 5,26,912)
- Earnings in Foreign Currency : - Nil (Previous Year Nil)

Information pursuant to other provisions of part-II of Schedule VI to the Act, is either Nil or not applicable to the company.

f) As per Accounting Standard 18, 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related parties as defined therein are given below:

i) **List of Related Parties:**

Name	Relationship
B.A.G. Films & Media Limited	Holding Company
Anuradha Prasad	Key Managerial Personnel
E24 Glamour Limited (Formerly known as B.A.G Glamour Limited)	Enterprises over which KMP are able to exercise significant influence
News24 Broadcast India Limited (Formerly known as B.A.G Newline Network 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

ii) Related Party Transactions:

Particulars	Key Managerial Personnel		Enterprises over which KMP exercise significant influence		Holding Company	
	Year Ended March 31		Year Ended March 31		Year Ended March 31	
	2012	2011	2012	2011	2012	2011
Rent	240,000	240,000	NIL	NIL	NIL	NIL
Security Deposits received	NIL	NIL	NIL	NIL	NIL	NIL
Security Deposits refund	NIL	NIL	NIL	NIL	NIL	NIL
Unsecured Loans received	NIL	NIL	NIL	2,34,29,868	NIL	24,83,77,884
Unsecured Loans given/Repaid	NIL	NIL	NIL	5,38,74,303	NIL	6,08,38,446
Expense Reimbursed	NIL	NIL	550,000	NIL	48,76,360	45,74,168
Income from Ad Sales	NIL	NIL	NIL	NIL	100,00,000	NIL
Interest Paid	NIL	NIL	NIL	NIL	NIL	1,99,67,079
Share Application Received	NIL	NIL	NIL	NIL	345,058,316	357,737,974
Equity Share Capital	NIL	NIL	NIL	NIL	NIL	2,00,00,000
Advance Given	NIL	NIL	5,987,807	5,25,00,000	NIL	NIL

g) Earnings /(Loss) per share (EPS) in accordance with Accounting Standard-20 issued by Institute of Chartered Accountants of India

(Amt. in Rs.)

SL	Particulars	2011-12	2010-11
1	Net Profit/(Loss) after tax as per profit and loss account	1,85,17,776	(7,39,509)
2	Short provision for tax of earlier years	62,310	NIL
3	Net Profit /(Loss) attributable to Equity Shareholders	1,85,80,086	(7,39,509)
4	Net Profit/(Loss) before Exceptional Item	1,85,80,086	(7,39,509)
5	Weighted Average number of equity shares used as denominator for calculating Basic EPS	20,000,000	20,000,000
6	Basic Earnings per share	0.93	(0.04)
7	Weighted Average number of equity shares used as denominator for calculating Diluted EPS	7,31,69,024	2,00,70,613
8	Diluted Earnings per share	0.25	(0.04)
9	Basic Earnings (before exceptional item) per share	0.93	(0.04)
10	Diluted Earnings (before exceptional item) per share	0.25	(0.04)
11	Face Value per equity share	10	10.00

h) Previous year figures are regrouped, rearranged or re-classified wherever necessary to make them comparable with the current year figures.

For Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Place: Noida
Date: 30th May, 2012

For and on behalf of Board of Directors

Anuradha Prasad
(Managing Director)

Anuradha Mishra
(Director)

Ajay Mishra
(Company Secretary)



Dhamaal24 Radio Network Limited
(Formerly known as B.A.G Infotainment Limited)

Cash Flow Statement for the year ended March 31, 2012

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		17,817,473		277,026
<i>Adjustments for:</i>				
Depreciation and amortisation	20,281,182		20,145,292	
(Profit) / loss on sale / write off of assets	(395,011)		—	
Finance costs	27,971		20,012,459	
Liabilities / provisions no longer required written back	(205,369)		—	
Adjustment relating to earlier year	62,310		—	
		<u>19,771,083</u>		<u>40,157,751</u>
Operating profit / (loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(10,075,495)		—	
Trade receivables	9,122,351		(24,387,323)	
Short-term loans and advances	(24,628,998)		(170,002,556)	
Long-term loans and advances	—		14,916,715	
Other current assets	—		—	
Other non-current assets	1,344,527		1,344,526	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	8,008,460		12,346,324	
Other current liabilities	1,348,545		(23,917,555)	
Long-term provisions	138,887		193,791	
		<u>(14,741,723)</u>		<u>(189,506,078)</u>
		<u>22,846,833</u>		<u>(149,071,301)</u>
Net cash flow from / (used in) operating activities (A)		<u>22,846,833</u>		<u>(149,071,301)</u>
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(4,626,567)		(20,619,145)	
Proceeds from sale of fixed assets	3,524,644		351,619	
Purchase of long-term investments - Others	(69,000)		—	
		<u>(1,170,923)</u>		<u>(20,267,526)</u>
Net cash flow from / (used in) investing activities (B)		<u>(1,170,923)</u>		<u>(20,267,526)</u>
C. Cash flow from financing activities				
Share application money received/(refunded)	(7,679,658)		367,737,974	
Proceeds from other short-term borrowings	(51,318,830)		(118,879,707)	
Finance cost	(27,971)		(20,012,459)	
		<u>(59,026,459)</u>		<u>228,845,808</u>
Net cash flow from / (used in) financing activities (C)		<u>(59,026,459)</u>		<u>228,845,808</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		<u>(37,350,549)</u>		<u>59,506,981</u>
Cash and cash equivalents at the beginning of the year		66,030,274		6,523,293
Cash and cash equivalents at the end of the year		<u>28,679,725</u>		<u>66,030,274</u>

Particulars	For the year ended March 31,2012		For the year ended March 31,2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		28,679,725		66,030,274
Less: Bank balances not considered as Cash and cash equivalents		—		—
Net Cash and cash equivalents		28,679,725		66,030,274
Add: Current investments considered as part of Cash and cash equivalents		—		—
Cash and cash equivalents at the end of the year *		28,679,725		66,030,274
* Comprises:				
(a) Cash on hand		17,321		20,775
(b) Cheques, drafts on hand		22,631,859		52,839,826
(c) Balances with banks				
(i) In current accounts		4,678,616		11,654,094
(iv) In earmarked accounts		1,271,200		1,271,200
(d) Others				
Imprest with staff		80,729		244,379
(e) Current investments considered as part of Cash and cash equivalent				
		28,679,725		66,030,274

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anuradha Prasad
(Managing Director)

Anuradha Mishra
(Director)

Place: Noida
Date: 30th May, 2012

Ajay Mishra
(Company Secretary)

DIRECTORS' REPORT

To,
The Members,
News24 Broadcast India Limited
(Formerly known as B.A.G. Newline Network Limited)

Your Directors are pleased to present their 5th Annual Report on the business and operations of the Company along with the Audited Statements of Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

Particulars	₹ in Lacs	
	2011-12	2010-11
Total Income	4,189.57	3939.37
Profit/(Loss) before depreciation and financial charges	(3,355.86)	(2328.77)
Financial charges	593.51	815.10
Cash Profit/(Loss)	(3,948.94)	(3143.45)
Depreciation	167.45	175.10
Profit/(Loss) before Tax	(4,116.82)	(3318.97)
Provision for Tax	(18.89)	(18.79)
Profit/(Loss) after Tax	(4,097.93)	(3300.17)
Proposed Dividend (%)	—	—

PERFORMANCE REVIEW

During the financial year under review, your company's revenue from operations has been Rs. 4,189.57 lacs compared to Rs. 3,939.37 lacs last year, a marginal increase of 6.35 %, however losses of the company increased due to increase in expenditure for improving the distribution of our channel.

News24, a 24 hour National Hindi free to air news channel 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.

Programmes like Ek Shakhshiyat ki 50 Ansuni Kahaniyaan, Aamne Saamne, Sabse Bada Sawal & Sanjeevani amongst others cover a gamut of genres in news reporting and have been received exceptionally well with the audiences across the nation. Ek Shakhshiyat ki 50 Ansuni Kahaniyaan, Aamne Saamne, & Sanjeevani are few of most liked shows by our Indian viewers.

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

Ek Shakhshiyat ki 50 Ansuni Kahania has also been awarded the most Best-Presented Popular News Show by the News Television Awards 2012.

DIVIDEND

The Directors express their inability to declare any dividend for the financial year ended March 31, 2012 on account of losses during the year under review. The Company has not made any transfer to General Reserve.

DIRECTORS

There are four directors in the company viz. Ms. Anuradha Prasad, Mr. Ajit Anjum, Dr. Anuradha Mishra and Ms. Ankita Kumar. During the year Ms. Ankita Kumar was appointed as Director of the Company.

Pursuant to the provisions of section 256 of the Companies Act, 1956, and Articles of Association of the Company, Dr. Anuradha Mishra is liable to retire by rotation at the ensuing Annual General Meeting and she being eligible has offered herself for re-appointment. Your Board of Directors recommends her re-appointment.

CHANGE IN NAME OF THE COMPANY

During the year the Company has changed its name from B.A.G. Newline Network Limited to News24 Broadcast India Limited pursuant to resolution passed by the Members of the Company at the Extra-Ordinary General Meeting dated August 03, 2011.

DEPOSITS

During the year the Company did not accept any Deposits as per the provisions of Section-58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm-

1. That in preparation of the accounts for the financial period ended 31st March, 2012, 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 period and of profit and loss of the Company for that period;
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 period ended 31st March 2012 have been prepared on a "going concern" basis.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Board of Directors in accordance with the requirements of section 292A of the Companies Act 1956. Presently, the Audit Committee of the Company comprises of three Members. Mr. Ajit Anjum, Chairman of the Committee is an executive director, other members are Ms. Anuradha Prasad and Dr. Anuradha Mishra.

During the last financial year, four Audit Committee Meetings were held on May 30, 2011, August 12, 2011, November 11, 2011 and February 14, 2012.

AUDITORS

M/s Joy Mukherjee & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of section 226 of such Act.

AUDITORS' REPORT

All observations made in the 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.

HUMAN RESOURCES

Your Directors would like to place on record their deep appreciation of all employees for rendering quality services 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 business.

PERSONNEL

There is no employee whose particulars are required to be disclosed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 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. 31,20,871 as against Rs. 5,718,521 in the previous financial year.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the cooperation and support received from vendors, customers, bank, financial institutions, Central and State Government Bodies, Auditors, legal advisors, consultants, shareholders and the society at large. Your directors also place on record their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, your company's consistent growth would not have been possible.

For and on behalf of the Board of Directors

Place: Noida
Date: May 30, 2012

Anuradha Prasad
Chairperson

AUDITORS' REPORT

To
The Members of
News24 Broadcast India Limited
(Formerly known as B.A.G. Newline Network Limited)

1. We have audited the attached Balance Sheet of **News24 Broadcast India Limited**, as at March 31, 2012 and the related, Statement of Profit and Loss for the year ended on that date annexed thereto, and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors of the Company as on March 31, 2012 and taken on record by the Board of Directors of the Company, none of the Directors of

the Company is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) Section 274 of the Act;

- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For and on behalf of
Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee

Partner

Place: Noida
Dated: 30th May, 2012

Membership No. 74602
FRN: 006792C

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of our Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) 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.
- (c) 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.
2. (a) The inventory of video tapes and footage 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 was 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. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (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. Accordingly, clauses (iii) (f) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
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 fixed assets for the television broadcasting. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls 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, 2012 for a period of more than six months from the dates of becoming payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.
10. The Company has incurred loss amounting to Rs. 409,792,689/- (Previous Year Rs. 33,00,17,473/-) during the year ending March 31, 2012 and cash loss after tax of Rs. 393,004,997/- (Previous Year Rs. 312,465,653/-) in the financial year ended on that date.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not obtained any term loan during the period hence the clause 4(xvi) is not applicable.
17. 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.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
19. During the year, the Company has not raised money by public issue(s).
20. 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: 30th May, 2012

Membership No. 74602
FRN: 006792C

News24 Broadcast India Limited
(Formerly known as B.A.G Newline Network Limited)

Balance Sheet as at March 31, 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	171,428,560		171,428,560	
(b) Reserves and Surplus	2	(1,345,361,526)		(932,553,901)	
			(1,173,932,966)		(761,125,341)
2. Share application money pending allotment					
	3	1,336,909,394	1,336,909,394	136,763,226	136,763,226
3. Non-current liabilities					
(a) Long-term borrowings	4	175,556,558		176,104,456	
(b) Deferred Tax liabilities (Net)		1,241,170		3,130,487	
(c) Long-term Provisions	5	3,729,786		2,769,852	
			180,527,514		182,004,795
4. Current Liabilities					
(a) Short term borrowings	6	213,105,875		1,104,195,398	
(b) Trade payables		23,273,616		125,205,118	
(c) Other current liabilities	7	53,668,254		55,079,170	
			290,047,745		1,284,479,686
TOTAL			633,551,687		842,122,366
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	77,128,379		58,475,283	
(ii) Intangible assets	9	2,937,696		4,896,160	
(iii) Capital work-in-progress		5,496,875		21,578,861	
(b) Other non-current assets	10	25,194,579		50,220,163	
			110,757,529		135,170,467
2. Current assets					
(a) Inventories	11	80,151,389		70,247,389	
(b) Trade receivables	12	121,363,981		95,202,987	
(c) Cash and Cash equivalents	13	50,247,273		141,284,321	
(d) Short-term loans and advances	14	271,031,515		400,217,202	
			522,794,158		706,951,899
TOTAL			633,551,687		842,122,366

For and on behalf of the Board of Directors

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

Anuradha Prasad
Director

Ajit Anjum
Director

Nakul Grover
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May, 2012

News24 Broadcast India Limited
(Formerly known as B.A.G Newline Network Limited)
Statement of Profit and Loss for the period ended 31st March 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	15	415,142,256		388,953,894	
II Other Income	17	3,814,472		4,983,275	
III Total Revenue (I + II)			418,956,728		393,937,169
IV Expenses					
Changes in inventories of finished goods		(9,904,000)		(20,134,000)	
Employee benefits expense	18	125,618,848		113,253,008	
Finance Costs	16	59,350,633		81,509,823	
Depreciation and amortization expense		16,745,440		17,509,568	
Other expense	19	638,827,813		533,695,481	
Total Expense			830,638,734		725,833,880
V Profit before exceptional and extraordinary items and tax (III-IV)			(411,682,006)		(331,896,711)
VI Exceptional Items			—		—
VII Profit before extraordinary items and tax (V-VI)			(411,682,006)		(331,896,711)
VIII Extraordinary items			—		—
IX Profit before tax (VII-VIII)			(411,682,006)		(331,896,711)
X Tax expense:					
(1) Current tax					
(2) Deferred tax		(1,889,317)		(1,879,238)	
			(1,889,317)		(1,879,238)
XI Profit/(Loss) for the period from continuing operations (IX - X)			(409,792,689)		(330,017,473)
XII Earnings per equity share:					
(1) Basic			(24.08)		(19.25)
(2) Diluted			(24.08)		(19.25)

For and on behalf of the Board of Directors

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

Anuradha Prasad
Director

Ajit Anjum
Director

Nakul Grover
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May, 2012

Notes to Financial Statement

Particulars	Amount in ₹	Amount in ₹
	March 31, 2012	March 31, 2011
Note-1		
Share Capital		
Authorised share capital		
Equity Share Capital		
30,000,000 Equity Shares of Rs. 10/- each	300,000,000	300,000,000
(Previous Year 30,000,000 Equity Shares of Rs. 10/- each)		
Total	300,000,000	300,000,000
Issued, subscribed and fully paid up share capital		
17,142,856 Equity Shares of Rs 10/- per share	171,428,560	171,428,560
(Previous Year 17,142,856 Equity Shares @ Rs 10/- each)		
Total	171,428,560	171,428,560

- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the 31st March 2012

Particulars	March 31, 2012	March 31, 2011
Equity shares Fully paid up		
Number of Shares outstanding at the Beginning of the Year :	Qty 17,142,856	17,142,856
	Value 171,428,560	171,428,560
Add : Further Issue during the year	Qty —	—
	Value —	—
Number of Shares outstanding at the end of the Year :	Qty 17,142,856	17,142,856
	Value 171,428,560	171,428,560

- Details of shares held by the holding company, their subsidiaries and associates :

Number of Shares	March 31, 2012	March 31, 2011
B.A.G. Films & Media Limited (Holding Company)	8,571,430	8,571,430

- Details of shares holding in excess of 5% of shares capital:

Name of shareholders	March 31, 2012 No. of Shares
B.A.G. Films and Media Limited	8,571,430
Carwin Mercantiles (P) Limited	1,000,000
ARVR Communications Private Limited	990,000
Sameer Gehlaut	2,571,428
High Growth Distributors Private Limited	2,571,428
Par Vision Consultancy Private Limited	1,428,570

Note 2

Particulars	March 31, 2012	March 31, 2011
Reserves and Surplus		
Securities Premium Reserves		
Opening balance	448,571,440	448,571,440
Add: Premium on shares issued during the year	—	—
Less: Utilised during the year	—	—
Closing balance	448,571,440	448,571,440
Surplus		
Opening balance	(1,381,125,341)	(1,051,107,868)
Add: Profit / (Loss) for the year	(409,792,689)	(330,017,473)
Adjustment relating to earlier year	(3,014,936)	—
Less: Tranfered to General Reserve	—	—
Closing balance	(1,793,932,966)	(1,381,125,341)
Total	(1,345,361,526)	(932,553,901)

Note 3

Particulars	March 31, 2012	March 31, 2011
Share Application Money Pending Allotment	1,336,909,394	136,763,226
Total	1,336,909,394	136,763,226

Note 4

Particulars	March 31, 2012	March 31, 2011
Long-Term Borrowings		
Secured Loans		
A. Vehicle Loans		
- from Banks	556,558	1,104,456
B. Others Loan & advances	50,000,000	50,000,000
Unsecured Loans		
A. Optionally Fully Convertible Debentures	125,000,000	125,000,000
Total	175,556,558	176,104,456

Disclosure in relation to Optionally Fully Convertible Debenture

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

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:
A. Others Loan & Advances

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

B. Vehicle Loans from Banks

Vehicle Loan financed from HDFC Bank secured by vehicles financed by bank and repayable as per repayment schedule issued by the Bank.

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

No default has been made in repayment of Principal and interset on vehicle loan or any other loan during the financial year ending 31March 2012.

Note 5

Particulars	March 31, 2012	March 31, 2011
Long-term provisions		
Provision for Employee benefits		
- Provision for Gratuity	2,318,392	2,769,852
- Provision for Leave encashment	1,411,394	—
Total	3,729,786	2,769,852

Note 6

Particulars	March 31, 2012	March 31, 2011
Short-term borrowings		
A. <u>Loans from related parties</u>		
Unsecured	213,105,875	1,063,088,656
B. <u>Other loans</u>		
Unsecured	—	41,106,742
Total	213,105,875	1,104,195,398

Note 7

Particulars	March 31, 2012	March 31, 2011
Other current Liabilities		
Current maturities of long term debt	547,898	492,182
Other payables		
Statutory remittances	1,896,957	1,147,667
Taxes Payable	33,083,682	33,870,128
Advance received from customers	1,366,176	—
Other Liabilities	7,816,495	12,484,626
Employee Cost	8,957,046	7,084,567
Total	53,668,254	55,079,170

Note 8 - Fixed Assets Schedule as per Companies Act, 1956 for The Year Ended on March 31, 2012
Tangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost As on 01.04.11	Addition During the Year	Sale/Adj During the Year	Cost As on 31.03.12	Accumulated Depreciation As at 01.04.11	Depreciation For the year	Adjustment For the Year	Accumulated Depreciation As at 31.03.12	W.D.V. As at 31.03.12	W.D.V. As at 31.03.11
Plant & Machinery	31,065,658	23,711,603	—	54,777,261	11,271,653	4,959,829	—	16,231,482	38,545,779	19,794,005
Computers & Peripherals	38,320,200	—	—	38,320,200	30,611,904	3,084,487	—	33,696,391	4,623,809	7,708,296
Furniture & Fixtures	39,801,616	211,184	23,927.00	39,988,873	18,034,409	3,955,319	—	21,989,728	17,999,145	21,767,207
Office Equipments	10,915,021	60,700	—	10,975,721	4,279,852	1,022,951	—	5,302,803	5,672,918	6,635,169
Production Equipment	579,819	9,480,511	—	10,060,330	48,484	1,236,422	—	1,284,906	8,775,424	531,335
Vehicle	2,083,609	—	—	2,083,609	44,338	527,967	—	572,305	1,511,304	2,039,271
Total	122,765,923	33,463,998	23,927	156,205,994	64,290,640	14,786,975	—	79,077,615	77,128,379	58,475,283

Note 9 - Fixed Assets Schedule as per Companies Act, 1956 For The Year Ended On March 31, 2012
Intangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost As on 01.04.11	Addition During the Year	Sale/Adj During the Year	Cost As on 31.03.12	Accumulated Depreciation As at 01.04.11	Depreciation For the year	Adjustment For the Year	Accumulated Depreciation As at 31.03.12	W.D.V. As at 31.03.12	W.D.V. As at 31.03.11
Computer Softwares	25,274,140	—	—	25,274,140	20,377,980	1,958,464	—	22,336,444	2,937,696	4,896,160
Total	25,274,140	—	—	25,274,140	20,377,980	1,958,464	—	22,336,444	2,937,696	4,896,160

Note 10

Particulars	March 31, 2012	March 31, 2011
Other Non-Current Assets		
Unamortised expenses		
A. Deferred Revenue Expenditure		
Opening Balance	49,966,667	—
Add: Incurred during the year	—	74,950,000
	49,966,667	74,950,000
Less: Written off during the year	24,983,332	24,983,333
Sub Total	24,983,335	49,966,667
B. Preliminary Expenses		
Opening Balance	253,496	295,748
Add: Incurred during the year	—	—
	253,496	295,748
Less: Written off	42,252	42,252
Sub Total	211,244	253,496
Total	25,194,579	50,220,163

Note 11

Particulars	March 31, 2012	March 31, 2011
Inventories		
Finished goods	80,151,389	70,247,389
Total	80,151,389	70,247,389

Note 12

Particulars	March 31, 2012	March 31, 2011
Trade Receivables		
Considered good		
Over six months from the date they were due for payment	3,328,575	21,060,969
	3,328,575	21,060,969
Less: Provision for doubtful trade receivables	—	—
Sub Total	3,328,575	21,060,969
Other Trade receivables		
	118,035,406	74,142,018
	118,035,406	74,142,018
Less: Provision for doubtful trade receivables	—	—
Sub Total	118,035,406	74,142,018
Total	121,363,981	95,202,987

Note 13

Particulars	March 31, 2012	March 31, 2011
Cash and cash equivalents		
Cash on hand	244,695	120,241
Balance with banks		
-In current accounts	1,691,698	125,774,796
- In deposit accounts	15,451,432	14,574,701
Cheques, Draft in hand	32,798,181	—
Imprest with Staff	61,267	814,583
Total	50,247,273	141,284,321

Note 14

Particulars	March 31, 2012	March 31, 2011
Short Term Loans and Advances (Unsecured)		
Considered Good		
A. Loans and advances to related parties	—	105,863,649
	—	105,863,649
Less: Provision for doubtful loans and advances	—	—
Sub Total	—	105,863,649
B. Balances with government authorities		
Advance Taxes	14,653,701	16,840,394
Service Tax Credit	2,767,163	23,695,324
Sub Total	17,420,864	40,535,718
C. Security Deposits	1,488,200	1,544,679
	1,488,200	1,544,679
Less: Provision for doubtful loans and advances	—	—
Sub Total	1,488,200	1,544,679
D. Prepaid Expenses	1,756,265	2,270,727
Sub Total	1,756,265	2,270,727
E. Loans and advances to employees		
Staff Advances	790,792	1,152,321
	790,792	1,152,321
Less: Provision for doubtful loans and advances	—	—
Sub Total	790,792	1,152,321
F. Others		
Advance to Others	249,575,394	248,850,108
Sub Total	249,575,394	248,850,108
Total	271,031,515	400,217,202

Note 15

Particulars	March 31, 2012	March 31, 2011
Revenue from Operations		
Revenue from - Sale of Services		
Advertisement Sales Revenue	415,142,256	388,953,894
Total	415,142,256	388,953,894

Note 16

Particulars	March 31, 2012	March 31, 2011
Finance Costs		
A. Interest expense on		
Borrowing	386,182	—
others	58,918,564	81,431,616
	59,304,746	81,431,616
B. Other borrowing costs		
Bank Charges	45,887	78,207
Total	59,350,633	81,509,823

Note 17

Particulars	March 31, 2012	March 31, 2011
Other Income		
A. <u>Interest income</u>		
Interest from banks on:		
Deposits	956,111	1,226,760
Interest from other	276,610	—
	<u>1,232,721</u>	<u>1,226,760</u>
B. <u>Other Non-Operating Income</u>		
Income from Equipment Hiring	1,265,880	3,108,358
Income from sale of scrap	—	18,000
Miscellaneous income	999,280	10,413
Sundry balance w/off	316,591	619,744
	<u>2,581,751</u>	<u>3,756,515</u>
Total	<u>3,814,472</u>	<u>4,983,275</u>

Note 18

Particulars	March 31, 2012	March 31, 2011
Employee Benefits Expense		
Salaries and wages	120,939,864	105,584,995
Contribution to Provident and other funds	4,054,359	4,687,183
Staff welfare expenses	624,625	2,980,830
Total	<u>125,618,848</u>	<u>113,253,008</u>

Note 19

Particulars	March 31, 2012	March 31, 2011
Other Expenses		
Power and fuel	7,682,803	7,886,997
Lease Rent	51,825,787	50,947,519
Repairs to machinery	1,232,054	1,781,073
Insurance	91,775	85,004
Rates and taxes, excluding, taxes on income	2,407,351	1,555,535
Loss on foreign currency transaction	51,272	5,871,907
Payment to auditors		
- As Auditor	50,000	50,000
- For Taxation Matters	40,000	40,000
- For Management Services	10,000	10,000
- For Reimbursement of Expenses	23,903	27,364
Professional Charges	7,949,502	8,042,960
Space segment charges	14,116,569	31,606,463
Telephone , Courier, Postage & Telegram	4,193,796	4,179,922
Travelling Expenses	20,641,658	15,136,935
Subscription Charges	13,247,579	12,229,069
Licence Fees	3,977,550	3,793,944
Stories Purchases	4,082,834	2,629,845
Shooting/set & Programming Expenses	35,791,735	26,372,796
Office maintenance	9,400,658	3,817,714
Annual Maintenance charges	5,755,912	6,460,912
Carriage Charges	432,901,543	308,166,047
Advertisement & Publicity	9,619,536	1,546,540
Miscellaneous Expenses	13,733,996	41,456,935
Total	<u>638,827,813</u>	<u>533,695,481</u>

NOTE-1**Corporate Information**

The Company is running its 24 hours National Hindi free to air news channel in the name of "News24". Programmes like Aamne-Saamne, Kismet Connection, News Shatak, Dhram Yatra, Kaal Chakra, Bindas Bolly wood, Naukuri-24, U me aur TV amongst others cover a gamut of genres in news reporting and have been received exceptionally well with the audiences across the nation. The channel today boasts of being one of the leading Hindi News channel in the country.

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 the 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.

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 recognised in the accounting year 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.

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

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

Subscription revenue is recognized on accrual basis in accordance with the terms of the contract with the distribution and collection agency.

Interest is recognized using time proportion method and dividend income is recognized when the company's right to receive dividend is established.

2.8 Other Income

Interest income is accounted on accrual basis.

2.9 Fixed Assets & Capital Work-in-ProgressTangible 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 AssetsIntangible 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 Profit & Loss account.

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

2.12 Government grants, subsidies and export incentives

No Government grants, subsidies and export incentives received during the financial year 2011-12

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 Profit and Loss Account.

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

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 Profit and Loss Account as per the provisions of "The Payment of Bonus Act, 1965".

2.15 Borrowing Costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.16 Segmental Reporting

In accordance with Accounting Standard -17 issued by the Institute of Chartered Accountants of India, the company's single business segment is broadcasting of news and related operations and it has no other primary reportable segment. The Company caters only to the needs of Indian market hence there are no reportable geographical segments.

2.17 Operating Leases

The Company has taken broadcasting equipments under

operating leases. These lease agreements are normally renewable on expiry. The rental expenses on operating leases are charged to Profit and Loss account.

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 earning 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 year comprise 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 year. 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 recognised 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

As per Accounting Standard-28 issued by the Institute of Chartered Accountants of India, 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. Pre-Operative Expenditure

Expenditure incurred by the company till the date of operationalisation of 24 Hours Hindi News Channel, not directly attributable to fixed asset is charged to the profit and loss account.

C. 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.

Expenditure incurred by company on programming and sets for future shows will be amortized over a period of three years from the date of its incurrence. Expenditure amortized during a year over period of three years will be expensed out in the profit and loss account of that financial year. The benefit of these expenses will spread over a period of three years.

Additional Information to the Financial Statements

1. Share application money pending allotment

As at 31st March 2012, the Company had received amount from parent company & others to the tune of Rs. 133,69,09,394 (Previous year Rs. 13,67,63,226) as unsecured loan & advances. The Company proposes to convert this amount into equity shares within the financial year 2012-13 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. Contingent Liabilities and Commitments

	As at 31 March,12	As at 31 March,11
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
-Bank Guarantee given	74,81,031	6,390,000
-Bank Guarantee given by holding company (B.A.G. Films & Media Limited)	27,00,000	2,700,000
c) Other money for which the Company is contingently liable	Nil	Nil

	As at 31 March,12	As at 31 March,11
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

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

(Amount in ₹)

	As at 31 March,12	As at 31 March,11
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 information available with the company. This has been relied upon by the Auditors.

4. The detail of Capital Work in Progress (including Capital Advances) is as follows :

(Amt. in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Capital Work in Progress	54,96,875	15,796,985
Capital Advances	Nil	57,81,875
Total	54,96,875	21,578,860

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

6. 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.

7. Advances taken from associated companies are shown as unsecured loans under the head Loan Funds where there is no repayment schedule and are re-payable on demand.

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

(Amt. in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance of Deferred Tax Liability (Net)	3,130,487	50,09,725
Related to Fixed Assets	(8,54,130)	(15,83,389)
Disallowance under the Income Tax Act	13,056	13,056
Related to Leave encashment & Gratuity	(10,48,243)	308,905
Deferred Tax Liability (Net)	12,41,170	3,130,487

9. **Employee Benefits**

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

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

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Present value of obligation as at the beginning of the period	27,69,852	1,790,930	17,40,328	20,95,548
Current Service Cost	7,45,960	880,725	4,27,616	5,70,272
Interest Cost	2,35,437	143,274	1,47,928	1,67,644
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	(14,32,857)	(45,077)	(9,04,478)	(10,93,136)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailment and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Present value of obligation as at the end of the period	23,18,392	27,69,852	14,11,394	17,40,328

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

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Current service cost	7,45,960	880,725	4,27,616	5,70,272
Past service cost	--	--	--	--
Interest cost	2,35,437	1,64,043	1,47,928	1,67,644
Expected return on plan assets	--	--	--	--
Curtailment cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	(14,32,857)	(45,077)	(9,04,478)	(10,93,136)
Expenses recognized in the statement of profit & losses	(4,51,460)	9,99,691	(3,28,934)	(3,55,220)

c. **Actuarial Assumptions**

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Discount Rate (%)	8.50	8.00	8.50	8.00
Expected Rate of increase in Compensation Levels (%)	6.00	5.50	6.00	5.50
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	27.49	28.42	27.49	28.42

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.

d) **Export Obligation**

The Company has obtained license under the Export Promotion Credit Guarantee Scheme (EPCG Scheme) dated August 24, 2007 and December 31, 2007 for importing capital goods at a concessional rate of custom duty against submission of bank guarantee and bonds. Under the terms of the EPCG Scheme, the company is required to export goods or services of at least Rs. 6,36,95,720 (Previous Year Rs. 6,36,95,720) within eight years from the date of Licences.

e) The Holding Company B.A.G. Films and Media Limited granted options Nil (P.Y. Nil) to the employees of its subsidiary Company News24 Broadcast India Limited (Formerly known as B.A.G. Newline Network Limited) under the Employees stock option scheme-"the BAG ESOP Scheme" approved by its shareholders in their Extra-Ordinary General Meeting held on February 13, 2007. The cost of the compensation of options granted to the employees of the company is Rs. 29,91,653 (P.Y. Rs. 28,66,000).

The movement in the options granted to employees of the company during the year ended March, 31 2012 under the "the BAG ESOP scheme" is as below:

Particulars	F.Y 2011-12 (Amount in ₹)	F.Y. 2010-11 (Amount in ₹)
Date of Grant	30-Jul-2008	30-Jul-2008
Market Value on date of grant	Rs. 31.05	Rs. 31.05
Exercise Price	Rs. 13	Rs. 13
Vesting Period	5 Years	5 Years
Options outstanding at the beginning of year	255000	3,25,000
Options Granted (Nos)	Nil	Nil
Options forfeited/Lapsed (Nos)	Nil	Nil
Options exercised (Nos)	60000	70000
Options Expired (Nos)	Nil	Nil
Options outstanding at the end of year (nos)	195000	255000

f) Additional information required to be given pursuant to part II of Schedule VI of the Companies Act, 1956 is as follows:

- Managerial Remuneration : Nil (Previous Year Nil)
- The business of the Company is not subject to license as required by Schedule VI; hence licensed capacity is not given.
- CIF Value of Imports - Rs. 67,19,625 (Previous Year Nil)

d. Expenditure in Foreign Currency : Rs. 31,20,871 (Previous Year Rs. 57,18,521)

e. Earnings in Foreign Currency : - Nil (Previous Year Nil)

Information pursuant to other provisions of part-II of Schedule VI to the Act, is either Nil or not applicable to the company.

g) As per Accounting Standard 18, 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related parties as defined therein are given below:

i) List of Related Parties:

Name	Relationship
B.A.G. Films & Media Limited	Holding Company
Anuradha Prasad	Key Managerial Personnel
ARVR Communications Pvt. Limited (Formerly known as Anu Films & Communications Pvt. Limited)	Enterprises over which KMP are able to exercise significant influence
E24 Glamour Limited (Formerly known as B.A.G Glamour Limited)	Enterprises over which KMP are able to exercise significant influence
Approach Films & Televisions Limited	Enterprises over which KMP are able to exercise significant influence
Dhamaal24 Radio Network Limited (Formerly known as B.A.G. Infotainment 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

ii) Related Party Transactions:

Particulars	Key Managerial Personnel		Enterprises over which KMP exercise significant influence		Holding Company	
	Year Ended March 31		Year Ended March 31		Year Ended March 31	
	2012	2011	2012	2011	2012	2011
Office Rent	NIL	NIL	NIL	NIL	NIL	NIL
Lease rental on Equipments	48,443,145	48,145,988	NIL	NIL		NIL
Security Deposits Paid	NIL	NIL	NIL	NIL	NIL	NIL
Security Deposits Refund	NIL	NIL	NIL	NIL	NIL	NIL
Proceeds from Issue of Share Capital and Share Application Money	1,190,309,394	NIL	NIL	NIL	NIL	NIL
Programming Expenses	1,00,00,000	74,950,000	NIL	NIL	NIL	NIL
Unsecured Loans received	187,599,382	815,878,260	NIL	NIL	25,506,493	38,379,514
Unsecured Loans returned	NIL	258,816,332	NIL	NIL	NIL	95,291,760
Expenses Reimbursed	58,874,162	41,509,445	NIL	NIL	15,259,165	31,606,463
Expenses Incurred	NIL	NIL	NIL	NIL	20,48,230	NIL
Interest Paid	59,156,584	7,74,64,730	NIL	NIL	NIL	3,966,886
Income from Ad Sales	1,50,00,000	72,500,000	NIL	NIL	12,016,930	NIL

- h) Earnings /(Loss) per share (EPS) in accordance with Accounting Standard-20 issued by Institute of Chartered Accountants of India

(Amt. in ₹)

SL	Particulars	2011-12	2010-11
1	Net Profit /(Loss) after tax as per profit and loss account	(40,97,92,689)	(33,00,17,473)
2	Short provision for tax of earlier years	(30,14,936)	NIL
3	Net Profit /(Loss) attributable to Equity Shareholders	(41,28,07,625)	(33,00,17,473)
4	Net Profit/(Loss) before Exceptional Item	(41,28,07,625)	(33,00,17,473)
5	Weighted Average number of equity shares used as denominator for calculating Basic EPS	17,142,856	17,142,856
6	Basic Earnings per share	(24.08)	(19.25)
7	Weighted Average number of equity shares used as denominator for calculating Diluted EPS	17,142,856	19,819,179
8	Diluted Earnings per share	(24.08)	(16.65)
9	Basic Earnings (before exceptional item) per share	(24.08)	(19.25)
10	Diluted Earnings (before exceptional item) per share	(24.08)	(16.65)
11	Face Value per equity share	10.00	10.00

- i) Previous year figures are regrouped, rearranged or re-classified wherever necessary to make them comparable with the current year figures.

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anuradha Prasad
(Director)

Ajit Anjum
(Director)

Place: Noida
Date: 30th May, 2012

Nakul Grover
(Company Secretary)

News24 Broadcast India Limited
(Formerly known as B.A.G Newsline Network Limited)
Cash Flow Statement for the year ended March 31, 2012

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(411,682,006)		(331,896,711)
<i>Adjustments for:</i>				
Depreciation and amortisation	16,745,440		17,509,568	
Finance costs	59,350,633		81,509,823	
Interest income	(1,232,721)		(1,226,760)	
Liabilities/provisions no longer required written back	(316,591)		619,744	
Other non-cash charges				
Adjustment Relating to earlier year	(3,014,936)	71,531,825	—	98,412,375
Operating profit / (loss) before working capital changes		71,531,825		98,412,375
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(9,904,000)		(20,134,000)	
Trade receivables	(26,160,994)		95,582,340	
Short-term loans and advances	129,185,687		(270,632,259)	
Other non-current assets	25,025,584		(49,924,415)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(101,614,912)		3,911,587	
Other current liabilities	(1,410,915)		9,555,061	
Long-term provisions	959,934	16,080,384	359,178	(231,282,508)
		87,612,209		(132,870,133)
Net cash flow from / (used in) operating activities (A)		(324,069,797)		(464,766,844)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(33,463,998)		(3,375,939)	
Proceeds from sale of fixed assets	16,105,912		7,940,501	
Interest received				
- Others	1,232,721	(16,125,365)	1,226,760	5,791,322
Net cash flow from / (used in) investing activities (B)		(16,125,365)		5,791,322
C. Cash flow from financing activities				
Share application money received / (refunded)	1,200,146,168		120,000,000	
Proceeds from long-term borrowings	—		1,596,638	
Repayment of long-term borrowings	(547,898)		—	
Proceeds from other short-term borrowings	—		543,323,486	
Repayment of other short-term borrowings	(891,089,523)		—	
Finance cost	(59,350,633)	249,158,114	(81,509,823)	583,410,301
Net cash flow from / (used in) financing activities (C)		249,158,114		583,410,301
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(91,037,048)		124,434,779
Cash and cash equivalents at the beginning of the year		141,284,321		16,849,542
Cash and cash equivalents at the end of the year		50,247,273		141,284,321

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		50,247,273		141,284,321
Net Cash and cash equivalents		50,247,273		141,284,321
Add: Current investments considered as part of Cash and cash equivalents		—		—
Cash and cash equivalents at the end of the year *		<u>50,247,273</u>		<u>141,284,321</u>
* Comprises:				
(a) Cash on hand		244,695		120,241
(b) Cheques, drafts on hand		32,798,181		
(c) Balances with banks				
(i) In current accounts		1,691,698		125,774,796
(ii) In deposit accounts		15,451,432		14,574,701
(d) Others				
Imprest with Staff		61,267		814,583
		<u>50,247,273</u>		<u>141,284,321</u>

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anuradha Prasad
(Director)

Ajit Anjum
(Director)

Place: Noida
Date: 30th May, 2012

Nakul Grover
(Company Secretary)

DIRECTORS' REPORT

To,

The Members,
E24 Glamour Limited
 (Formerly known as B.A.G. Glamour Limited)

Your Directors are pleased to present their 5th Annual Report on the business and operations of the company along with the Audited Statements of Accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS

Particulars	₹ in Lacs)	
	2011-12	2010-11
Total Income	3,224.30	2671.77
Profit/(Loss) before depreciation and financial charges	129.15	353.78
Financial charges	0.05	296.15
Cash Profit/(Loss)	130.56	59.08
Depreciation	67.17	105.25
Profit/(Loss) before Tax	61.93	(47.63)
Provision for Tax	(6.39)	(65.83)
Profit/(Loss) after Tax	68.32	(113.46)
Proposed Dividend (%)	—	—

PERFORMANCE REVIEW

During the financial year under review, your company's revenue from operations has been Rs. 3,224.30 lacs compared to Rs. 2671.77 lacs. In the previous year, an increase of 20.68%, however, profitability of the Company shown a healthy improvement due to saving on financial charges. Profit after tax has been Rs. 68.32 lacs compared to loss of Rs. 113.46 lacs in the previous year.

The Company running it's a 24 hours Bollywood Entertainment channel in the name of "E24". 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 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 up-to to the global standard at the same time not forgetting its culture and traditions.

In the past years the channel has been applauded for its programs such as Bollywood Reporter, U, Me Aur TV, Bheja Fry, E Special and E20, E100, that easily qualify as channel drivers. Various other music programmes such as Mera Gana Kab Ayega, Melody Queen, Melody Afternoon, Maha Star, Singing Sensation of E24 are most popular among the viewers.

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.

DIVIDEND

The Directors are of the view that resources of the Company need to be conserved for its future growth plans and hence do not recommend any dividend for the financial year ended March 31, 2012.

DIRECTORS

There are three directors in the company viz. Ms. Anurradha Prasad, Ms. Ankita Kumar and Ms. Ragini Kumar. During the year Ms. Ragini Kumar is appointed as an Additional Director and Mr. Rajeev Shankar and Ajit Anjum has resigned from the Board of the Company.

Pursuant to the provisions of section 256 of the Companies Act, 1956, and Articles of Association of the Company, Ms. Anurradha Prasad is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment. Your Board of Directors recommends her re-appointment.

Ms. Ragini Kumar was appointed as an Additional Director of the Company on May 30, 2012 to hold office upto 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 Ms. Ragini Kumar as Director of the Company. The Board recommends her appointment as Director, liable to retire by rotation.

CHANGE IN NAME OF THE COMPANY

During the year there have been changes in the name of the Company from B.A.G. Glamour Limited to E24 Glamour Limited pursuant to resolution passed by the Members of the Company at the Extra-Ordinary General Meeting dated August 03, 2011.

DEPOSITS

During the year the Company did not accept any Deposits as per the provisions of Section-58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm-

1. That in preparation of the accounts for the financial period ended March 31, 2012 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 period and of profit and loss of the Company for that period;

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 period ended March 31, 2012 has been prepared on a "going concern" basis.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Board of Directors in accordance with the requirements of Sec 292A of the Companies Act 1956. Presently, the Audit Committee of the Company comprises of three Members, Ms. Ragini Kumar, Chairperson of the Committee is a non executive independent director, other members are Ms. Anuradha Prasad and Ms. Ankita Kumar.

During the last financial year, four Audit Committee Meetings were held on May 30, 2011, August 12, 2011, November 11, 2011 and February 14, 2012.

AUDITORS

M/s Joy Mukherjee & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible,, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of section 226 of such Act.

AUDITORS' REPORT

All observations made in the 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.

HUMAN RESOURCES

Your Directors would like to place on record their deep appreciation of all employees for rendering quality services 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.

PERSONNEL

Particulars of the employee as required to be disclosed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended form part of this Report and is attached herewith as Annexure-I.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 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. Nil as against Rs. Nil in the previous financial year.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the cooperation and support received from vendors, customers, bank, financial institutions, Central and State Government Bodies, Auditors, legal advisors, consultants, shareholders and the society at large. Your directors also place on record their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, your company's consistent growth would not have been possible.

For and on behalf of the Board of Directors

Place: Noida
Date: May 30, 2012

Anuradha Prasad
Chairperson

Annexure I

Particular of employees pursuant to the provisions of Sec 217(2A) of the Companies Act, 1956 is:

S N	Name	Age	Designation	Remuneration (In Rs.)	Qualification and Experience (In Years)	Date of Commencement of employment	Last employment held	Percentage of Equity shares held
1	Amit Kumar	46	COO	600,000 p.m.	M.A. (21 Years)	01.09.2011	Independent News Services Pvt. Ltd.	NIL

Notes:

1. Remuneration includes Basic Salary, Commission, other allowances and taxable value of perquisites and company's contribution to provident fund.
2. The above mentioned appointment is on non-contractual basis.
3. Mr. Kumar is not related to any employee of the company.

AUDITORS' REPORT

To
The Members of
E24 Glamour Limited
(Formerly known as B.A.G. Glamour Limited)

1. We have audited the attached Balance Sheet of E24 Glamour Limited as at March 31, 2012 and the related, Statement of Profit and Loss for the year ended on that date annexed thereto, and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the Directors of the Company, as on March 31, 2012 and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on March 31, 2012

from being appointed as a Director in terms of clause (g) of sub-section (1) Section 274 of the Act;

- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said Financial accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For and on behalf of
Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee

Partner

Place: Noida
Dated: 30th May, 2012

Membership No. 74602
FRN: 006792C

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of our Report of even date]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) 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.
- (c) 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.
2. (a) The inventory of video tapes, cassettes and compact discs 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, cassettes and compact discs 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 was 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. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the current year.
- (b) The Company has not taken loans, secured or unsecured, from the Companies, firms or other parties covered in the Register maintained under Section 301 of the Act. Accordingly, clauses (iii) (f) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company for the current year.
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 fixed assets for the television broadcasting. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls 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 period, 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 Companies Act, 1956 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, 2012 for a period of more than six months from the dates of becoming payable.
- (b) According to the information and explanations given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess.
10. The Company has incurred profit after tax amounting to Rs. 6,832,199/- (Previous Year loss Rs. 1,13,46,254/-) during the year ending March 31, 2012 and cash profit 1,36,94,830/- after tax of Rs (Previous Year Cash Loss Rs. 6,74,927) in the financial year ended on that date.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not obtained any term loan during the period. So the clause 4(xvi) is not applicable.
17. 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.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
19. During the year, the Company has not raised money by public issue(s).
20. 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: 30th May, 2012

Membership No. 74602
FRN: 006792C

E24 Glamour Limited
(Formerly known as B.A.G Glamour Limited)
Balance Sheet as at March 31, 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	171,428,560		171,428,560	
(b) Reserves and Surplus	2	(280,463,265)		(286,572,003)	
			(109,034,705)		(115,143,443)
2. Share application money pending allotment					
	3	284,403,815	284,403,815	—	—
3. Non-current liabilities					
(a) Long-term borrowings	4	175,000,000		165,000,000	
(b) Deferred Tax liabilities (Net)		4,249,065		4,888,188	
(c) Long-term Provisions	5	722,744		662,955	
			179,971,809		170,551,143
4. Current Liabilities					
(a) Short term borrowings	6	—		352,050,494	
(b) Trade payables		16,931,237		33,908,001	
(c) Other current liabilities	7	25,788,257		33,873,397	
(d) Short term provisions	8	7,818,016		7,818,016	
			50,537,510		427,649,908
TOTAL			405,878,429		483,057,608
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	12,047,992		16,573,695	
(ii) Intangible assets	10	3,073,247		5,122,078	
(b) Other non-current assets	11	25,710,137		50,838,833	
			40,831,376		72,534,606
2. Current assets					
(a) Inventories	12	77,476,558		57,650,379	
(b) Trade receivables	13	84,937,388		71,511,798	
(c) Cash and Cash equivalents	14	8,954,654		3,458,932	
(d) Short-term loans and advances	15	193,678,453		277,901,893	
			365,047,053		410,523,002
TOTAL			405,878,429		483,057,608

For and on behalf of the Board of Directors

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

Anuradha Prasad
Director

Ankita Kumar
Director

Pinki Pilani
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May, 2012

E24 Glamour Limited
(Formerly known as B.A.G Glamour Limited)
Statement of Profit and Loss for the period ended March 31, 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	16	320,864,804		267,083,683	
II Other Income	18	1,564,838		93,003	
III Total Revenue (I + II)			322,429,642		267,176,686
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		(19,826,179)		(27,564,700)	
Employee benefits expense	19	30,468,589		26,882,713	
Finance Costs	17	4,640		29,615,312	
Depreciation and amortization expense		6,717,267		10,525,963	
Other expense	20	298,872,248		232,480,323	
Total Expense			316,236,565		271,939,611
V Profit before exceptional and extraordinary items and tax (III-IV)			6,193,077		(4,762,925)
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			6,193,077		(4,762,925)
VIII Extraordinary items					
IX Profit before tax (VII-VIII)			6,193,077		(4,762,925)
X Tax expense:					
(1) Current tax		—		7,818,016	
(2) Deferred tax		(639,122)		(1,234,687)	
			(639,122)		6,583,329
XI Profit/(Loss) for the period from continuing operations (IX - X)			6,832,199		(11,346,254)
XII Earnings per equity share:					
(1) Basic			0.36		(0.67)
(2) Diluted			0.10		(0.67)

For and on behalf of the Board of Directors

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

Anuradha Prasad
Director

Ankita Kumar
Director

Pinki Pilani
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May, 2012

Notes to Financial Statement

Particulars	Amount in ₹	
	March 31, 2012	March 31, 2011
Note-1		
Share Capital		
Authorised share capital		
Equity Share Capital		
30,000,000 Equity Shares of Rs. 10/- each	300,000,000	300,000,000
(Previous Year 30,000,000 Equity Shares of Rs. 10/- each)		
Total	300,000,000	300,000,000
Issued, subscribed and fully paid share capital		
17,142,856 Equity Shares of Rs 10/- per share	171,428,560	171,428,560
(Previous Year 17,142,856 Equity Shares @ Rs 10/- each)		
Total	171,428,560	171,428,560

- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the March 31, 2012

Particulars	March 31, 2012		March 31, 2011
Equity shares Fully paid up			
Number of Shares outstanding at the Beginning of the Year :	Qty	17,142,856	17,142,856
	Value	171,428,560	171,428,560
Add : Further Issue during the year	Qty	—	—
	Value	—	—
Number of Shares outstanding at the end of the Year :	Qty	17,142,856	17,142,856
	Value	171,428,560	171,428,560

- Details of shares held by the holding company, their subsidiaries and associates :

Number of Shares	March 31, 2012	March 31, 2011
B.A.G. Films & Media Limited (Holding Company)	9,000,286	9,000,286

- Details of shares holding in excess of 5% of shares capital:

Name of shareholders	March 31, 2012 No. of Shares
Gauri Khan	1,000,000
B.A.G. Films & Media Limited	9,000,286
Arion Commercial Private Limited	1,000,000
ARVR Communications Pvt Ltd.	944,714
Sameer Gehlaut	2,571,428
High Growth Distributors Pvt Ltd.	2,571,428

Note 2

Particulars	March 31, 2012	March 31, 2011
Reserves and Surplus		
Securities Premium Reserves		
Opening balance	448,571,440	448,571,440
Add: Premium on shares issued during the year	—	—
Less: Utilised during the year	—	—
Closing Balance	448,571,440	448,571,440
Surplus		
Opening balance	(735,143,443)	(723,725,075)
Add: Profit / (Loss) for the year	6,832,199	(11,346,254)
Adjustment relating to earlier year	(723,461)	(72,114)
Less: Transferred to General Reserve	—	—
Closing balance	(729,034,705)	(735,143,443)
Total	(280,463,265)	(286,572,003)

Note 3

Particulars	March 31, 2012	March 31, 2011
Share Application Money Pending Allotment	284,403,815	—
	284,403,815	—

Note 4

Particulars	March 31, 2012	March 31, 2011
Long-Term Borrowings		
Secured Loans		
Others Loan & advances	40,000,000	40,000,000
Unsecured Loans		
Optionally Fully Convertible Debentures	125,000,000	125,000,000
Others	10,000,000	—
Total	175,000,000	165,000,000

Disclosure in relation to Optionally Fully Convertible Debenture

The Company issued 1250000 Optionally Fully Convertible Debenture (OFCDs) of face value Rs 100/-each .The OFCDs are convertible into equity shares at any time after the expiry of 4 years of issue at a conversion price arrived at a Fair valuation mutually agreeable to the both parties.

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured long-term borrowings:
A. Others Loan & Advances

The amount of Rs 40,000,000 (Previous year Rs. 40,000,000) is secured by pledging 411,430 equity shares held by B.A.G. films & Media Limited in E24 Glamour Limited (formerly known as B.A.G. Glamour 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 borrowings:

No default has been made in repayment of Principal and interest during the financial year ending 31March 2012.

Note 5

Particulars	March 31, 2012	March 31, 2011
Long-Term Provisions		
Provision for Employee benefits		
- Provision for Gratuity	542,855	662,955
- Provision for Leave encashment	179,889	—
Total	722,744	662,955

Note 6

Particulars	March 31, 2012	March 31, 2011
Short-Term Borrowings		
Unsecured Loans		
Loans from related parties	—	352,050,494
Total	—	352,050,494

Note 7

Particulars	March 31, 2012	March 31, 2011
Other Current Liabilities		
Other payables		
Statutory remittances	39,312	149,431
Taxes Payable	10,068,320	13,578,232
Advance received from customers	466,598	628,172
Other Liabilities	12,905,918	18,085,802
Employee Cost	2,308,109	1,431,760
Total	25,788,257	33,873,397

Note 8

Particulars	March 31, 2012	March 31, 2011
Short-Term Provisions		
Others		
Provision for Income Tax	7,818,016	7,818,016
Total	7,818,016	7,818,016

Note 9 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Tangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost As on 01.04.11	Addition During the Year	Sale/Adj During the Year	Cost As on 31.03.12	Accumulated Depreciation As at 01.04.11	Depreciation For the year	Adjustment For the Year	Accumulated Depreciation As at 31.03.12	W.D.V. As at 31.03.12	W.D.V. As at 31.03.11
Plant & Machinery	2,209,084	—	—	2,209,084	1,040,152	233,787	—	1,273,939	935,145	1,168,932
Computers & Peripherals	39,654,841	98,250	—	39,753,091	31,066,463	3,468,002	—	34,534,465	5,218,626	8,588,378
Furniture's & Fixtures	2,658,570	—	—	2,658,570	2,320,211	61,243	—	2,381,454	277,116	338,359
Office Equipments	8,879,501	44,483	—	8,923,984	2,401,475	905,404	—	3,306,879	5,617,105	6,478,026
TOTAL	53,401,996	142,733	—	53,544,729	36,828,301	4,668,436	—	41,496,737	12,047,992	16,573,695

Note 10 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Intangible Fixed Assets

(Amt. in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	Cost As on 01.04.11	Addition During the Year	Sale/Adj During the Year	Cost As on 31.03.12	Accumulated Depreciation As at 01.04.11	Depreciation For the year	Adjustment For the Year	Accumulated Depreciation As at 31.03.12	W.D.V. As at 31.03.12	W.D.V. As at 31.03.11
Computer Software	23,566,735	—	—	23,566,735	18,444,657	2,048,831	-	20,493,488	3,073,247	5,122,078
Total	23,566,735	—	—	23,566,735	18,444,657	2,048,831	—	20,493,488	3,073,247	5,122,078

Note 11

Particulars	March 31, 2012	March 31, 2011
Other Non-Current Assets		
Unamortised expenses		
A. Deferred Revenue Expenditure		
Opening Balance	49,966,667	—
Add: Incurred during the year	—	74,950,000
	49,966,667	74,950,000
Less: Written off during the year	24,983,332	24,983,333
	24,983,335	49,966,667
B. Preliminary Expenses		
Opening Balance	872,166	1,017,530
Add: Incurred during the year	—	—
	872,166	1,017,530
Less: Written off	145,364	145,364
	726,802	872,166
Total	25,710,137	50,838,833

Note 12

Particulars	March 31, 2012	March 31, 2011
Inventories		
Finished goods	77,476,558	57,650,379
Total	77,476,558	57,650,379

Note 13

Particulars	March 31, 2012	March 31, 2011
Trade Receivables		
Considered good		
Over six months from the date they were due for payment	19,439,758	26,264,584
	19,439,758	26,264,584
Less: Provision for doubtful trade receivables	—	—
Sub Total	19,439,758	26,264,584
Considered good		
Other Trade receivables	65,497,630	45,247,214
	65,497,630	45,247,214
Less: Provision for doubtful trade receivables	—	—
Sub Total	65,497,630	45,247,214
Total	84,937,388	71,511,798

Note 14

Particulars	March 31, 2012	March 31, 2011
Cash and cash equivalents		
Cash on hand	426,932	187,257
Balances with banks;		
-In Current accounts	7,378,624	3,150,355
- In Deposit accounts	1,149,098	121,320
Total	8,954,654	3,458,932

Note 15

Particulars	March 31, 2012	March 31, 2011
Short Term Loans and Advances		
Considered Good		
A. Loans and advances to related parties	16,438,860	83,170,430
	<u>16,438,860</u>	<u>83,170,430</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	<u>16,438,860</u>	<u>83,170,430</u>
B. Balances with government authorities		
Advance Taxes	13,049,771	8,650,956
Service Tax Credit	—	3,530,647
Sub Total	<u>13,049,771</u>	<u>12,181,603</u>
C. Security Deposits	4,368,337	4,362,337
	<u>4,368,337</u>	<u>4,362,337</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	<u>4,368,337</u>	<u>4,362,337</u>
D. Prepaid Expenses	2,776,319	2,328,842
Sub Total	<u>2,776,319</u>	<u>2,328,842</u>
E. Loans and advances to employees		
Staff Advances	99,632	495,104
	<u>99,632</u>	<u>495,104</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	<u>99,632</u>	<u>495,104</u>
F. Others		
Advance to Other	156,945,534	175,363,577
Sub Total	<u>156,945,534</u>	<u>175,363,577</u>
Total	<u>193,678,453</u>	<u>277,901,893</u>

Note 16

Particulars	March 31, 2012	March 31, 2011
Revenue from Operations		
Revenue from - Sale of Services		
Income from Advertisement Sales	320,864,804	267,083,683
Total	<u>320,864,804</u>	<u>267,083,683</u>

Note 17

Particulars	March 31, 2012	March 31, 2011
Finance Costs		
A. <u>Interest expense on</u>		
Other	—	29,611,664
B. <u>Other borrowing costs</u>		
Bank Charges	4,640	3,648
Total	<u>4,640</u>	<u>29,615,312</u>

Note 18

Particulars	March 31, 2012	March 31, 2011
Other Income		
<u>Interest income</u>		
Interest from banks on:		
Fixed Deposits	160,766	23,756
	160,766	23,756
<u>Other Non-Operating Income</u>		
Miscellaneous income	227,203	35,411
Sundry balance w/off	1,176,869	33,836
	1,404,072	69,247
Total	1,564,838	93,003

Note 19

Particulars	March 31, 2012	March 31, 2011
Employee Benefits Expense		
Salaries, Wages & Bonus	29,546,704	26,136,580
Contribution to Provident and other funds	230,448	486,059
Staff welfare expenses	691,437	260,074
Total	30,468,589	26,882,713

Note 20

Particulars	March 31, 2012	March 31, 2011
Other Expenses		
Power and fuel	1,965,021	2,054,418
Rent	6,053,915	6,091,427
Repairs to machinery	1,056,653	676,476
Insurance	75,613	—
Rates and taxes, excluding, taxes on income	1,126,716	567,841
Loss on foreign currency transaction (Other than considered as finance Cost)	310	1,685
Payment to auditors		
- As Auditor	50,000	50,000
- For Taxation Matters	40,000	40,000
- For Management Services	10,000	10,000
- For Reimbursement of Expenses	—	6,303
Professional Charges Artist, Directors, Technicians	5,313,484	4,393,623
Set and programming expenses	39,783,832	24,983,333
Royalty	41,927,014	35,111,477
Uplinking Charges	7,705,160	12,641,562
Carriage Fees	178,482,210	113,368,515
Miscellaneous Expenses	15,282,320	32,483,663
Total	298,872,248	232,480,323

Notes Forming Part of the Financial Statements**NOTE- 1****Corporate Information**

The Company is running a 24 hours entertainment channel in the name of "E24" at FC-23, Sector 16A, Film City, Noida - 201301(U.P.). Modern, interactive, informative and passionate, the channel reports the glitz and glamour of Bollywood with honesty, zeal and commitment. Films, music, entertainment reviews, gossip, scoops and scandals- the channel features all such programmes in unique style and looks.

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 preparation 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**a. Stock of Tapes, Cassettes and Discs**

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

b. Inventories related to Television Software and Program Pilots

The entire cost of the program is charged to Profit and Loss account when the program is first exploited. The inventory thus comprises of unamortized cost of such program. In case of Program Pilots, the cost is expensed off on first telecast or after the review of reliability.

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**Income from Services**

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

Subscription revenue is recognized on accrual basis in accordance with the terms of the contract with the distribution and collection agency.

Interest is recognized using time proportion method and dividend income is recognized when the company's right to receive dividend is established.

2.8 Other Income

Interest income is accounted on accrual basis.

2.9 Tangible Fixed Assets & Capital Work-in-ProgressTangible Fixed Assets

The Fixed 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.

Capital work-in-progress

Capital work in progress comprises the 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 2011-12

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.

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 Profit and Loss Account as per the provisions of "The Payment of Bonus Act, 1965".

2.15 Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.16 Segmental Reporting

In accordance with Accounting Standard -17 issued by the Institute of Chartered Accountants of India, the company's single business segment is broadcasting of Bollywood centric entertainment and infotainment program and related operations and it has no other primary reportable segment. The Company caters only to the needs of Indian markets hence there are no reportable geographical segments.

2.17 Operating Lease

The Company has taken broadcasting equipments under operating leases. These lease agreements are normally renewable on expiry. The rental expenses on operating leases are charged 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 earning 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 earnings 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 Taxes on Income

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

As per Accounting Standard-28 issued by the Institute of Chartered Accountants of India, 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. Pre-Operative Expenditure

Expenditure incurred by the company till the date of operationalisation of Entertainment Channel, not directly attributable to fixed asset is charged to the Statement of profit and loss.

C. 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.

Expenditure incurred by company on programming and sets for future shows will be amortized over a period of three years from the date of its incurrence. Expenditure amortized during a year over period of three years will be expensed out in the profit and loss account of that financial year. The benefit of these expenses will spread over a period of three years.

Additional Information to the Financial Statements

1. Share application money pending allotment

As at 31st March 2012, the Company had received amount from parent company & others to the tune of Rs 28,44,03,815 as unsecured loan & advances. The company proposes to convert this amount into equity shares within the financial year 2012-13 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. Contingent Liabilities and Commitments

(Amount in ₹)

	As at 31 March,12	As at 31 March,11
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees	Nil	Nil
c) Other money for which the Company is contingently liable	Nil	Nil
	As at 31 March,12	As at 31 March,11
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

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

(Amount in ₹)

	As at 31 March,12	As at 31 March,11
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

(Amount in ₹)

	As at 31 March,12	As at 31 March,11
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 information available with the Company. This has been relied upon by the Auditors.

4. The details of Capital Work in Progress (including Capital Advances) is as follows :

(Amount in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Capital Work in Progress	NIL	NIL
Capital Advances	NIL	NIL
Total	NIL	NIL

- There is no amount outstanding to be credited to Investor Education and Protection Fund.
- 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.
- Advances taken from associated companies are shown as unsecured loans under the head short term borrowings where there is no repayment schedule and are re-payable on demand.
- The Deferred Tax Liability (Net) comprises of the following:

(Amount in ₹)

Particulars	As at March 31, 2012	As at March 31, 2011
Opening Balance of Deferred Tax Liability (Net)	4,888,187	6,122,874
Related to Fixed Assets	(7,17,134)	(1,194,267)
Disallowance under the Income Tax Act	44,917	44,917
Related to Leave Encashment & Gratuity	33,095	(85,337)
Deferred Tax Liability (Net)	42,49,065	4,888,187

9. 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. 1,21,062 (Previous Year Rs. 1,14,064)

Employer's Contribution to E.S.I. : Rs. Nil (Previous Year Rs. Nil)

Defined Benefit Plans:

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

a. Change in present value of obligation

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Present value of obligation as at the beginning of the period	6,62,955	3,86,783	2,86,992	2,88,173
Current Service Cost	2,37,654	3,12,556	78,188	1,45,356
Interest Cost	56,351	30,943	24,394	23,054
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Actuarial (gain)/loss	(4,14,105)	(67,327)	(2,09,685)	(1,69,591)
Past Service Cost	NIL	NIL	NIL	NIL
Curtailment and settlement Cost/(credit)	NIL	NIL	NIL	NIL
Present value of obligation as at the end of the period	5,42,855	6,62,955	1,79,889	2,86,992

b. Expense recognized in the statement of profit and loss

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Current service cost	2,37,654	3,12,556	78,188	1,45,356
Past service cost	--	--	--	--
Interest cost	56,351	30,943	24,394	23,054
Expected return on plan assets	--	--	--	--
Curtailment cost / (Credit)	--	--	--	--
Settlement cost / (credit)	--	--	--	--
Net actuarial (gain)/ loss recognized in the period	(4,14,105)	(67,327)	(2,09,685)	(1,69,591)
Expenses recognized in the statement of profit & losses	(1,20,100)	2,76,172	(1,07,103)	(1,181)

c. **Actuarial Assumptions**

(Amt in ₹)

Particulars	Gratuity		Leave Encashment	
	March31, 2012	March31, 2011	March31, 2012	March31, 2011
Discount Rate (%)	8.50	8.00	8.50	8.00
Expected Rate of increase in				
Compensation Levels (%)	6.00	5.50	6.00	5.50
Expected Rate of Return on Plan Assets	NIL	NIL	NIL	NIL
Expected Average remaining working lives of employees (years)	30.22	30.96	30.22	30.96

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.

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

- Managerial Remuneration : Nil (Previous Year Nil)
- The business of the company is not subject to license as required by schedule VI; hence licensed capacity is not given.
- CIF Value of Imports - Rs. Nil (Previous Year Nil)
- Expenditure in Foreign Currency (on accrual basis): Rs. Nil (Previous Year NIL)
- Earnings in Foreign Currency: - Rs. Nil (Previous Year Nil)

Information pursuant to other provisions of part-II of Schedule VI to the Act, is either Nil or not applicable to the company.

11. As per Accounting Standard-18, 'Party Disclosures', notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related parties as defined therein are given below

i) **List of Related Parties:**

Name	Relationship
B.A.G. Films & Media Limited	Holding Company
Anuradha Prasad	Key Managerial Personnel
ARVR Communications Pvt. Ltd. (Formerly known as Anu Films and communications Private Limited)	Enterprises over which KMP are able to exercise significant influence
Dhamaal24 Radio Network Limited (Formerly B.A.G. Infotainment Limited)	Enterprises over which KMP are able to exercise significant influence
News24 Broadcast India Limited (Formerly Known as B.A.G. Newline Network 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

ii) **Related Party Transactions:**

Particulars	Holding Company		Key Managerial Personnel (KMP)		Enterprises over which KMP exercise significant influence	
	Year Ended March 31		Year Ended March 31		Year Ended March 31	
	2012	2011	2012	2011	2012	2011
Office Rent	NIL	NIL	NIL	NIL	NIL	NIL
Lease rental on Equipments	59,53,715	58,79,428	NIL	NIL	NIL	NIL
Security Deposits Refunded	NIL	NIL	NIL	NIL	NIL	NIL
Unsecured Loans (taken)	NIL	266,954,330	NIL	NIL	NIL	NIL
Unsecured Loans (given/returned)	NIL	6,88,87,242	NIL	NIL	1,64,38,860	5,70,62,085
Interest Paid	NIL	2,88,63,150	NIL	NIL	NIL	748,514
Programming Expenses	148,00,500	7,49,50,000	NIL	NIL	NIL	NIL
Expenses Reimbursed	282,91,016	63,95,891	NIL	NIL	97,00,916	NIL
Expenses Incurred	NIL	NIL	NIL	NIL	NIL	NIL
Advertisement Expenses	NIL	NIL	NIL	NIL	NIL	NIL
Income from Ad Sales	1,00,00,000	7,25,00,000	NIL	NIL	NIL	NIL
Share application money received	269,403,815	NIL	NIL	NIL	NIL	NIL

12. Earnings/(Loss) per share (EPS) in accordance with Accounting Standard -20 issued by Institute of Chartered Accountants of India

(Amt. in ₹)

SL	Particulars	2011-12	2010-11
1	Net Profit /(Loss) after tax as per Statement of Profit & Loss	68,32,199	(1,13,46,254)
2	Short provision for tax of earlier years	(7,23,461)	(72,114)
3	Net Profit /(Loss) attributable to Equity Shareholders	61,08,738	(1,14,18,368)
4	Net Profit/(Loss) before Exceptional Item	61,08,738	(1,14,18,368)
5	Weighted Average number of equity shares used as denominator for calculating Basic EPS	1,71,42,856	17,142,856
6	Basic Earnings per share	0.36	(0.67)
7	Weighted Average number of equity shares used as denominator for calculating Diluted EPS	6,23,99,583	17,142,856
8	Diluted Earnings per share	0.10	(0.67)
9	Basic Earnings (before exceptional item) per share	0.36	(0.67)
10	Diluted Earnings (before exceptional item) per share	0.10	(0.67)
11	Face Value per equity share	10.00	10.00

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

For Joy Mukherjee & Associates
Chartered Accountants

For and on the behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anurradha Prasad
(Director)

Ankita Kumar
(Director)

Pinki Pilani
(Company Secretary)

Place: Noida
Date: 30th May, 2012

E24 Glamour Limited
(Formerly known as B.A.G Glamour Limited)
Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit/(Loss) before extraordinary items and tax		6,193,077		(4,762,925)
<i>Adjustments for:</i>				
Depreciation and amortisation	6,717,267		10,525,963	
Finance costs	4,640		29,615,312	
Interest income	(160,766)		(23,756)	
Liabilities/provisions no longer required written back	(1,134,245)		(33,836)	
Other non-cash charges				
Adjustment Relating to earlier year	(723,461)		—	
		<u>4,703,435</u>		<u>40,083,683</u>
Operating profit/(loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase)/decrease in operating assets:</i>				
Inventories	(19,826,179)		(27,564,700)	
Trade receivables	(12,291,345)		18,459,296	
Short-term loans and advances	84,223,441		44,916,213	
Other non-current assets	25,128,696		(49,821,303)	
<i>Adjustments for increase/(decrease) in operating liabilities:</i>				
Trade payables	(16,976,764)		(127,268,896)	
Other current liabilities	(8,085,142)		12,470,480	
Long-term provisions	59,789		242,336	
		<u>52,232,496</u>		<u>(128,566,574)</u>
Cash generated from operations		63,129,008		(93,245,816)
Net cash flow from/(used in) operating activities (A)		63,129,008		(93,245,816)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(142,733)		(602,111)	
Interest received				
- Others	160,766		23,756	
		<u>18,033</u>		<u>(578,355)</u>
		18,033		(578,355)
Net cash flow from / (used in) investing activities (B)		18,033		(578,355)
C. Cash flow from financing activities				
Share application money received / (refunded)	284,403,815		—	
Proceeds from long-term borrowings	10,000,000		—	
Proceeds from other short-term borrowings	—		121,466,974	
Repayment of other short-term borrowings	(352,050,494)			
Finance cost	(4,640)	(57,651,319)	(29,615,312)	91,851,662
Net cash flow from/(used in) financing activities (C)		(57,651,319)		91,851,662
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		5,495,722		(1,972,509)
Cash and cash equivalents at the beginning of the year		3,458,932		5,431,441
Cash and cash equivalents at the end of the year		<u>8,954,654</u>		<u>3,458,932</u>

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		8,954,654		3,458,932
Net Cash and cash equivalents		<u>8,954,654</u>		<u>3,458,932</u>
Cash and cash equivalents at the end of the year *		<u>8,954,654</u>		<u>3,458,932</u>
* Comprises:				
(a) Cash on hand		426,932		187,257
(b) Balances with banks				
(i) In current accounts		7,378,624		3,150,355
(ii) In fixed deposit accounts		<u>1,149,098</u>		<u>121,320</u>
		<u>8,954,654</u>		<u>3,458,932</u>

For Joy Mukherjee & Associates
Chartered Accountants

For and on the behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anuradha Prasad
(Director)

Ankita Kumar
(Director)

Place: Noida
Date: 30th May, 2012

Pinki Pilani
(Company Secretary)

Auditor's Report to the Board of Directors of B.A.G. Films & Media Limited on the Consolidated Financial Statements of B.A.G. Films & Media Limited and its Subsidiaries.

1. We have audited the attached Consolidated Balance Sheet of **B.A.G. Films & Media Limited** and its subsidiaries (collectively called "**The Company**") as at March 31, 2012, and also the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This is the seventh year of Consolidation of Financial Statements of B.A.G. Films & Media Limited and its subsidiaries. The Company has four subsidiaries.
4. We report that the consolidated financial statements have been prepared by The Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. In our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated Balance Sheet, of the state of affairs of "The Company" as at March 31, 2012;
 - b) in the case of the consolidated Statement of Profit and Loss, of the loss of "The Company" for the year ended on that date; and
 - c) in the case of the consolidated Cash Flow Statement, of the cash flows of "The Company" for the year ended on that date.

For and on behalf of
Joy Mukherjee & Associates
Chartered Accountants

Joy Mukherjee
Partner
Membership No.74602
FRN : 006792C

Place: Noida
Date: 30th May, 2012

B.A.G Films and Media Limited
Consolidated Balance Sheet as at 31st March 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I. Equity and Liabilities					
1. Shareholder's funds					
(a) Share Capital	1	330,265,339		329,991,539	
(b) Reserves and Surplus	2	901,932,331		1,232,974,996	
(c) Money received against share warrants		109,187,500		12,985,077	
Total of shareholders' funds			1,341,385,170		1,575,951,612
2. Share application money pending allotment	3	176,600,000	176,600,000	146,763,226	146,763,226
3. Minority interest		1,630,625	1,630,625	—	—
4. Non-current liabilities					
(a) Long-term borrowings	4	670,677,523		560,034,027	
(b) Deferred Tax liabilities (Net)		45,550,367		44,001,197	
(c) Long-term Provisions	5	7,154,020		5,204,066	
			723,381,910		609,239,290
5. Current Liabilities					
(a) Short term borrowings	6	237,579,084		182,601,637	
(b) Trade payables		147,366,779		271,331,228	
(c) Other current liabilities	7	244,602,076		198,757,486	
(d) Short term provisions	8	20,165,861		23,687,366	
			649,713,800		676,377,717
TOTAL			2,892,711,505		3,008,331,845
II Assets					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	967,810,559		795,846,656	
(ii) Intangible assets	10	104,517,396		119,970,883	
(iii) Capital work-in-progress		27,190,033		201,236,083	
(b) Non-current investments	11	25,838,938		130,109,731	
(c) Other non-current assets	12	7,890,789		10,391,801	
			1,133,247,715		1,257,555,154
2. Current assets					
(a) Inventories	13	327,798,553		252,221,219	
(b) Trade receivables	14	420,436,476		255,557,665	
(c) Cash and Cash equivalents	15	136,222,150		318,354,604	
(d) Short-term loans and advances	16	875,006,611		924,643,203	
			1,759,463,790		1,750,776,691
TOTAL			2,892,711,505		3,008,331,845

For and on behalf of the Board of Directors

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

Anuradha Prasad
Chairperson cum
Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May 2012



B.A.G Films and Media Limited
Consolidated Statement of Profit and Loss for the period ended 31st March 2012

Particulars	Note No.	March 31, 2012		March 31, 2011	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
I Revenue from operations	17	1,169,287,494		752,851,653	
II Other Income	19	10,549,970		15,545,702	
III Total Revenue (I + II)			1,179,837,464		768,397,355
IV Expenses					
Changes in inventories of finished goods, work in progress and Stock-in- trade		(75,577,334)		(53,412,959)	
Employee benefits expense	20	200,766,783		179,108,995	
Finance Costs	18	74,395,140		35,053,652	
Depreciation and amortization expense		155,815,516		130,410,005	
Other expense	21	1,155,805,005		903,176,187	
Total Expense			1,511,205,110		1,194,335,880
V Profit before exceptional and extraordinary items and tax (III-IV)			(331,367,646)		(425,938,525)
VI Exceptional Items			—		—
VII Profit before extraordinary items and tax (V-VI)			(331,367,646)		(425,938,525)
VIII Extraordinary items					
IX Profit before tax (VII-VIII)			(331,367,646)		(425,938,525)
X Tax expense:					
(1) Current tax/Wealth Tax		1,392,882		12,473,086	
(2) Deferred tax		1,549,170		3,442,893	
			2,942,052		15,915,979
XI Profit/(Loss) for the period (IX - X)			(334,309,698)		(441,854,504)
XII Earnings per equity share:					
(1) Basic			(2.03)		(2.80)
(2) Diluted			(2.03)		(2.79)

For and on behalf of the Board of Directors

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

Anuradha Prasad
Chairperson cum
Managing Director

Anuradha Mishra
Director

Rajeev Parashar
Company Secretary

Joy Mukherjee
Partner
M.No. 74602
FRN: 006792C

Place : Noida
Date : 30th May 2012



Notes to Financial Statement
Note-1

Particulars	Amount in ₹	Amount in ₹
	March 31,2012	March 31,2011
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 200000000 Equity Shares @ Rs 2/- each)		
Total	400,000,000	400,000,000

Particulars	March 31,2012	March 31,2011
Issued, Subscribed and Fully Paid Share Capital		
37,518,890 Equity Shares of Rs. 2/- each Fully paid up for cash	75,037,780	75,037,780
42,728,000 Equity Shares of Rs. 2/- each Fully paid up for cash in Preferential Allotment (Previous Year 42,728,000 Equity Shares @ Rs 2/- Each)	85,456,000	85,456,000
10,000,000 Equity Shares of Rs. 2/- each Fully paid up for cash by Converting Share Warrants (Previous year 100,00,000 Equity Shares @ Rs 2/- Each)	20,000,000	20,000,000
15,000,000 Equity Shares of R. 2/- Each Fully Paid up for cash by Converting Share Warrants (Previous Year 15,000,000 Equity Shares @ Rs 2/- Each)	30,000,000	30,000,000
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 ESOP (Previous year 270000 Shares @ RS.2/- Each)	810,000	540,000
22,566,200 Equity Shares of Rs.2/- Each Issued as Bonus shares by Capitalising General Reserves	45,132,400	45,132,400
	330,436,180	330,166,180
Calls unpaid (170,841 Equity Shares @ Rs. 1/-)	170,841	174,641
Total	330,265,339	329,991,539

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

Name of Shareholders	March 31, 2012 No. of Shares
Anuradha Prasad	21,479,190
ARVR Communications Pvt. Ltd.	33,194,868
High Growth Distributors Pvt Ltd.	13,078,000

Details of issued, subscribed and fully paid up shares:

Particulars	March 31, 2012 Number of Shares	March 31, 2011 Number of Shares
Equity Capital		
- Number of shares held	165,218,090	165,083,090
- Number of share holders [including their nominees]	46,482	46,495

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

Particulars	March 31, 2012 Number of Shares	March 31, 2011 Number of Shares
Equity capital		
- Number of shares held	170,841	174,641
- Number of share holders [including their nominees]	287	294

Details of Calls unpaid

Particulars	March 31, 2012		March 31, 2011	
	Number of Shares	Total	Number of Shares	Total
Equity Shares with Voting rights				
Aggregate of calls unpaid				
- by others	170,841	170,841	174,641	174,641

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the 31st March, 2012

Issued, Subscribed and fully paid up shares:-

Particulars	Number of Shares	Value
Equity share with Voting Rights		
Opening Balance	165,083,090	330,166,180
Fresh Issue	—	—
ESOP	135,000	270,000
Closing Balance	165,218,090	330,436,180

Issued, Subscribed and not fully paid up shares:-

Particulars	Number of Shares	Value
Equity share with Voting Rights		
Opening Balance	174,641	174,641
Fresh Issue	—	—
Conversion	(3,800)	(3,800)
Closing Balance	170,841	170,841

Note-2

Particulars	March 31, 2012	March 31, 2011
Reserves and Surplus		
Capital Reserves		
Opening Balance	24,969,054	60,150,000
Add: Additions during the year	—	—
Less : Goodwill	—	35,180,946
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	2,764,120,443	1,820,793,523
Less: Share Warrants Forfeited	—	40,150,000
Add : Premium on ESOP issued during the year	5,571,750	6,193,500

Note-2 Contd.....

Particulars	March 31, 2012	March 31, 2011
Add: Premium on Share Warrant	—	229,500,000
Add: Received Through GDR	—	735,658,420
Add: Received Through Upfront Money of share warrant	—	12,125,000
	<u>2,769,692,193</u>	<u>2,764,120,443</u>
Less: Calls Unpaid (170841 Equity Shares @ Rs.4/-)	683,364	698,564
Sub Total	2,769,008,829	2,763,421,879
Employee Stock option outstanding account		
Opening Balance	8,664,000	11,642,250
Add: Repricing Cost	6,450,000	—
Less: Shares allotted during the year	5,436,750	2,978,250
Sub Total	9,677,250	8,664,000
Surplus		
Opening Balance	(1,602,007,221)	(1,193,400,823)
Add: Profit / (Loss) for the year	(69,791,093)	(69,364,703)
Minority Interest	(266,149,230)	(372,489,801)
Adjustment relating to earlier year	(1,702,542)	(1,932,840)
Goodwill	—	35,180,946
Sub Total	(1,939,650,086)	(1,602,007,221)
Total	901,932,331	1,232,974,996

Note 3

Particulars	March 31, 2012	March 31, 2011
Share Application Money Pending Allotment	176,600,000	146,763,226
Total	176,600,000	146,763,226

Note-4

Particulars	March 31, 2012	March 31, 2011
Long- Term Borrowings		
Secured Loans		
A. Vehicle Loans		
- From Bank	1,198,623	3,367,360
B. Term loans		
- From Bank	318,278,900	216,666,667
C. Deposits	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	10,000,000	—
Total	670,677,523	560,034,027

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

A. Term loans from banks:

Term Loan of Rs. 25 Crores taken from Punjab National Bank, Sector-63, Noida Branch secured by pari passu charge on Land and building of B.A.G Films & Media Limited situated at FC-23, Sector-16-A, Film City, Noida and repayable in 24 Quarters of equal installment start from July 01, 2012. Term Loan of Rs. 19.95 Crores taken from Punjab National Bank, Sector-63, Noida Branch secured by pari passu charge on Land and building of B.A.G Films & Media Limited situated at FC-23, Sector-16-A, Film City, Noida. and repayable in 12 Quarters of equal installment start from October 01, 2011.

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 for office use and repayment as per agreed terms of the contract.

D. Others Loan & Advances

The amount of Rs. 40,000,000 (Previous year Rs. 40,000,000) 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 (formerly known as B.A.G. Glamour Limited). The amount is convertible into equity shares after a period mutually agreed between the parties.

The amount of Rs 50,000,000 (Previous year Rs. 50,000,000) 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 (formerly known as B.A.G. Newline Network 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, 2012

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, 2012

Disclosure in Relation to Convertible Debenture

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

Note-5

Particulars	March 31,2012	March 31,2011
Long-Term provisions		
Provision for Employee Benefits		
- Provision for Gratuity	4,515,904	5,204,066
Others		
- Provision for Leave encashment	2,638,116	—
Total	7,154,020	5,204,066

Note-6

Particulars	March 31,2012	March 31,2011
Short-Term Borrowings		
Secured		
Loans repayable on demand		
From Bank	127,544,045	123,698,176
Unsecured		
Loans and advances from related parties	110,035,039	17,796,719
Other Loans & Advances	—	41,106,742
Total	237,579,084	182,601,637

Details of security for the secured short-term borrowings:

Particulars	Nature of Security
<u>Loan repayable on demand</u>	
<u>From Bank</u>	
Canara bank	Land & Building
HDFC Bank Limited	Investment

Note-7

Particulars	March 31, 2012	March 31, 2011
Other Current liabilities		
Current maturities of long term debt	112,516,268	67,843,699
Income received in advance	6,448,704	1,411,216
Uncalimed Dividend	564,809	591,436
Other payables		
Statutory remittances	2,153,353	1,472,484
Taxes Payable	63,657,175	61,343,456
Other Liability	41,347,690	54,650,316
Employee Cost	14,389,742	10,523,825
Advances from customers	3,524,335	921,054
Total	<u>244,602,076</u>	<u>198,757,486</u>

Note-8

Particulars	March 31, 2012	March 31, 2011
Short-Term Provisions		
Provision for Income Tax	20,125,689	23,155,161
Provision for Wealth Tax	40,172	532,205
Total	<u>20,165,861</u>	<u>23,687,366</u>

Note 9 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Tangible Fixed Assets

(Amt. in ₹)

PARTICULARS	Gross Block			Depreciation			Net Block		
	Cost As At 01.04.2011	Addition During the year	Sale/Adj During the year	Cost as at 31.03.2012	Accumulated Depreciation as at 01.04.2011	Depreciation for the year	Adjustment for the year	W.D.V. As At 31.03.2012	W.D.V. As At 31.03.2011
Land & Site Development	57,825,219	—	—	57,825,219	—	—	—	57,825,219	57,825,219
Building	167,615,982	314,043	—	167,930,025	37,823,437	6,496,450	—	123,610,138	129,792,545
Plant & Machinery	575,054,085	122,542,448	—	697,596,533	219,244,797	69,074,784	—	409,276,952	355,809,288
Computers & Peripherals	259,314,594	31,888,219	5,500	291,197,313	184,561,284	24,377,952	4,163	82,262,240	74,753,310
Vehicle	27,180,630	—	—	27,180,630	16,726,177	2,706,658	—	7,747,795	10,454,453
Furniture's & Fixtures	140,042,147	155,226,131	39,427	295,228,851	73,950,528	23,192,124	6,712	198,092,911	66,091,619
Office Equipments	147,421,599	5,271,400	3,516,009	149,176,990	46,301,376	14,266,686	386,376	88,995,304	101,120,223
Total	1,374,454,256	315,242,241	3,560,936	1,686,135,561	578,607,599	140,114,654	397,251	967,810,559	795,846,656

Note 10 - Fixed Assets Schedule as per Companies Act, 1956 for the year ended on March 31, 2012
Intangible Fixed Assets

(Amt. in ₹)

PARTICULARS	Gross Block			Depreciation			Net Block		
	Cost As At 01.04.2011	Addition During the year	Sale/Adj During the year	Cost as at 31.03.2012	Accumulated Depreciation as at 01.04.2011	Depreciation for the year	Adjustment for the year	W.D.V. As At 31.03.2012	W.D.V. As At 31.03.2011
Computer Software	203,440,896	250,000	10,800	203,680,996	117,565,535	10,697,559	8,175	75,425,176	85,875,360
Radio Licences Fees	49,910,000	—	—	49,910,000	15,814,477	5,003,303	—	29,092,220	34,095,523
Total	253,350,896	250,000	10,800	253,590,996	133,380,012	15,700,862	8,175	104,517,396	119,970,883

Note-11

Particulars	March 31, 2012	March 31, 2011
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 Price as on 31-03-2012 is Rs. 28.90) (Previous Year Rs. 34.30)	500,000	500,000
Investment in Mutual Funds	14,621,178	119,200,971
Non Trade Investment at Cost		
Unquoted		
12,400 Equity Shares of B.A.G.Infotech Private Limited Having Face Value of Rs 10/- per share fully paid-up	124,000	124,000
31,400 Equity Shares(Previous Year 24,500 Equity Shares) of B.A.G. Live Entertainment Limited Having Face Value of Rs 10/- per share fully paid-up	314,000	245,000
245,000 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	245,000	245,000
24,000 Equity Shares(Previous Year Nil 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	25,838,938	130,109,731

Particulars	As at 31st March 2012		As at 31st March 2011	
	Quoted	Unquoted	Quoted	Unquoted
A. Trade				
i) Investment in equity instruments	500,000	—	500,000	—
ii) Investment in mutual funds				
1. Birla Sun Life MIP - Wealth 25 Growth	—	—	15,000,000	—
2. Franklin India Prima Fund	283,382	—	283,382	—
3. HDFC Cash Management Fund	—	—	861,865	—
4. ICICI Pru Flexible Income Plan	—	—	20,000,000	—
5. Principal Cash Management Fund	62,596	—	62,596	—
6. Pru ICICI Infrastructure Fund-Div Payout	2,000,000	—	2,000,000	—
7. Reliance MIP- Growth	—	—	35,000,000	—
8. Tata Fixed Maturity Plan	10,000,000	—	—	—
9. Tata Indo-Global Infrastructure Fund	2,000,000	—	2,000,000	—

Particulars	As at 31st March 2012		As at 31st March 2011	
	Quoted	Unquoted	Quoted	Unquoted
9. Tata MIP Plus- Growth	—	—	28,717,929	—
10. Templeton Treasury Management Account	275,200	—	275,200	—
11. UTI MIS Advantage Fund - Growth	—	—	15,000,000	—
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	—	614,000
	15,121,178	10,717,760	119,700,972	10,408,760

C. Market value of Quoted Investment

The current market value of investment in Mukta Arts Limited is Rs. 144,500/-

Note-12

Particulars	March 31, 2012	March 31, 2011
Other Non-Current Assets		
Unamortised expenses		
A. Preliminary Expenses		
Opening Balance	3,034,230	5,321,230
Add: Incurred during the year	—	—
	<u>3,034,230</u>	<u>5,321,230</u>
Less: Written off	1,702,012	2,287,000
Sub Total	1,332,218	3,034,230
B. Deferred Employee Compensation		
Opening Balance	6,091,876	8,799,376
Add: Incurred during the year	6,450,000	—
	<u>12,541,876</u>	<u>8,799,376</u>
Less: Written off	5,983,305	2,707,500
Sub Total	6,558,571	6,091,876
B. Preoperative Expense		
Opening Balance	1,265,695	2,531,391
Add: Incurred during the year	—	—
	<u>1,265,695</u>	<u>2,531,391</u>
Less: Written off	1,265,695	1,265,696
Sub Total	—	1,265,695
Total	7,890,789	10,391,801

Note-13

Particulars	March 31, 2012	March 31, 2011
Inventories		
Raw Materials	618,430	618,430
Work in Progress	20,848,375	15,656,715
Finished Goods	306,331,748	235,946,074
Total	327,798,553	252,221,219

Note-14

Particulars	March 31, 2012	March 31, 2011
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	28,523,010	66,903,859
	<u>28,523,010</u>	<u>66,903,859</u>
Less: Provision for doubtful trade receivables	—	—
Sub Total	28,523,010	66,903,859
Other Trade receivables		
	391,913,466	188,653,806
	<u>391,913,466</u>	<u>188,653,806</u>
Less: Provision for doubtful trade receivables	—	—
Sub Total	391,913,466	188,653,806
Total	420,436,476	255,557,665

Note-15

Particulars	March 31, 2012	March 31, 2011
Cash and Cash Equivalents		
Cash in hand	3,276,836	2,662,665
Cheques, Draft in hand	80,479,584	54,317,065
Balance with Banks		
- In current accounts	28,040,956	236,561,788
- In deposit accounts	23,521,906	21,455,538
Imprest with Staff	902,868	3,357,548
Total	136,222,150	318,354,604

1. Guarantee given to bank amounting to Rs. 606,000 (Previous year Rs. 6,06,000) secure by fixed deposit.
2. Guarantee given on behalf of subsidiary company, News24 Broadcast India Limited (Formerly known as B.A.G. Newline Network Limited) amounting to Rs. 2,700,000 (Previous year Rs. 2,700,000).
3. Guarantee given on behalf of subsidiary company, Dhamaal24 Radio Network Limited (Formerly known as B.A.G. Infotainment Limited) amounting to Rs. 513,000 (Previous year Rs. 513,000).

Note-16

Particulars	March 31, 2012	March 31, 2011
Short Term Loans and Advances		
Unsecured, Considered Good		
A. Loans and advances to related parties (Secured/Unsecured/ Doubtful)	58,954,740	183,154,070
	<u>58,954,740</u>	<u>183,154,070</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	58,954,740	183,154,070
B. Balances with government authorities		
Advance Taxes	109,366,471	108,813,399
Service Tax Credit	2,767,163	27,225,971
TDS receivable	2,754,385	2,438,770
Sub Total	114,888,019	138,478,140

Particulars	March 31, 2012	March 31, 2011
C. Earnest Money & Security Deposits	22,824,142	20,859,621
	<u>22,824,142</u>	<u>20,859,621</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	<u>22,824,142</u>	<u>20,859,621</u>
D. Prepaid Expenses	16,380,259	12,910,251
Sub Total	<u>16,380,259</u>	<u>12,910,251</u>
E. Loans and advances to employees Unsecured, considered good	1,534,633	2,789,073
	<u>1,534,633</u>	<u>2,789,073</u>
Less: Provision for doubtful loans and advances	—	—
Sub Total	<u>1,534,633</u>	<u>2,789,073</u>
F. Others Advances to others	660,424,818	566,452,048
	<u>660,424,818</u>	<u>566,452,048</u>
Sub Total	<u>660,424,818</u>	<u>566,452,048</u>
Total	<u>875,006,611</u>	<u>924,643,203</u>

Note-17

Particulars	March 31, 2012	March 31, 2011
Revenue from Operations		
<u>Revenue from - Sale of Services</u>		
Audio - Video Productions	348,094,410	114,879,124
Media School	14,156,562	19,465,980
Advertisement sales revenue	804,052,564	618,506,549
Sub Total	<u>1,166,303,536</u>	<u>752,851,653</u>
<u>Other Operating Revenues</u>		
Income from Rent	2,983,958	—
Sub Total	<u>2,983,958</u>	<u>—</u>
Total	<u>1,169,287,494</u>	<u>752,851,653</u>

Note-18

Particulars	March 31, 2012	March 31, 2011
Finance Costs		
A. Interest expense on Borrowing	73,692,128	30,115,934
Others	—	4,715,399
B. Other borrowing costs Bank Charges	703,012	222,319
Total	<u>74,395,140</u>	<u>35,053,652</u>

Note-19

Particulars	March 31, 2012	March 31, 2011
Other Income		
<u>Interest Income</u>		
Interest income from Bank		
Deposit	1,576,524	5,945,427
Other Balance	160,766	23,756
	<u>1,737,291</u>	<u>5,969,183</u>
Other Interest	296,879	2,139,938
	<u>2,034,170</u>	<u>8,109,121</u>
<u>Dividend Income</u>	5,000	77,553
<u>Net Gain/Loss on sale of</u>		
Long -Term Investment	138,163	250,658
<u>Other Non-Operating Income(net of expenses</u>		
<u>directly attributable to such income)</u>		
Income from Equipment Hiring	1,265,880	3,108,358
Profit on sale of fixed assets	395,011	18,000
Miscellaneous income	1,959,515	239,785
Sundry balance w/off	4,736,228	3,742,227
	<u>8,356,634</u>	<u>7,108,370</u>
<u>Net gain on foreign currency transactions and translation</u>	16,003	—
Total	<u>10,549,970</u>	<u>15,545,702</u>

Note-20

Particulars	March 31, 2012	March 31, 2011
Employee Benefit Expense		
Salaries, Wages and Bonus	186,898,625	165,167,513
Contribution to Provident and other funds	5,802,691	6,962,606
Expense on Employee stock option scheme (ESOP)	5,983,305	2,707,500
Staff Welfare Expenses	2,082,162	4,271,376
Total	<u>200,766,783</u>	<u>179,108,995</u>

Note-21

Particulars	March 31, 2012	March 31, 2011
Other Expenses		
Power and fuel	33,760,971	31,359,330
Rent	8,355,548	8,403,840
Repairs to Building	8,375,952	10,432,824
Repairs to Machinery	6,437,386	6,836,235
Insurance	3,186,712	2,535,065
Rates and Taxes, Excluding Taxes on Income	9,011,746	6,086,094
Loss on foreign currency transaction and transaction	3,199,885	12,257,519
Loss on sale of assets	12,750	243,279
Payment to auditors		
- As Auditor	470,000	350,000
- For Taxation Matters	160,000	160,000
- For Management Services	90,000	90,000
- For Reimbursement of Expenses	104,210	132,709
Net Loss on sale of Investments from long-term investments	154,029	2,810,185
Camera Hiring Charges	4,832,733	2,107,626
Professional Charges Artist, Directors, Technicians	134,528,326	78,980,948
Location & Studio Hiring Charges	19,870,985	11,460,147
Set Expenses	12,999,858	8,435,192
Equipment Hiring Charges	12,794,705	8,461,326
Shooting Expenses	21,138,512	15,239,374
Travellings & conveyance	33,773,922	25,557,423
Publicity & Content expenses	32,857,315	5,218,189
Managerial Remuneration	—	—
Fees & Subscription	7,782,503	3,830,050
Consultancy & Legal charges	7,871,278	11,933,745
Royalty	47,710,353	42,403,157
License & Other Operational Fees	23,579,041	17,202,887
Security Services	1,453,483	1,405,006
Bad & doubtful debt W/off	1,955,274	5,237,847
Commission & Other Marketing Expenses	1,100,119	5,263,891
Preoperative W/off	1,265,695	1,265,696
Space segment charges	14,116,569	31,606,463
Telephone, Courier, Postage & Telegram	9,508,901	11,492,969
Subscription Charges	14,239,153	12,229,069
Stories Purchases	4,082,834	2,629,845
Office maintenance	12,296,893	5,931,764
Annual Maintenance charges	5,755,912	6,460,912
Carriage Charges	611,383,753	421,534,562
Advertisement & Publicity	11,479,295	13,433,527
Uplinking Charges	8,151,860	17,340,049
Miscellaneous Expenses	25,956,544	54,817,443
Total	1,155,805,005	903,176,187

Notes Forming part of the 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:-

- 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".
- 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.
- 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.
- The consolidated financial 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.
- 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.
- 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 financial statements

Share application money pending allotment

- As at 31st March 2012, Subsidiary Companies had received an amount to the tune of Rs. 17,66,00,000 (Previous year Rs. 14,67,63,226) as unsecured loan & advances. Companies proposed to convert this amount into equity shares within the financial year 2012-13 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.
- 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, 2012
Dhamaal24 Radio Network Limited (Formerly known as B.A.G Infotainment Limited)	61.00%
E24 Glamour Limited (Formerly known as B.A.G Glamour Limited)	52.50%
News24 Broadcast India Limited (Formerly known as B.A.G Newslines Network Limited)	50.001%
B.A.G Animation Private Limited**	98.02%

**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. However the subsidiary could not commence its commercial operations. The subsidiary is immaterial to the group by virtue of insignificant investment as a whole and nil turnovers hence not included in the Consolidated Financial Statements as per the Accounting Standard-21. The investment in the subsidiary has been accounted for in accordance with Accounting Standard -13.

- 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. 144,500 (Previous year Rs. 171,500). This being a long-term investment, the Company considers this fall in value as temporary.

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:

During the year under review your company has received balance 75% money against 50 Lac share warrants issued at Rs. 17.70 per share warrant amounting to Rs. 6,63,75,000 and 25% upfront money towards 17500000 share warrant issued at Rs. 7.50 amounting to Rs 32,812,500 as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

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.

(Amt. in ₹)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
ASSETS		
Fixed Assets	11,914,970	11,914,970
Current Assets		
- Cash & Bank Balance	12,72,023	12,78,383
- Loans & Advances	Nil	115,633
Miscellaneous Expenses		
- Preliminary Expenses	2,46,670	2,46,670
- Pre-operative Expenses	11,94,663	10,74,915
LIABILITIES		
Share Capital		
Equity Share capital	96,67,520	96,67,520
Current Liabilities	49,60,806	49,63,051

The company has not started its commercial operations as at March 31, 2012.

5. **Commitments & Contingent Liabilities** (Amount in ₹)

	As at 31 March, 12	As at 31 March, 11
Contingent liabilities		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees		
- to Bank	12,571,231	11,480,200
- on behalf of Other	250,000,000	180,000,000
	As at 31 March, 12	As at 31 March, 11
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 (Formerly known as B.A.G. Newline Network 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 498,912,580) within Eight years.

7. **Loans & Advances**

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. Interest has been charged from the subsidiaries against loans given. The loans have been given in the best interest of the Company 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. 64,34,553 as an expense during the year. Further, the Liability Outstanding as at March 31, 2012 in respect of Employees Stock Options Outstanding is Rs. 96,77,250. The balance deferred compensation expense Rs. 65,58,571 will be amortized over the remaining vesting period of Options.

The movement in the options granted to employees during the year ended March, 31 2012 under the "the BAG ESOP Scheme" is as below:

(Amount in ₹)

Particulars	March,12	March,11
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	4,80,000	6,45,000
Options granted (Nos)	NIL	NIL
Options forfeited/Lapsed (Nos)	NIL	NIL
Options exercised (Nos)	135,000	165,000
Options Expired (Nos)	NIL	NIL
Options outstanding at the end of year (Nos)	3,45,000	480,000

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, 2012	Year ended March 31, 2011
Managing Directors Remuneration and Other Allowances	10,000,000	10,000,000
Total	10,000,000	10,000,000

Remuneration to Non-Executive Directors (Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sitting Fees	450,000	390,000

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, 2012	Year ended March 31, 2011
Expenditure in Foreign Currency	133,66,955	58,98,318

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

(Amount in ₹)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Repairs & Maintenance -Others	78,23,851	12,76,500
Repairs & Maintenance - Machinery	26,11,694	17,21,804

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, 2012	Year ended March 31, 2011
Opening Balance of Deferred Tax Liability (Net)	4,40,01,197	40,558,304
A. Tax effects of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed Assets	33,87,145	36,88,545
B. Tax effects of items constituting Deferred Tax Assets		
Related to Gratuity & Leave Encashment	(10,85,618)	(32,298)
Disallowance under the Income Tax Act	(7,52,356)	(213,354)
Closing Balance of Deferred Tax Liability(Net)	455,50,367	4,40,01,197

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, 2012	Year ended March 31, 2011
1	Segment Revenue		
	a) Audio -Visual Production	362,250,972	134,345,104
	b) Movies	—	—
	c) Leasing	—	—
	d) FM Radio	103,146,435	107,468,972
	e) Television Broadcasting	700,906,130	510,116,377
	Total	11,66,303,537	751,930,453
	Less: Inter Segment Revenue	—	—
	Net Sales/Income from Operations	11,66,303,537	751,930,453
2.	Segment Results		
	a) Audio -Visual Production	95,347,757	(33,401,340)
	b) Movies	—	—
	c) Leasing	(40,187,259)	(32,891,673)
	d) F.M.Radio	46,296,409	49,244,815
	e) Television Broadcasting	(65,523,206)	(91,406,885)
	Total	35,933,700	(108,455,083)
	Less:		
	I) Interest	74,395,140	35,053,654
	II) Other Un-allocable Expenditure Net off unallocable income	292,906,206	282,429,788
	Total Profit Before Tax	(331,367,646)	(425,938,525)
3.	Capital Employed		
	a) Audio -Visual Production	701,557,021	502,912,057
	b) Movies	44,161,955	44,161,955
	c) Leasing	350,222,806	345,376,489
	d) F.M.Radio	358,454,899	330,752,925
	e) Television Broadcasting	186,181,071	513,517,930
4.	Segment Depreciation		
	a) Audio -Visual Production	61,639,395	41,114,591
	b) Movies	—	—
	c) Leasing	39,225,070	32,891,673
	d) F.M.Radio	20,281,182	20,145,292
	e) Television Broadcasting	23,462,707	28,035,531

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

i) List of Related Parties:

Name	Relationship
Anuradha Prasad	Chairperson cum Managing Director
B.A.G Animation Private Limited	Subsidiary
Approach Films & Television Limited	Enterprises over which KMP are able to exercise significant influence
ARVR Communications Pvt. Ltd. (formerly known as Anu Films and Communications Private Limited)	Promoter Company

ii) Related Party Transactions:

Particulars	Managing Director		Promoter Company		Enterprises over which KMP exercise significant influence	
	Year Ended March 31		Year Ended March 31		Year Ended March 31	
	2012	2011	2012	2011	2012	2011
Salary	10,000,000	10,000,000	—	—	—	—
Unsecured loan(taken)	—	—	98,437,500	—	—	—
Unsecured loan(given/returned)	—	—	—	—	—	—
Office rent received	—	—	—	—	—	—
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

(Amount in ₹)

	As at 31st March, 2012	As at 31st March, 2011
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 :-

(Amount in ₹)

Particulars	2011-12	2010-11
i) Net Profit/(loss) after tax as per profit and loss account	(334,309,698)	(441,854,504)
ii) Short provision for tax of earlier years	(1,702,542)	(1,932,840)
iii) Net Profit/(loss) attributable to Equity Shareholders	(336,012,240)	(439,921,664)
iv) Net Profit/(loss) before Exceptional Item	(336,012,240)	(439,921,664)
v) Weighted Average number of equity shares used as denominator for calculating Basic EPS.	165,173,090	157,030,900
vi) Basic Earnings per share	(2.03)	(2.80)
vii) Weighted Average number of equity shares used as denominator for calculating Diluted EPS	165,173,090	157,500,558
viii) Diluted Earnings per share	(2.03)	(2.79)
ix) Basic Earnings (before exceptional item) per share	(2.03)	(2.80)
x) Diluted Earnings (before exceptional item) per share	(2.03)	(2.79)
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.

This is the Balance Sheet referred to in our report of even date.

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anurradha Prasad
(Chairperson cum
Managing Director)

Anuradha Mishra
(Director)

Rajeev Parashar
(Company Secretary)

Place: Noida
Date: 30th May, 2012



B.A.G Films and Media Limited

Consolidated Cash Flow Statement for the year ended March 31, 2012

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(331,367,646)		(425,938,525)
<i>Adjustments for:</i>				
Depreciation and amortisation	155,815,516		130,410,005	
Provision for impairment of fixed assets and intangibles	—		35,180,946	
(Profit) / loss on sale / write off of assets	(382,261)		225,279	
Finance costs	74,395,140		35,053,652	
Interest income	(2,034,170)		(8,109,121)	
Dividend income	(5,000)		(77,553)	
Net (gain)/loss on sale of investments	15,866		2,559,527	
Liabilities/provisions no longer required written back	(4,736,228)		(3,742,227)	
Other non-cash charges				
Adjustment relating to earlier year	(1,702,542)		(1,932,840)	
		<u>221,366,321</u>		<u>189,567,668</u>
Operating profit/(loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase)/decrease in operating assets:</i>				
Inventories	(75,577,334)		(53,412,959)	
Trade receivables	(160,142,580)		8,804,114	
Short-term loans and advances	49,636,592		(433,824,420)	
Other non-current assets	2,501,012		6,260,196	
<i>Adjustments for increase/(decrease) in operating liabilities:</i>				
Trade payables	(123,964,449)		111,180,393	
Other current liabilities	45,844,589		166,008,504	
Short-term provisions	(4,914,387)		(6,716,004)	
Long-term provisions	1,949,954		1,155,607	
		<u>(264,666,603)</u>		<u>(200,544,569)</u>
Cash generated from operations		(374,667,928)		(436,915,426)
Net cash flow from / (used in) operating activities (A)		<u>(374,667,928)</u>		<u>(436,915,426)</u>
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(315,492,241)		(422,706,936)	
Proceeds from sale of fixed assets/Work-in-progress	177,594,619		1,187,335	
Purchase of long-term investments				
- Associates	(240,000)			
- Others	(10,069,000)		(114,579,793)	
Proceeds from sale of long-term investments				
- Others	114,563,927		6,090,473	
Interest received				
- Associates	20,269			
- Others	2,013,901		8,109,121	
Dividend received				
- Others	5,000		77,553	
		<u>(31,603,525)</u>		<u>(521,822,247)</u>
Net cash flow from / (used in) investing activities (B)		<u>(31,603,525)</u>		<u>(521,822,247)</u>

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
C. Cash flow from financing activities				
Proceeds from issue of equity shares	6,874,000		61,412,520	
Proceeds from issue of share warrants	96,202,423		(5,199,015)	
Share application money received/(refunded)	29,836,774		130,000,000	
Proceeds from long-term borrowings	110,643,496		199,745,232	
Proceeds from other short-term borrowings	54,977,446			
Repayment of other short-term borrowings	—		(34,633,120)	
Finance cost	(74,395,140)		(35,053,652)	
		224,138,999		316,271,965
Net cash flow from / (used in) financing activities (C)		224,138,999		316,271,965
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(182,132,454)		(642,465,708)
Cash and cash equivalents at the beginning of the year		318,354,604		960,820,312
Cash and cash equivalents at the end of the year		136,222,150		318,354,604
Reconciliation of Cash and cash equivalents with the Balance Sheet :				
Cash and cash equivalents as per Balance Sheet		136,222,150		318,354,604
Cash and cash equivalents at the end of the year*		136,222,150		318,354,604
*Comprises :				
(a) Cash on hand		3,276,836		2,662,665
(b) Cheques, drafts on hand		80,479,584		54,317,065
(c) Balances with banks				
(i) In current accounts		28,040,956		236,561,788
(iii) In deposit accounts		23,521,906		21,455,538
(d) Others				
Staff Imprest		902,868		3,357,548
		136,222,150		318,354,604

For Joy Mukherjee & Associates
Chartered Accountants

For and on behalf of Board of Directors

Joy Mukherjee
Partner
M. NO. 74602
FRN: 006792

Anuradha Prasad
(Chairperson cum
Managing Director)

Anuradha Mishra
(Director)

Place: Noida
Date: 30th May, 2012

Rajeev Parashar
(Company Secretary)

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.....

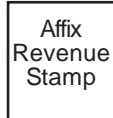
DP ID No.

CLIENT ID No.

I/Weof.....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 19th Annual General Meeting of the Company to held on Friday, September 28, 2012 at 4.30 P.M. at
MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Delhi - 110054 and any adjournment thereof.

Signed this.....day of.....2012.

Signature.....



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

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

FOLIO NO.

NO. OF SHARES HELD.....

DP ID No.

CLIENT ID No.

NAME OF THE MEMBER.....

(in block letters)

NAME OF PROXY.....

(if any)

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company to be held on Friday, September 28, 2012.

.....
Signature of the Member/Proxy

B.A.G. FILMS & MEDIA LIMITED

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