22nd Annual Report
2010-2011

BGIL

BGIL FILMS & TECHNOLOGIES LTD.

BGIL
Films & Technologies Ltd.

ANNUAL REPORT 2010-2011

Mr. Rakesh Bhhatia	*Chairman cum 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
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

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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 Bhhatia 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 Bhhatia, 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 Bhhatia 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 Bhhatia 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-imbursement 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

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi
Date : 01st September, 2011

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.**
2. 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.
3. The details pertaining to the appointment/ reappointment of Directors are furnished in statement of Corporate Governance in the Director's Report.
4. 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.
5. 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.
6. 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.
7. 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

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi
Date : 01st September, 2011

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

Item No. 4

Mr. Rakesh Bhhatia 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 Bhhatia 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 Bhhatia 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 Bhhatia, is deemed to be interested or concerned in his appointment. The terms of re-appointment of Rakesh Bhhatia, 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

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi
Date : 01st September, 2011

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 Bhhatia, 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 Bhhatia
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 in 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 of Director	No. of Board Meetings Attended (Total Meeting Held:10)	No of other Directorships Held (*)	Committee Memberships (Excluding BGIL Firlms & Technology Limited) (**)	Committee Chairman Ships (Excluding BGIL Films & Technology Limited) (**)	Attendance At Last AGM
1.	Mr. Rakesh Bhhatia	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	:	Mr. Rakesh Bhhatia
	Date of Birth	:	11th may, 1961
	Qualification	:	M. Com, Fellow Member of The Institute Companies Secretaries Of India And Fellow Member of All India Management Association
	Experience	:	He Has More Than 22 Years Experience In Corporate Law & Finance, Information Technology, Investment Banking And Activities Relating To Media & Entertainment.
	Directorship in other Companies	:	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	:	Mr. Sanjay Kapoor
	Date of Birth	:	19th August, 1960
	Qualification	:	B. Com, Fellow Member of The Institute of Chartered Accountants Of India.
	Experience	:	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	:	Mr. Ashok Kumar Juneja
	Date of Birth	:	14th February, 1955
	Qualification	:	AICWA, LLB, DBF, FCFIP, ADICA, RDBMS and ERP.
	Experience	:	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 Limitedcompanies: 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	:	15th 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 GRIVANCES 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.