

22nd Annual Report 2010-2011



BGIL

BGIL FILMS & TECHNOLOGIES LTD.



BGIL
Films & Technologies Ltd.

ANNUAL REPORT 2010-2011

Mr. Rakesh Bhatia
Mr. Sanjay Kapoor
Mr. Ashok Kumar Juneja
Mr. Rajiv Kumar

Chairman cum Managing Director
Director
Director
Director

COMPANY SECRETARY

Ms. Renu Kamra

AUDITORS

M/s SNMG & Co.
Chartered Accountants
E-35 LGF, Basement
Lajpat Nagar-III,
New Delhi-110024

BANKERS

ICICI Bank
Indian Bank

REGISTERED OFFICE

623, Devika Tower, 6, Nehru Place,
New Delhi – 110019
Email:- bgilfilms@bgilinfo.com
Website: www.bgilfilms.com

BRANCH OFFICE

Heritage Plaza, 8th Floor, 801-804,
Above Dena Bank, Indian Oil Nagar, JP Road,
Andheri (W) Mumbai-400053.

REGISTRAR & SHARE TRANSFER AGENT

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

22nd Annual General Meeting

Day : Thursday
Date : September 29, 2011
Time : 3.30 P.M.
Venue : A-81, Bipin Chandra Pal Memorial Trust,
C.R. Park, New Delhi-110 019

CONTENTS	PAGE NO.
Notice	1
Directors' Report	4
Corporate Governance	6
Management Discussion & Analysis	15
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Schedule forming part of Balance Sheet & Profit & Loss Account	22
Notes on Account	25
Balance Sheet Abstract	27
Cash Flow Statement	30
Attendance Slip & Proxy Form	31

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting (AGM) of the members of **BGIL Films & Technologies Limited** will be held on Thursday, the 29th September 2011, at 3:30 P.M. at A-81, Bipin Chandra Pal Memorial Trust, C.R. Park, New Delhi-110019, to transact the following businesses:

ORDINARY BUSINESS

Item No. 1- Adoption of accounts

To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Director's Report on 31st March, 2011, and Auditor's Report thereon.

Item No. 2- Re-appointment of Sanjay Kapoor

To appoint Director in place of Mr. Sanjay Kapoor, who retires by rotation and, being eligible, seeks re-appointment.

Item No. 3- Appointment of Statutory Auditors

To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provision, if any, of the Companies Act, 1956, M/s SNMG & Co., Chartered Accountants(Firm Registration No. 004921N), New Delhi, be and are hereby re- appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.

SPECIAL BUSINESS

Item No. 4- Re-appointment of Rakesh Bhatia as Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as **ordinary resolution:-**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the re-appointment of Rakesh Bhatia, as Managing Director designated as Chairman-cum-Managing Director of the Company for a period 5 (five) years, with effect from 28 August, 2010 to 27 August, 2015 as per the following terms and conditions :

Remuneration:

He shall not draw any remuneration from the Company .

Perquisites and allowances :

He shall not be entitled to any Perquisites and allowances from the Company.

Other Terms:

- (i) Subject to overall superintendence, direction and control of the Board of directors, Mr. Rakesh Bhatia shall look after the working of and shall manage the day to day affairs of the Company as may from time to time be entrusted to him by the Board of Directors of the Company.
- (ii) For the discharge of duties, Mr. Rakesh Bhatia shall report and derives his authorities and functional responsibilities from the Board of Directors.
- (iii) In the event of termination of appointment by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956.
- (v) He shall be entitled to the other benefits as per policy/rules of the company, in force from time to time

(vi) Subject to limits as prescribed in Company's Policies, he shall be entitled to re-imburement of any expenses, including on entertainment and travelling, incurred in the course of business of the company, which will not be treated as an item of remuneration for the purpose of section 198 of the Companies Act, 1956.

FURTHER RESOLVED THAT any of the Director of the company either individually and/or severally be and is hereby authorized to do all acts, deeds and things as may be deemed necessary to give effect to the forgoing resolution".

Item No. 5- Regularization of Additional Director

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

"RESOLVED THAT Mr. Rajiv Kumar, who was appointed as an Additional Director of the Company by the Board on 24.08.2011 and who holds office as per Section 260 of the Companies Act, 1956 up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

"FURTHER RESOLVED THAT any of the Director of the company either individually and/or severally be and is hereby authorized to do all acts, deeds and things as may be deemed necessary to give effect to the forgoing resolution".

**By the Order of the Board
For BGIL Films & Technologies Limited**

Place : New Delhi
Date : 01st September, 2011

Sd/-
Renu Kamra
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A 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 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- All documents referred to in the notice or in the accompanying explanatory statement are open for inspection at the Registered Office of the Company between working hours on all working days upto the date of Annual General Meeting.
- The details pertaining to the appointment/ reappointment of Directors are furnished in statement of Corporate Governance in the Director's Report.
- The Register of Members and the Share Transfer books of the Company will remain closed on 28th September 2011 to 29th September 2011 (both days Inclusive) for the purpose of Annual General Meeting.
- The Members/Proxies should bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
- Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled vote.
- The communication address of our Registrar and Share Transfer Agent (RTA) is M/s. Mas Services Limited having its office at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020.



8. The members are requested to intimate changes if any, in their registered address to the Registrar & Share Transfer Agents for shares held in physical form & to their respective Depository participants for shares held in electronic form.
9. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client Id and DP ID No) for easier identification and recording of attendance at the meeting.
10. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING

**By the Order of the Board
For BGIL Films & Technologies Limited**

Place : New Delhi
Date : 01st September, 2011

Sd/-
Renu Kamra
Company Secretary

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4

Mr. Rakesh Bhatia was appointed as the Managing Director of the Company for a period of Three years, which expires on August 28, 2010. As part of the initiative to create enduring leadership for the Company, at their meeting held on Wednesday August 24, 2011 resolved to re-appoint Rakesh Bhatia as the Managing director of the Company for a period of five years, commencing from 28th August, 2010.

The appointment is subject to the approval of members. The terms and conditions of his appointment are as follows:

1. Period of Appointment- Five years beginning August 28, 2010 and ending on August 27, 2015 .
2. Details of Remuneration- He shall not drawing any remuneration from the Company.
3. Rakesh Bhatia shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and controls of the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors.

No director, except Rakesh Bhatia, is deemed to be interested or concerned in his appointment. The terms of re-appointment of Rakesh Bhatia, as stated in the notice, may be treated as the abstract of terms and conditions of re-appointment and memorandum of interest under Section 302 of the Companies Act, 1956. The Copies of relevant resolution of the Board with respect to the re-appointment is available for inspection by members at the registered office of the Company during working hours on any working day till the date of the AGM.

The Board accordingly recommends the resolution as set out in Item 4 of the Notice for approval of the members.

Item No. 5

Mr. Rajiv Kumar was appointed as an Additional Director effective from 24.08.2011. Notice pursuant to Section 257 has been received from a member proposing the candidature of Mr. Rajiv Kumar as Director of the Company, liable to retire by rotation. Hence the resolution under Item No. 5 is placed before the meeting for approval.

None of the Directors other than Mr. Rajiv Kumar himself is concerned or interested in the item of business.

**By the Order of the Board
For BGIL Films & Technologies Limited**

Place : New Delhi
Date : 01st September, 2011

Sd/-
Renu Kamra
Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report of BGIL Films & Technologies Limited together with the Audited Statement of Accounts of the Company for the Year ended on 31st March 2011.

FINANCIAL RESULTS

The financial results of the Company for the period under review are summarized below. The previous figures in the financial statements have been regrouped, wherever necessary.

PARTICULARS	Period Ended 31st March, 2011 (Rs. in Lacs)	Period Ended 31st March, 2010 (Rs. in Lacs)
Income from operations	2551.74	2653.84
Other Income	5.46	5.18
Total Income	2557.20	2659.02
Total Expenditure	2431.79	2512.20
Profit Before Interest Depreciation & Tax	125.39	146.82
Less: Interest	0.26	0.31
Less: Depreciation	69.00	62.42
Profit before tax	56.13	84.09
Less: Provision for taxation	17.06	15.81
Less: Deferred Tax	(15.32)	13.05
Profit after tax	54.39	55.22
Amount available for Appropriation	313.65	259.25
Balance carried to Balance Sheet	313.65	259.25
Paid up Equity Share Capital	640.68	640.68
Reserve & Surplus	903.37	848.97

FINANCIAL YEAR

The Accounting Year under review is for the period ended 31st March, 2011.

RESULTS OF OPERATIONS

The total revenues for the current year is Rs. 2557.20 lacs. The operating profit earned during the year is Rs. 125.39 Lacs and Profit after tax is Rs. 54.39 Lacs against Rs. 55.22 lacs as compared to last year.

The Company's operations have been discussed in the Management Analysis & Discussion Report in details.

SHARE CAPITAL

There has been no change in the Authorised and paid up Share Capital of the Company during the period.

PUBLIC DEPOSITS

The company has not accepted any deposits from the public during the period under review.

DIRECTORS

During the year, under review, tenure of Mr. Rakesh Bhatia, as a Managing Director of the Company, has expired and being eligible offer himself for re-appointment.

In terms of the Mr. Sanjay Kapoor, Director retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Rajiv Kumar, Additional Director of the Company be regularized at the ensuing Annual General Meeting of the Company, subject to the confirmation by the Shareholders of the Company.

AUDITOR & AUDITORS REPORT

The auditors, M/s SNMG & Co., Chartered Accountants (Firm Registration No. 004921N), retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

The observations and comments given by the Auditors in this 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.

DIVIDEND

Since your Company needs to converse capital at this stage keeping in view its expansion plans, the Board of Directors have decided to plough back the profits achieved in the year under review, into the operations of the Company. Therefore, no dividend is recommended for the year ended March 31st, 2011.



LISTING OF SHARES

At present the Equity Shares of the Company are listed at Bombay Stock Exchange only and further details is mentioned in corporate governance section in Annual Report.

INITIAL PUBLIC OFFERING (IPO) OF BHARATIYA GLOBAL INFOMEDIA LIMITED, A GROUP COMPANY

During the year, under review, **Bharatiya Global Infomedia Ltd**, a group company of BGIL Films & Technologies Limited, has entered in the capital market with an IPO of 6,720,000 Equity Shares of Rs 10 each. Issue gets good response from the Investors and got subscribed 2.06 times on an overall basis.

MERGER WITH KRITI COMMUNICATIONS PRIVATE LIMITED

Merger with Kirti Communication is going on and the most of the clearance has already been taken from Regulatory Authorities .

PARTICULARS OF EMPLOYEES

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

TECHNOLOGY ABSORPTION, ADAPTATION AND THE INNOVATION

Your Company an Infotainment Company with its core operation being related technologies into Media & Films does not involve in any manufacturing activity, hence the provisions of the Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of directors) Rules 1988, is not applicable.

FOREIGN EXCAHNGE EARNINGS & OUTGO

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

COMPANY SECRETARY

During the year, Ms. Sonia Singh has resigned from the post of Company Secretary and in her place Ms. Renu Kamra has appointed as the Company Secretary of the Company w.e.f. 01.04.2011.

CORPORATE GOVERNANCE

The Company is proactively following the principles & practices of good Corporate Governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges are complied with.

A separate statement on Corporate Governance is produced as a part of the Annual Report with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchange.

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

The Board of Directors hereby confirms that:

1. In the preparation of the Annual Accounts all the applicable accounting standards has been followed along with proper explanations relating to material departures.
2. Your Directors have 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 and of the profit of the company for the financial year 2010-2011.
3. Your Directors had taken proper and sufficient care for the maintenance of adequate accounting records for the year ended 31st March 2011 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.
4. Your Directors have prepared the Annual Accounts for the year 2010-2011 on the going concern basis.

ACKNOWLEDGEMENT

Yours directors wish to express their thanks for the cooperation, support and encouragement received from customers, vendors, bankers, Government and statutory authorities and last but not the least to our shareholders.

Your directors also wish to place on record their grateful appreciation to the employees of the company who contributed significantly in achieving results and hope that they would continue their sincere and dedicated endeavour towards attainment of better results in years to come.

**By the Order of the Board
For BGIL Films & Technologies Limited**

Place : New Delhi
Date : 01st September, 2011

Sd/-
Rakesh Bhatia
Chairman Cum Managing Director

REPORT ON CORPORATE GOVERNANCE

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

BGIL Films & Technologies Ltd. (BGFT) is ordained to set the highest standards of Corporate Governance right from inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. Transparency and accountability are the fundamental principal to sound Corporate Governance, which ensures that the organization is managed and monitored in a responsible manner for creating and sharing value'. The driving forces of Corporate Governance at BGFT are its core values-belief in people, Entrepreneurship, Customer Orientation & the Pursuit of excellence. The Company recognizes that the shareholders are ultimately the persons who are catalyst to the economic activities and also the ultimate beneficiaries thereof.

To be precise "The company believes that sound Corporate Governance is necessary to retain stakeholders' trust and ensures efficient working and proper conduct of the business of the company with integrity"

2. BOARD OF DIRECTORS

A) Composition of Board

As on Date of AGM, the Company's board of directors consists of Four Members. The Company has an optimum combination of executive and non-executive directors in accordance with the provisions of clause 49 of the listing agreement. The board is made up of One executive director and Three non-executive directors, of whom Three are independent as given in **Table 1**. No director is related to any other director. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring best interest of stakeholders and the Company.

B) Date of Board Meeting and Attendance

Ten Board Meetings were held during the period under review i.e. for the year ended 31st March, 2011. The Board regularly met to consider amongst other business matters, the quarterly performance of the Company, financial results & other ongoing activities. Directors attending the meeting actively participated in the deliberations at these meetings and Dates of Board Meeting mentioned below in **Table 2** and their respective attendance given in aforesaid **Table 1**.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. Agenda for the Board Meeting is sent to the Directors sufficiently in advance to allow them to examine and interact on the issues involved.

Table 1: Composition of the board of directors and other Details as on 31st March 2011

Sl. No.	Name of the Directors	Category of Director	No. of Board Meetings Attended (Total Meeting Held:10)	No of other Directorships Held (*)	Committee Memberships (Excluding BGIL Films & Technology Limited) (**)	Committee Chairman Ships (Excluding BGIL Films & Technology Limited) (**)	Attendance At Last AGM
1.	Mr. Rakesh Bhatia	Chairman & Managing Director	10	1	2	Nil	yes
2.	Mr. Sanjay Kapoor	Non-Executive Director & Independent Director	8	1	1	1	Yes
3.	Mr. Ashok Kumar Juneja	Non-Executive Director & Independent	7	Nil	Nil	Nil	Yes
4.	Mr. Rajeev Kumar	Non-Executive Director & Independent (Appointed w.e.f. 24.08.2011)	—	—	—	—	—

(*) Directorship in Companies registered under the Companies Act, 1956 excluding Directorships in Private Limited Companies, Companies under Section 25 of the Companies Act, Unlimited Companies, Foreign Companies and Alternate Directorships,

(**) Includes only Specified Committees i.e. Audit Committee , Remuneration Committee and Shareholders Grievance Committee

Table 2: Date of the board Meeting as on during the financial year 2010-11

S. No.	Date of Meeting	S. No.	Date of Meeting
1.	10.04.2010	6.	30.10.2010
2.	15.05.2010	7.	15.11.2010
3.	28.07.2010	8.	14.02.2011
4.	14.08.2010	9.	09.03.2011
5.	02.09.2010	10	28.03.2011

C) Information Required to be furnished under listing agreement

As required under the Listing Agreement, the particular of Director who is proposed to be appointed and re-appointed is given below:-

1.	Name Date of Birth Qualification Experience Directorship in other Companies	: Mr. Rakesh Bhhatia : 11th may, 1961 : M. Com, Fellow Member of The Institute Companies Secretaries Of India And Fellow Member of All India Management Association : He Has More Than 22 Years Experience In Corporate Law & Finance, Information Technology, Investment Banking And Activities Relating To Media & Entertainment. : 1) Bharatiya Global Infomedia Limited 2) Bhhatia Investment & Finance Private Limited 3) Grindlay Finman Private Limited 4) Kriti Communcation Private Limited 5) Number One Finsec Private Limited 6) Number One Finvest Limited
2.	Name Date of Birth Qualification Experience	: Mr. Sanjay Kapoor : 19 th August, 1960 : B. Com, Fellow Member of The Institute of Chartered Accountants Of India. : He Has More Than 21 Experience In Corporate Accounting & Finance, Information Technology, Investment Banking And Taxation, Directorship in other companies : 1) Bharatiya Global Infomedia limited 2) A to z barter private limited
3.	Name Date of Birth Qualification Experience	: Mr. Ashok Kumar Juneja : 14 th February, 1955 : AICWA, LLB, DBF, FCFIP, ADICA, RDBMS and ERP. : He Has More Than 34 years of experience in Merchant banking, Finance, Corporate Laws, Legal, Commercial Information Technology (IT) & Management, Directorship in other : 1) Open Mind Services Limited companies: 2) Pace- Capital Services Limited 3) Wadhwa Financial Services Private Limited 4) Grindley Finman Private Limited 5) Effective Securities Limited

4. Name	:	Mr. Rajiv Kumar
Date of Birth	:	15 th January, 1975
Qualification	:	Mcom, FCS, FCA
Experience	:	He Has More Than 7 Years Experience in The Field of Corporate Laws and Accounting & Finance.
Directorship in other companies	:	Nil

3. COMMITTEES OF THE BOARD

A) AUDIT COMMITTEE

To provide assistance to the Board of Directors of the Company the Audit Committee was constituted. It consists of three members including Chairman. The Committee was re-constituted and now headed by Mr. Sanjay Kapoor. The Audit Committee provides direction to and oversees the audit and risk management functions, reviews the financial accounts, interact with statutory auditors and reviews matters of special interest.

This Composition of audit committee as follows:

NAME	CATEGORY	DESIGNATION
Mr. Sanjay Kapoor	Non Executive	Chairman
Mr. Rakesh Bhhatia	Executive Director	Member
Mr. Ashok Kumar Juneja	Non Executive Director	Member

During the period under review, the Audit Committee met four times. **The meetings were attended by all the members of the committee.** The Company Secretary acts as the Secretary of the Committee.

B) REMUNERATION COMMITTEE

The Remuneration Committee is headed by Mr. Sanjay Kapoor as the Chairman of the Committee. The Remuneration Committee was constituted to recommend and review remuneration package of Directors and Senior Executives and to present report to the Board on remuneration package of Directors and Senior Management Officials.

The Remuneration Committee of the company as follows:

NAME	CATEGORY	DESIGNATION
Mr. Sanjay Kapoor	Non Executive	Chairman
Mr. Rakesh Bhhatia	Executive Director	Member
Mr. Ashok Kumar Juneja	Non Executive Director	Member

During the period under review, the Committee met four times. **The meetings were attended by all the members of the committee.** As on date there are no directors who are drawing remuneration from the Company.

C) SHARE TRANSFER & SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The Share Transfer & Shareholders/ Investors Grievance Committee provides assistance to the Board of Directors in ensuring that the transfer of shares takes place within the stipulated period. The Share Transfer Committee was constituted and it is now headed by Mr. Sanjay Kapoor, to look after all matters pertaining to share transfers, transmissions, issuance of duplicate shares, transpositions etc & also to provide the shareholders of the company with additional assurance that sufficient information is being provided to enable them to form a reasoned opinion on the working of the company & to ensure speedy redressal of their grievances pertaining to share related issues.

The Committee comprises of three Directors as follows :

NAME	CATEGORY	DESIGNATION
Mr. Sanjay Kapoor	Non Executive	Chairman
Mr. Rakesh Bhatia	Executive Director	Member
Mr. Ashok Kumar Juneja	Non Executive Director	Member

Company Secretary Acts as a Secretary to the committee.

During the period under review, the Committee met four times. **The meetings were attended by all the members of the committee.**

Shareholders queries/Complaints received during the period under review

*No. of valid complaint received as on 31.03.2011 : Nil

*No. of queries/ Valid complaints pending/ Unsettled as on 31.03.2011 : Nil

4. CODE OF CONDUCT

The Company has adopted a Code of Conduct for the members of the Board and Senior Management of the Company which is intended to focus the areas of ethical risk, provide guidance mechanisms to report unethical conduct and help foster a culture of honesty and accountability. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them.

5. GENERAL BODY MEETING.

Details of Annual General Meeting (AGM) for the last Three Years as follows:

Description of Meeting	Date	Venue	Time	No. of Special resolution passed
19 th AGM	28.11.2008	A-81, Bipin ChandraPal Memorial Trust, C.R. Park, New Delhi-110019	11:30 A.M.	No
20 th AGM	30.09.2009	A-81, Bipin ChandraPal Memorial Trust, C.R. Park, New Delhi-110019	03:30 P.M.	No
21 st AGM	29.09.2010	A-81, Bipin ChandraPal Memorial Trust, C.R. Park, New Delhi-110019	03:30P.M.	No

6. DISCLOSURE

- Related parties & transaction with them as required under Accounting Standard 18 (AS-18) are furnished as item No.12 of Part B of Schedule 14 relating to Significant & Accounting Policies and Notes on Accounts attached to & forming part of Balance Sheet & Profit & Loss Account for the period ended 31.03.2011
- There has been no non-compliance, penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets during the year under review
- There is no pecuniary relationship or transaction with Independent/Non executive Director.
- None of transactions with any of related parties were in conflict with the interest of the Company.

7. MEANS OF 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 is regularly published its Quarterly & half yearly financial results generally in the Newspaper i.e. PIONEER (ENGLISH) & VEER ARJUN (HINDI).

The same are regularly posted at the Company's website," <http://www.bgilfilms.com/>" under the section "Investor Relations".

Management Discussion and Analysis Report is attached to this report.



8. CEO/CFO CERTIFICATION

The Chairman has signed a certificate accepting responsibility for the financial statement and confirming the effectiveness of the internal control systems, as required in Clause 49 of the Listing Agreement with the Stock Exchanges which is given separately herewith.

9. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid down in Clause 49 of the Listing Agreement with Stock Exchange which is attached herewith.

10. GENERAL SHAREHOLDERS' INFORMATION

- a) Annual General Meeting** : **22nd Annual General Meeting**
Date : 29th September 2011
Venue : A-81, Bipin Chandra Pal Memorial Trust,
C.R. Park, New Delhi-110019
Time : 3.30 P.M.

- b) Financial Calender**
Financial Year : 1st April 2010 to 31st March 2011
Adoption of Quaterly Result
1st Quarter : In the Month of August 2010.
2nd Quarter : In the Month of November 2010.
3rd Quarter : In the Month of Feburary 2011.
4th Quarter : In the Month of May 2011.

- c) Listing on Stock Exchanges:**
The Bombay Stock Exchange, Mumbai
25th Floor, Phironze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Tel: + 91-22-22721233/34, Fax: + 91-22-2272 3719
The Listing Fees for the year 2010-11 have already been paid to BSE.

- d) Stock Code**
Bombay Stock Exchange Limited
Scrip Code : 511664
ISIN No. : INE443D01018
Scrip ID : BGIL FL TEC

e) **Capital Structure:**

The Shareholding Pattern of the Company as on 31.03.2011 is as follows:

Category	No. of shares held	Percentage of Shareholding
A. Promoter's Group		
Promoters		
– Indian Promoters	2,360,068	36.84
– Foreign Promoters	0	0.00
Sub- Total	2,360,068	36.84
B. Non-Promoter's Holding		
Institutional Investors	0	0
Mutual Funds and UTI	35,800	0.56
Banks, Financial Institutions,	0	0
Insurance Companies (Central/ State Govt.	0	0
Institutions/ Non-government Institutions)FII's		
Sub- Total	35,800	0.56
C. Others		
Private Corporate Bodies	1,320,805	20.62
Indian Public	2,278,068	35.56
NRIs / OCBs	47,496	0.74
Any other (please specify)	412,089	6.43
Sub-Total	4,010,962	62.60
GRAND TOTAL	6,406,830	100.00

f) **Date of Book Closure:**

From 28th September 2011 to 29th September 2011 (both days inclusive) for the purpose of Annual General Meeting.

Distribution of Shareholding – As on 31.03.2011

Shareholding of Nominal Value of Rs.	No. of Shareholders	% to total Shareholders	No. of Share	Amount in Rs. (Nominal Value of each share/ unit Rs. 10/-)	% to Total Share Amount
Upto 5000	6236	85.284	891,494	8,914,940	13.915
5001 To 10000	502	6.865	438,035	4,380,350	6.837
10001 To 20000	234	3.200	371,867	2,297,040	5.804
20001 To 30000	94	1.286	245,256	1,153,150	3.828
30001 To 40000	49	0.670	181,204	772,810	2.828
40001 To 50000	47	0.643	225,564	1,241,560	3.521
50001 To 100000	82	1.121	617,248	3,057,530	9.634
100001 and above	68	0.930	3,436,162	44,372,640	53.633
TOTAL	7312	100.00	64,068,300	64,068,300	100.00

(g) Market Price Data

The Company's equity shares are listed at Bombay Stock Exchange (BSE), monthly high & low prices on BSE are as under:

Month	High*	Low*	No. of shares*
Mar-11	6.27	4.00	20,99,130
Feb-11	5.88	3.97	15,32,846
Jan-11	8.55	5.57	11,53,731
Dec-10	11.19	8.01	5,19,057
Nov-10	17.60	10.66	1,05,81,415
Oct-10	14.50	10.40	15,51,028
Sep-10	14.00	11.71	2,85,911
Aug-10	15.80	12.11	8,85,082
July-10	17.75	12.50	12,50,276
June-10	15.00	12.90	6,12,436
May-10	19.90	12.90	12,03,836
April-10	19.55	14.75	4,35,268

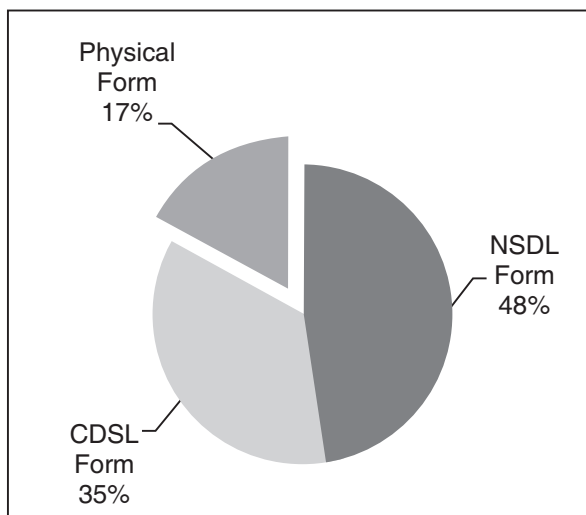
*Source: www.bseindia.com

h) Dematerialisation of Shares

Company has entered into an agreement with CDSL & NSDL whereby the shareholders have the option to dematerialize their shares with either of depositories. Equity shares of Company are actively traded at Bombay Stock Exchange, Mumbai.

Status of Issued Share Capital as on 31.03.2011 here as follows:

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form	53,14,085	83%
Physical Form	10,92,745	17.00%
Total	64,06,830	100.00%



(h) Registered office

623, 6th Floor, Devika Tower, 6, Nehru Place,
New Delhi-110019

(i) Branch Office

Herigate Plaza, 8th Floor, 801-804, Above Dena Bank,
Indian Oil Nagar, JP Road, Andheri West, Mumbai-400053

(j) Registrar and Share Transfer Agent

M/s Mas Services Ltd.
T-34, 2nd Floor, Okhla, Industrial Area, Phase –II
New Delhi-110020
Tel No. 26387281/82/83, Fax No. 26387384

(k) Address for correspondence:

Particulars	Company	REGISTRAR AND SHARE TRANSFER AGENT
Contact Person	Ms. Renu Kamra Company Secretary	Mr. Sarwan Mangla
Address	623, Devika Tower, 6, Nehru Place, New Delhi-110019	M/s. Mas Services Limited. T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Phone	+91-0120-4227792	+91-011-26387281/82/83
Fax	+91-0120-4227791	+91-011-26387384
E-mail	bgilfilms@bgilinfo.com	info@masserv.com

Declaration by Managing Director under Clause 49 of Listing Agreement regarding compliance with Code of Conduct.

In accordance with Clause 49 1D of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended 31st March, 2011.

By the Order of the Board
For **BGIL Films & Technologies Limited**

Sd/-

Place : New Delhi
Date : 01st September, 2011

Rakesh Bhatia
Chairman Cum Managing Director

CERTIFICATION

I, Rakesh Bhatia Chairman cum Managing Director Certify that:

I have reviewed financial statement and the cash flow statement for the period ended 31.03.2011 and that to the best of my knowledge and belief:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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.

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.

Further, I accept responsibility for establish and maintain internal controls for financial reporting and Accordingly, I have evaluated the effectiveness of the internal control systems of the company pertaining financial reporting and I have disclosed to the auditors and the Audit committee, wherever applicable:

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.

I have indicated to the Auditors and the Audit Committee that :

- I. There is no significant changes in the internal control over the financial reporting during the period;
- II. There is no significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
- III. I am not aware of any Instances during the year of significant fraud with involvement therein of the management or any employee having significant role in the Company's internal Control system over Financial Report.

For **BGIL Films & Technologies Limited**

Sd/-

Place : New Delhi
Date : 01st September, 2011

Rakesh Bhatia
Chairman cum Manging Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of **BGIL Films & Technologies Ltd.**

We have examined the compliance of conditions of Corporate Governance by BGIL Films & Technologies Ltd. ("The Company") for the period ended on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

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

Sd/-

(NEERAJ GUPTA)
Partner

Place : New Delhi
Dated : 01st September, 2011

MANAGEMENT DISCUSSION & ANALYSIS

The Media & Entertainment Industry – Indian Perspective

Overcoming the gloom that had set in during the economic slowdown of 2008 and 2009, the Indian Media and Entertainment Industry bounced back handsomely in 2010. The industry grew from ‘ 587 billion in 2009 to ‘ 652 billion in 2010, registering a growth rate of 11 percent compared to a mere 1.4 percent in 2009. Television sector grew from ‘ 257 billion in 2009 to ‘ 297 billion in 2010, registering a growth of 15.5%. (Source: **FICCI-KPMG Indian Media and Entertainment Industry Report 2011**)

Business Portfolio

Your Company ‘BGIL Films & Technology Limited’ has been as known Company in the entertainment and related services including hardware etc. The company has its credits to have produced three commercial feature films namely: :”With Luv Tumhaara” which has been released successfully, “Yeh Sunday Kyun Aata hai” has been sold in profit, and “The Saint Who Thought Otherwise” will be releasing very soon, besides these three films, there are also other films which are on floor, however the management is very cautious about taking new movies project and alternatively trying to evolve an internal system to distribute the selected movies in future in order to minimize the risk factor.

Further, the Company's revenues from various technology based transactions were doing well and it is further envisaged to grow during the year ahead too.

The Management of the Company fully understand the risk factor involved in the entertainment industry and on the contrary to it that the company is operating in the segments of highly growth oriented industries of Media, Entertainment & Films, therefore the efforts of the management are always towards doing the activities which are result oriented but may be time-taking, so the focus of the management is on technology based futuristic activity. During the period the company spent on latest technological advancement and devices by doing rigorous R & D the thrust area. During the year management decided not to go further in the segment of the Digital Signage because of the non-success of the activity by other companies in india. However the proposed merger with “M/s Kriti Communications Pvt Ltd” (a company under the same management), are also in progress. The company is in process of finalizing one animated Movie with 3D Effect during the year. Further the company has also planned to launch the concept of “fridaymovie.com” in order to create a new revenue Model in the industry.

Opportunities and Threats

Opportunities

Films Business

The Film Entertainment business has managed to stem recession trends and the last year has seen bigger blockbuster hits than ever. Movie revenues continue to grow and newer technologies have allowed audiences to experience movies in a more pleasurable, more experiential environment. 3D has been a big growth driver for Hollywood films and now the Indian movie Industry is also waking to this new way to get film audiences. All of this has resulted in the growth of multiplexes and digital cinema which has given most screens the ability to play movies day and date across the country. An increased ticket price has allowed revenues to grow from the theatrical business. Additional revenue streams like internet, mobile and 3G will be the growth drivers enabling the industry to get incremental revenue from the same content

Threats

Films Business

There is a paucity of saleable stars in the Industry, and this coupled with the lack of compelling new scripts have resulted in movies not performing at the box-office. Media costs required to promote the film have galloped, and with increased fragmentation of media outlets, the money required to promote films have gone up many fold. Film Piracy continues to be the big bane of the industry and with increased penetration of the internet, and

faster download speed, movie piracy continues to be the single largest revenue loss for the industry. The entry of international studios with bigger budgets has also contributed to inflated costs. The revenues from theatrical exploitation, especially in respect of low and mid-sized budget films, are severely affected due to increasing physical and internet piracy.

Internal Control Systems and its Adequacy

The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making. The Audit committee review the effectiveness of the internal control system in consultation with Senior Management/ functional directors to provide an update on their function and Chairman cum Managing Director certificate form part of Corporate Governance Report confirm the existence of effective internal Control System and procedures being followed by the company.

RISK FACTORS

a) Competition from other players:

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business.

b) Ever changing trends in Media sector:

It may not be possible to consistently predict changing audience tastes. People's tastes vary quite rapidly along with the trends and environment they live in. This makes it virtually impossible to predict whether a particular show or serial would do well or not. With the kind of investments made in ventures, repeated failures would have an adverse impact on the bottom line of the company.

Cautionary Statement

Statements in the Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are **Forward Looking statements** with in the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a differences to the company's operations include, among others, economic and political conditions affecting demand supply and price conditions I the domestic and overseas markets in which the Company operates, changes in the Government regulations, labour relations and interest costs, other statutes and incidental factors.

Industrial Relation/Human Resource Management:

Industrial Relation remained cordial and harmonious during the period under review.

Statutory compliance:

As the company is proposing new initiatives, therefore, the management is in process to comply all statutory requirement of the Listing Agreement of Stock Exchange (s), Companies Act, 1956 and other applicable Law Rules & Regulations. The company has always strived towards compliance of all statutory requirements.

Financial Management:

As the company is proposing new vision & style relating to financial aspects & managing funds. Therefore the management is making plan to control & enhance the business, financial strength of the company. The company has a financial management information system in place, which involves preparation of a detailed business plan for the current year & next year. These are reviewed and amended every year.

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, 2011 and the 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 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 so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, 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 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2011 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. 15 of Notes on accounts (Schedule No. 14)*, 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, 2011;
 - ii) In the case 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)

(NEERAJ GUPTA)
PARTNER
Membership No. 87004

Dated : 01-09-2011
Place : New Delhi

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, 2011 for a period of more than six months from the date becoming payable except the following:

Name of the Statute	Nature of Dues the amount relates	Amount in Lacs	Period to which
Service Tax Act	Service Tax	30.34	01.10.2008 to 31.03.2010
Income Tax Act	Income Tax	18.15	01.04.2008 to 31.03.2010

- (x) The company has no accumulated losses as at 31st March, 2011 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.
- (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.
- (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)

Place : New Delhi
Dated : 01.09.2011

(NEERAJ GUPTA)
Partner
M. No. 087004

**BALANCE SHEET AS AT 31st MARCH 2011**

	Schedule No.	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SOURCES OF FUNDS			
I. SHARE HOLDER'S FUNDS :			
a) Share Capital	1	64,068,300.00	64,068,300.00
b) Reserves & Surplus	2	90,336,606.11	84,897,376.43
II. SECURED LOANS			
HDFC Bank		552,523.01	1,198,011.41
III. UNSECURED LOANS			
		—	2,950,000.00
IV. DEFERRED TAX			
Deferred Tax Liability		5,584,435.00	7,116,131.00
Total Funds Employed (I+II+III+IV)		160,541,864.12	160,229,818.84
APPLICATION OF FUNDS			
I. FIXED ASSETS			
a) Gross Block	3	44,038,540.00	45,103,990.00
b) Less : Depreciation		21,590,953.42	14,793,485.82
Sub Total (a)		22,447,586.58	30,310,504.18
II. INVESTMENTS			
	4	43,319,297.00	43,319,297.00
III. CURRENT ASSETS , LOANS & ADVANCES			
b) Cash and Bank Balances	5	481,112.18	120,621.61
c) Loans & Advances	6	15,731,717.00	15,571,002.00
d) Sundry Debtors	7	207,440,679.00	118,774,929.00
e) Work in Progress		44,583,654.29	43,734,833.29
Sub Total (c)		268,237,162.47	178,201,385.90
IV. CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	8	172,064,743.35	90,489,746.24
b) Provisions	9	1,706,042.58	1,581,307.00
Sub Total (d)		173,770,785.93	92,071,053.24
V. NET CURRENT ASSETS			
Sub Total (c) - Sub Total (d)		94,466,376.54	86,130,332.66
VI. MISCELLANEOUS EXPENDITURE			
	10	308,604.00	469,685.00
Total Funds Applied (I+II+V+VI)		160,541,864.12	160,229,818.84
NOTES ON ACCOUNTS	14	0.00	—

As per Our Report of Even Date

For and on Behalf of Board of Directors

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

Sd/-

NEERAJ GUPTA

Partner

M. No. 87004

Sd/-

RAKESH BHATIA

Chairman cum Managing Director

Sd/-

SANJAY KAPOOR

Director

Sd/-

RENU KAMRA

Company Secretary

Place : New Delhi

Date : 01.09.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

Schedule No.	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
INCOME		
	195,401,355.28	77,883,808.00
Income from Information Technologies/Services		
	1,742,647.89	—
Profit on sale of Assets		
	58,030,000.00	187,500,055.54
Income from Distribution/Movies		
	546,084.00	518,106.00
Income from Investment & Finance		
	<u>255,720,087.17</u>	<u>265,901,969.54</u>
EXPENDITURE		
	237,244,044.20	239,115,648.00
Purchases		
	3,097,992.00	6,900,822.00
Personnel Expenses	11	
	2,837,577.41	5,203,480.81
Establishment Expenses	12	
	26,782.43	31,456.01
Financial Charges	13	
Depreciation		
	<u>6,900,115.00</u>	<u>6,241,929.00</u>
	<u>250,106,511.04</u>	<u>257,493,335.82</u>
PROFIT BEFORE TAX	5,613,576.13	8,408,633.72
LESS: PROVISIONS		
— FOR CURRENT TAX	1,706,042.45	1,581,307.00
— DEFERRED TAX	<u>(1,531,696.00)</u>	<u>1,304,944.00</u>
PROFIT AFTER TAX	<u>5,439,229.68</u>	<u>5,522,382.72</u>
SURPLUS AS PER PREVIOUS BALANCE SHEET	<u>25,924,946.43</u>	<u>20,402,563.71</u>
BALANCE CARRIED FORWARD	<u>31,364,176.11</u>	<u>25,924,946.43</u>
Basic & Diluted Earning per Share Rs.	0.62	1.07

NOTES ON ACCOUNTS

14

As per Our Report of Even Date

For and on Behalf of Board of Directors

FOR SNMG & CO.

Chartered Accountants
(Firm No. 004921N)

Sd/-
NEERAJ GUPTA
Partner
M. No. 87004

Sd/-
RAKESH BHATIA
Chairman cum Managing Director

Sd/-
SANJAY KAPOOR
Director

Place : New Delhi
Date : 01.09.2011

Sd/-
RENU KAMRA
Company Secretary

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL :	67,570,000.00	67,570,000.00
67,57,000 Equity Shares of Rs. 10/- each (P.Y. 67,57,000 Equity Shares of Rs. 10/- each)		
ISSUED, SUBSCRIBED & PAID UP		
6406830 Equity Shares of Rs. 10/- each (Previous Year 6406,830 Equity Shares of Rs. 10/- each)	64,068,300.00	64,068,300.00
	64,068,300.00	64,068,300.00
SCHEDULE - 2 : RESERVES & SURPLUS		
General Reserve	4,400,230.00	4,400,230.00
Surplus in Profit & Loss Account	31,364,176.11	25,924,946.43
	35,764,406.11	30,325,176.43
Share Premium Account	54,572,200.00	54,572,200.00
	90,336,606.11	84,897,376.43

SCHEDULE-3 : SCHEDULE OF FIXED ASSETS AS ON 31.03.2011

Description	Gross Block at Cost				Depreciation				Net Block	
	01.04.2010	Addition	Deduction	31.03.2011	01.04.2010	For the Year	Deduction	31.03.2011	31.03.2011	31.03.2010
Furniture & Fixtures	495,114.00	—	—	495,114.00	262,179.46	31,341.00	—	293,520.46	201,593.54	232,934.54
Office Equipments	598,471.00	—	—	598,471.00	503,752.83	42,312.00	—	546,064.83	52,406.17	94,718.17
Computer Equipments	40,629,875.00	129,550.00	—	40,759,425.00	13,644,883.85	6,612,166.00	—	20,257,049.85	20,502,375.15	26,984,991.15
Office Premises	1,195,000.00	—	1,195,000	—	95,976.40	6,671.00	102,647	—	—	1,099,023.60
Vehicles	2,185,530.00	—	—	2,185,530.00	286,693.28	207,625.00	—	494,318.28	1,691,211.72	1,898,836.72
TOTAL	45,103,990.00	129,550.00	1,195,000.00	44,038,540.00	14,793,485.82	6,900,115.00	102,647.00	21,590,953.42	22,447,586.58	30,310,504.18

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
SCHEDULE - 4 : INVESTMENTS (AT COST)		
Unquoted Equity Shares		
950300 Shares of M/s Bharatiya Global Infomedia Ltd.	42,072,993.00	42,072,993.00
24200 Shares of M/s Bhatia Investment & Fin.	246,304.00	246,304.00
40000 Shares of M/s No-1 Finsec Pvt. Ltd.	1,000,000.00	1,000,000.00
	43,319,297.00	43,319,297.00
SCHEDULE - 5 : CASH & BANK BALANCES		
Cash in Hand (As per Cash Book & as certified by the management)	475,896.00	105,943.00
Balances with Scheduled Bank		
— In Current Account	5,216.18	14,678.61
	481,112.18	120,621.61
SCHEDULE - 6 : LOANS & ADVANCES		
Unsecured Considered Good		
Advances recoverable in cash or in kind for the value to be received	15,323,831.00	14,322,813.00
Share Application Money	—	509,000.00
Film Rights	—	600,000.00
Security Deposits	132,678.00	37,678.00
Tax Deducted at Source (A.Y. 2010-11)	275,208.00	101,511.00
	15,731,717.00	15,571,002.00
SCHEDULE - 7 : SUNDRY DEBTORS (Unsecured Considered Good)		
more than Six Months	131,161,021.00	21,705,736.00
Others	76,279,658.00	97,069,193.00
	207,440,679.00	118,774,929.00
SCHEDULE - 8 : CURRENT LIABILITIES		
Sundry Creditors	164,465,887.95	83,639,222.70
TDS Payable	112,949.00	78,458.00
Service Tax Payable	3,014,351.75	3,033,976.74
Expenses Payable	213,563.85	969,590.00
Corporation bank	945,500.00	1,320,000.00
Audit Fees Payable	186,942.00	136,792.00
Other Current Liabilities	3,125,548.80	1,311,706.80
	172,064,743.35	90,489,746.24

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
<u>SCHEDULE - 9 : PROVISIONS</u>		
Provision for Taxation	1,706,042.58	1,581,307.00
	<u>1,706,042.58</u>	<u>1,581,307.00</u>
<u>SCHEDULE - 10 : MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Preliminary Expenses & Public Issue Expenses	469,685.00	630,766.00
Less: Written off during the year	161,081.00	161,081.00
	<u>308,604.00</u>	<u>469,685.00</u>
<u>SCHEDULE - 11 : PERSONNEL EXPENSES</u>		
Salaries & Other Benefits	2,811,219.00	5,651,597.00
Staff Welfare	286,773.00	1,249,225.00
	<u>3,097,992.00</u>	<u>6,900,822.00</u>
<u>SCHEDULE - 12 : ESTABLISHMENT EXPENSES</u>		
Advertisement Communications & Publicity	276,183.00	840,516.50
AGM /EGM Expenses	91,219.00	60,500.00
Annual Maint. Charges	42,000.00	30,000.00
Auditors' Remuneration	50,000.00	19,854.00
Books & Periodicals	12,800.00	45,200.00
Car Insurance	19,229.00	27,470.00
Commission Charges	17,715.00	—
Conveyance	317,620.00	1,066,208.00
Electricity & Gen. Charges	32,465.00	68,200.00
Fees, Rates and Taxes	218,588.00	38,788.00
Film Right Expenses	600,000.00	600,000.00
Hire Charges/Vehicle Maintenance	107,875.00	181,720.83
Legal & Professional Fees	32,472.00	200,000.00
Listing Fees	65,000.00	128,470.00
Misc. Exp.	5,500.00	65,557.98
Office Expenses	111,554.00	586,172.00
Postage & Telegram	46,946.41	513,296.00
Preliminary & issue Expenses written off	161,081.00	161,081.00
Printing & Stationary	16,000.00	10,621.50
Rent	537,000.00	447,000.00
Repairs & Maintenance	27,700.00	105,325.00
ROC Fees	5,500.00	7,500.00
Travelling Expenses	43,130.00	—
	<u>2,837,577.41</u>	<u>5,203,480.81</u>
<u>SCHEDULE - 13 : FINANCIAL CHARGES</u>		
Financial Charges	26,782.43	31,456.01
	<u>26,782.43</u>	<u>31,456.01</u>

SCHEDULE - 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. 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.

Notes To Accounts

1. Estimated amount of contract remaining to be executed on capital account and not provided for Rs Nil (Previous Year Rs Nil)
2. 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)

3. 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

Particulars		Purchase	Sale
	Unit	Qty.	Qty.
Computer Hardware & Components	No.'s	2220	2220
Previous Yr.	No.'s	1460	1460
Theritical Film Rights	No.'s	4	4
Previous Yr.	No.'s	12	12

b. Opening and Closing Stock

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

4. 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.
5. 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.
6. 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. 24,00,000/- per annum (including Directors) - Nil.
- (b) Employed for part of period at remuneration which in aggregate was not less than Rs. 2,00,000/- per month (including Directors) - NIL
7. CIF Value of Imports NIL (P.Y. NIL)
8. Earning & Expenditure in foreign exchange
- a) Earnings NIL (P.Y. NIL)
- b) Expenditure NIL (P.Y. NIL)

9. Balance Sheet Abstract and Companies' General Business Profit as required under Part IV of Schedule VI to the Companies Act, 1956.

I. Registration Details

Registration No.	:	35572
State Code	:	55
Balance Sheet Date	:	31.03.2011

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue	:	NIL
Rights Issue	:	NIL
Private Placement	:	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in '000 Rs.)

Total Assets	:	334313
Total Liabilities	:	334313

Sources of Funds

Paid-up Capital	:	64068
Reserves and Surplus	:	90337
Secured Loans	:	553
Unsecured Loans	:	NIL
Deferred Tax Liability	:	5584

Application of Funds

Net Fixed Assets	:	22448
Investments	:	43319
Net Current Assets	:	94466
Misc. Expenditure	:	309

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	:	255720
Total Expenditure	:	250106
Profit/Loss Before Tax	:	5613
Profit/Loss after Tax	:	3908
Earning per share in Rs.	:	0.62
Dividend Rate %	:	NIL

V. Generic Names of three principal products/services of the Company (As per monetary terms)

Item Code No.	:	Not Applicable
Product Description	:	Distribution of Films
Item Code No.	:	Not Applicable
Product Description	:	Computer Hardware/Software
Item Code No.	:	Not Applicable
Product Description	:	Investments & Finance

10. Segment Reporting

From 01.04.2010 to 31.03.2011

Particulars	Information Technologies/ Services	Film Production & Distribution	Investment & Finance	Total
1. Segment Revenue				
Sales/ Net Income	197144003	58030000	546084	255720087
Less: Inter-segment Revenue	1742648	—	—	1742648
Net Sales/Income	195401355	58030000	546084	253977439
2. Segment Results				
Profit/(loss) before tax and Interest from each segment	10892184	1206273	436868	12535325
Less: Interest	26782	—	—	26782
Un-allocable expenditure	6900115	—	—	6900115
Total Profit/(Loss) before Tax	3965287	1206273	436868	5608428
Less: Provision for Current Tax	—	—	—	1704451
Total Profit/(Loss) after Tax	—	—	—	3903977
Less: Deferred Tax Assets	—	—	—	(1531696)
Less: Prior Period Items	—	—	—	NIL
Net Profit/(Loss)	—	—	—	5435673

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.

11. Earnings per share (EPS) -	2010-2011	2009-2010
Profit / (Loss) attributable to the Shareholders	3903977	6827326
Basic / Weighted Average number of Equity Shares Outstanding during the year	6406830	6406830
Nominal value of Equity Share	10.00	10.00
Basic / Weighted Earning per Share	0.62	1.07

12. 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 Director
Sh. J. K. Bhatia	—	Brother of Director

- (ii) Related Parties where control exists:
 Bharatiya Global Infomedia Limited
 Kriti Communications (P) Ltd
 Bhhatia Investment & Finance (P) Ltd.
 Number One Finsec (P) Ltd.
 Grindlay Finman (P) Ltd.
 Rakesh Bhhatia HUF

b) Details of Transaction:-	As on 31.03.2011	As on 31.03.2010
(i) Companies where control exists		
Transactions:		
*Sale of Hardware	NIL	NIL
*Purchase of Hardware	NIL	40785840
Outstanding as at Balance Sheet Date		
*Payables	35726659	52916009
Receivable	52947713	13377713
(ii) Key Management Personnel & their relatives		
Transactions:		
Salary Paid	620778	NIL
Outstanding as at Balance Sheet Date		
Amount Payable	685878	805600
Amount Receivable	295245	295245

13. Deferred Tax Liabilities for the year ended 31.03.2011 comprises of :

Particulars	As on 01.04.2010	During the year	As on 31.03.2011
On account of Difference of Book Depreciation & Tax Depreciation	7116131	1531696	5584435
Total	7116131	1531696	5584435

14. 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.
15. No Provision has been made for Gratuity, leave encashment or other retirement benefits, which are accounted for on payment basis only.
16. The Service Tax which was payable as on 31.03.2010 along with interest has since been paid on 01.09.2011.
17. Above mentioned Significant Accounting policies and notes on Accounts form an integral part of the Balance Sheet as at 31st March, 2011 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 and on Behalf of Board of Directors

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

Sd/-
NEERAJ GUPTA
 Partner
 M. No. 87004

Sd/-
RAKESH BHATIA
 Chairman

Sd/-
SANJAY KAPOOR
 Director

Place : New Delhi
Date : 01.09.2011

Sd/-
RENU KAMRA
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2011

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	5,613,576	8,408,634
ADD: Adjustments for		
– Depreciation	6,900,115	6,241,929
– Depreciation	6,900,115	6,241,929
	12,513,691	14,650,563
LESS: Adjustments for		
– Interest Received	546,084	518,106
– Profit on sale of Assets	1,742,648	—
Cash from Operations	10,224,959	14,132,457
Adjustments for:		
– (Increase) / Decrease in Inventories	—	—
– (Increase) / Decrease in Loans & Advances	(160,715)	3,425,258
– Increase / (Decrease) in Sundry Receivables	(88,665,750)	(35,535,965)
– (Increase) / Decrease in Other Current Assets	(848,821)	(49,422)
– Increase / (Decrease) in Sundry Payables	81,574,997	26,159,314
	(8,100,289)	(6,000,815)
Net Cash generated from Operations after Working Capital Changes	2,124,670	8,131,642
Add: Extra ordinary Items	161,081	161,081
Less: Previous year adjustments	—	—
Less: Provision for tax/ tax paid	1,581,307	3,793,203
Net Cash Flow from Operating Activities	704,444	4,499,520
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(129,550)	(7,920,000)
Sale of Fixed Assets	—	2,835,000
Net Cash used in Investing Activities	2,705,450	(7,920,000)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from new Borrowings	—	2,950,000
Repayment of Borrowings	(3,595,488)	(398,609)
Interest Paid	—	—
Interest Received	546,084	518,106
Net Cash used in Financing Activities	(3,049,404)	3,069,497
Net Cash Flow during the year (A+B+C)	360,490	(350,983)
Cash & Cash Equivalents (Opening)	120,622	471,605
Cash & Cash Equivalents (Closing)	481,112	120,622

For and on Behalf of Board of Directors

Place : New Delhi	Sd/- RAKESH BHATIA	Sd/- SANJAY KAPOOR	Sd/- RENU KAMRA
Date : 01.09.2011	Chairman cum Managing Director	Director	Company Secretary

AUDITORS REPORT

We have verified the above cash flow of BGIL FILMS & TECHNOLOGIES LIMITED for the year ended 31st March 2011, derived from the audited financial statements and the books and records maintained by the company for the year ended 31st March, 2011 and found the same in agreement herewith.

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

Place : New Delhi
Dated : 01.09.2011

(NEERAJ GUPTA)
Partner
M. No. 087004



BGIL Films & Technologies Ltd.

Regd. Office: 623, Devika Tower, 6, Nehru Place, New Delhi-110 019

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 SECOND ANNUAL GENERAL MEETING on Thursday, the 29th September 2011, at 3:30 P.M. at the A-81, Bipin Chandra Pal Memorial Trust, C.R. Park, New Delhi-110019.

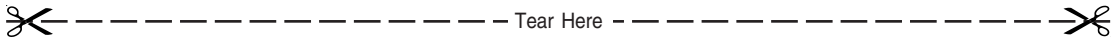
.....
Member's Signature

.....
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.



BGIL Films & Technologies Ltd.

Regd. Office: 623, Devika Tower, 6, Nehru Place, New Delhi-110 019

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 SECOND ANNUAL GENERAL MEETING on Thursday, the 29th September 2011, at 3:30 P.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:

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.



BOOK POST
UNDER CERTIFICATE OF POSTING

If Undelivered, please return to:



Regd. Office: 623, Devika Tower,
6, Nehru Place, New Delhi-110 019