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BHARATIYA GLOBAL INFOMEDIA LIMITED

(An ISO:9001-2008 Company)

Futuristic Innovative Technology, benefitting People - That is our Business

BGiL
Converging Intelligence

**TARGETING
GROWTH**

**ANNUAL REPORT
2011-12**

TECHNOLOGY SOLUTIONS

INNOVATION

CUSTOMER FOCUS

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

“कर्मण्ये वाधिकारस्ते म फलेषु कदाचना।
कर्मफलेहतुर भुरमा ते संगोस्त्वकर्माणी॥”

Corporate Information

BOARD OF DIRECTORS

Mr. Rakesh Bhatia
Chairman & Managing Director

Ms. Arti Bhatia
Director

Mr. Sanjay Kapoor
Director

Mr. Sanjeev Kumar Mittal
Director

Mr. Harjit Singh Anand
Director

Ms. Jaya Misra
Director

Mr. Anil Kumar Kapoor
Director

Mr. Kamal Kishor Singh
Director

COMPANY SECRETARY
Mr. Kumar Pushkar

AUDITORS
M/s SNMG & Co.
Chartered Accountants

BANKERS
Yes Bank
Axis Bank
Royal Bank of Scotland (RBS Bank)

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

REGISTERED OFFICE

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

REGIONAL OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

M/s Karvy Computershare (P) Ltd.
Plot No. 17-24, Vithalrao Nagar
Madhapur, Hyderabad - 500086
Andhara Pradesh

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Notice

NOTICE IS HEREBY GIVEN THAT THE EIGHTEEN ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF BHARATIYA GLOBAL INFOMEDIA LIMITED WILL BE HELD ON WEDNESDAY, THE 26TH SEPTEMBER 2012, AT 11:30 A.M. AT THE A-81, BIPIN CHANDRA PAL MEMORIAL TRUST, C.R. PARK, NEW DELHI - 110019, TO TRANSACT THE FOLLOWING BUSINESS(ES) AS :

ORDINARY BUSINESS:

- (1) To receive, consider, approve and adopt the **Audited Balance Sheet** of the Company for the year ended 31st March 2012 and the **Profit & Loss Account** as at that date together with the **Director's Report** on 31st March, 2012, and **Auditor's report** thereon.
- (2) To re- appoint Ms. Arti Bhatia, director of the company who retires by rotation and being eligible, offer herself for re-appointment.
- (3) To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT Mr. Anil Kapoor a Director of the company 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 statutory auditors to hold office from the conclusion of this Annual general meeting until the conclusion of the next annual general meeting and to authorize the board of directors or a committee thereof, to fix their remuneration. The retiring auditors, **M/s SNMG & Co., Chartered Accountants (Firm registration number 004921N)** are eligible for re-appointment and have confirmed their willingness to accept office, if re-appointed.

"RESOLVED THAT M/s SNMG & Co., Chartered Accountants (Firm registration number 004921N), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual general meeting to the conclusion of next annual general meeting, on such remuneration and method of payment as may be determined by the board directors or a committee thereof."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Kamal Kishor Singh, who was appointed as an Additional Director of the Company by the Board on 29.08.2012 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 or Company secretary 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".

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

"RESOLVED THAT pursuant to provision of **Section 314(1) and Section 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 Mr. Gaurav Bhatia, relative of Mr. Rakesh Bhatia- Chairman cum Managing Director of the Company, who was appointed to hold office or place of profit as an Management Trainee from April 01, 2009, thereafter he was promoted as a Accountant- Project or with such other designation as may be decided by the Board from time to time with retrospective effect at a remuneration of Rs. 45,000 p.m. from April 1, 2012 inclusive facilities applicable to other employees as per the Rules of the Company and further the consent of the Company be and is hereby accorded to the Board of Directors to increase the salary of Mr. Gaurav 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 act, deeds and things and to execute all such documents, instruments and writings as may be required and to delegate all or any of herein conferred to any Committee of Directors to give effect to the aforesaid resolution"

**By Order of the Board of Directors
For Bharatiya Global Infomedia Limited**

Sd/-

**Kumar Pushkar
Company Secretary**

**Place: New Delhi
Date : 29/08/2012**

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. **Corporate members** intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
3. In terms of Article 131 of the Articles of Association of the Company, read with section 256 of the Companies Act, 1956, Ms. Arti Bhatia, Director, retire by rotation at the ensuing Meeting and being eligible for re-appointment and Mr. Anil Kapoor, Director, retire by rotation at the ensuing Meeting.
4. Brief resume of Directors those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, relationships between directors inter-

- se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to Special Business under item nos. 5 and 6 set out above is annexed herewith.
 6. The Register of Members and the Share Transfer books of the Company will remain closed on 25th September 2012 to 26th September 2012 (both days Inclusive) for the purpose of Annual General Meeting.
 7. 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.
 8. 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 to vote.
 9. The communication address of our Registrar and Share Transfer Agent (RTA) is **M/s KARVY COMPUTERSHARE (P) LTD. Plot. No. 17-24, Vithalrao Nagar Madhapur, Hyderabad 500086, Andhra Pradesh.**
 10. Members are requested to address all their correspondences including those for remat/ demat, nomination requests, share transfers, change of address/ mandates for physical holdings, etc., to the **RTA – KARVY COMPUTERSHARE (P) LTD.** or to the Company at the addresses as detailed under the corporate governance section.

ANNEXURE TO THE NOTICE

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

The following Explanatory Statement sets out material facts relating to the Special Business mentioned in the accompanying Notice of the Annual General Meeting of the company

ITEM NO. 5 OF THE NOTICE

Mr. Kamal Kishor Singh were appointed as Additional Director of the Company by the Board of Directors in their meeting pursuant of **section 260 of the Companies Act, 1956** read with the Articles of Association of the Company, the term of office of the said Additional Director expires at the ensuing Annual General Meeting of the Company, but are eligible for appointment.

The Company is in receipt of the notices in writing pursuant to **Section 257 of the Companies Act, 1956** proposing the candidatures of Mr. Kamal Kishor Singh for the office of Director of the Company.

The Board considers it desirable that the Company should continue to avail itself of the services of these person as Director and accordingly recommend the Resolutions at Item No.5 for approval by members.

None of Directors is concerned and interested in this resolution.

ITEM NO. 6 OF THE NOTICE

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. Gaurav Bhatia - relative of Mr. Rakesh Bhhatia, Chairman & Managing Director of the Company, who was appointed as an Management Trainee from April 01, 2009 after his satisfactory performance he promoted as a Accountant-Project at a remuneration retrospective effect at a remuneration of Rs. 45,000 p.m. from April 1, 2012 excluding of all the usual allowances, benefit and facilities applicable to other employees 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.

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. Gaurav Bhatia, is a relative of Mr. Rakesh Bhhatia, Chirman cum Managing Director of the Company. This Resolution is placed for your approval under **Sections 314 and 314(1B) of the companies Act, 1956.**

None of Directors except Mr. Rakesh Bhhatia and Mrs. Arti Bhatia being relative of Mr. Gaurav Bhatia are concerned and interested in this resolution.

**By Order of the Board of Directors
For Bharatiya Global Infomedia Limited**

Sd/-

**Kumar Pushkar
Company Secretary**

**Place: New Delhi
Date : 29/08/2012**

Directors' Report

Dear Shareholders,

The Board of Directors hereby presents the **Eighteen Annual Report** together with the **audited standalone & Consolidated financial Statements** for the financial year ended on **31st March, 2012**.

FINANCIAL RESULTS

(Figures in INR)

PARTICULARS	FOR THE YEAR ENDED 31 st March, 2012	FOR THE YEAR ENDED 31 st March, 2012	FOR THE YEAR ENDED 31 st March, 2011	FOR THE YEAR ENDED 31 st March, 2011
	Standalone	Consolidated	Standalone	Consolidated
Income from operations	644,470,271	644,470,271	709,632,009	709,632,009
Other Income	5,535,338	5,535,338	431,558	431,558
Total Income	650,005,609	650,005,609	710,063,567	710,063,567
Total Expenditure	632,850,090	634,215,209	641,592,241	641,592,241
Profit before Tax	17,155,519	15,790,400	68,471,326	68,471,326
Less: Provision for taxation	3,116,946	3,116,946	13,728,530	13,728,530
Less: Deferred tax	1,085,002	663,180	8,461,120	8,461,120
Profit after tax	12,953,571	12,010,274	46,281,676	46,281,676
Profit after tax and extra ordinary items	11,680,553	—	47,752,051	—
Add: Balance at the begining of the period	122,207,575	122,207,575	88,034,143	88,034,143
Surplus available	133,888,129	132,944,832	135,786,194	135,786,194
Amount Transfer to General Reserve	—	—	13,578,619	13,578,619
Surplus carried to Balance Sheet	133,888,129	132,944,832	122,207,575	122,207,575

The Board of Directors hereby state that during the year ended on 31st March 2012, Total consolidated revenue for the fiscal year 2011-12 was Rs. 63,42,15,209 and Earnings before tax are Rs. 15,790,400,.

OPERATIONS

Incorporated in 1994, Bharatiya Global Infomedia Ltd (BGIL) high-end product based company, is in the business of Information Technology and also having a Digital Post Production Studio. BGIL focusing on the sectors such as Information Technology security and compliance automation software solutions and technology related to media & entertainment industry with focus on research & development.

BGIL provides visibility across the IT infrastructure, intelligently identifies security threats and compliance breaches, and automates Security and compliance processes to reduce risk.

The company have total of 32 RFID & Smart Card solutions, out of which 08 products are already IPRd from Government of India, 06 are likely to receive IPR registration very soon and 04 more products have been filed for IPR registration during the current year. With this, total 18 products shall be registered with IPR within this financial year.

The IT division of the Company has developed products in house in its R&D centre in Noida using Radio Frequency Identification (RFID) and Smart Card technologies. RFID and Smart Card are the key technologies of BGIL and used for identification and tracking of the identity, location and conditions of assets, tools, inventory, people using radio waves.

BGIL's IT division have been rapidly expanding its presence across industry verticals, viz. Telecom, e-Governance, BFSI, Power, Media & Entertainment, Retail, Healthcare, Infrastructure, Railways, Mining, Education, Homeland security, Cooperative banks and Defense.

Our **Media & Entertainment Division** has a Digital Post Production Studio, known as *BGIL Studio* at Andheri (West), Mumbai. It is an integrated end to end Film's Post Production and Visual Effects Services House. It offers services ranging from visual effects, digital film lab (digital intermediate, high-resolution film scanning and film recording) and editing and motion control to High Definition production.

The income from **IT Division** is **Rs. 61,08,00,308 in FY 2011-12**. During the current year, we strengthened several new products — toll management system, canteen management system, asset tracking system, employee tracking system, parking management system, parking guidance system, smart campus system, visitor management system, intelligence mast controller system, file tracking system and laptop tracking system. During the same period, we also added a number of global system integrators as our customers who contributed to the income from operations. The **income from Media & Entertainment Division in FY 2011-12 is Rs.33,669,963.**

YEAR IN RETROSPECT:

Bharatiya Global Infomedia Limited (BGIL) had raised Rs. 55.10 crores through an Initial Public Offer (IPO) in June-July 2011 by issuing 67,20,000 equity shares of Rs. 82 on book building basis.

The Public issue was over subscribed by 2.06 times on an overall basis. During the year under review the Company got successfully listed on both the Stock Exchanges i.e. National Stock Exchange of India (NSE) and Bombay Stock Exchange Limited (BSE).

The Company is under process of investigation as per Securities Exchange Board of India (SEBI) ad intrin exparte order WTM/PS/IVD/47/12/2011 dated 28th December, 2011.

Detailed submissions have been made by the company and have also appeared in personal hearing in front of Ld. Whole Time Member.

The proceed from the Initial Public Offer (IPO) of equity shares have been utilized as follows after taking note of the deviation in utilization of IPO proceeds which were approved by the Shareholders of the company in the Extra Ordinary General Meeting through Postal Ballot for vary and/or revise the terms and conditions of the documents/contracts and also the utilization of the IPO in the Prospectus.

The details of the objective for IPO and its fund deployment status is as below:

S. N.	Particulars	As per the Prospectus dated 16 th July 2011	As per the Revision in Postal Ballot Meeting dated	Actual Utilization till 31 st March' 2012	Balance Amount to be Utilized
1	Setting up our Offices	989.60	989.60	715.15	274.45
2	Repayment of RBS Loan	269.72	293.12	293.12	0.00
3	IPO Expenses	277.36	312.95	312.85	0.00
4	Upgradation of Machinery & Assets	2204.67	1532.50	1382.50	150.00
5	General Corporate	650.00	711.39	711.39	0.00
6	Expansion of R & D	656.73	472.75	432.19	40.56
7	Meeting Long Term Working Capital Requirement	505.00	1240.87	540.87	700.00
8.	Cash & Escrow Bank Account & Investment ICD			1165.01	
	TOTAL	5553.08	5553.08	5553.08	1165.01

Initially the funds have been temporarily deployed as an interim measure to earn interest pending deployment towards object of the issue; out of the total ICD's the company has already recalled Rs. 44,482,838 which has been utilized by the Company further, as disclosed to the concerned Stock exchanges(s) vide our letter dated March 20, 2012 as regards to the fund transferred in Escrow account as per direction of SEBI order dated December 28,2011

SUBSIDIARY COMPANY

During the period the company has acquired a 536 sq. mtr fully built Industrial Property at B-66, Sector-60, Noida by way of taking over the owner company namely Merit Export Pvt. Ltd. Otherwise there is no business activity in the acquired company.

CHANGE OF SITUATION OF REGISTERED OFFICE AND CORPORATE OFFICE

The registered office of the Company has been shifted from, 623, Devika Tower, 6th Floor, Nehru Place, New Delhi- 110019 to B – 13, LGF, Amar Colony, Lajpat Nagar - IV New Delhi- 110024 w.e.f. July 31, 2012.

The company has also moved their Corporate Office from B – 60, Sector - 57, Noida – 201301 to their own office building at B – 66, Sector – 60, Noida – 201301.

The company has also shifted their Mumbai Regional Office along with the BGIL Studio from 801-804 Heritage Plaza, Opp. Indian Oil Nagar, J.P. Road, Andheri (W) Mumbai-40053 Mumbai to their own purchased property located at B-504, Mourya House, Off. New Link Road, Behind Crystal Plaza, Oshiwara Andheri (W) Mumbai-400053

RESIGNATION OF MR. APRAN TALWAR, CEO OF THE COMPANY.

During the year Mr. Arpan Talwar, CEO of the company resigned from his post and Board accepted the same resignation and thanks for rendering valuable services imparted during his tenure.

AWARDS & ACCOLADES

During the year company has received the following recognitions:

1. **DELOITTE Technology Fast 50 India 2011** for fastest growing and dynamic technology companies in India.

2. Deloitte Fast 500 Asia Pacific Award.
3. Your company has qualified as finalist in Economic Times "Leader of Tomorrow Award'2012".
4. ISO 9001:2008 certification has been renewed for the second successive year.
5. Your company has renewed their membership to APSA and Other Industrial Associations.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public during the period under reference.

RE – APPOINTMENT OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Article 131 Articles of Association of the Company, Ms. Arti Bhatia Directors retire by rotation and, being eligible, offer herself for re-appointment at the 18th Annual General Meeting. The Board of Directors recommends the re-appointment of Ms. Arti Bhatia the resolution for her re-appointment as director of the Company is included in the notice of the Annual General Meeting. None of the Directors of the Company is disqualified under section 274(1)(g) of the Companies Act, 1956.

Mr. Anil Kapoor, a Director liable to retire by rotation.

APPOINTMENT OF NEW DIRECTOR

Mr. Kamal Kishor Singh as Additional Director w.e.f. 29th August, 2012 and eligible to regularize in the ensuing Annual Genral Meeting of the Company.

AUDITORS REPORT

The observation made by the Auditors in their report is self explanatory and does not require any clarification.

AUDITORS

M/s SNMG & Co., Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as the Auditors of the Company. The Company received confirmation that their appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meeting of Section 226 (3) of the Companies Act, 1956, for such re-appointment.

PARTICULARS OF EMPLOYEES

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

CORPORATE GOVERNANCE

The amendments to the Companies Act, 1956 and the listing agreements executed with the Stock Exchanges require compliance with specified Corporate Governance practices. The detailed Report on Corporate Governance approved by the Directors pursuant to clause 49 of the listing agreement with stock exchanges, your company has obtained certificate from the Practicing Company Secretary of the company, for the compliance of the Corporate Governance, which is annexed and forms part of this annual report.