

Book Post
under certificate of posting

ART
WASHES
FROM THE
SOUL
THE DUST OF
EVERYDAY
LIFE

If Underlivered, please return to:



Regd. Office: B-13, LGF, Amar Colony
Lajpat Nagar-IV, New Delhi-110024

23rd Annual Report
2011-2012



BGIL FILMS & TECHNOLOGIES LTD.

CONTENTS

Corporate Information	1
Notice	2
Directors' Report	6
Management Discussion & Analysis	10
Report on Corporate Governance	15
Financial Statements	
- Auditors' Report to the Members	29
- Balance Sheet	33
- Statement of Profit & Loss	34
-Cash Flow Statement	35
-Notes to the Financial Statements	37



Films & Technologies Ltd.

Corporate Information

BOARD OF DIRECTORS

Mr. Rakesh Bhatia
Chairman & Managing Director

Mr. Sanjay Kapoor
Director

Mr. Ashok Kumar Juneja
Director

Mr. Rajiv Kumar
Director

COMPANY SECRETARY
Ms. Renu Kamra

AUDITORS
M/s SNMG & Co.
Chartered Accountants

BANKERS
Axis Bank limited
ICICI Bank

CORPORATE OFFICE
B-66, Sector-60,
NOIDA-201301
(U.P.), India.
Tel: 0120-4227792/95
Fax: 0120-4227791
Website: www.bgilfilms.com
Email: bgilfilms@bgilinfo.com

REGISTERED OFFICE

B-13 LGF,
Amar Colny,
Lajpat Nagar-IV,
New Delhi-110024

BRANCH OFFICE

B-504, Morya House,
New Link Road,
Behind Crystal Plaza,
Oshiwara Andheri (W),
Mumbai-400 053

REGISTRAR & SHARE TRANSFER AGENT

M/s Mass Services Limited
T-34, 2nd Floor,
Okhla Industrial Area
Phase-II, New Delhi-110020



NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting (AGM) of the members of BGIL Films & Technologies Limited will be held at 10.00 a.m. on Wednesday, the 26th September 2012, at A-81, Bipin Chandra Pal Memorial Trust, C.R. Park, New Delhi-110019, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance sheet as at March 31, 2012, Profit and Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Juneja who retires by rotation and being eligible offers himself for reappointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Sanjay Kapoor, a Director liable to retire by rotation on conclusion of the meeting, the vacancy, so caused on the Board of the company, may not be filled up.”

4. To appoint Auditors in place of retiring Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** M/s Sunil K Chaudhary & Co., Chartered Accountants, (Firm Registration No.021281N), be and are hereby appointed as Statutory Auditors of the Company in place of M/s SNMG & Co., Chartered Accountant (Firm Registration No.004921N) present auditors, on such remuneration as may be decided between the Board of Directors and M/s Sunil K Chaudhary & Co in addition to actual out-of-pocket expenses incurred by them in connection with the audit.”

Special Business:

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

“**RESOLVED THAT** pursuant to provision of section 314(1) and 314(1B) read with the Director's relatives (Office or Place of Profit) & other applicable provisions if any, of the Companies Act, 1956, consent of the members of the company by way of approval/ratification be and is hereby accorded from retrospective effect i.e. from the date of appointment, for the continuance of appointment of Mrs. Arti Bhatia, relative of Shri Rakesh Bhatia- Chairman & Managing Director of the Company, who was appointed to hold office or place of profit as an Executive on a basis of such remuneration together with the usual allowances and benefits, amenities and facilities as applicable to other employees of the company as per the rules of the company and further the consent of the Company be and is here by accorded to the Board of Director to increase the salary of Ms. Arti Bhatia, as they may decide from time to time, subject to the condition that the increase in salary not to exceed Rs. 1,00000 p.m. excluding of all the usual allowances, benefit and facilities applicable to other employees as per the Rules of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution.”

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

“**RESOLVED THAT** pursuant to provision of section 314(1) read with the Director’s relatives (Office or Place of Profit) & other applicable provisions if any, of the Companies Act, 1956, consent of the members of the company by way of approval/ratification be and is hereby accorded from retrospective effect i.e. from the date of appointment, for the continuance of appointment of Mr. Jitender Kumar Bhatia, relative of Shri Rakesh Bhatia- Chairman & Managing Director of the Company, who was appointed to hold office or place of profit as an incharge of Distribution and deal in exploring the business on a basis of such remuneration together with the usual allowances and benefits, amenities and facilities as applicable to other employees of the company as per the rules of the company and further the consent of the Company be and is here by accorded to the Board of Director to increase the salary of Sh. Jitender Kumar Bhatia, as they may decide from time to time, subject to the condition that the increase in salary not to exceed Rs. 1,00,000 p.m. excluding of all the usual allowances, benefit and facilities applicable to other employees as per the Rules of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution.”

**By order of the Board of Directors
For BGIL Films & Technologies Limited**

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi

Date : 29.08.2012

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. Members/Proxies should fill in the Attendance Slip for attending the meeting and bring their Attendance Slip.



4. 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.
5. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Relevant documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company during working hours between 11.00 a.m. and 1.00 p.m. except holidays upto the date of Annual general Meeting.
7. Members holding shares in physical form are requested to advise any change of address immediately to Company/Registrar and Transfer Agents, Mass Services Limited.
8. The Company's Register of Members and the Transfer Books will remain closed from September 25, 2012 to September 26, 2012 (both days inclusive).
9. Re-appointment of Director at the ensuing Meeting, Shri Ashok Kumar Juneja, Director of the Company retire by rotation and being eligible, offer himself for re-appointment. The details pertaining to Shri Ashok Kumar Juneja required to be provided pursuant to the requirements of Clause 49 of the listing agreement are furnished in the statements on Corporate Governance forming part of this Annual Report.
10. 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. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Mass Services Limited.
11. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.
12. Members are requested to send all the correspondence concerning registration of transfer, transmission, sub-division, consolidation of shares or any other shares related matters and/or change in address to Company's Registrar, Mass Services limited, at T-34, 2nd Floor, Okhla Industrial area, Phase-II, New Delhi-110020.
13. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in this Annual Report.
14. No gifts will be distributed at the annual general meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

M/s SNMG & Co., Chartered Accountants (Firm Registration No.004921N) who was the present Statutory Auditor of the Company has expressed their inability to continue as the Statutory Auditors of the Company.

The appointment of new Statutory Auditor in place of M/s SNMG & Co.the present Auditors requires the approval of the members pursuant to section 224 of the Companies Act, 1956.

The Board of Directors of the Company recommends for the approval by the Members, the resolution for appointment of M/s Sunil K Chaudhary & Co., Chartered Accountants, (Firm Registration

No.021281N) as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting.

None of the Directors interested are in any way concerned or interested in the resolution set at Item No.4 of the Notice.

Item No.5

Under section 314 of the Companies Act, 1956, a special resolution is required if any relative of Director of a company is to hold any office or place of profit under the company drawing remuneration beyond the stated limit. Mrs. Arti Bhatia- relative of Shri Rakesh Bhatia, Chairman & Managing Director of the Company, who was appointed as an Executive at a remuneration of Rs.45 000 p.m excluding of all the usual allowances and benefits, amenities and facilities as applicable to other employees of the company as per the rules of the Company.

Therefore Board of Directors proposed continuance of her appointment, subject to the approval/ ratification of the members of the company from the retrospective effect i.e. from the date of appointment.

Ms. Arti Bhatia, is a relative of Mr. Rakesh Bhatia, Chairman cum Managing Director of the Company. This Resolution is placed for your approval under Section 314 and 314(1B) of the companies Act, 1956.

None of the Directors other than Shri Rakesh Bhatia is concerned or interested in the resolution.

Item No. 6

Under section 314 of the Companies Act, 1956, a special resolution is required if any relative of Director of a company is to hold any office or place of profit under the company drawing remuneration beyond the stated limit. Mr. Jitender Kumar Bhatia- relative of Shri Rakesh Bhatia, Chairman & Managing Director of the Company, who was appointed as an Incharge of Distribution and deal in exploring the business of the Company at a remuneration of Rs. 55,000 p.m excluding of all the usual allowances and benefits, amenities and facilities as applicable to other employees of the company as per the rules of the Company.

Therefore Board of Directors proposed continuance of his appointment, subject to the approval/ ratification of the members of the company from the retrospective effect i.e. from the date of appointment.

Mr. Jitender Kumar Bhatia, is a relative of Mr. Rakesh Bhatia, Chairman cum Managing Director of the Company. This Resolution is placed for your approval under Section 314 and 314(1B) of the companies Act, 1956.

None of the Directors other than Shri Rakesh Bhatia is concerned or interested in the resolution.

**By order of the Board of Directors
For BGIL Films & Technologies Limited**

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi
Dated : 29.08.2012



DIRECTORS' REPORT

Dear Shareowners,

Yours Directors present the 23rd Annual Report and the audited accounts of the Company for the financial year ("FY") ended March 31, 2012.

Financial Results

The performance of the Company for the financial year ended March 31, 2012 is summarized below:

(Rs. In lacs)

Particulars	Financial Year ended March 31, 2012	Financial Year ended March 31, 2011
Gross Income		
Information Technologies/services	2146.79	1954.01
Media	106.13	580.30
Other Income	5.75	22.88
TOTAL INCOME	2262.74	2557.20
Less: Expenditure	2149.07	2431.80
Profit before depreciation, Interest & tax	113.67	125.40
Less: interest	0.18	0.26
Less: depreciation	81.27	69.00
Profit before tax	32.22	56.14
Tax expenses including deferred tax	28.69	1.74
Profit after Tax and Extraordinary items	9.68	54.39
Balance brought forward		
From previous year	313.64	259.24
Balance carried forward	323.33	313.64

Financial Performance

During the year under review, your Company has earned income of Rs. 2262.75 Lacs against Rs. 2557.20 Lacs in the previous year. The profit before tax of the Company was Rs. 32.22 Lacs compared to Rs. 56.14 Lacs in previous year.

Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

AMALGAMATION WITH GROUP COMPANY

During the year under review, the Hon'ble High court of Delhi vide its order dated October 24, 2011, approved the Scheme of Amalgamation between "Kriti Communications Private Limited and "BGIL Films & Technologies Limited".

CHANGE IN CAPITAL STRUCTURE

The Company's Shares are listed on the Bombay Stock Exchange (BSE) and are actively traded.

During the year under review, the authorized share capital has increased from Rs. 675.70 lakhs to 1167.78 lakhs and paid up share capital of the company has increased from Rs. 640.68 lakhs to 1132.76 lakhs, due to allotment of 49,20,800 new equity shares to the shareholder's of Kriti Communication Private Limited (Transferor Company) pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court of Delhi vide its order dated 24th October, 2011.

Public Deposits

The Company has not accepted any deposits from the Public during the period under review.

Listing of New Equity Shares

During the year under review New Equity shares, issued pursuant to the Scheme of Amalgamation got listed on Bombay Stock Exchange Limited (BSE).

Change of Regional Office, Registered Office and Corporate office of the Company

During the year under review the registered office of the Company has shifted from 623, 6th Floor Devika Tower, 6, Nehru Place, New Delhi-110019 to B-13 LGF, Amar Colony, Lajpat Nagar-IV, New Delhi-110024.

The Corporate Office of the Company has shifted from B-60, Sector-57, Noida -201301, U.P to B-66, Sector-60 Noida-201301, U.P.

The Regional Office of the Company has shifted from Heritage Plaza, 8th Floor, 801-804, Above Dena Bank, Indian Oil Nagar, JP Road, Andheri (W), Mumbai-400053 to B-504, Morya House, New Link Road, Behind Crystal Plaza, Oshiwara Andheri (W), Mumbai-400053.

Information on Status of Company's Affairs

Information on operational and financial performance etc. is provided in the Management Discussion and Analysis Report, which is annexed to the Directors' Report and has been prepared in compliance with the terms of Clause 49 of the Listing Agreement with Indian Stock Exchanges.

Directors'

In terms of the provisions of the Companies Act, 1956, Shri Sanjay Kapoor, Director of the Company, retires by rotation may not opt to be re-appointed as a Director of the Company and the vacancy, so caused on the Board of the Company, may not filled up.

Shri Ashok Kumar Juneja, Director of the Company retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of Companies in which they hold directorship and / or membership / chairmanships of Committees of the Board, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India, is given in the section of Corporate Governance forming part of this Annual Report.

Auditors and Auditors' Report

M/s SNMG & Co., Chartered Accountants (Firm Registration No.004921N) who was the present Statutory Auditor of the Company has expressed their inability to continue as the Statutory Auditors of the Company.



The appointment of new Statutory Auditor in place of the present Auditors requires the approval of the members pursuant to section 224 of the Companies Act, 1956.

The Board of Directors of the Company recommends for the approval by the Members, the resolution for appointment of M/s Sunil K Chaudhary & Co., Chartered Accountants, (Firm Registration No.021281N) as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting.

The Company has received letters from M/s. Sunil K Chaudhary & Co, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

Your Board has duly examined the Report issued by the Statutory Auditors' of the Company on the Accounts for the Financial year ended March 31, 2012. The observations and comments given by Auditors in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Particular of Employees

There is no employee whose particulars are required to be given in the terms of provision of Section 217(2AA) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company an Infotainment Company with its core operation being related technologies into Media & Films does not involve in any manufacturing activity during the period under review.

No particulars are therefore furnished in this report in relation to the conservation of energy and technology absorption as required under Section 217(1)(e) of the Companies Act, 1956.

FOREIGN EXCHANGE EARNING AND OUTGO

There is no Foreign Exchange Earnings & Foreign Exchange Outflow during the year.

CORPORATE GOVERNANCE

A Report on Corporate Governance as stipulated by Clause 49 of the Listing Agreement along with a certificate of compliance from Practising Company Secretary, is included as part of the Annual Report.

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has implemented a Code of Conduct for all its Board Members and senior management of the Company who have affirmed compliance thereto. The said Code of Conduct has also been posted on the Company's website.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT 1956

The Board of Directors hereby confirms that:

- i. In the preparation of the Annual Accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. Your Directors had selected such accounting policies, which are in the best interest of the company and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at March 31, 2012 and of the profit of the company for the financial year under review.
- iii. Your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv. Your Directors had prepared the accounts for financial year ended March 31, 2012 on a going concern basis.

APPRECIATION

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business associates and constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

**Sd/-
Rakesh Bhatia
Chairman & Managing Director**

Place: New Delhi

Dated: 29th August, 2012



Management Discussion and Analysis

Forward looking statements

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. However, readers are cautioned that this discussion may contain “forward-looking statements” by BGIL Films & Technologies Ltd. (BGFT) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current belief, assumptions, expectations, estimates, and projections of the directors and management of BGFT about the business, industry and markets in which BGFT operates. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond BGFT’S control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of BGFT. In particular, such statements should not be regarded as a projection of future performance of BGFT. It should be noted that the actual performance or achievements of BGFT may vary significantly from such statements.

The following discussions on our financial condition and result of operations should be read together with our audited standalone financial statements and the notes to these statements included in the annual report.

Unless otherwise specified or the context otherwise requires, all references herein to “we”, “us”, “our”, “the Company” or BGIL Films & Technologies” are to BGIL Films & Technologies Limited and its associates.

Macro-economic Overview

India has been the favoured investment destination in Asia, according to a report by Mecklai Financial. India has received inflows worth US\$ 11 billion in equities and US\$ 4.7 billion in debt investments on a year-to-date basis. Indian economy outlook was presented as being positive and robust by Zinnov Management Consulting. Both multinationals as well as Indian companies aspiring for growth should continue to focus on the long-term view, with which they established their presence in the country,

Indian Media and Entertainment Industry Overview

The Indian Media & Entertainment (M&E) sector is a sunrise industry. The momentum of spends on leisure and entertainment is higher than the economic growth. But 2011 has been a challenging year not just for the Indian M&E industry, or even the Indian economy, but for the larger world economy. While India is still expected to grow at a healthy pace, growth is projected to be lower than earlier expectations.

While television continues to be the dominant medium, sectors such as animation & VFX, digital advertising, and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate; Print, while witnessing a decline in growth rate, will continue to be the second largest medium in the Indian M&E industry. Also, the film industry had a reason to

cheer, with multiple movies crossing the INR 100 crore mark in domestic theatrical collections, and INR 30 crore mark in C&S rights.

In terms of performance, 2011 proved to be a year with mixed results in terms of growth across different sub sectors. The traditional media businesses experienced a slow down compared to last year, especially in the second half of the year. However, the new media segments like Animation and VFX, Online and Gaming businesses witnessed phenomenal growth rates. **(FICCI-KPMG REPORT 2012).**

BGIL Films & Technologies-Business Overview

BGIL Films & Technologies Ltd. (BGFT), listed at Mumbai Stock Exchange is a complete films production house engaged mainly into production and distribution of films; Further, having very good skills & expertise in multi-media & animation; company has marked presence in production of animation films also;

Company have the “Saint who thought otherwise” a complete censored movie as “A” certificate is in hand and the Company is making full effort to distribute/ release it soon and in this regard is in process of deliberation with lot of distributors and other intermediaries and an another movie namely “Curfew” is also a complete censored movie in hand and company is trying to do a packaged deal for both of the films.

BGFT has developed a web based portal which will address certain critical needs of Bollywood industry;

BGFT has developed a state of art business model of digital signage which is futuristic technology in itself but the management decided not to opt for this segment as most of the companies in this segment did not fare well; BGFT has also developed a 3-G technology based Mobile Entertainment Portal; a POC of the same is under implementation.

The Company has got itself registered with AMPTPP (Association of Motion Pictures & TV Program Producers), IMPPA (Indian Motion Picture Production Association) and IMPDA (Indian Motion Picture distribution association). BGFT has presence across all the industry verticals namely Pre visualization, Production, Post Production and Distribution.

Recently the BGFT team has evolved a robust business model by entering into ‘Integrated Media Plan’ for large business houses/ corporates who spend a lot of their promotional budget on various medium of advertising etc to enhance their market presence and brand-equity building. The management of BGFT feels that this business model is futuristic AND ROBUST business model which will bring the company back to the track and boost the company’s overall performance in coming year(s).

BGFT has developed its own fool-proof digital distribution technology which is ready to be implemented. At present digital distribution technology is becoming more popular because of increasing distribution cost, security issues and degradation issues with traditional distribution methods.

Risks and Mitigation Measures

BGFT is exposed to specific risks that are particular to its businesses and the environment within which it operates, including competition risk, interest rate volatility, human resource risk, execution risk and economic cycle.



Competition Risk:

The media and entertainment sector industry is becoming increasingly competitive and the Company's growth will depend on its ability to compete effectively. The Company's main competitors are multiplex chains, film services companies across the different segments of the value chain and television software producers. Further liberalization of the Indian media and entertainment sector could lead to a greater presence or entry of new foreign players offering a wider range of products and services. The Company's competitors may have greater resources than it does and, in some cases, may be able to raise debt in a more cost-efficient manner. The Company's growth will depend on its ability to compete effectively in this context.

Human Resource Risk:

The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on the Company business.

Operational Risk:

The Company may encounter operational and control difficulties when commencing businesses in new markets. The rapid development and establishment of financial services businesses in new markets may raise unanticipated operational or control risks for the Company. Such risks could have a materially adverse effect on the Company's financial position and the results of its operations. An extensive system of internal controls is practiced by BGFT to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The Audit Committee of Directors periodically reviews the adequacy of our internal controls.

Economic Risk:

A slowdown in economic growth in India could cause the business of the Company to suffer. The performance and the growth of the operating company businesses are necessarily dependent on the health of the overall Indian economy. The Indian economy has shown sustained growth over the last several years. However, any slowdown in the Indian economy and in particular the media and entertainment sector could adversely affect the company's business.

Opportunities

Overall, due to changing demographics and economic conditions in India, coupled with consumers willing to spend more on a variety of leisure and entertainment services, the filmed entertainment business is set to grow in the years to come. With a proliferation of television channels and new platforms of delivery like DTH and IPTV available today, there is a significant demand for quality programming in a variety of genres, formats and languages, putting content providers in the television space in an extremely favorable position.

Threats

The shelf life of films have reduced considerably in the last few years, the success or failure of a film now depends largely on its performance in the opening weeks with piracy having an adverse impact on legitimate revenues of the producer, distributor and exhibitor.

Internal control system and their adequacy

The Company has adequate internal control procedures commensurate with its size and nature of business. The business control procedures ensure efficient use and protection of Company's resources and compliance with policies, procedures and statutory requirements.

Financial performance

The Company's financial performance is covered in Directors' Report to the Members.

Human resources

The Company seeks to attract, retain and nurture technical and managerial talent across its operations and continues to create a workplace where every person can reach his or her full potential. Performance is recognized and rewarded through upgradation and job enrichment and performance incentives.



Films & Technologies Ltd.

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of BGIL Films & Technologies Limited

I have examined the compliance of conditions of Corporate Governance by **BGIL Films & Technologies Limited** ('the Company'), for its financial year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreements of the Company with Stock Exchanges in India.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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

Rakesh Kumar Singh Chauhan

Sd/-

Practicing Company Secretary

COPNo.7491

New Delhi
August 29, 2012

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices on Corporate Governance, the report containing the details of governance systems and processes at BGIL Films & Technologies Limited (BGFT) is as under:

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

In BGFT Corporate Governance Philosophy stems from our belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Corporate Governance Philosophy is scripted as:

As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

We believe that our Company shall go beyond adherence to regulatory frame work, our corporate structure, business and disclosure practices have been aligned to our corporate governance philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented system. We accord highest priority to these systems and protect the interests of all our stakeholders.

We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors guided by the mission statement, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large.

II. BOARD OF DIRECTORS

A) COMPOSITION OF BOARD:

The Company is managed and controlled through a professional body of Board of Directors, which comprise of an optimum combination of Executive and Non-executive Independent directors headed by the Chairman. The present strength of Board of Directors is four (4), out of which Three (3) are Non-Executive Independent Directors, constituting more than 50% of its total strength. The Company's Board consists of eminent persons with considerable professional expertise and experience. The independent directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgement of the directors in any manner.

The composition of the Board of Directors of the Company is in conformity with the provisions of clause 49 of the listing agreement with the stock exchanges. The structure of the Board and record of other directorships, Committee memberships & Chairmanships and shareholding in the Company as on March 31, 2012 is as under:



Name of the Director	Category	Designation	No. of other Directorships held	Total No. of Chairmanship/ Membership of Board level committees			Shareholding (as on 31 st March, 2012)
				Chairman-ship	Member-ship	Total	
Mr. Rakesh Bhatia	Executive Director	Chairman & Managing Director	1	Nil	2	2	642024
Mr. Sanjay Kapoor	Independent Non-Executive Director	Director	1	1	1	2	Nil
Mr. Ashok Kumar Juneja	Independent Non-Executive Director	Director	5	Nil	Nil	Nil	5000
Mr. Rajiv Kumar	Independent Non-Executive Director	Director	Nil	Nil	Nil	Nil	4000

Notes:

- I. The directorships held by directors as mentioned above, do not include alternate directorship, directorships of Foreign Companies, section 25 Companies and Private Limited Companies.
- II. In accordance with clause 49, Membership(s) / Chairmanship(s) of only the Audit Committee, Remuneration Committee and Shareholder Investor Grievance Committee of all Public Limited Companies have been considered.
- III. None of the Directors is a member of more than 10 Board-level committees of public Companies in which they are directors, nor is chairman of more than 5 such committees.

B) BOARD MEETINGS:

1. Scheduling and selection of agenda items for Board Meetings

The months for holding the Board meetings in the ensuing year are usually decided in advance and most Board Meetings are held at the Company's corporate office in Noida. The agenda for each meeting, along with explanatory notes, is sent in advance to the Directors. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda.

2. Number of Board Meetings

S.No.	Date of Board Meetings held
1.	14.05.2011
2	11.08.2011
3	24.08.2011
4	01.09.2011
5	09.09.2011
6	17.09.2011
7	11.10.2011
8	03.11.2011
9	14.11.2011
10	16.12.2011
11	23.12.2011
12	14.02.2012
13	15.05.2012

3. Records of the Director's attendance at Board Meeting and AGM

Name of the Director	Number of Board meetings attended out of Thirteen meeting held during the tenure		Attendance at last AGM held on 29 th September, 2011
	held	Attended	
Mr. Rakesh Bhatia	13	13	Yes
Mr. Sanjay Kapoor	13	11	No
Mr. Ashok Kumar Juneja	13	07	Yes
Mr. Rajiv Kumar	13	11	Yes

4. Availability of information to the Board

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. Necessary information as mentioned in Annexure-1A of Clause 49 of the listing Agreement has been regularly placed before the Board for its consideration.

5. Details of Directors

The abbreviated resumes of all Directors are Furnished hereunder:

Shri Rakesh Bhatia

Shri Rakesh Bhatia, aged 51 years has more than 22 years experience in Corporate Law & Finance, Information Technology, Investment Banking and activities relating to Media & Entertainment.

He is M. Com, Fellow Member of The Institute of Companies Secretaries of India and Fellow Member of All India Management Association. He is the Chairman & managing Director of the Company. He is also a Managing Director of our group Company namely Bharatiya Global Infomedia Limited.

Shri Sanjay Kapoor

Shri Sanjay Kapoor, aged 52 years, is a fellow Chartered Accountant. He has experience in the areas of Corporate Accounting and Finance, Information Technology, Investment Banking and taxation.

He is also a Director of Bharatiya Global Infomedia Limited, A to Z Barter Private Limited, and A to Z Resorts Private Limited. He was a Chairman of Audit committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee of the Company till August 29, 2012. He was a Chairman of Audit Committee of our group company namely Bharatiya Global Infomedia Limited till August 29, 2012. Mr. Sanjay Kapoor, Director of the Company, retire by rotation may not opt to be reappointed as a Director of the company.



Shri Ashok Kumar Juneja

Shri Ashok Kumar Juneja, aged 57 years holds an master degree in commerce , a Fellow Company Secretary and a Associate Cost & Works Accountant, have more than 37 years experience in Merchant Banking, Finance, Corporate Laws, Legal, Commercial, Information Technology (IT) & Management.

He has strong leadership quality and have the distinct ability to manage complex scenario under aggressive timeframe, playing a pivotal role in the core management group at the corporate level.

Shri Rajiv Kumar

Shri Rajiv Kumar, aged 37 years holds an master degree in commerce is a Fellow Chartered Accountant and Company Secretary with over 7 years experience. He specialises in the field of Corporate Laws and Accounting and finance.

He is also on the Board of R9 consultants Private Limited. He is a member of Audit Committee of the Company w.e.f. 14 Feb. 2012. He was become Chairman of the audit committee, remuneration committee and share transfer and investor grievance committee with effect from August 29, 2012.

C) BOARD LEVEL COMMITTEES

In accordance with the listing agreement with the Stock Exchanges on Corporate Governance, the following committees were in operation:

1. Audit Committee
2. Share Transfer and Investor Grievance Committee.
3. Remuneration Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted, headed by an independent director. Majority of the members are Non-executive Directors and each member has rich experience in financial sector.

➤ **AUDIT COMMITTEE**

➤ Terms of reference

The Committee deals with various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards, It reports to the Board of Directors about its findings & recommendations pertaining to above matters. The committee oversees the work carried out in the financial reporting process by the management and the auditor, and notes the processes and safeguards employed by each.

➤ Composition of Audit Committee

The Audit Committee, consisted of the following four directors who are eminent professionals and possess sound knowledge in finance:

Chairman : Sanjay Kapoor**

Members : Mr. Rakesh Bhatia

Mr. Ashok Kumar Juneja

Mr. Rajiv Kumar*

Note : *Mr. Rajiv Kumar has been appointed as the member of Audit committee w. e .f february 14, 2012.

** Mr. Sanjay Kapoor was chairman of Audit Committee till August 29, 2012 and thereafter Mr. Rajiv Kumar has been appointed as the Chairman of Audit Committee w.e.f. August 29, 2012

The Audit Committee met four times during the financial year from April 1, 2011 to March 31, 2012:

1. May 14, 2011	2. August 11, 2011
3. November 14, 2011	4. February 14, 2012

The attendance record of the audit committee members is given in following table

Name of the Audit Committee members	Number of Audit Committee meetings	
	Held during the tenure of Directors	Attended
Mr. Sanjay Kapoor	4	4
Mr. Rakesh Bhatia	4	4
Mr. Ashok Kumar Juneja	4	4
Mr. Rajiv Kumar	4	2

2 SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE (STIGC)

➤ Terms of reference

This Committee was constituted specifically to review compliance of rules and regulations, to redress shareholder's grievance and to provide suggestions. To expedite the process of share transfers the Board has delegated the power of share transfer to M/s Mass Services Limited viz. Registrar and Share Transfer Agents.

Terms of reference of the Share Transfer and Investor Grievance Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges which inter-alia include looking into the investors complaints on transfer of shares, etc and redressal thereof.

➤ COMPOSITION OF SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE (STIGC)

The Share Transfer and Investor Grievance Committee is headed by an Independent director and presently consisted of the following members :

- Chairman : Mr. Sanjay Kapoor**
- Members : Mr. Rakesh Bhatia
- Mr. Ashok Kumar Juneja
- Mr. Rajiv Kumar*

Note : *Mr. Rajiv Kumar has been appointed as the member of STIGC w.e.f. February 14, 2012

** Mr. Sanjay Kapoor was chairman of STIGC till August 29, 2012 and thereafter Mr. Rajiv Kumar has been appointed as the Chairman of STIGC w.e.f. August 29, 2012



➤ **Meetings and attendance during the year**

The Share Transfer and Investor Grievance Committee met four times during the financial year from April 1, 2011 to March 31, 2012:

The attendance record of the Share Transfer and Investor Grievance Committee members is given in following table:

Name of the STIGC members	Number of STIGC Meetings	
	Held during the tenure of Directors	Attended
Mr. Sanjay Kapoor	4	4
Mr. Rakesh Bhatia	4	4
Mr. Ashok Kumar Juneja	4	2
Mr. Rajiv Kumar	4	1

➤ **Compliance officer**

The Company Secretary act as the Secretary to the committee.

➤ **Shareholders' Complaints etc. received during the FY- 2011-12**

No. of valid complaints received during the period under review : NIL

No of queries/valid complaints pending/Unsettled as on 31.03.2012 : NIL

3. REMUNERATION COMMITTEE

➤ **Composition and names**

The Remuneration Committee is headed by an Independent director and consists of the following members:

➤ Chairman : Mr. Sanjay Kapoor*

Members : Mr. Rakesh Bhatia

Mr. Ashok Kumar Juneja

Mr. Rajiv Kumar*

Note :*Mr. Rajiv Kumar has been appointed as the member of remuneration committee w. e .f february 14, 2012

**Mr. Sanjay Kapoor was chairman of remuneration committee till August 29, 2012 and thereafter Mr. Rajiv Kumar has been appointed as the Chairman of remuneration committee w.e.f. August 29, 2012

➤ **Meetings and attendance during the year**

The Remuneration Committee met one time during the financial year from April 1, 2011 to March 31, 2012.

The attendance record of the Remuneration Committee members is given in following table:

Name of the Remuneration Committee members	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. Sanjay Kapoor	1	1
Mr. Rakesh Bhhatia	1	1
Mr. Ashok Kumar Juneja	1	NIL
Mr. Rajiv Kumar	1	NIL

➤ **Remuneration paid to Directors**

As on date there are no directors who are drawing remuneration from the Company.

D.) GENERAL BODY MEETINGS:

Date / Venue / Time of previous three Annual General Meetings:

Year	Place	Date	Time	Any Special resolution
2008-2009	A-81, Bipin Chandrapal Memorial Trust, C.R park, New Delhi-110019.	30.09.2009	03.30p.m	No
2009-2010	A-81, Bipin Chandrapal Memorial Trust, C.R park, New Delhi-110019.	29.09.2010	03.30p.m	No
2010-2011	A-81, Bipin Chandrapal Memorial Trust, C.R park, New Delhi-110019.	29.09.2011	03.30p.m	Yes

The Company during the year 2011-2012 had conducted an Extra-Ordinary General Meeting on April 7, 2011.

E) DISCLOSURES:

- 1. Related Party Transactions:** There have been no materially significant related party transactions, pecuniary transactions or relationships between BGIL Films and its directors for the year ended March 31, 2012 other than those listed in notes to the annual accounts.
- 2.** The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.



3. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The Code of Conduct is displayed on the website of the Company. All the directors and the senior management personnel have affirmed compliance with the code for the financial year ended 31st March 2012. A declaration to this effect, signed by the Chairman & Managing Director is annexed to this report.
4. **Compliance with Mandatory requirements of clause 49 of the listing agreement**
The Company has complied with all the applicable mandatory requirements of clause 49 of the listing agreement.
5. The necessary certificate, pursuant to clause 49(V) of the listing agreement with stock exchanges, is annexed to this report.
6. **Management Discussion and Analysis Report**
The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
7. **Compliance Certificate from Practicing Company Secretary**
Certificate from Practicing Company Secretary confirming compliance with conditions of corporate governance as stipulated in clause 49 of the listing agreement, is annexed to this report.
8. Other disclosures as required under clause 49 has been given at relevant places in the Annual Report.

F) MEANS OF COMMUNICATION / INVESTORS' COMMUNICATION

Complying with provision of the Listing Agreement, norms, Guidelines and Circulars etc. and Information like Quarterly Financial Results and other significant developments in the Company has been made available from time to time to the press and had also been submitted to the Stock Exchanges to enable them to put them on their websites.

The Company normally publishes its quarterly / half yearly / yearly audited results in one English newspaper and one Hindi newspaper. The Company also ensures that these Results are promptly and prominently displayed on the Company's website www.bgilfilms.com.

G INFORMATION TO SHAREHOLDERS

1. REGISTERED AND CORPORATE OFFICE

B-13, LGF Amar Colony, Lajpat Nagar-IV, New Delhi-110024
B-66, Sector-60, Noida-201 301, U.P.

2. ANNUAL GENERAL MEETING

The date, time & venue of the next Annual General Meeting and the next Book Closure date will be as per the Notice calling the Annual General Meeting.

3. FINANCIAL CALENDAR

The financial year of the Company is from April 1 to March 31 each year and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month(Tentative)
Financial results for the 1st quarter	August, 2012 ending June 30, 2012
Financial results for the 2nd quarter	November, 2012 and half year ending September 30, 2012
Financial results for the 3rd quarter	February, 2013 and nine months ending December 31, 2012
Financial results for the last quarter	May, 2013 and financial year ending March 31, 2013

4. WEBSITE

The address of the Company's web site is www.bgilfilms.com.

5. LISTING ON STOCK EXCHANGES

Equity shares of the Company are listed and traded on Bombay Stock Exchange Limited:

Stock Exchange	Equity Shares
Bombay Stock Exchange Limited	11327630

6. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of BGIL Films & Technologies INE443D01018.

7. ANNUAL LISTING FEE

Annual Listing Fee for the year 2011-12 has been paid to the above mentioned stock exchange. There are no arrears of listing fees with the said stock exchange till date.

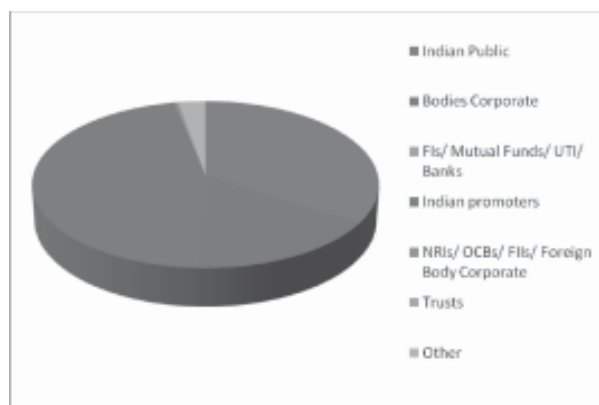
8. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

Following tables gives the data on shareholding according to types of shareholders and class of shareholders:

➤ Distribution of the shareholding according to the type of shareholders:

S.No.	Category	No. of Shareholders	No. of Shares	% age
1.	Indian Public	6998	3875389	34.21
2.	Bodies Corporate	105	1835000	16.20
3.	FIs/ Mutual Funds/ UTI/ Banks	0	0	0
4.	Indian promoters	12	5251562	46.36
5.	NRIs/ OCBs/ FIIs/ Foreign Body Corporate	14	43625	0.39
6.	Trusts	0	0	0
7.	Other	31	322054	2.84

Graphic presentation of the Shareholding Pattern as on 31.03.2012



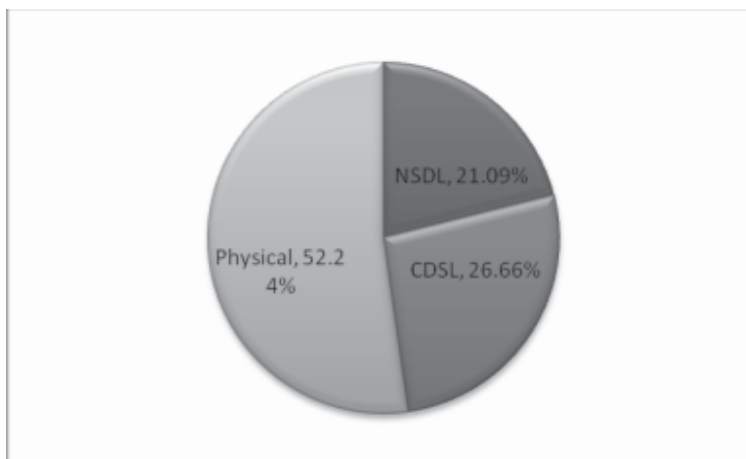
➤ **Distribution of shareholding according to the number of shares:**

No. of Equity Shares	March 31, 2012			
	No. of Shareholders	% of	No. of shares	% share capital
1-5000	6112	85.36	866237	7.65
5001 TO 10000	460	6.42	397198	3.50
10001 TO 20000	233	3.27	365851	3.23
20001 TO 30000	91	1.27	243836	2.16
30001 TO 40000	49	0.68	180528	1.60
40001 TO 50000	45	0.63	216185	1.91
50001 TO 100000	74	1.03	568237	5.01
100001 AND ABOVE	96	1.34	8489558	74.94
Total	7160	100.00	11327630	100.00

9. DEMATERIALIZATION OF SHARES

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Status as on March 31, 2012

Electronic/ Physical	No. of Shares	%age
Held in dematerialized form in NSDL	3020607	21.09%
Held in dematerialized form in CDSL	2389698	26.67%
Physical	5917325	52.24%
Total	11327630	100.00%



10. MARKET PRICE DATA

Monthly high and low prices of equity shares of company traded at The Bombay Stock Exchange Limited is given below:

MONTH	BSE	
	HIGH Rs.	LOW Rs.
Apr-11	4.85	3.95
May-11	4.10	3.30
June-11	4.08	2.59
July-11	7.10	3.35
Aug-11	6.32	4.54
Sep-11	7.03	5.69
Oct-11	6.68	5.33
Nov-11	6.46	4.70
Dec-11	6.00	3.58
Jan-12	4.30	3.08
Feb-12	4.14	3.45
March-12	4.21	3.22



11. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company has appointed a common Registrar i.e. Mass Services Limited for share transfer and dematerialisation of shares. To expedite the process of share transfers the Board has delegated the power of share transfer to Mass Services Limited viz. Registrar and Share Transfer Agents..

Their contact details are as follows;

M/s Mass Services Limited

T-34, 2nd Floor,
Okhla Industrial Area
Phase-II,
New Delhi-110020
Ph: +91 11 26387281/82/83
Fax: +91 11 26387384
Contact Person: Mr. Sarwan Mangla

12 ADDRESS FOR CORRESPONDENCE:

I. Investor's Correspondence may be addressed to the following:

Ms. Renu Kamra
Company Secretary
BGIL Films & Technologies Limited
B-13, LGF, Amar Colony,
Lajpat Nagar-IV
New Delhi-110024.
Email: bgilfilms@bgilinfo.com
Fax: 91-0120-4227791

OR

to the Registrar and Share Transfer Agent i.e :

M/s Mass Services Limited

T-34, 2nd Floor,
Okhla Industrial Area
Phase-II,
New Delhi-110020
Ph: +91 11 26387281/82/83
Fax: +91 11 26387384
Contact Person: Mr. Sarwan Mangla



Films & Technologies Ltd.

Code of Conduct Declaration

To

**The Members of
BGIL Film & Technologies Limited**

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board Members and Senior Management Personnel of the Company, for the year ended on March 31, 2012.

For BGIL Films & Technologies Limited

Sd/-

Rakesh Bhatia

Chairman & Managing Director

Place: New Delhi

Date: August 29, 2012



Certificate pursuant to clause 49(V) of the Listing Agreement

To

**The Board of Directors
BGIL Films & Technologies Limited**

I, Rakesh Bhatia, Chairman cum Managing Director Certify that:

- (a) I have reviewed financial statement and the cash flow statement for the period ended 31.03.2012 and that to the best of my knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- (b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the period which is fraudulent, illegal or violative of the company's code of conduct.
- (c) Further, I accept responsibility for establishing and maintaining internal controls for financial reporting and Accordingly, I have evaluated the effectiveness of the internal control systems of the company.
- (d) I have disclosed to the auditors and the Audit committee, wherever applicable:
 - i. Deficiencies in the design or operation of the internal controls, if any of which I am aware and the steps have been taken or propose to take rectify these deficiencies;
 - ii. Significant changes in the internal control over the financial reporting during the period;
 - iii. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
 - iv. Instances of significant fraud of which I became aware and involvement therein, if any, of the management or an employee having a significant in the Company's internal control system.

Place: New Delhi
Date: August29,2012

For BGIL Films & Technologies Limited
Sd/-
Rakesh Bhatia
Chairman & Managing Director



Films & Technologies Ltd.

SNMG & Co.
Chartered Accountants

E-35, L.G.F., Lajpat Nagar-III
New Delhi-24, Ph.: 41022495

AUDITORS' REPORT

To the Members of

BGIL FILMS & TECHNOLOGIES LIMITED

We have audited the attached Balance Sheet of **BGIL FILMS & TECHNOLOGIES LIMITED** as at 31st March, 2012 and the statement of Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.

1. 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 misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report thereto:
2. As required by the Companies (Auditor's Report) Order, 2003 (amendment order 2004) issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company, as we considered appropriate, and in terms of the information and explanations given to us, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to the company.
3. Further to our comments in annexure referred to in paragraph (3) above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, the company as required by law has kept proper books of account as far as appears from our examination of such books.
 - (c) The Balance Sheet and statement of Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the statement of Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred in sub – section 3(C) of section 211 of the companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts together with the notes appearing in Schedule of Notes subject to *Non-provision of retirement benefits as detailed in Note no. 36 of Notes on accounts*, give the information required by the Companies Act, 1956 in the manner so



required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- ii) In the case of the statement of Profit and Loss Account, of the profit for the year ended on that date, and;
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **SNMG & CO.**
Chartered Accountants
(Firm No. 004921N)

PLACE: NEW DELHI
DATED: 14.08.2012

Sd/-
(NEERAJ GUPTA
PARTNER
Membership No. 087004

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

- (i) (a) The company has generally maintained proper records showing particulars including quantitative details and situation of fixed assets.
(b) As explained to us, the Fixed Assets are physically verified by the management at reasonable intervals in a phased verification programme, which in our opinion is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed off any part of its Fixed Assets so as to affect its going concern.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) According to the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties, covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to

the sale of goods. During the course of our audit, no major weakness has been noticed in internal controls.

- (v) (a) On the basis of the audit procedures performed by us and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested as contemplated under section 297 and sub-section (6) of section 299 of the Companies Act, 1956, and which were required to be entered in the register maintained under section 301 of the Companies Act, 1956, have so entered.
- (b) According to the information and explanations given to us, transactions exceeding the value of Rs. 5,00,000/- have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits as defined under sections 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records have not been prescribed by the Central Govt. under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the records of the company, in our opinion the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, sales tax, customs duty, wealth tax and excise duty were outstanding as on 31st March, 2012 for a period of more than six months from the date becoming payable except the following:

Name of the Statute	Nature of Dues	Amount in Rs.	Period to which the amount relates	Date of Payment
Income Tax Act	Tax Deducted at Source	91228	01.04.2011 to 30.09.2011	30.7.2012

- (x) The company has no accumulated losses as at 31st March, 2012 and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



Films & Technologies Ltd.

- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) In respect of shares, securities, debentures and other investments, dealt in or traded by the company, proper records have been maintained in respect of transactions and contracts, and timely entries have been made therein.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others, from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the current year.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice-versa.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. except Issue of 4920800 equity shares to shareholders of Kriti Communications (P) Limited on account of merger with Kriti Communications (P) Limited through the order of Hon'ble High Court, Delhi.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised money by way of public issues during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **SNMG & CO.**
Chartered Accountants
(Firm No. 004921N)

Sd/-

(NEERAJ GUPTA)
Partner
M. No. 087004

PLACE: NEW DELHI
DATED: 14.08.2012



Films & Technologies Ltd.

BGIL FILMS & TECHNOLOGIES LIMITED
Balance Sheet as at 31 March 2012
(All amounts are in Indian rupees)

Particulars	Note	As at 31 March 2012	As at 31 March 2011
Equity and Liabilities			
Shareholders' funds			
Share Capital	2	113,276,300	64,068,300
Reserves and Surplus	3	113,014,093	90,336,606
		226,290,393	154,404,906
Share application money pending allotment		-	-
NON CURRENT LIABILITIES			
Deferred Tax	4	5,921,540	5,584,435
CURRENT LIABILITIES			
Short-Term Borrowings	5	-	552,523
Other Current Liabilities	6	97,301,316	171,866,443
Short-Term Provisions	7	1,103,950	1,904,343
		98,405,265	174,323,309
		330,617,198	334,312,650
Assets			
Non-current assets			
Fixed assets	8		
Tangible assets	8.1	16,979,488	22,447,587
Intangible assets	8.2	23,483,760	-
		40,463,248	22,447,587
Investments	9	45,434,197	43,319,297
Trade Receivables	10	60,034,023	46,024,329
Long-term loans and advances	11	132,678	132,678
Other Non Current Assets	12	70,441,733	44,892,258
		176,042,631	134,368,563
CURRENT ASSETS			
Trade Receivables	13	94,323,216	161,416,350
Cash and Cash Equivalents	14	905,086	481,113
Short-Term Loans and Advances	15	18,289,055	15,323,830
Other Current Assets	16	593,963	275,208
		114,111,320	177,496,501
		330,617,198	334,312,650

Significant accounting policies and notes to the financial statements 1-37

For **SNMG & Co.**
Chartered Accountant
Firm Registration No.: 004921N

Sd/-
Neeraj Gupta
Partner
Membership No.: 087004

Place: New Delhi
Date: 14/08/2012

For and on behalf of Board of Directors of
BGIL FILMS & TECHNOLOGIES LIMITED

Sd/-
Rakesh Bhatia
Director

Sd/-
Rajiv Kumar
Director

Sd/-
Renu Kamra
Company Secretary



Films & Technologies Ltd.

BGIL FILMS & TECHNOLOGIES LIMITED
Statement of Profit & Loss for the period ended 31 March 2012
(All amounts are in Indian rupees)

Particulars	Note	For the year ended 31 March 2012	For the year ended 31 March 2011
Revenue from Operations	17	225,293,209	253,431,355
Other income	18	575,572	2,288,732
Increase/(Decrease) in Stock		406,063	-
Total revenue		226,274,844	255,720,087
Expenses			
Purchase		208,194,165	237,244,044
Employee benefits expenses	19	4,124,553	3,097,992
Other expenses	20	2,588,775	2,837,577
Finance cost	21	18,195	26,782
Depreciation	22	8,127,176	6,900,115
Total expenses		223,052,864	250,106,511
Profit before tax		3,221,980	5,613,576
Tax expense			
Current income tax		815,306	1,706,042
Deferred tax charge		2,054,614	(1,531,696)
Profit after tax		352,060	5,439,230
Prior Period/Extraordinary Items		(616,869)	-
Profit after tax and Extraordinary Items		968,929	5,439,230
Balance at the beginning of the period		31,364,176	25,924,946
Balance carried forward to the Balance Sheet		32,333,105	31,364,176
Earnings per equity share (par value Re. 10 per share)			
- Basic		0.21	0.62
- Diluted		0.21	0.62

[Earnings per equity share expressed in absolute amount in Indian Rupees]

Significant accounting policies and notes to the financial statements

1-37

As per our report attached

For **SNMG & Co.**

Chartered Accountant

Firm Registration No.: 004921N

Sd/-

Neeraj Gupta

Partner

Membership No.: 087004

Place: New Delhi

Date: 14/08/2012

For and on behalf of Board of Directors of
BGIL FILMS & TECHNOLOGIES LIMITED

Sd/-

Rakesh Bhatia

Director

Sd/-

Rajiv Kumar

Director

Sd/-

Renu Kamra

Company Secretary



Films & Technologies Ltd.

**BGIL FILMS & TECHNOLOGIES LIMITED
CASH FLOW STATEMENT**

DESCRIPTIONS	AS AT 31.03.2012	AS AT 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	3,221,980	5,613,576
Add :		
Depreciation	8,127,176	6,900,115
Less:		
Profit on sale of Assets	-	(1,742,648)
Interest Received	(575,572)	(546,084)
Operating Profit before Working Capital changes	10,773,584	10,224,959
Adjustments for :		
Change in Trade Receivables	53,083,440	-88665750
Change in Short Term Loans & Advances	(2,965,225)	(160,715)
Change in Current Liabilities	(74,474,784)	81,574,997
Changes in Other Current Assets	(318,755)	(848,821)
CASH GENERATED FROM OPERATIONS	(24,675,323)	2,124,670
Direct Taxes Paid (net of refunds)	(1,706,043)	(1,581,307)
Extra ordinary /Prior period items	527,534	161,081
Net Cash Flow from Operating Activities	(15,080,248)	704,444
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(27,694,081)	(129,550)
Sale of Fixed Assets	-	2,835,000
Change in Non Current Assets -WIP -movies*	(25,563,196)	-
Net Cash Flow/(Used) in Investing Activities	(53,257,277)	2,705,450
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital *	49,208,000	-
Increase in Investments*	(2,114,900)	-
Capital reserves*	21,645,350	-
Repayment of Borrowing	(552,523)	(3,595,488)
Interest received	575,572	546,084
Net Cash Flow from Financing Activities	68,761,499	(3,049,404)
Net Increase in Cash & Cash Equivalent (A+B+C)	423,974	360,490
	423,974	360,490
Cash and Cash Equivalent at the beginning of the year	481,112	120,622
Cash and Cash Equivalent at the end of the year	905,086	481,112

*pursuant to merger with Kriti Communications (P) Limited through Hon'ble High Court, New Delhi

Note:

The above Cash flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India .

AUDITORS REPORT

As per our report of even date attached

FOR SNMG & CO.

Chartered Accountants

Firm Registration No.: 004921N

Sd/-
(Neeraj Gupta)
Partner
M.No. 087004
Place: New Delhi
Dated: 14/08/2012

Sd/-
Rakesh Bhatia
Director

Sd/-
Renu Kamra
Company Secretary

Sd/-
Rajiv Kumar
Director



SCHEDULE – 1

SIGNIFICANT ACCOUNTING POLICIES:

(a) General:

Accounting Principles not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles. The company prepares its accounts on accrual basis, except otherwise stated, in accordance with normally accepted policies. The accounts are prepared on historical cost basis and as a going concern.

(b) Revenue Recognition

The Company's income from operation is accounted for on accrual basis.

(c) Fixed Assets:

All the Fixed Assets have been stated on cost inclusive of incidental expenses less accumulated depreciation.

(d) Depreciation:

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

(e) Investments:

Investments are stated as cost.

(f) Current Assets:

Current Assets are stated at Cost or Market value whichever is lower except Stock in Trade, held in shares and Debentures, which have been valued at Cost Price.

(g) Miscellaneous expenditure:

Preliminary expenses & Public Issue Expenses are being written off over a period of 10 years.

(h) Retirement Benefits:

Provision for Gratuity will be accounted for on the retirement / cessation of employment. No amount has been charged to Profit & Loss Account on account of gratuity during the previous year.

(I) Contingent Liabilities

Unprovided contingent liabilities are disclosed in the accounts by way of notes giving nature and quantum of such liabilities.

(i) Taxation

Provision for Taxation has been made in accordance with the Income Tax Act, 1961.

Deferred tax resulting from timing difference between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallise.

The Policies not specifically mentioned above are in agreement with the accounting standards issued by the Institute of Chartered Accountants Of India.

BGIL FILMS & TECHNOLOGIES LIMITED
Notes forming part of the accounts
(All amounts are in Indian Rupees)

	As at 31 March 2012	As at 31 March 2011
Note 2.1 : Share capital		
Authorised		
11677800 Equity Shares of Rs. 10/- Each	116,778,000	67,570,000
(Last Year : 6757000 Equity Shares of Rs. 10/-each Fully Paid Up)		
Issued, subscribed and fully paid-up:		
11327630 Equity Shares of Rs. 10/- each Fully Paid Up	113,276,300	64,068,300
(Last Year : 6406830 Equity Shares of Rs. 10/-each Fully Paid Up)		
	<u>113,276,300</u>	<u>64,068,300</u>

Note 2.2 : Reconciliation of Number of Shares Outstanding

Particulars	As at 31 March 2012		As at 31 March 2011	
	Equity Shares		Equity Shares	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	6,406,830	64,068,300	6,406,830	64,068,300
Issued during the year pursuant to merger with	4,920,800	49,208,000	-	-
Kriti Communications (P) Ltd				
Bought back during the year	-	-	-	-
At the end of the year	<u>11,327,630</u>	<u>113,276,300</u>	<u>6,406,830</u>	<u>64,068,300</u>

Note 2.3 : Shares held by shareholders holding more than 5% shares

Name of the shareholder	No. of shares as at 31 March 2012	No. of Shares as at 31st March 2011
Arti Bhatia	-	428,189
Rakesh Bhatia (HUF)	-	601,161
Rakesh Bhatia	642,024	511,961
Bharatiya Global Infomedia Ltd	-	462,934
Number One Finvest (P) Ltd.	1,290,991	-
Grindlay Finman (P) Ltd.	1,128,000	-
Number One Finsec (P) Ltd.	610,872	-

Note 2.4 : Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



	As at 31 March 2012	As at 31 March 2011
Note 3 : Reserves and surplus		
Note 3.1 : Securities premium account		
Opening balance	54,572,200	54,572,200
Add: Addition during the year	-	-
	<u>54,572,200</u>	<u>54,572,200</u>
Note 3.2: Capital Reserve		
Opening balance	-	-
Add:- Addition during the year	21,645,350	-
	<u>21,645,350</u>	<u>-</u>
Note 3.3 : General Reserve		
Opening balance	4,400,230	4,400,230
Add: Addition during the year	-	-
	<u>4,400,230</u>	<u>4,400,230</u>
Note 3.4 : Profit and Loss Account		
Opening balance	31,364,176	25,924,946
Add: Transferred from Profit and Loss Account	968,929	5,439,230
Add: Transferred from Kriti Communications Pvt. Ltd	63,208	-
	<u>32,396,313</u>	<u>31,364,176</u>
	<u>113,014,093</u>	<u>90,336,606</u>
Note 4 : Deferred Tax Liability (Net)		
Deferred Tax Liability		
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	5,921,540	5,584,435
	<u>5,921,540</u>	<u>5,584,435</u>
Note 5 : Short-term borrowings		
Secured Loan		
HDFC Bank	-	552,523
	<u>-</u>	<u>552,523</u>
Note 6 : Other current liabilities		
Sundry Creditors	96,298,507.42	164,465,888
Expenses Payable	-	15,264
Other payable-		
-Audit Fee Payable	236,942	186,942
-Service Tax Payable	5,518	3,014,352
-Other Liabilities	500,000	4,071,049
-TDS payable	260,348	112,949
	<u>97,301,316</u>	<u>171,866,443</u>
Note 7 : Short term provisions		
Provision for employee benefits		
-Salary and reimbursements	288,644	198,300
-Provision for Income Tax	815,306	1,706,043
	<u>1,103,950</u>	<u>1,904,343</u>

BGIL FILMS & TECHNOLOGIES LIMITED
Note "8" : Fixes Assets
8.1 - Tangible Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	ASAT 01.04.2011	ADDITION DURING THE PERIOD	SALE DURING YEAR	ASAT 31.03.2012	UPTO 01.04.2011	FOR THE PERIOD	ADJUSTMENT/ WRITTEN OFF	UPTO 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
COMPUTER	40,759,425	3,167,150	-	43,926,575	21,771,878	7,030,220	-	28,802,098	15,124,477	20,502,375
OFFICE EQUIPMENT	598,471	176,500	-	774,971	554,985	53,154	-	608,139	166,832	52,406
VEHICLE	2,185,530	-	-	2,185,530	494,318	207,625	-	701,944	1,483,586	1,691,212
FUTNITURE & FIXTURE	495,114	65,472	-	560,586	321,016	34,977	-	355,993	204,593	201,594
TOTAL	44,038,540	3,409,122	-	47,447,662	23,142,197	7,325,977	-	30,468,174	16,979,488	22,447,587
Previous Year	45,103,990	129,550	1,195,000	44,038,540	14,793,486	6,900,115	102,647	21,590,953	22,447,587	30,310,504

8.2 - Intangible Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	ASAT 01.04.2011	ADDITION DURING THE PERIOD	SALE DURING YEAR	ASAT 31.03.2012	UPTO 01.04.2011	FOR THE PERIOD	ADJUSTMENT/ WRITTEN OFF	UPTO 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
COMPUTER SOFTWARE	-	10,125,000	-	10,125,000	-	801,199	-	801,199	9,323,801	-
CAPITAL WORK IN PROGRESS	-	14,159,959	-	14,159,959	-	-	-	-	14,159,959	-
TOTAL	-	24,284,959	-	24,284,959	-	801,199	-	801,199	23,483,760	-
Previous Year	-	-	-	-	-	-	-	-	-	-

*Addition during the year includes transfer from Kriti Communications Pvt. Ltd.

Computer Rs. 3167150
Furniture & Fixture Rs. 65472
Office Equipment Rs. 23500



Note 9 : Non-Current Investments

Investment in Equity Shares - Trade, Unquoted (at cost)

44200 Shares (P.Y.24200)BhatiaInvestment Finance Pvt. Ltd.)	398,704	246,304
95000 Shares (P.Y.40000) Number One Finsec Pvt. Ltd.)	1,462,500	1,000,000
150000 Shares (P.Y.NIL)Kartik Share Traders Pvt. Ltd.)	1,500,000	-

Investment in Equity Shares - Trade, Quoted (at cost)

950300 Equity Shares (P.Y. 950300) of Bharatiya Global Infomedia Ltd.	42,072,993	42,072,993
---	------------	------------

Aggregate value of unquoted investments	3,361,204	1,246,304
--	------------------	------------------

Aggregate value of quoted investments	42,072,993	42,072,993
--	-------------------	-------------------

Market Value : Rs. 6176950/-(P.Y. Unquoted))

	<u><u>45,434,197</u></u>	<u><u>43,319,297</u></u>
--	--------------------------	--------------------------

Note 10 : Trade Receivables (Non- Current)

Unsecured

-Debts outstanding for more than one year	60,034,023	46,024,329
---	------------	------------

	<u><u>60,034,023</u></u>	<u><u>46,024,329</u></u>
--	--------------------------	--------------------------

Note 11 : Long-term loans and advances (unsecured, considered good)

Security deposits	132,678	132,678
-------------------	---------	---------

	<u><u>132,678</u></u>	<u><u>132,678</u></u>
--	-----------------------	-----------------------

Note 12 : Other Non Current Assets

Preliminary Expenses	294,883	308,604
----------------------	---------	---------

WIP- Movies	70,146,850	44,583,654
-------------	------------	------------

	<u><u>70,441,733</u></u>	<u><u>44,892,258</u></u>
--	--------------------------	--------------------------

Note 13 : Trade Receivables (Current)

Unsecured

a) Debts outstanding for more than six months

- Considered good	30,939,559	85,136,692
-------------------	------------	------------

b) Other debts	63,383,657	76,279,658
----------------	------------	------------

- Considered good	94,323,216	161,416,350
-------------------	------------	-------------

	<u><u>94,323,216</u></u>	<u><u>161,416,350</u></u>
--	--------------------------	---------------------------

Note 14 : Cash and Cash Equivalents

Cash in hand	846,506.00	475,896
--------------	------------	---------

Balances with scheduled banks:

- in current accounts	58,579.76	5,217
-----------------------	-----------	-------

	<u><u>905,086</u></u>	<u><u>481,113</u></u>
--	-----------------------	-----------------------

Note 15 : Short-term loans and advances (unsecured, considered good)

Advances Recoverable in cash or in kind



Films & Technologies Ltd.

	As at 31 March 2012	As at 31 March 2011
Other Advances	14,789,055	15,323,831
Share Application Money	3,500,000	-
	18,289,055	15,323,831
Note 16 : Other current assets		
Stock in Hand	406,063	-
Dvat Input Credit	10,343	-
TDS Receivable	177,557	275,208
	593,963	275,208

*WIP of movies includes an amount of Rs. 2.50 Crore transferred from Kriti Communications Pvt. Ltd.



BGIL FILMS & TECHNOLOGIES LIMITED
Notes forming part of the accounts
(All amounts are in Indian Rupees)

	For the year ended 31 March 2012	For the year ended 31 March 2011
Note 17 : Revenue from Operations		
Income from Information Technologies/Services	214,679,509.00	195,401,355.00
Income from Media	10,613,700.00	58,030,000.00
	<u>225,293,209</u>	<u>253,431,355</u>
Note 18 : Other Income		
Income from Investment & Finance	575,572.00	546,084.00
Profit on sale of Assets	-	1,742,647.89
	<u>575,572</u>	<u>2,288,732</u>
Note 19 : Employee benefits expenses		
Salaries and wages	3,919,242.00	2,811,219.00
Staff welfare	205,311.00	286,773.00
	<u>4,124,553</u>	<u>3,097,992</u>
Note 20 : Other expenses		
Communication Expenses	66,919	247,683
Travelling and conveyance	270,736	360,750
ROC Fee	2,500	5,500
AGM/EGM Expenses	158,901	91,219
AMC Expenses	23,333	42,000
Brokrage & Commission	-	17,715
Listing Fee	42,725	65,000
Film Right Expenses	-	600,000
Office Expenses	175,595	111,554
Printing and stationery	103,543	16,000
Rent	420,000	537,000
Rates and taxes	143,090	218,588
Courier, Postage & Telegram	69,128	46,946
Entertainment/ business promotion	101,992	-
Electricity Charges	37,281	32,465
Advertisement Expenses	220,291	28,500
Legal and professional	127,500	32,472
Repairs and maintenance - others	93,377	27,700
Vehicle Running & Maintenance	116,287	107,875
Insurance Expenses	18,227	19,229
Computer Peripherals & Maintainence	43,307	12,800
Audit fees	55,515	50,000
Miscellaneous Expenses	100,607	5,500
Priliminary Expenses Written Off	197,921	161,081
	<u>2,588,775</u>	<u>2,837,577</u>



	For the year ended 31 March 2012	For the year ended 31 March 2011
Note 21 : Finance cost		
Bank charges	18,195	26,782
	<u>18,195</u>	<u>26,782</u>
Note 22 : Depreciation/Amortization		
Tangible Assets	7,325,977	6,900,115
Intangible Assets	801,199	-
	<u>8,127,176</u>	<u>6,900,115</u>



23. Estimated amount of contract remaining to be executed on capital account and not provided for Rs Nil (Previous Year Rs Nil)

24. Contingent Liabilities not provided for :

- a. Guarantees given by the company Rs. Nil (P.Y. - Nil)
- b. Claims against the company not acknowledge as debts Rs. Nil (P.Y. - Nil)

25. Quantitative information required to be given under paragraph 3, 4C and 4D of part-II of Schedule VI to the Companies Act, 1956.

A Purchase and Sale

		Purchase	Sale
Particulars	Unit	Qty.	Qty.
Computer Hardware & Components	No.'s	16065	16065
Previous Yr.	No.'s	2220	2220
Theatrical Film Rights	No.'s	NIL	NIL
Previous Yr.	No.'s	4	4
Computer Software	No.'s	10	9
Previous Yr.	No.'s	NIL	NIL

b. Opening and Closing Stock

		Opening Stock	Closing Stock
Particulars	Unit	Qty.	Qty.
Computer Hardware & Components	No.'s	NIL	NIL
Previous Yr.	No.'s	NIL	NIL
Theatrical Film Rights	No.'s	NIL	NIL
Previous Yr.	No.'s	NIL	NIL
Computer Software	No.'s	NIL	1
Previous Yr.	No.'s	NIL	NIL

26. Balance confirmations, Sundry Debtors, Sundry Creditors, Deposits and the parties to whom the advances are given are subject to reconciliation and such are as per books of accounts only. Adjustment thereto having an impact of revenue nature, if any, will be made during the period in which the same are fully reconciled.

27. In the opinion of Board of Directors and explanations given to us, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provision for depreciation and all known liabilities are adequate.

28. In accordance with the requirements of section 217 (2A) of the Companies Act, 1956, the number of employees who were:
- (a) Employed through out the period at remuneration, which in aggregate was not less than Rs. 60,00,000/- per annum (including Directors) - Nil.
- (b) Employed for part of period at remuneration which in aggregate was not less than Rs. 5,00,000/- per month (including Directors) - Nil.
29. CIF Value of Imports NIL (P.Y. NIL)
30. Earning & Expenditure in foreign exchange
- a) Earnings NIL (P.Y. NIL)
- b) Expenditure NIL (P.Y. NIL)
31. **Segment Reporting**

From 01.04.2011 to 31.03.2012

Particulars	Information Technologies/ Services	Media & Entertainment	Investment & Finance	Total
1. Segment Revenue				
Sales/ Net Income	215085571	10613700	575573	226274844
Less: Inter-segment Revenue	-	-	-	-
Net Sales/Income	215085571	10613700	575573	226274844
2. Segment Results				
Profit/(loss) before tax and Interest from each segment	6085120	4735154	547077	11367351
Less:				
Interest	18195	-	-	18195
Un-allocable expenditure	8127176	-	-	8127176
Total Profit/(Loss) before Tax	-2060251	4735154	547077	3221980
Less: Provision for Current Tax				815306
Total Profit/(Loss) after Tax				2406674
Less: Deferred Tax Assets				(2054614)
Add: Prior Period Items				616869
Net Profit/(Loss)				968929

Note: 1) Segments have been identified in line with Accounting Standard - 17 (AS-17) on Segment Reporting issued by the Institute of Chartered Accountants of India, taking into account the nature of activities as well as the differential risks and returns attached. The Company's operation predominantly relates to the following segments:

- a) Information Technologies/Services
b) Film Production and Distribution
c) Investment & Finance

2) There is no inter-divisional or inter segmental transfer of goods and services.



32. Earnings per share (EPS) -	2011-2012	2010-2011
Profit / (Loss) attributable to the Shareholders	2406674	3903977
Basic / Weighted Average number of Equity Shares		
Outstanding during the year	11327630	6406830
Nominal value of Equity Share	10.00	10.00
Basic / Weighted Earning per Share	.21	.62

33. Related party Disclosure (where transactions have taken place): In terms of Accounting Standard AS-18, all related parties have been identified by management and relied upon by the auditors.

a) Name of Related Parties & description of relationship:

i) Key Management Personnel:

Sh. Rakesh Bhatia	-	Director
Sh. Sanjay Kapoor	-	Director
Sh. Ashok Juneja	-	Director
Smt. Arti Bhatia	-	Wife of Rakesh Bhatia
Sh. J.K. Bhatia	-	Brother of Rakesh Bhatia

(ii) Related Parties where control exists:

Bharatiya Global Infomedia Limited
 Bhatia Investment & Finance (P) Ltd.
 Number One Finsec (P) Ltd.
 Grindlay Finman (P) Ltd.
 Rakesh Bhatia HUF

b) Details of Transaction:-

	As on 31.03.2012	As on 31.03.2011
--	---------------------	---------------------

(i) Companies where control exists

Transactions:		
*Sale of Services	60,00,000	NIL
*Purchase of Hardware	NIL	NIL
Outstanding as at Balance Sheet Date		
*Payables	32807129	35726659
Receivable	19119966	52947713

(ii) Key Management Personnel & their relatives

Transactions:		
Salary Paid	1200000	620778
Outstanding as at Balance Sheet Date		
Amount Payable	Nil	685878
Amount Receivable	1477222	295245

34. Deferred Tax Liabilities for the year ended 31.03.2012 comprises of :

Particulars	As on 01.04.2011	For the year	Adjustments*	As on 31.03.2012
On account of Difference of Book Depreciation & Tax Depreciation	5584435	2054614	1717509	5921540

*Adjustments are made for the deferred tax assets held by M/s Kriti Communications (P) Limited, a company which merged during the year with the M/s BGIL films & Techonologies Limited.



35. Previous year figures have been re-grouped, re-arranged and/or re-casted, wherever considered necessary so as to make them comparable with the current year figures as per Revised Schedule VI of the Companies Act, 1956.
36. No Provision has been made for Gratuity amounting to Rs. 2,02,414/-, leave encashment or other retirement benefits, which are accounted for on payment basis only.
37. Above mentioned Significant Accounting policies and notes on Accounts form an integral part of the Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date and have been duly authenticated.

In terms of our report of even date

For **SNMG & CO.**
Chartered Accountants
(Firm No. 004921N)

For & On Behalf of the Board

Sd/-
(NEERAJ GUPTA)

Partner

Membership No. 087004

PLACE : NEW DELHI
DATE: 14.08.2012

Sd/-
(RAKESH BHATIA)

Chairman

Sd/-
RENU KAMRA
Company Secretary

Sd/-
(RAJIV KUMAR)

Director



BGIL

Films & Technologies Ltd.

Regd. Office: B-13, LGF, Amar Colony, Lajpat Nagar-IV, New Delhi-110024

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

To be handed over at the entrance of the meeting venue

Name of the attending member (In block letters) Mr. /Mrs. /Miss.....

Name of the proxy (in block letters to be filled in by Proxy attending instead of the member.....

No. of shares held : Ledger Folio No. :

DP Id No.* : Client Id.* :

I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING on Wednesday, the 26th September 2012, at 10:00 A.M. at the A-81, Bipin Chandra Pal Memorial Trust, C.R. Park, New Delhi-110019.

.....
Member's Signature

.....
Proxy's Signature

Note:

- 1. Shareholders / proxies are requested to bring the attendance slip with them.
- 2. Additional/Duplicates attendance slips will not be issued the meeting hall.

*Applicable for investors holding share in electronics form.

✂-----Tear Here-----✂



BGIL

Films & Technologies Ltd.

Regd. Office: B-13, LGF, Amar Colony, Lajpat Nagar-IV, New Delhi-110024

PROXY FORM

I/We.....of.....being a member/Members of **BGIL FILMS & TECHNOLOGIES LTD.** hereby appoint.....of..... as my / our proxy to attend and vote for me /us on my / our behalf at the TWENTY THIRD ANNUAL GENERAL MEETING on Wednesday, the 26th September 2012, at 10:00 A.M. at the A-81, Bipin Chandra Pal Memorial Trust, C.R. Park, New Delhi-110019, and at any adjournment thereof.

No. of shares held : Ledger Folio No. :

DP Id No.* : Client Id.* :

Date:

Signature:

Affix
Re. 1/-
Revenue
Stamp

Note: The Proxy, to be effective, should be deposited at the Company's registered office not later than 48 Hours before the commencement of aforesaid meeting. Proxy need not be a member of the Company.

* Applicable for investors holding shares in electronic form.