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23rd Annual Report 2011-2012



BGIL FILMS & TECHNOLOGIES LTD.

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Films & Technologies Ltd.

Corporate Information

BOARD OF DIRECTORS

Mr. Rakesh Bhatia
Chairman & Managing Director

Mr. Sanjay Kapoor
Director

Mr. Ashok Kumar Juneja
Director

Mr. Rajiv Kumar
Director

COMPANY SECRETARY
Ms. Renu Kamra

AUDITORS
M/s SNMG & Co.
Chartered Accountants

BANKERS
Axis Bank limited
ICICI Bank

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

REGISTERED OFFICE

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

BRANCH OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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



NOTICE

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

Ordinary Business

1. To receive, consider and adopt the audited Balance sheet as at March 31, 2012, Profit and Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Ashok Kumar Juneja who retires by rotation and being eligible offers himself for reappointment.

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

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

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

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

Special Business:

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

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

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

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

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

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

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

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi
Date : 29.08.2012

Notes:

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



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

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

Item No. 4

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

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

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

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

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

Item No.5

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

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

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

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

Item No. 6

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

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

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

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

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

Sd/-
Renu Kamra
Company Secretary

Place : New Delhi
Dated : 29.08.2012



DIRECTORS' REPORT

Dear Shareowners,

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

Financial Results

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

(Rs. In lacs)

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

Financial Performance

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

Dividend

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

AMALGAMATION WITH GROUP COMPANY

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

CHANGE IN CAPITAL STRUCTURE

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

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

Public Deposits

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

Listing of New Equity Shares

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

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

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

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

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

Information on Status of Company's Affairs

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

Directors'

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

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

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

Auditors and Auditors' Report

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



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

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

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

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

Particular of Employees

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

CORPORATE GOVERNANCE

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

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

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

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

The Board of Directors hereby confirms that: