Report of the Monitoring Agency (MA)

Name of the issuer	: BAG Convergence Limited
For quarter ended	**:** Q1-FY2026-27
Name of the Monitoring Agency	: Acuité Ratings and Research Limited
(a) Deviation from the objects	: No Deviation is observed.
(b) Range of Deviation	: Not Applicable
(c) Any other material fact to be highlighted	**:** None

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Vikas Y Mishra
Digitally signed by Vikas Y Mishra
Date: 2026.08.12 16:01:38 +05'30'

Signature:
Vikas Mishra
Deputy Vice President - Process Excellence

Report Date: August 12, 2026

1. Issuer Details:

Name of the issuer	: BAG Convergence Limited
Names of the promoter	: Ms. Anuradha Prasad Shukla
Industry/sector to which it belongs	: Digital Entertainment / Media Entertainment and Publication

2. Issue Details:

Issue Period	: September 30, 2025, to October 03, 2025
Type of issue	: Public Issue
Type of specified securities	: Equity Shares
IPO Grading, if any	: Not applicable
Issue size (INR Cr.)	: 48.72

3. Details of the arrangement made to ensure the monitoring of issue proceeds

Sr. No.	Particulars	Reply from the issuer	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments the Audit Committee
1	Whether all utilization is as per the disclosures in the Offer Document?	Yes	Documents provided by the issuer: including Fixed Deposit Certificates, Bank Statements, invoices Independent Auditors Certificate issued by M/s Joy Mukherjee & Associates.	Utilization is delayed. For details, please refer section 4.: ii. Progress in the object(s). (Page No. 5)	The Company have utilized the funds strictly as per the implementation. Although there were some delays in the implementation in some of the heads of spending mentioned in section 4(ii) below.
2	Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not Applicable		Material deviation is not observed.	There are no Deviation or Variations in the utilisation of issue proceeds from the object stated in the Prospectus.
3	Whether the means of finance for the disclosed objects of the issue has changed?	No		No change is observed.	No comments
4	Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable		The issuer has not appointed any other Monitoring Agency to monitor utilization of these objects.	No Applicable
5	Whether all Government/statutory approvals related to the object(s) have been obtained?	No		Government / Statutory approval is not required for objects.	No comments
6	Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not Applicable		Arrangement pertaining to technical assistance / collaboration is not required with reference to the objects.	Not Applicable
7	Are there any favorable events improving the viability of these object(s)?	No		No favorable event is observed that may improve the viability of these objects.	No comments
8	Are there any unfavorable events affecting the viability of the object(s)?	No		No unfavorable event is observed affecting the viability of these objects.	No comments
9	Is there any other relevant information that may materially affect the decision making of the investors?	Not Applicable		No relevant information is evident that may materially affect the decision making of the investors.	No comments

4. Details of object(s) to be monitored:

i. Cost of object(s)

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) (INR Cr.)	Revised Cost	Comments of the Monitoring Agency	Comments of the Audit Committee		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangement
1	Expansion of Existing Business	Documents provided by the issuer: including Fixed Deposit Certificates, Bank Statements, Invoices' and Independent Auditors Certificate etc.	13.49	-	No change is observed.	No	No	Not Applicable
2	Acquisition / Production of Content		13.29	-	No change is observed.	No	No	Not Applicable
3	Brand building expenses		5.00	-	No change is observed.	No	No	Not Applicable
4	General Corporate Purposes		12.14	-	No change is observed.	No	No	Not Applicable
5	Issue Related Expenses		4.80	-	No change is observed.	No	No	Not Applicable
	Total		**48.72**					

ii. Progress in the object(s) –

Sr. No.	Item Heads	Source of information / certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the Offer Document (INR Cr.)	Amount raised (INR Cr.)	Amount utilized (INR Cr.)			Total unutilized amount (INR Cr.)	Comments of the Monitoring Agency	Comments of the Audit Committee	
					As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Expansion of Existing Business	Documents provided by the issuer: including Fixed Deposit Certificates, Bank Statements, invoices Independent Auditors Certificate issued by M/s Joy Mukherjee & Associates.	13.49	13.49	3.47	2.55	6.02	7.47	No Comments	No Comments	No Comments
2	Acquisition / Production of Content		13.29	13.29	10.37	2.90	13.27	0.02	The funds have been utilized towards the purchasing of content.	The small idle funds will be Utillised for micro drama content acquisition	Company will utilise this idle fund in coming quarters
3	Brand building expenses		5.00	5.00	-	-	-	5.00	Progress of the object continues to be delayed. However, the issuer has indicated that the utilization will be completed in FY2027.	Finally the company have designed the campaign of marketing and branding & it will be spent in Q2 of FY 2026-27	Company will spent in Q2 of FY 2026-27
4	General Corporate Purposes		12.14	12.14	5.99	0.08	6.07	6.06	Progress of the object continues to be delayed. However, the issuer has indicated that the utilization will be completed in FY2027.	The company proposed in the meeting that all the balance unspent amount	Company determined to spend balance unspent amount by Quarter 3, FY 2026-27

										will be Utillised in the coming 2 quarters of FY 2026-27	
5	Issue Related Expenses		4.80	4.80	4.73	-	4.73	0.07	The issuer has confirmed that no additional funds will be required towards issue expenses. Consequently, the unutilized proceeds earmarked for issue expenses will be redirected towards objects other than General Corporate Purpose.	The company will not utilise these idle funds towards issue expenses or GCP. The company proposed to use these funds in the head " Expansion of existing business"	The company committed to use these funds under the head " Expansion of existing business"
	Total		**48.72**	**48.72**	**24.56**	**5.53**	**30.09**	**18.63**			

iii. Deployment of unutilised IPO:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (INR Cr.)	Maturity date	Earning (INR Cr.)	Return on Investment (%)	Market Value as at the end of quarter (INR Cr.)
1	FDR with HDFC Bank – 50301248122582	1.44	27-11-2026	0.06	6.22	1.49
2	FDR with HDFC Bank – 50301248123612	2.00	27-11-2026	0.08	6.22	2.08
3	FDR with HDFC Bank – 50301248125032	3.00	27-11-2026	0.12	6.22	3.12
4	FDR with HDFC Bank – 50301248129452	2.00	27-11-2026	0.08	6.22	2.08
5	FDR with HDFC Bank – 50301248134350	2.00	26-12-2026	0.01	5.47	2.01
6	FDR with HDFC Bank – 50301248135811	4.00	29-11-2026	0.15	6.22	4.15
7	FDR with HDFC Bank – 50301248139247	2.00	27-11-2026	0.08	6.22	2.08
8	FDR with HDFC Bank – 50301248139629	2.00	27-11-2026	0.08	6.22	2.08
9	FDR with HDFC Bank – 50301266716814	0.05	23-12-2026	0.00	6.25	0.05
10	FDR with HDFC Bank – 50301266717895	0.05	24-12-2026	0.00	6.22	0.05
11	FDR with HDFC Bank – 50301266718909	0.05	25-12-2026	0.00	6.22	0.05
12	FDR with HDFC Bank – 50301266719875	0.02	26-12-2026	0.00	6.22	0.02
13	FDR with HDFC Bank – 50301266721741	0.02	28-12-2026	0.00	6.22	0.02
	Total	**18.63**		**0.65**		**19.27**

iv. Delay in implementation of the object(s):

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Audit Committee	
	As per the offer document	Actual		Reason for delay	Proposed course of action

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

Sr. No.	Item Head	Amount (INR Cr.)	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of The Monitoring Agency	Comments of the Audit Committee
1	Maintenance charges	0.06	Documents provided by the issuer: including Fixed Deposit Certificates, Bank Statements, invoices Independent Auditors Certificate issued by M/s Joy Mukherjee & Associates.	No Comments	No Comments
2	Payments of Fees	0.02			
3	Miscellaneous. Expenses	0.00			
	Total	**0.08**			

Disclaimer:

a) This Report is prepared by Acuité Ratings & Research Limited (hereinafter referred to as "Monitoring Agency/MA"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors, lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.