



**SAGAR PRODUCTIONS  
LIMITED**

**35<sup>TH</sup> ANNUAL REPORT 2013-14**

**COMPANY INFORMATION**

• <b><u>BOARD OF DIRECTORS:</u></b>	Mr. Jagdish Pareek (Upto 10 <sup>th</sup> June 2013) Mr. Ramavtar Kakani Mr. Kalakad Sathi Mr. Jitendra Keny (w.e.f. 10 <sup>th</sup> June 2013) Mr. Deepak Mardhekar (w.e.f. 28 <sup>th</sup> August 2014)
• <b><u>BANKERS :</u></b>	The Pratap Co-op. Bank Ltd.
• <b><u>AUDITORS :</u></b>	<b>M/s. Sudhir M Desai &amp; Co.</b> Chartered Accountants
• <b><u>REGISTERED OFFICE :</u></b>	907, Dev Plaza, 9 <sup>th</sup> Floor, S. V. Road, Andheri - West, Mumbai - 400 059.
• <b><u>REGISTRAR &amp; SHARES TRANSFER AGENT:</u></b>	M/s. Maheshwari Datamatics Pvt Ltd. 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2 <sup>nd</sup> Floor, Kolkata, West Bengal - 700001 Phone - 033-22482248, 22435809 Fax - 033-22484787 Email id: info@mdpl.in Website - <a href="http://www.mdpl.in">www.mdpl.in</a>
• <b><u>ISIN NO. :</u></b>	<b>INE807D01022</b>
• <b><u>Company Website:</u></b>	<a href="http://www.sagarproductions.com">www.sagarproductions.com</a>
• <b><u>Email:</u></b>	<a href="mailto:splgrive@rediffmail.com">splgrive@rediffmail.com</a>

**Contents**

1. Company Information.....	1
2. Notice of Annual General Meeting.....	2
3. Directors' Report.....	13
4. Corporate Governance Report.....	16
5. Management Discussion & Analysis.....	31
6. Certification.....	34
7. Certificate for Clause 49.....	35
8. Auditor's Report.....	36
9. Annexure to the Auditor's Report.....	38
10. Annual Accounts.....	40
11. Notes to Accounts.....	51

**NOTICE**

NOTICE is hereby given that the **35<sup>th</sup> Annual General Meeting** of the Members of **M/s. SAGAR PRODUCTIONS LIMITED** will be held on **29<sup>th</sup> September 2014** at 04.00 p.m. at 1008/1009, Gold Crest Centre, L T Road, Borivali West, Mumbai - 400 092, India to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kalakad S Sathi, who retires by rotation and being eligible, offers himself for re-appointments.
3. To re-appoint M/s. Sudhir M Desai & Co., Chartered Accountants (Reg. No.041999), Mumbai, pursuant to the provisions of Section 139 of the Companies Act, 2013 as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

**4. Appointment of Mr. Deepak Mardhekar as Director**

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

**“RESOLVED THAT** Mr. Deepak Mardhekar, who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 28, 2013, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member in terms of Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

**5. Appointment of Mr. Kalakad S. Sathi as Whole-time Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company, be and is hereby accorded to the appointment of Mr. Kalakad S Sathi (DIN : 00150876) as

a Whole-time Director of the Company for a period of five years effective from 28<sup>th</sup> August, 2014, on such terms and conditions of appointment and remuneration as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Sathi.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/ or the Nomination and Compensation Committee be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

**6. Appointment of Mr. Ramavtar Kankani as Independent Director**

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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Ramavtar Kankani (DIN 01243060), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. Ramavtar Kankani as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."

**7. Appointment of Mr. Jitendra Keny as Independent Director**

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 Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Jitendra Keny (DIN 05291023), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing Mr. Jitendra Keny as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019."

**By Order of the Board of Directors  
For Sagar Productions Limited  
Sd/-  
Kalakad Sathi  
Director**

Place: Mumbai  
Date: 28.08.2014

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (“meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself /herself and the proxy need not be a member of the Company. The instrument appointing the proxy in the Proxy Form (MGT 13), in order to be effective, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

2. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. The Company has notified closure of Register of Members and Share Transfer Books from 22<sup>nd</sup> September 2014 to 29<sup>th</sup> September 2014 (both days inclusive) for the purpose of Annual Book Closure.
6. Members, holding shares in physical form, are requested to notify changes in address, if any, to the Registrars of the Company immediately, quoting their folio numbers. Members, holding shares in dematerialized form, should send the above information to the respective Depository Participants.
7. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
8. Members desirous of getting any information in relation to the Company’s Annual Report 2013-14 are requested to address their query (ies) well in advance, i.e. at least 10 days before the Meeting, to the Secretary of the Company to enable the Management to keep the information readily available at the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report. Members, who hold shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.

10. Members holding shares in single name and physical form are advised to make nomination in respect of shareholding in the Company. Members can avail of the Nomination facility by filing Form SH-13 with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in D-mat form, the nomination has to be lodged with their DP.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Maheshwari Datamatics Pvt Ltd., for consolidation into a single folio.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s. Maheshwari Datamatics Pvt Ltd., 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2<sup>nd</sup> Floor, Kolkata, West Bengal – 700001.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of declaration of the result of the Annual General Meeting of the Company.
15. Electronic copy of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 35th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
16. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.sagarproductions.com](http://www.sagarproductions.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [splgrive@rediffmail.com](mailto:splgrive@rediffmail.com).

17. **E-Voting:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, read with Clause 35B of the Listing Agreement The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 35th Annual General Meeting of the Company dated 28.08.2014 (the AGM Notice). The Company has appointed Dr. S. K. Jain, Practicing Company Secretary (C.P. No. 3076), as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional.

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

1. Launch internet browser by typing the following URL: [www.evotingindia.com](http://www.evotingindia.com)
2. Click on "Shareholders" tab.
3. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
6. After entering these details appropriately, click on "SUBMIT" tab.
7. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the EVSN <SAGAR PRODUCTIONS LIMITED>.
10. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
15. Once the vote on a resolution is cast by the shareholder she/he shall not be allowed to change it subsequently
16. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together



with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : [skjaincs1944@gmail.com](mailto:skjaincs1944@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

17. In case a Member receives physical copy the Notice of the AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting Physical Copy] Initial password is provided as below/at the bottom of the Attendance Slip for the AGM.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
19. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
20. The e-voting period commences on **September 22, 2014 (10:00 am)** and ends on **September 24, 2014 (6:00 pm)**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **August 29, 2014**, may cast their vote electronically. The e-voting module shall also be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
21. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **August 29, 2014**.
22. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **August 29, 2014** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
23. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
24. The Results shall be declared on or after the 35th Annual General Meeting of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.sagarproductions.com](http://www.sagarproductions.com) and on the website of CDSL within two(2) days of passing of the resolutions at the 35th Annual General Meeting of the Company and shall be duly communicated to the BSE Limited.
25. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 4.00 p.m. up to the date of declaration of the result of the 35th Annual General Meeting of the Company.



**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**ITEM NO. 4**

Mr. Deepak Mardhekar was appointed as an Additional Director by the Board with effect from August 28, 2014 in terms of Section 152 of the Companies Act, 2013.

In terms of the provisions of Section 161 (1) of the Companies Act, 2013, Mr. Mardhekar holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a Member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Mardhekar for the office of Director of the Company, liable to retire by rotation.

Mr. Mardhekar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director.

Mr. Mardhekar is a Commerce Graduate with over Five years experience in Media and Production Line.

The details of Mr. Mardhekar as required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, are set out in the Annexure forming part of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Mardhekar, is concerned or interested, financially or otherwise, in resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of Members as an Ordinary Resolution.

**ITEM NO. 5**

The Board of Directors of the Company at their meeting held on 28<sup>th</sup> August, 2014 proposed to appoint Mr. Kalakad Sathi as Whole-time Director for a period of five years commencing from 28<sup>th</sup> August, 2014 subject to the approval of Members in the Annual General Meeting. A notice has been received from a member proposing Mr. Sathi as a candidate for the office of Director of the Company.

Mr. Sathi is a Commerce Graduate with an experience of 20 years in the field of Finance.

The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Mr. Sathi as the Whole-time Director and the remuneration payable to him. The terms and conditions proposed (fixed by the Board of Directors at their meeting held on 28<sup>th</sup> August, 2014) are keeping in line with the remuneration package that the Company could accommodate without putting burden on the profits and continue to encourage good managerial practice.

The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

I)	<b>Basic Salary</b>	:	Not Exceeding Rs. 1,80,000/- per annum with increments as may be decided by the Board of Directors of the Company from time to time, subject to the limits as stipulated under Companies Act, 2013
II)	<b>Commission</b>	:	No commission shall be paid to Mr. Sathi in addition to the salary mentioned in (I)
III)	<b>Perquisites:</b>	:	Mr. Sathi is not entitled to any perquisites beyond the salary mentioned in (I)
IV)	<b>Minimum Remuneration</b>	:	Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall, subject to necessary approvals pay Mr. Sathi. remuneration by way of salary, not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Sathi.
V)	<b>Other Terms</b>	:	<ul style="list-style-type: none"> <li>- Mr. Sathi shall, subject to the superintendence, control and direction of the Board of Directors, manage and conduct the business and affairs of the Company.</li> <li>- He shall not be paid any sitting fee for attending meetings of the Board or Committee thereof.</li> <li>- The appointment can be terminated by Mr. Sathi or the Company, by one party giving to the other 3(three) calendar months' notice in writing or in case of shorter notice or on such other terms as may be mutually agreed.</li> <li>- The period of office of Mr. Sathi shall be liable to determination by retirement of directors by rotation. If Mr. Sathi is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director.</li> </ul>

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Special Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members.

Mr. Sathi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The re-appointment of Mr. Sathi is appropriate and in the best interest of the Company. Brief profile of Mr. Sathi is separately set out as annexed to the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Kalakad Sathi, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

**ITEM NO. 6**

Mr. Ramavtar Kankani (DIN 01243060) is a Non-Executive Independent Director on the Board of the Company since 2007. Mr. Kankani is liable to retire by rotation at this Annual General Meeting under the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

In terms of the provisions of Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Mr. Kankani is proposed to be appointed as Independent Director for a term upto March 31, 2019, not liable to retire by rotation.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Kankani for the office of Director of the Company.

Mr. Kankani is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Mr. Kankani is a Graduate and has a rich experience of 28 years in this field and in handling various production assignments.

Your directors recommend the resolution at item no. 6 for the approval of Members as an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Ramavtar Kankani, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

**ITEM NO. 7**

Mr. Jitendra Keny (DIN 05291023) is a Non-Executive Independent Director on the Board of the Company since 2013. Mr. Keny is liable to retire by rotation at this Annual General Meeting under the provisions of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

In terms of the provisions of Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, Mr. Keny is proposed to be appointed as Independent Director for a term upto March 31, 2019, not liable to retire by rotation.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Keny for the office of Director of the Company.

Mr. Keny is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received declaration from him that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Mr. Keny is a Graduate by qualification having a rich experience of 13 years in the field of TV Serial and Stage Show.

Your directors recommend the resolution at item no. 6 for the approval of Members as an Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Jitendra Keny, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Annexure to Notice

**Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting**

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	<b>Mr. Kalakad S. Sathi</b>	<b>Mr. Ramavtar Kankani</b>	<b>Mr. Jitendra Keny</b>	<b>Mr. Deepak Mardhekar</b>
Age	51	59	52	30
Date of Appointment	22.01.2007	23.03.2007	10.06.2013	28.08.2014
Expertise in specific functional areas	Mr. Sathi has an experience of 20 years in the field of Finance.	Mr. Kankani has a rich experience of 28 years in this field and in handling various production assignments.	Mr. Keny has a rich experience of 13 years in the field of T.V. Serial and Stage Show.	Mr. Mardhekar has Five years experience in Media and Production Line.
Qualifications	Graduate	Graduate	Graduate	Graduate
List of Limited Companies in which outside Directorship held as on 31.03.2014	Global Films and Broadcasting Limited	Rashel Agro Tech Limited	None	None
No. of Shares held in the Company	None	None	None	None

*\*The Directorship above does not include Directorship held with Private and foreign companies and companies registered under Section 25 of the Companies Act, 1956.*

## DIRECTORS' REPORT

The Members,  
**SAGAR PRODUCTIONS LIMITED**

Your Directors are pleased to present their **35<sup>th</sup> Annual Report** together with the Balance Sheet and the Profit and Loss Accounts for the financial year ended 31<sup>st</sup> March, 2014 and the Auditors Report thereon.

### BUSINESS PERFORMANCE:

(Rs. In Lacs)

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
Total Revenue	(27.98)	6.95
Less: Total Expenses	(53.19)	(475.64)
Profit before Tax	(81.17)	(468.69)
Less : Provision For Tax	-	-
Less : Deffered Tax	-	-
Less : Short/ Excess earlier year	(462.86)	(0.81)
<b>Profit/ (Loss) after Tax</b>	<b>(544.03)</b>	<b>(462.86)</b>

### OPERATIONS:

During the year under review, the Company continued to make losses. As compared to the losses of Rs. 462.86/- Lacs in previous year 2012-13, the Company has incurred loss of Rs. 81.17/- Lacs.

### DIVIDEND:

In view of the losses made by the Company, your Company does not recommend any dividend for the year ended 31<sup>st</sup> March, 2014.

### DIRECTORS:

Mr. K. S. Sathi is liable to retire by rotation, being eligible, offers himself for re-appointment. The Board of Directors of the Company in their Meeting held on 28<sup>th</sup> August 2014, has proposed to appoint him as Whole Time Director subject to the approval of Members in the Annual General Meeting and had appointed Mr. Deepak Mardhekar as Additional Director of the Company has received nomination of Mr. K. S. Sathi and Mr. Deepak Mardhekar for appointment as Directors in terms of Section 149 of the Companies Act, 2013.

Mr. Ramavtar Kankani (DIN 01243060) and Mr. Jitendra Keny (DIN 05291023), Non executive Directors of the Company, Independent Directors as per Clause 49 of the Listing Agreement with Stock Exchanges are proposed to be appointed as Independent Directors for five consecutive years for a term up to March 31, 2019 in accordance with Section 149 of the Companies Act, 2013. Notices have been received from Members proposing the aforesaid Directors as candidates for the office of Director of the Company. In

the opinion of the Board, aforesaid persons fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management. The Board considers that their continued association would be of immense benefit to the Company.

Accordingly, the Board recommends appointment of the aforementioned Directors for the approval by the shareholders of the Company.

**CONSOLIDATION OF SHARES & PREFERENTIAL ALLOTMENT:**

The Board at its meeting held on 23<sup>rd</sup> July 2013 has decided to consolidate the present Authorized Share Capital of the Company Rs. 6,00,00,000/- divided into 6,00,00,000 Equity Shares of Re.1/- each and paid-up capital of Rs. 5,36,85,000/- divided into 5,36,85,000 Equity shares of Re.1/- each into Authorized Share Capital of 15,00,000 Equity shares of Rs. 40/- each and paid-up capital of 13,42,125 Equity Shares of Rs.40/- each subject to the approval of Bombay High Court and other approvals, if any necessary for the Reduction of Share Capital. The approval of Members was accorded by way of Postal Ballot and the results were declared on 21<sup>st</sup> December 2013.

Further the Company has decided to issue warrants on preferential basis subject to the provisions of section 81(1A) and Composite scheme under section 391 to 394 of the Companies Act, 1956. The approval of Members was accorded on the said resolution by way of Postal Ballot and the results were declared on 21<sup>st</sup> December 2013

**FIXED DEPOSITS:**

The Company has not accepted any deposit from the general public within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

**DEMATERIALISATION OF SHARES:**

Your Company has connectivity with the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for dematerialization of its Equity Shares. The ISIN No. **INE807D01022** has been allotted for the Company Shares. Therefore, the members and/or investors may keep their shareholdings in the electronic mode with their Depository Participant.

**LISTING OF SHARES:**

Equity Shares of the Company are listed with the Bombay Stock Exchange Limited. The Annual Listing Fees to the Stock Exchange has been duly paid by the Company.

**PARTICULARS OF EMPLOYEES:**

There is no employee drawing remuneration in excess of the limit prescribed under the Companies (Particulars of the employees) Rules 1975.

**AUDITORS & AUDITORS REPORT:**

M/s. Sudhir M Desai & Co., the Auditors retire at the ensuing Annual General Meeting but being eligible offer themselves for reappointed. The Company has received the letter from Auditors to the effect that their appointment if made it would be within the prescribed limits under Section 139 of the Companies Act, 2013. Your Directors recommend reappointment of M/s Sudhir M Desai & Co. as the



Auditors of the Company.

**CORPORATE GOVERNANCE:**

Report on Corporate Governance alongwith the Certificate of the Auditors, M/s. Sudhir M Desai & Co., confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:**

Since, the Company do not have any manufacturing unit, all provisions of Section 217(1)(e) of the Companies Act, 2013, with regard to conservation of energy and technology absorption are not applicable to the Company at this stage.

The Company has not incurred any expenditure or earned any incomes in foreign currency during the period under review.

**DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956, your Directors state that;

- 1) in the preparation of the accounts, the applicable accounting standards have been followed;
- 2) accounting policies selected were applied consistently. Reasonable and prudent judgments and estimate were made so as to give a true and fair view of the state of affairs of the Company as at the end of March 31, 2014 and the profit of the Company for the year ended on that date;
- 3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- 4) the Annual Accounts of the Company have been prepared on a going concern basis.

**ACKNOWLEDGEMENT:**

Your Directors take the opportunity to express their grateful appreciation for the excellent assistance and co-operation received from their Bankers, Customers etc. Your Directors also thank all the shareholders for their continued support and all the employees of the Company for their valuable services during the year.

By Order of the Board of Directors  
**For Sagar Productions Limited**  
Sd/-  
**Kalakad S Sathi**  
Director

Place: Mumbai  
Date: 29.05.2014

**CORPORATE GOVERNANCE REPORT**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

**MANDATORY REQUIREMENTS**

**A. COMPANY'S PHILOSOPHY**

The Company's Philosophy on Corporate Governance envisages attainment of the high level of transparency and accountability in the functioning of the Company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers and institutional and other lenders and place due emphasis on regulatory compliance.

Your Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure highest ethical and responsible standards being practiced by your Company. We strongly believe that retaining and enhancing stakeholder trust is indispensable for sustained corporate growth and are determined to work to achieve this end. The Company operates in compliance with all regulatory and policy requirements as well as industry ethical guidelines.

**B. BOARD OF DIRECTORS**

***COMPOSITION AND CATEGORY***

The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standards of Corporate Governance. The composition of the Board of Directors is in accordance with the requirements of the revised Clause 49 of the Listing Agreement, the Companies Act, 2013 and the Articles of Association of the Company Independent Directors are Directors, who apart from receiving Directors' remuneration do not have any other material pecuniary relationship or transactions with the Company.

The Composition of the Board of Directors as on 31<sup>st</sup> March 2014 was as follows:

Name	Category	Number of Director-ship in other Public Limited Companies*	Number of Chairmanship in Committees of Boards of other Public Limited Companies	Number of Membership in Committees of Boards of other Public Limited Companies#
Mr. Kalakad Sathi	Chairman & Executive Director	1	None	1
Mr. Ramavtar Kankani	Independent, Non- Executive	1	None	1
Mr. Jitendra Keny	Independent, Non - Executive	None	None	None

\*Excludes private and foreign companies and companies registered under Section 25 of the Companies Act, 1956.

#Includes only the membership of Audit and Shareholders/Investors' Grievance and Share Transfer Committees of Indian public limited companies.

#### **BOARD MEETINGS AND ATTENDANCE**

During the financial year ended 31<sup>st</sup> March, 2014, Seven (7) Board Meeting were held on 05/04/2013, 23/07/2013, 14/08/2013, 19/09/2013, 12/11/2013, 14/11/2013 and 14/02/2014.

The Attendance Record of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Sr. No.	Name of Directors	No. of Board Meetings attended	Attendance at last AGM held on #19.10.2013
1	Mr. Kalakad S Sathi	7	Present
2	Mr. Ramavtar Kankani	7	Present
3	Mr. Jitendra Keny**	6	Present
4	Mr. Jagdish Pareek*	1	Absent
5	Mr. Deepak Mardhekar**	NA	NA

\* Resigned from the Board of Directors w.e.f. 10<sup>th</sup> June 2013.

\*\*Mr. Jitendra Keny and Mr. Deepak Mardhekar were appointed to the Board of Directors w.e.f. 10<sup>th</sup> June 2013 and 28<sup>th</sup> August 2014 respectively.

#The Annual General Meeting was scheduled for 30<sup>th</sup> September.2014 but due to insufficient quorum it was adjourned and was held on 19<sup>th</sup> October 2013.

## C. COMMITTEES OF BOARD

As at 31<sup>st</sup> March, 2014, your Company has three Board Committees. They are:

- I. Audit Committee
- II. Remuneration Committee
- III. Shareholders' Grievances Committee

### II. Audit Committee

#### *Broad Terms of Reference*

The terms of reference of this Committee are quite comprehensive and include all requirements mandated under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee include the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service.
- Reviewing with management quarterly, half-yearly, nine months and annual financial statements, before submission to the Board for approval.
- Discussions with external auditors about the scope of audit including the observations of the Auditors.
- Reviewing with the management the performance of statutory and internal auditors.
- Reviewing status of statutory compliance.
- Reviewing the Company's financial and risk management policies.

Minutes of meetings of the Audit Committee are circulated to members of the Committee, Board and the invitees.

#### *Composition & Attendance*

The Audit Committee of the Company comprises three Directors, of which, one is Executive and rest are Independent, Non-executive Directors. All these Directors possess knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is a Non-Executive, Independent Director nominated by the Board. The Statutory Auditors and the Executives in the Finance Department are invitees to the Meetings.

During the period of Four Months, four Meetings of Audit Committee were held on 28/05/2013, 14/08/2013, 14/11/2013 and 14/02/2014. The Board of Directors at the subsequent Board Meeting notes the minutes of the Audit Committee Meetings.

The constitution of the Committee and details of the meetings attended by the Members during the year are as follows:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Position</b>	<b>Committee Meetings Attended</b>
1.	Mr. Ramavtar Kankani	Chairman - Independent, Non-Executive.	4
2.	Mr. Jitendra Keny	Member - Independent, Non-Executive.	3
3.	Mr. Kalakad Sathi	Member - Executive.	4
4.	Mr. Jagdish Pareek#	Member - Executive.	1

# Mr. Jagdish Pareek was a Member of the Committee till the time of his resignation, thereafter Mr. Jitendra Keny was admitted in the Committee from 10<sup>th</sup> June 2013.

#### **INTERNAL AUDITORS**

The Company has in-built system of internal checks and to review the internal control systems of the Company and to report thereon. The report of such reviews is being submitted to the Audit Committee.

#### **III. Remuneration Committee**

The Remuneration Policy of the Company is based upon well defined performance and responsibility criterions. The Company endeavours to attract, retain, develop and motivate its high skilled and dedicated personnel through its Remuneration Policy.

The Non-Executive Directors did not draw any remuneration (other than sitting fees) from the Company during the Financial Year under review.

- Appointment, terms, conditions and payment of Remuneration Executive Directors is governed by the resolutions passed by the Remuneration/ Compensation Committee, Board of Directors and Members of the Company, where necessary. The remuneration structure comprises salary, incentive allowances, perquisites and allowance, contribution to PF and superannuation, as per Company's policy and as applicable from time to time.
- The Company does not have any Employee Stock Option Scheme.

#### **Sitting Fees paid to Non-Executive Independent Directors for the Financial Year 2013-2014:**

The remuneration of Non-Executive Independent Directors consists of sitting Fees not exceeding the limits prescribed under Section 309 of the Companies Act 1956, which is decided by the Board within

limits approved by the shareholders. The Non-Executive Independent Directors would be paid sitting fees of Rs. 2500/- per Board Meeting or any other Committee Meetings of the Company attended subject to necessary approvals of the Board/ Regulators/ Shareholders

The constitution of the Remuneration Committee is as follows:

Sr. No.	Name of the Member	Position
1.	Mr. Jitendra Keny	Chairman- Independent, Non-Executive
2.	Mr. Ramavtar Kankani	Member - Independent, Non-Executive
3.	Mr. Kalakad Sathi	Member - Executive

# Mr. Jagdish Pareek was the Chairman of the Committee till the time of his resignation, thereafter Mr. Jitendra Keny was admitted in the Committee as the Chairman in his place from 10<sup>th</sup> June 2013.

The remuneration committee mainly looks after fixation of salary, perquisites and commissions etc. to the directors of the Company.

#### **IV. Shareholders' Grievances Committee**

The Board has constituted a Committee of Directors for speedy disposal of all grievances/complaints relating to shareholders/investors. It consists of three members, chaired by an Executive Director.

Terms of Reference of the Committee:

- To issue duplicate share certificates as and when the requests are received by the Company;
- To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits; and
- To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard.

#### ***Composition & Attendance***

During the year ended 31<sup>st</sup> March, 2014, Four Committee Meetings were held on 28/05/2013, 14/08/2013, 14/11/2013 and 14/02/2014.

The constitution of the Shareholder's Committee is as under:

Sr. No.	Name of the Member	Position	Committee Meetings Attended
1.	Mr. Kalakad Sathi	Chairman, Independent, Non-Executive	4
2.	Mr. Jitendra Keny	Member, Independent, Non-Executive	3
3.	Mr. Ramavtar Kankani	Member, Independent, Non-Executive	4
4.	Mr. Jagdish Pareek#	Member - Executive.	1

# Mr. Jagdish Pareek was a Member of the Committee till the time of his resignation, thereafter Mr. Jitendra Keny was admitted in the Committee from 10<sup>th</sup> June 2013.

**Compliance Officer**

**Mr. Kalakad Sathi** is the Compliance Officer in terms of the listing agreement executed by the Company with the Stock Exchange.

**D. DETAILS OF SHAREHOLDERS COMPLIANCE RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS**

Number of shareholders complaints received so far and number of complaints solved to the satisfaction of shareholders.

Sr. No.	Nature of Complaints	Received	Replied	Balance	No. of Days Taken
1.	Received from Shareholders	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	NIL	NIL	N.A.
	Non receipt of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.
2.	Received from SEBI/ Stock Exchange	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	NIL	NIL	N.A.
	Non receipt of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.

There were no outstanding complaints, pending share transfers or pending requests for dematerializations as on 31<sup>st</sup> March, 2014.



**E. GENERAL BODY MEETINGS:**

Location and time, where last three Annual General Meetings were held is given below:

<b>Financial Year</b>	<b>Date</b>	<b>Location of Meeting</b>	<b>Time</b>
2012-13	#19/10/2013	1008/1009, Gold Crest Business Centre, L T Road, Borivali - West, Mumbai - 4000 092	03.30 p.m.
2011-2012	28/09/2012	1008/1009, Gold Crest Business Centre, L T Road, Borivali - West, Mumbai - 4000 092	12.00 noon
2010-2011	30/09/2011	907, Dev Plaza, S V Road, Andheri - West, Mumbai - 400 058.	11.00 a.m.

*#The Annual General Meeting was scheduled for 30<sup>th</sup> September 2014 but due to insufficient quorum it was adjourned and was held on 19<sup>th</sup> October 2013.*

*No special resolution was put through postal ballot at the last AGM.*

**POSTAL BALLOT**

During the year, pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, a postal ballot was conducted for seeking approval from the shareholders. The Board of Directors of the Company had appointed Ms. Monali J. Patel, Practicing Company Secretary as Scrutinizer for conducting Postal Ballot voting process through fair and transparent manner.

The details of the resolutions passed through postal ballot are as follows:

1. Special Resolution under Sections 94 (1) (b) of the Companies Act, 1956 for consolidation of the Authorized Share Capital of the Company Rs. 6,00,00,000/- divided into 6,00,00,000 Equity Shares of Re.1/- each and paid-up capital of Rs. 5,36,85,000/- divided into 5,36,85,000 Equity shares of Re.1/- each be consolidated into Authorized Share Capital of 15,00,000 Equity shares of Rs. 40/- each and paid-up capital of 13,42,125 Equity Shares of Rs.40/- each (Resolution No.1).
2. Special Resolution for alteration of Capital Clause of Memorandum of Association and Article No. 3 of Articles of Association of the Company consequent to the consolidation. (Resolution No. 2)
3. Special Resolution for issue of warrants on preferential basis subject to the provisions of section 81(1A) and Composite scheme under section 391 to 394 of the Companies Act, 1956. (Resolution No. 3)

The summary of the votes cast (including e-votes) based on the report submitted by Scrutinizer conducting the postal ballot is given below:

Particulars	Resolution No. 1		Resolution No. 2		Resolution No. 3	
	No. of Shares	No. of votes	No. of Shares	No. of votes	No. of Shares	No. of votes
Votes cast in favour	10465876	33	10465876	33	10465876	33
Votes cast against	0	0	0	0	0	0
<b>Total</b>	<b>10465876</b>	<b>33</b>	<b>10465876</b>	<b>33</b>	<b>10465876</b>	<b>33</b>

Therefore as indicated above, three Special Resolutions as circulated to the members vide Postal Ballot Notice dated 12<sup>th</sup> November, 2013 were declared as duly passed by the requisite majority on 21<sup>st</sup> December, 2013.

## F. DISCLOSURES

### a. Subsidiary Companies

The Company does not have any subsidiary Company during the Year under review.

### b. Disclosures of transactions with Related Parties

The details of related party transactions are duly disclosed in the note no. 24 under the heading Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2014 of the Company.

### c. Disclosures of Accounting Treatment in preparation of Financial Statements

The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI), in preparation of its Financial Statements.

### d. Risk management

The Company has laid down procedures to inform Board Members about Risk assessment and minimization procedures and these procedures are periodically reviewed.

### e. Proceeds from Public Issues, Rights Issue, Preferential Issue etc.

The Company is in process but has not raised any Money through Public Issue, Rights Issue, Preferential Issue etc, during the year there under.

### f. Remuneration of Non- Executive Directors

Except sitting fees, the Non-Executive Directors have not been paid any remuneration. None of the transactions with any of the Related Parties were in conflict with the interest of the Company.

### g. No conflict with Regulatory Authorities

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

### h. Compliance with mandatory requirements of Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

**i. Non-Mandatory Requirements**

**1. Chairman of the Board:**

The Company has Executive Chairman and reimburses expenses incurred by him in performance of his duty.

**2. Remuneration Committee:**

The Company has not constituted remuneration committee.

**4. Shareholder Rights:**

As the Company's quarterly/half yearly/yearly results are published in English newspapers having circulation all over India and in Hindi newspapers widely circulated in Maharashtra, the same are not sent to each household of shareholders.

**5. Postal Ballot:**

The provision relating to Postal Ballot will be complied with in respect of matters where applicable.

**6. Audit Qualifications**

There is no audit qualification in the Company's financial statements for 9 months' period ended on March 31, 2014. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

**G. CODE OF CONDUCT**

The Code of business conduct has been posted on the website of the Company.

A declaration signed by Mr. Kalakad Sathi, Executive Director forms part of the Annual Report.

**H. MEANS OF COMMUNICATION**

1. The unaudited as well as audited quarterly, half yearly & yearly results are forthwith communicated to all the Stock Exchange with whom the Company has listing agreement as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the newspapers English and Marathi.
2. Management discussion and analysis forms part of the Annual Report.

**I. GENERAL SHAREHOLDERS INFORMATION:**

*	<b><i>Annual General Meeting</i></b>	
	Date	29 <sup>th</sup> September, 2014
	Time	04.00 p.m.
	Venue	1008/1009, Gold Crest Centre, L T Road, Borivali - West, Mumbai - 400 092.
*	<b><i>Financial Calendar</i></b>	<b><i>April 2014 to March 2015</i></b>
	Financial reporting for the quarter ending June, 2014	On or before 14 <sup>th</sup> August 2014
	Financial reporting for the quarter ending September, 2014	On or before 15 <sup>th</sup> November 2014
	Financial reporting for the quarter ending December, 2014	On or before 15 <sup>th</sup> February 2015
	Financial reporting for the quarter ending March, 2015	On or before 30 <sup>th</sup> May 2015
*	<b><i>Date of Book Closure</i></b>	22 <sup>nd</sup> September, 2014 to 29 <sup>th</sup> September, 2014 (Both Days Inclusive)
*	<b><i>E-voting Period</i></b>	From 10.00 a.m. (IST) on 22 <sup>nd</sup> September 2014 To 6.00 p.m. (IST) on 24 <sup>th</sup> September 2014
*	<b><i>Dividend Payment date</i></b>	Not Applicable
*	<b><i>Registered office</i></b>	907, 9th Floor, Dev Plaza, Opp. Andheri Fire Station, Andheri - West, Mumbai - 400 058.
*	<b><i>Listing on Stock Exchange</i></b>	The Stock Exchange, Mumbai
*	<b><i>Stock Code</i></b>	
*	<b><i>The Stock Exchange, Mumbai</i></b>	532092
*	<b><i>Corporate Identification Number (CIN)</i></b>	L93000MH1980PLC170432
*	<b><i>ISIN</i></b>	INE807D01022

➤ **Market Price Data:** High Low during each month for the financial year ended 31<sup>st</sup> March 2014:

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares	No of Trade	Net T/O (Rs.)
April 2013	0.1	0.19	0.1	0.18	214604	108	27425
May 2013	0.19	0.26	0.13	0.13	158805	42	29640
June 2013	0.12	0.13	0.02	0.02	44308	37	3312
July 2013	0.03	0.22	0.03	0.22	127462	54	22952
August 2013	0.23	0.37	0.22	0.34	255757	62	67692
September 2013	0.33	0.47	0.33	0.46	243614	91	91276
October 2013	0.47	0.61	0.45	0.61	99006	98	51615
November 2013	0.62	0.7	0.56	0.58	238729	127	145663
December 2013	0.58	0.8	0.54	0.79	407421	159	242542
January 2014	0.78	0.9	0.56	0.56	514174	338	386968
February 2014	0.54	0.59	0.48	0.48	409926	373	228913
March 2014	0.46	0.54	0.39	0.39	177093	139	83569

**REGISTRAR AND SHARE TRANSFER AGENT**

**M/s. Maheshwari Datamatics Pvt Ltd.**

6, Mangoe Lane, (Surendra Mohan Ghosh Sarani),

2nd Floor, Kolkata, West Bengal - 700001

Phone - 033-22482248, 22435809

Fax - 033-22484787

Email id: info@mdpl.in

Website - www.mdpl.in

**Share Transfer System:** Share certificates received for transfer in physical form and requests for Demat are generally registered / confirmed within 15 days of receipt of the same, provided documents are clear in all respects. The Company also provides simultaneous transfer cum Demat facility to its equity shareholders.

➤ Distribution of holding and share holding pattern as on 31st March, 2014.

No. of Equity Shares held	No of Holders	% of Holders	No. of Shares	% of Shares
Upto 500	721	13.43	185690	0.35
501-1000	762	14.20	274513	0.51
1001-2000	555	10.34	521545	0.97
2001-3000	307	5.72	478221	0.89
3001-4000	142	2.65	345781	0.64
4001-5000	620	11.55	2317669	4.32
5001-10000	725	13.51	2058992	3.84
10001 and above	1535	28.60	47502589	88.48
<b>Total</b>	<b>5367</b>	<b>100.00</b>	<b>53685000</b>	<b>100.00</b>

➤ Categories of Shareholding as on March 31, 2014:

Sr. No	Category	No. of Shares held	Percentage of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
1.	Promoters		
	Indian Promoters	30,00,000	5.59
	Foreign Promoters	NIL	NIL
2	Persons acting in concert		
	<b>Sub-Total</b>	30,00,000	5.59
<b>B</b>	<b>Non-Promoters Holding</b>		
3	Institutional Investors	NIL	NIL
a.	Mutual Funds and UTI	NIL	NIL
b.	Banking, Financial Institutions/Insurance Companies (Central/State Govt. Institutions Non-government Institutions)	NIL	NIL
c.	FILs	NIL	NIL
	<b>Sub-Total</b>	<b>NIL</b>	<b>NIL</b>
4	Others		
a.	Private Corporate Bodies	1,03,28,966	19.24
b.	Indian Public	4,01,37,182	74.76
c.	NRIs/OCBs	2,18,620	0.40
d.	Any other (Clearing Member)	232	0.00
	<b>Sub-total</b>	5,06,85,000	94.41
	<b>Grand Total</b>	<b>5,36,85,000</b>	<b>100.00</b>

**Particulars of Shares held in physical / Electronic form as on March 31, 2014.**

Category	No. of Shares	% of Shares
Paper Mode	30,33,011	5.65
NSDL	3,15,12,285	58.70
CDSL	1,91,39,704	35.65
<b>Total</b>	<b>5,36,85,000</b>	<b>100.00</b>

**Outstanding GDRs/ADRs/Warrants or any convertible instruments.**

The Company has not issued any GDR/ADR/Warrants etc.



**J. MANAGEMENT DISCUSSION AND ANALYSIS**

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

**For Sagar Productions Limited**

Sd/-

**Kalakad S Sathi**

Director

Place: Mumbai

Date: 28.08.2014

**DECLARATION BY THE EXECUTIVE DIRECTOR REGARDING COMPLIANCE BY BOARD MEMBERS  
AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

I, Kalakad Sathi, Director of Sagar Productions Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management personnel, that:

- The Board of Directors has laid down a code of conduct for all the Board Members and Senior Management of the Company ["the Code"];
- The Code of Conduct has been posted on the website of the Company;
- All the Directors and Senior Management personnel have affirmed their compliance and adherence to the provisions of the Code of Conduct.

By Order of the Board  
**For Sagar Productions Limited**  
Sd/-  
**Kalakad Sathi**  
Director

Place: Mumbai  
Date: 28.08.2014

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

2014 is a landmark year for India. An election year that is likely to set the direction of the country going forward and determine whether we resume our journey towards our aspirations. As a nation still on a journey to fulfill its promise and meet the aspirations of its youth, India should aggressively make an effort to transform itself. Aspirations and ambition are extremely important in a nation's journey towards development. The desire to do better, run faster and go higher is a critical ingredient to propel us, as a nation, forward. The media and entertainment industry in India is a big part of sparking this ambition, widening horizons, and helping transform lives. The more we, as industry players, can enable the growth of this industry, the more people across the country can be made aware of issues, be educated and entertained, see how other parts of the country and world are and connect with others. Today, India's M&E industry reaches millions of people. 161 million TV households, 94,067 newspapers (12,511 dailies), close to 2000 multiplexes, 214 million internet users out of which 130 million are mobile internet users – all these are platforms that could drive change and be transformational catalysts. 2013 was a tumultuous year for the industry. In the midst of an economic slowdown, the industry faced several challenges, both business and regulatory. However, 2013 was a year in which the foundation of the industry was strengthened to position for growth as the economy improves.

In television, industry structures began the process of realignment, with MSOs and LCOs in a delicate dance to evolve their relationship. Several regulations including the ad cap and notifications around aggregators were announced, that will likely change how the industry does business. Digitisation has yet to deliver its promise with set top boxes seeded in Phase I and II cities but with packaging and ARPU increases yet to kick in. The future though, looks promising, with efforts being made to introduce channel packaging, implement subscriber management systems and raise the ARPU – initiatives that are likely to benefit all the stakeholders in the television ecosystem. Films had slower growth in 2013, than in 2012 and returned to the mean as far as growth rates go. Multiplex expansion, ticket prices growth and the expansion of digital screens are all likely to slow down in the near term – challenging the industry to find new avenues to maintain momentum.

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

The Indian Media and Entertainment (M&E) Industry, one of the most vibrant and exciting industries in the world, has had a tremendous impact on the lives and the Indian economy. As the M&E industry widens its reach, it plays a critical role in creating awareness on issues affecting, channeling the energy of and building aspirations among India's millions. As it entertains and informs the country, the M&E industry has been a catalyst for the growth of large parts of the Indian economy. Take for example, a villager – illiterate and previously unaware of what life has to offer, who begins to see a better life through entertainment programs on TV and aspires for a better life for him and his family. This drives demand for various products and services. These aspirations have been key to self motivated transformation taking deep root in India – Transformation not just from handouts and government schemes, but transformation stemming from ambition and aspiration. The media plays a significant role in our lives today and is all pervasive with touch points ranging from television to newspapers to films to radio to outdoor properties. With the addition of new media such as social networking services, animation and VFX, online gaming and applications running on mobile devices, a new dimension has been added to the world of media that was dominated by traditional media. In addition to their implicit impact, all media platforms provide a great opportunity to carry explicit messages to create social impact. Further, interactive and social platforms give people a voice. In calendar year 2013, the Indian Media & Entertainment (M&E) industry registered a growth of 11.8 per cent over 2012 and touched INR 918 billion.

\*Source: FICCI-KPMG Indian Media and Entertainment Industry Report, 2014

## **BRIEF HISTORY & BUSINESS OVERVIEW**

Incorporated in 1980 as Kirti Finvest Limited, Your Company was engaged in Financing, Share trading and Investments. Your Company was formerly known as Kirti Finvest Limited and changed its name to Sagar Productions Limited in May 2010, focusing into media segment. Your Company is into media production and media trading activity.

## **HUMAN RESOURCES**

Your Company recognises the need of talent and nurturing quality staff as a key to success. We will continue to focus on training and motivation of manpower so as to develop teams of qualified and skilled personnel to effectively discharge their responsibilities in a number of projects and activities. It is, in this context, which we have been working towards promoting the skills and professionalism of our employees to cope with and focus on the challenges of change and growth which is important to the segment your Company operates in.

## **INTERNAL CONTROLS & THEIR ADEQUACY**

The company believes in formulating adequate and effective internal control systems and implementing the same to ensure that the interests of the company are safeguarded and reliability of accounting data and its accuracy are ensured with proper checks and balances. The senior management team meets to address issues like operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulation, at regular frequency to discuss various issues that influence the business and to take strategic decisions. The company has an internal audit system, which submits report to the Chairman of Audit Committee periodically.

#### **THREATS RISKS & CONCERNS**

The management of risk does not imply risk elimination but prudent risk management. We can withstand the competition despite an increasing number of new players. Due to industry specific high attrition of key professionals the quality of the productions and their consistency could suffer. There is a risk of sourcing software at reasonable acquisition costs and the rapid changing market can be a threat. Your company's management is proactive to recognise risks & threats and make use of opportunity. Piracy is a major hurdle in our segment. Physical format is diminishing to an extent largely due to this. Besides regulatory frame work, subsidies, taxes and related policy can affect our industry.

#### **CAUTIONARY STATEMENT**

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

**CERTIFICATION**

Since the Company is not having Managing Director and the Chief Financial Officer, the Director, Mr. Kalakad Sathi have certified on behalf of the Board of Directors of the Company that :

- i. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief :
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- iii. we accept responsibility for establishing and maintaining internal controls for Financial Reporting and have evaluated the effectiveness of the internal controls systems of the Company pertaining to Financial Reporting and 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.
- iv. we further certify that:
  - a. there have been no significant changes have been made in internal control over Financial Reporting during the year under review;
  - b. there have been no significant changes in accounting policies have been made during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

By Order of the Board  
**For Sagar Productions Limited**  
Sd/-  
**Kalakad Sathi**  
Director

Place: Mumbai  
Date: 28.08.2014

**CERTIFICATE**

The Members

**SAGAR PRODUCTIONS LIMITED**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange of India, for the year ended 31<sup>st</sup> March, 2014.

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.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanation given to us by the Company.

Based on such a review, in our opinion the Company has complied with the condition of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

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

**For Sudhir M Desai & Co.**  
Chartered Accountants  
Sd/-  
**Sudhir M Desai**  
Proprietor  
M. No. 041999

Place : Mumbai  
Date : 28.08.2014

**AUDITORS' REPORT**

The Members,  
**SAGAR PRODUCTIONS LIMITED**

We have audited the attached Balance Sheet of **M/s. SAGAR PRODUCTIONS LIMITED** as at 31<sup>st</sup> March, 2014, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956. We give in the annexure hereto a statement on the matters specified in the said order.

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the company has maintained proper record as required by law so far as it appears from our examination of the books of accounts.
3. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts and comply with the accounting standards referred to in sub-section [3C] of Section 211 of the Companies Act. 1956.
4. On the basis of written representation received from Director and taken on record by the Board of Directors, we report that none of the Directors are disqualified from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, the said accounts read together with the notes thereon, gives the information required by the Companies Act, 1956 and in the manner as required and give a true and fair view:



- a. In the case of the Balance Sheet of the state of affairs of the Company as on 31<sup>st</sup> March, 2014.
- b. In the case of Profit & Loss Account of the Profit of the Company for year ended that date.
- c. In the case of Cash Flow statement, of the cash flow for the year ended on that date.

**For Sudhir M Desai & Co.**  
Chartered Accountants  
Sd/-  
**Sudhir M Desai**  
Proprietor  
M. No. 041999

Place : Mumbai  
Date : 29.05.2014

**ANNEXURE TO THE AUDITORS REPORT**

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of M/s. SAGAR PRODUCTIONS LIMITED for the period ended 31<sup>st</sup> March, 2014)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets. The fixed assets of the Company have been physically verified by the management during the year in accordance with the regular program which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. The Company has not disposed off any Fixed Assets during the year.
- 2) As explained to us, inventories have been physically verified during the year by the Management. The intervals at which the inventories have been verified are, in our opinion reasonable in relation to the size of the Company and the nature of its business.  
The procedures explained to us, which are followed by the Management for physical verification of inventories, are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business  
On the basis of our examination, we are of opinion that, the company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.
- 3) The Company has not taken any loan secured or unsecured from Companies, Firms and other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956. In view of this sub clause (b), (c) and (d) of the clause (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- 4) In our opinion and according to the information and explanation given to us there are adequate Internal Control procedures commensurate with the size of the Company and the nature of its business.
- 5) In our opinion and according to the information and explanations given to us the Company has not done any transaction that needs to be entered in the register maintained under Section 301 of the Act.
- 6) In our opinion and according to the information and explanations given to us the Company has not accepted any deposit from the public during the year as stated in the provisions of Section 58 A of the Companies Act, 1956.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) The provisions of Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- 9) According to the records of the Company, there were no undisputed statutory dues including Provident Fund, , Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, cess and other Statutory dues applicable to it as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
- 10) The Company does not have any accumulated losses at the end of the financial year.
- 11) The company has not taken any loans from bank or financial institutions.

- 12) The Company has, in our opinion, maintained adequate documents and records in respect of loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund, Societies.
- 14) The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are generally held in the name of the Company except in a few cases where the titles to the investments are in dispute or are in the process of transfer.
- 15) The Company has not given any guarantee for loan taken by others from bank or financial institutions.
- 16) The company has not taken any term loan, during the financial year.
- 17) The Company has not raised any fund, long term or short term during the year.
- 18) The Company has not made any preferential allotment of shares to the parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For Sudhir M Desai & Co.**  
Chartered Accountants  
Sd/-  
**Sudhir M Desai**  
Proprietor  
M. No. 041999

Place : Mumbai  
Date : 29.05.2014

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014:**

PARTICULARS	NOTE NO.	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	1	53,685,000	53,685,000
(b) Reserve & Surplus	2	(54,403,118)	(46,286,427)
<b>2 NON-CURRENT LIABILITIES</b>			
(a) Long-term Borrowings	3	-	-
(b) Deferred Tax Liability (Net)	4	-	-
(c) Long-term provisions	5	147,441	147,441
<b>3 CURRENT LIABILITIES</b>			
(a) Short-term borrowings	6	3,416,000	4,302,450
(b) Trade Payables	7	-	-
(c) Other current liabilities	8	1,718,296	1,511,030
(d) Short-term Provisions	9	-	-
<b>TOTAL</b>		<b>4,563,619</b>	<b>13,359,494</b>
<b>II ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Fixed Asset	10		
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work in progress		-	-
(b) Non-current investments	11	60,000	5,060,000
(c) Long-term loans and advances	12	3,781,485	3,775,485
(d) Deferred Tax Asset (Net)	4	-	-
<b>2 CURRENT ASSETS</b>			
(a) Inventories	13	-	4,477,500
(b) Trade receivables	14	-	-
(c) Cash and cash equivalents	15	299,333	23,708
(d) Short-term loans and advances	16	400,000	-
(e) Other current assets	17	22,801	22,801
<b>TOTAL</b>		<b>4,563,619</b>	<b>13,359,494</b>

See accompanying notes to the financial statements as per our report of even date

For **Sudhir M Desai & Co.**

Chartered Accountants

Sd/-

**Sudhir M Desai**

Proprietor

M. No: 041999

Place : Mumbai

Dated : 29.05.2014

For **Sagar Productions Ltd.**

Sd/-

**(Kalakad Sathi)**

Director

Sd/-

**(Ramavtar Kankani)**

Director

**PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>INCOME</b>			
Revenue from operations	18	2,052,450	635,000
Other Income	19	(4,850,152)	60,000
<b>Total Revenue</b>		<b>(2,797,702)</b>	<b>695,000</b>
<b>EXPENDITURE</b>			
Cost of material consumed	20	4,477,500	-
Purchases of Stock in Trade		-	-
Change in inventories of finished goods	21	-	24,219,130
Employees benefit expenses	22	153,280	653,880
Finance Cost	23	-	-
Depreciation & amortization	10	-	-
Other expenses	24	688,209	635,943
Direct Expenses	26		22,055,741
<b>Total expenses</b>		<b>5,318,989</b>	<b>47,564,694</b>
<b>Profit / (Loss) before tax</b>		<b>(8,116,691)</b>	<b>(46,869,694)</b>
Tax expenses		-	-
Current tax		-	-
Deferred Tax		-	-
<b>Profit / (Loss) before exceptional item</b>		<b>(8,116,691)</b>	<b>(46,869,694)</b>
Earning per equity shares			
(1) Basic		0.00	0.00
See accompanying notes to the financial statements as per our report of even date			
For <b>Sudhir M Desai &amp; Co.</b> Chartered Accountants Sd/- <b>Sudhir M Desai</b> Proprietor M. No: 041999 Place : Mumbai Dated : 29.05.2014		For <b>Sagar Productions Ltd.</b>  Sd/- <b>(Kalakad Sathi)</b> <b>(Ramavtar Kankani)</b> Director                      Director	

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2014:**

PARTICULARS	31.03.2014	31.03.2013
Cash Flow from operating activities :		
Net Profit before Tax as per P & L A/c	-8,116,691	-46,869,694
Adjusted for	-	-
Misc Income	-	-
Interest Income	-	-
Depreciation	-	-
Misc Exp W/off	-	-
Income tax Paid	-	-
<b>Operating Profit Before Working Capital Changes</b>		
Add : Adjusted for		
Other Current Assest	-	-
Sundry Debtors	-	7,383,441
Loans & Advances	-406,000	20,017,050
Current Liabilities	207,266	-197,507
Closing Stock	4,477,500	19,741,630
<b>Net Cash Inflow/Outflow Operations ( A )</b>	<b>-3,837,925</b>	<b>74,920</b>
Cash Flow from Investing Activities :		
Fixed Assets	-	-
Preliminary Expenses	-	-
Receipt of Unsecured Loan	-886,450	4,302,450
Investments	5000,000	-5000,000
<b>Net Cash Flow from Investing Activities ( B )</b>	<b>4,113,550</b>	<b>-697,550</b>
Cash Flow from Financial Activities:		
Share Capital	-	-
Share Premium	-	-
Deposits/Unsecured Loans	-	-
Misc. Expenditure	-	-
Income Tax Paid	-	-
<b>Net Cash Flow from Financing Activities ( C )</b>	<b>-</b>	<b>-</b>
Net Cash Increase in Cash & Cash Equivalents (A + B + C)	275,625	-622,630
Opening Balances of Cash & Cash Equivalents	23,708	646,338
Closing Balances of Cash & Cash Equivalents	299,333	23,708
<b>NET INFLOW</b>	<b>275,625</b>	<b>-622,630</b>
See accompanying notes to the financial statements as per our report of even date		
For <b>Sudhir M Desai &amp; Co.</b> Chartered Accountants Sd/- <b>Sudhir M Desai</b> Proprietor M. No: 041999 Place : Mumbai Dated : 29.05.2014	For <b>Sagar Productions Ltd.</b>  Sd/- <b>(Kalakad Sathi)</b> Director	
	Sd/- <b>(Ramavtar Kankani)</b> Director	

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2014**

NOTE NO.	PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)																				
<b>1</b>	<b>SHARE CAPITAL AUTHORISED</b>																						
	60,000,000 Equity Shares of Re. 1/- Each	60,000,000	60,000,000																				
		<b>60,000,000</b>	<b>60,000,000</b>																				
	<b>ISSUED</b>																						
	54,003,000 Equity Shares of Re. 1/- Each	135,333,330	135,333,330																				
		<b>135,333,330</b>	<b>135,333,330</b>																				
	<b>SUBSCRIBED &amp; PAID UP</b>																						
	53,685,000 Equity Shares of Re. 1/- Each	53,685,000	53,685,000																				
		<b>53,685,000</b>	<b>53,685,000</b>																				
	1.1 The reconciliation of the number of shares outstanding is set out below :																						
	Equity Shares at the beginning of the year	53,685,000	53,685,000																				
	Add: Shares issued during the year	-	-																				
	Equity Shares at the end of the year	<b>53,685,000</b>	<b>53,685,000</b>																				
	1.2 <b>Rights, Preferences &amp; Restrictions attached to Equity Shares</b>																						
	The company has only one class of equity shares having a par value of Re. 1/- per share.																						
	1.3 <b>Details of shareholders holding more than 5% shares in the Company</b>																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Name of shareholder</th> <th colspan="2" style="text-align: center;">As at 31<sup>st</sup> March 2014</th> <th colspan="2" style="text-align: center;">As at 31<sup>st</sup> March 2013</th> </tr> <tr> <th style="text-align: center;">No of shares held</th> <th style="text-align: center;">% of Holding</th> <th style="text-align: center;">No of shares held</th> <th style="text-align: center;">% of Holding</th> </tr> </thead> <tbody> <tr> <td>Divit India Services Pvt Ltd.</td> <td style="text-align: center;">3,000,000</td> <td style="text-align: center;">5.59%</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Laljibhai A. Chaklashiya</td> <td style="text-align: center;">3,100,000</td> <td style="text-align: center;">5.77%</td> <td style="text-align: center;">3,100,000</td> <td style="text-align: center;">5.77%</td> </tr> </tbody> </table>	Name of shareholder	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013		No of shares held	% of Holding	No of shares held	% of Holding	Divit India Services Pvt Ltd.	3,000,000	5.59%	-	-	Laljibhai A. Chaklashiya	3,100,000	5.77%	3,100,000	5.77%			
Name of shareholder	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013																				
	No of shares held	% of Holding	No of shares held	% of Holding																			
Divit India Services Pvt Ltd.	3,000,000	5.59%	-	-																			
Laljibhai A. Chaklashiya	3,100,000	5.77%	3,100,000	5.77%																			

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2014**

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>2 RESERVE &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	-	-
(a)	-	-
<b>Security Premium Account</b>		
As per last Balance Sheet	-	-
(b)	-	-
<b>General Reserve</b>		
As per last Balance Sheet	664,334	664,334
(c)	664,334	664,334
<b>Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	(46,950,761)	(81,067)
Add : Profit / (Loss) for the year	(8,116,691)	(46,869,694)
Less : Proposed Dividend	-	-
Less : Tax on Proposed Dividend	-	-
(d)	<b>(55,067,452)</b>	<b>(46,950,761)</b>
Total reserve & surplus (a+b+c+d)	<b>(54,403,118)</b>	<b>(46,286,428)</b>

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>3 LONG TERM BORROWINGS</b>		
Secured	-	-
Cash Credit/ Overdrafts	-	-
Term Loan	-	-
	-	-

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 30.06.2013 (RS.)
<b>4 DEFERRED TAX ASSET / (LIABILITY) NET</b>		
i. Deferred Tax liability on account of:		
Timing Difference on Depreciation	-	-
ii. Deferred Tax Asset on account of:		
Disallowances under Income Tax Act:	-	-
Unabsorbed Depreciation Allowance	-	-
Business Loss	-	-
	-	-



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2014**

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>5 LONG TERM PROVISIONS</b>		
Provision for Tax	147,441	147,441
Provision for sub-assets	-	-
	<b>147,441</b>	<b>147,441</b>

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>6 SHORT TERM BORROWINGS</b>		
Secured		
Working Capital facilities from Bank (Refer Note No. 7.1)	-	-
Unsecured		
Inter Corporate Loan (Refer Note 7.2)	3,416,000	4,302,450
<b>Total</b>	<b>3,416,000</b>	<b>4,302,450</b>
4.1 - Loans are repayable on demand.		

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>7 TRADE PAYABLES</b>		
Due to Micro small & medium Enterprises	-	-
Due to others	-	-
	-	-

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>7.1 Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)</b>		
Principal Amount outstanding to suppliers under MSMED Act, 2006 beyond the appointed date	-	-
Interest accrued on the amount due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers ( Other than Interest ) beyond the appointed date during the year	-	-
Interest paid to suppliers under MSMED Act (Other than Section 16 )	-	-
Interest paid to suppliers under MSMED Act (Section 16 )	-	-
Interest due and payable to suppliers under MSMED Act for payment already made.	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED.	-	-
	-	-

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2014**

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>8 OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	1,500,000	1,500,000
Outstanding Expenses	218,296	11,030
Other Liabilities	-	-
	<b>1,718,296</b>	<b>1,511,030</b>

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	-	-
Gratuity	-	-
Leave Encashment	-	-
	-	-

**10 FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS AT 01.04.2013	ADD/DED DURING 31.03.2014	AS AT 31.03.2014	UPTO 01.04.2013	FOR THE YEAR	UPTO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
Tangible Assets	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
<b>TOTAL RS.</b>	-	-	-	-	-	-	-	-

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>11 NON CURRENT INVESTMENTS</b>		
Quoted		
(a)	-	5,000,000
Unquoted		
(b)	60,000	60,000
Share Application Money		
(c)	60,000	60,000
-	-	-
-	-	-
Total (a+b+c)	<b>60,000</b>	<b>5,060,000</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2014**

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>12 LONG-TERM LOANS AND ADVANCES</b> (Unsecured and Considered good)		
Loans (Inclusive interest accrues thereon)	3,074,568	3,074,568
Deposit	380,000	380,000
Advance Payment of Tax (Net of provision)	326,917	320,917
	<b>3,781,485</b>	<b>3,775,485</b>

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>13 INVENTORIES</b>		
Work in Process	-	4,477,500
	-	<b>4,477,500</b>

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>14 TRADE RECEIVABLES</b> (Unsecured and Considered good)		
- Outstanding for a period exceeding Six Months	-	-
- Others	-	-
	-	-

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>15 CASH AND BANK BALANCES</b>		
Cash in Hand	5,360	13,655
Balance with bank in current account	293,973	10,053
<b>A</b>	<b>299,333</b>	<b>23,708</b>
<b>OTHER BALANCES</b>		
Unpaid Dividend	-	-
<b>B</b>	-	-
<b>Total</b>	<b>299,333</b>	<b>23,708</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2014**

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
Prepaid Expenses	400,000	-
	-	-

PARTICULARS	AS AT 31.03.2014 (RS.)	AS AT 31.03.2013 (RS.)
<b>17 OTHER CURRENT ASSETS</b>		
Pre operative expenses		
Share Issue Expenses	22,801	22,801
	22,801	22,801

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2014**

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>18 REVENUE FROM OPERATIONS</b>		
Sales	2,052,450	635,000
	<b>2,052,450</b>	<b>635,000</b>

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>19 OTHER INCOME</b>		
Interest on Non Current Investments	60,000	60,000
Dividend/Interest Received	-	-
Profit / (Loss) on sale of Assets	(4,910,152)	-
Commission Received	-	-
Other Receipt	-	-
	<b>(4,850,152)</b>	<b>60,000</b>

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>20 COST OF MATERIALS CONSUMED</b>		
Opening Stock	-	-
Add: Purchases	4,477,500	-
Less: Closing Stock	-	-
	<b>4,477,500</b>	-

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 30.06.2013 (RS.)
<b>21 CHANGE IN INVENTORIES</b>		
<b>Balance as of commencement of the Year :</b>		
Finished Goods	-	24,219,130
Traded Goods	-	-
<i>Less:</i>		
<b>Balance as of end of the Year :</b>		
Finished Goods	-	-
Traded Goods	-	-
	<b>-</b>	<b>24,219,130</b>

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>22 EMPLOYEE BEBENEFIT EXPENSES</b>		
Salaries	150,000	607,000
Staff Welfare Expenses	3,280	46,880
Remuneration to Directors	-	-
	<b>153,280</b>	<b>653,880</b>

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>24 FINANCE COST</b>		
<b>Interest on :</b>		
Borrowing from Banks	-	-
<b>Bank Charges and Processing Charges On:</b>		
Short term borrowings from Bank	-	-
	<b>-</b>	<b>-</b>

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.06.2013 (RS.)
<b>25 OTHER EXPENSES</b>		
Advertisement & Sales Promotion	45,732	34,537
Commission & Brokerage	-	-
Conveyance & Travelling expenses	-	33,230
General expenses	350,063	251,289
Insurance Premium	-	-
Discount & Rate Difference	-	-
Legal & Professional Charges	165,156	36,869
Printing, Stationary & Communication expenses	26,228	88,988
Rent, Rate & Taxes	90,000	180,000
<b>Remuneration to Auditors</b>		
Audit Fees	11,030	11,030
	<b>688,209</b>	<b>635,943</b>

PARTICULARS	YEAR ENDED 31.03.2014 (RS.)	YEAR ENDED 31.03.2013 (RS.)
<b>26 DIRECT EXPENSES</b>		
<b>Bad Debts</b>	-	38,813,733
Damage CD Stock Return from Party	-	7,461,138
Stock damage	-	(24,219,130)
	<b>-</b>	<b>22,055,741</b>

**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> MARCH, 2014**

**NOTE - 24**

**NOTES TO ACCOUNT & SIGNIFICANT POLICIES**

1. Significant Accounting Policies

**FIXED ASSETS**

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

**DEPRECIATION**

Depreciation is calculated on Fixed Assets on straight line method in accordance with schedule XIV of the Companies Act, 1956.

**INVENTORIES**

Stock is Valued at cost. The closing stock of film produced is valued at Actual Cost by allocating all direct expenses which are related to the production. The fixed expenses under which the allocation was necessary as per the management discretion is allocated to the respective projection to arrive at its Actual cost of production

The Work - in - Progress is valued accordingly as per the completion of the projection. All expenses which can be related directly are all Capitalized and added to the cost.

**INVESTMENTS**

Investments are valued at cost, any diminution in the value of investments, if considered permanent, is provided for.

**INCOME FROM INVESTMENTS / DEPOSITS**

Income from investments / Deposits is credited to revenue in the year in which it accrues expect Dividend which is accounted for on Cash basis.

**RECOGNITION OF INCOME & EXPENDITURE**

All income and expenditure are accounted for on accrual basis.

**RETIRMENT BENEFITS**

Provision for Payment of Gratuity Act, 1972 is not applicable and as such no provision is made. Leave Encashment, if any, would be accounted for as and when paid.

2. In the opinion of the Board the value of Current Assets, Loans & Advances have a value in ordinary course of business at least equal to that stated in the Balance Sheet except in case of those show in doubtful. Loans & Advances, Sundry Debtors & Sundry creditors are subject to confirmation from the parties.
3. No Interest has been provided for the year on loans & advances made by the Company during the year in many cases.
4. Estimated Amount of Contracts Remaining to be executed on Capital Accounts and not provide for Rs. NIL.

5. Additional information Pursuant to the Provision of Paragraph 3, 4C and 4D of part II of the Schedule VI of the Companies Act, 1956.
- a. Particulars of Purchase, Turnover and Stock of Goods traded in -
  - b. Other additional information - NIL (Previous Year NIL)
  - c. Earning & Expenditure in Foreign Currency - NIL ( Previous Year NIL)
6. Previous Year's Figure have been Regrouped and rearrange wherever found necessary.

Signature to the Schedule 1 to 24 forming part of the Balance Sheet & Profit & Loss Account.

As per our Report of even date

For **Sudhir M Desai & Co.**

Chartered Accountants

Sd/-

**Sudhir M Desai**

Proprietor

M. No: 041999

Place : Mumbai

Dated : 29.05.2014

For **Sagar Productions Ltd.**

Sd/-

**(Kalakad Sathi)**

Director

Sd/-

**(Ramavtar Kankani)**

Director



# SAGAR PRODUCTIONS LIMITED

L93000MH1980PLC170432

Regd Office: 907, Dev Plaza, 9<sup>th</sup> Floor, S. V. Road, Andheri – West, Mumbai – 400 059.  
Tel.: +91-22-65224150, Website:www.sagarproductions.com

## ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall Joint shareholders may obtain additional Slip at the venue of the meeting

D.P. Id*		Folio No.	
Client Id *		No. of Shares	

NAME OF THE SHAREHOLDER / PROXYHOLDER : \_\_\_\_\_

I hereby record my presence at the **35<sup>th</sup> Annual General Meeting** of the Company held on **Monday, September 29, 2014** at **04.00 p.m.** at 1008/1009, Gold Crest Centre, L T Road, Borivali West, Mumbai – 400 092

\_\_\_\_\_  
Signature of Shareholder/Proxyholder

Note Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.

.....(Tear Here).....

# SAGAR PRODUCTIONS LIMITED

L93000MH1980PLC170432

Regd Office: 907, Dev Plaza, 9<sup>th</sup> Floor, S. V. Road, Andheri – West, Mumbai – 400 059.  
Tel.: +91-22-65224150, Website:www.sagarproductions.com

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
Folio No./Client ID/DP ID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

Email ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **35<sup>th</sup> Annual General Meeting** of the Company to held on **Monday, September 29, 2014** at **04.00 p.m.** at 1008/1009, Gold Crest Centre, L T Road, Borivali West, Mumbai - 400 092 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business	Special Business
<ol style="list-style-type: none"> <li>1. Adoption of financial statements for the year ended March 31, 2014 and Reports of Directors' and Auditors' thereon.</li> <li>2. Re-appointment of Mr. Kalakad Sathi, who retires by rotation.</li> <li>3. Appointment of auditors and fixing their remuneration.</li> </ol>	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Deepak Mardhekar as Director</li> <li>2. Appointment of Mr. K. S. Sathi as Whole-time Director</li> <li>3. Appointment of Mr. Ramavtar Kankani as Independent Director</li> <li>4. Appointment of Mr. Jitendra Keny as Independent Director</li> </ol>

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of the proxy (holders)

**Notes:**

1. This form, in order to be effective, should be duly completed, stamped, signed and deposited at the registered office of the Company, not less than 48 hours before the commence of the meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

BOOK POST  
( Under Postal Certificate)

**SAGAR PRODUCTIONS LIMITED**

Regd Off: 907, Dev Plaza, Opp. Andheri Fire Station,  
S.V.Road, Andheri (West), Mumbai - 400 058.