

BGIL FILMS & TECHNOLOGIES LIMITED

CHAIRMAN'S SPEECH AT 28th ANNUAL GENERAL MEETING

DEAR SHAREHOLDERS,

I welcome you all on our 28th Annual General Meeting of the Company. On behalf of the Board of Directors, as well as my colleagues at BGFT, it is my privilege to thank each one of you for making it convenient to attend this important meeting. Your encouragement, support and fair criticism for betterment.

ECONOMIC OVERVIEW

Global GDP growth is projected to increase to around 3.5% in 2017 and 3.7% in 2018 from 3% in 2016, slightly improved since the OECD's June Economic Outlook. The upturn has become more synchronized across countries. Investment, employment and trade are expanding.

PwC's Global Entertainment & Media (E&M) Outlook has forecasted the global E&M sector to grow at a rate of 4.2% over the next five years (2017–2021), whereas India's sector is expected to grow at a CAGR of 10.6% during the same period. More importantly, the contribution of the global E&M sector to the global GDP is expected to decline in the foreseeable future, whereas in India's case, the sector's contribution to the GDP is expected to increase. Thus, there is clear divergence between the trends for the global and Indian E&M sectors.

India's growth in this segment is also a reflection of the overall growth in the Indian economy (India is expected to be one of the fastest growing major economies in the near future).

- the way for VR applications that are not tied to a physical location.
- Wearable are poised to become important participants in the Internet of Things, interacting seamlessly with other screens and devices and creating ever-more personalized experiences for their owners.

Customizable viewing options will open up new opportunities for companies able to leverage personalized data to hyper-target their content, advertising, and brands. **Opportunities for Growth (Industry Outlook)**

Business models and the economics of the industry are changing—something many traditional enterprises are only now beginning to acknowledge. Given the continued fragmentation of audiences, companies need to focus on expanding the reach of their content to the broadest audience possible. That means recognizing that many of their viewers, particularly millennial, are “cord-nevers” and may only be reachable via Internet-streaming channels.

Key takeaways:

- With companies like Netflix and Hulu creating original content, will they also need to explore innovative platforms such as virtual reality (VR) or 360 video to keep audiences engaged...!
- The success of the leading OTT services has led to an influx of new players, and a shakeout is inevitable.

One of the most exciting emerging developments in media and entertainment is augmented and virtual reality. These technologies offer an entirely new set of opportunities for content creation.

Key takeaways:

- As bandwidth improves, companies will be able to deliver immersive content to mobile headsets, paving

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

PERFORMANCE REVIEW

For the Financial year 2016-17 ended March 31, 2017 , revenue from operations were Rs.1233.12 Lacs, out of which revenue from Information Technologies sector were Rs. 849.44 Lacs; Further, Earnings before interest, tax, depreciation and amortization (EBITDA) are Rs. 80.19 Lacs. The management of your Company tries its best to get a good position in Media & Entertainment Industry besides growth areas from Technology sector. Some critical conditions running in Worldwide economy and Indian economy also faced many undesirable conditions by which the wheels of progress of Industries in India, not gone in right path but the Management of your Company have deep knowledge in the field of media & technology, trying hard to get good results in coming years.

Further, Your company has bought Theatrical Rights in all formats including Digital Thetrical rights a oer the provisions of Copyright Act, 1957 (as amended), in Hindi language and dubbed in Bhojpuri language, on outright basis for three years of block buster films namely 'Cocktail', Bajirao Mastani' 'Raone' Hum Dil De Chuke Sanam'Housefull 3' and 'Rangeela'.

ACKNOWLEDGEMENTS

All these achievements would not have been possible without the support of all the stakeholders and various Government agencies, our suppliers and contractors, customers and above all the shareholders. We cherish your trust. I, on behalf of the Board of Directors and the entire leadership team, thank you for this love and support, and assure you a great future ahead.

Rakesh Bhatia

Chairman

Date: 27th September 2017

Place: New Delhi

Note: This does not purport to be a record of the proceedings of the 28th Annual General Meeting of the Company.