



11/12 ANNUAL
REPORT

Ybrant Digital Limited



level_next^{digitally}



Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

World of Ybrant

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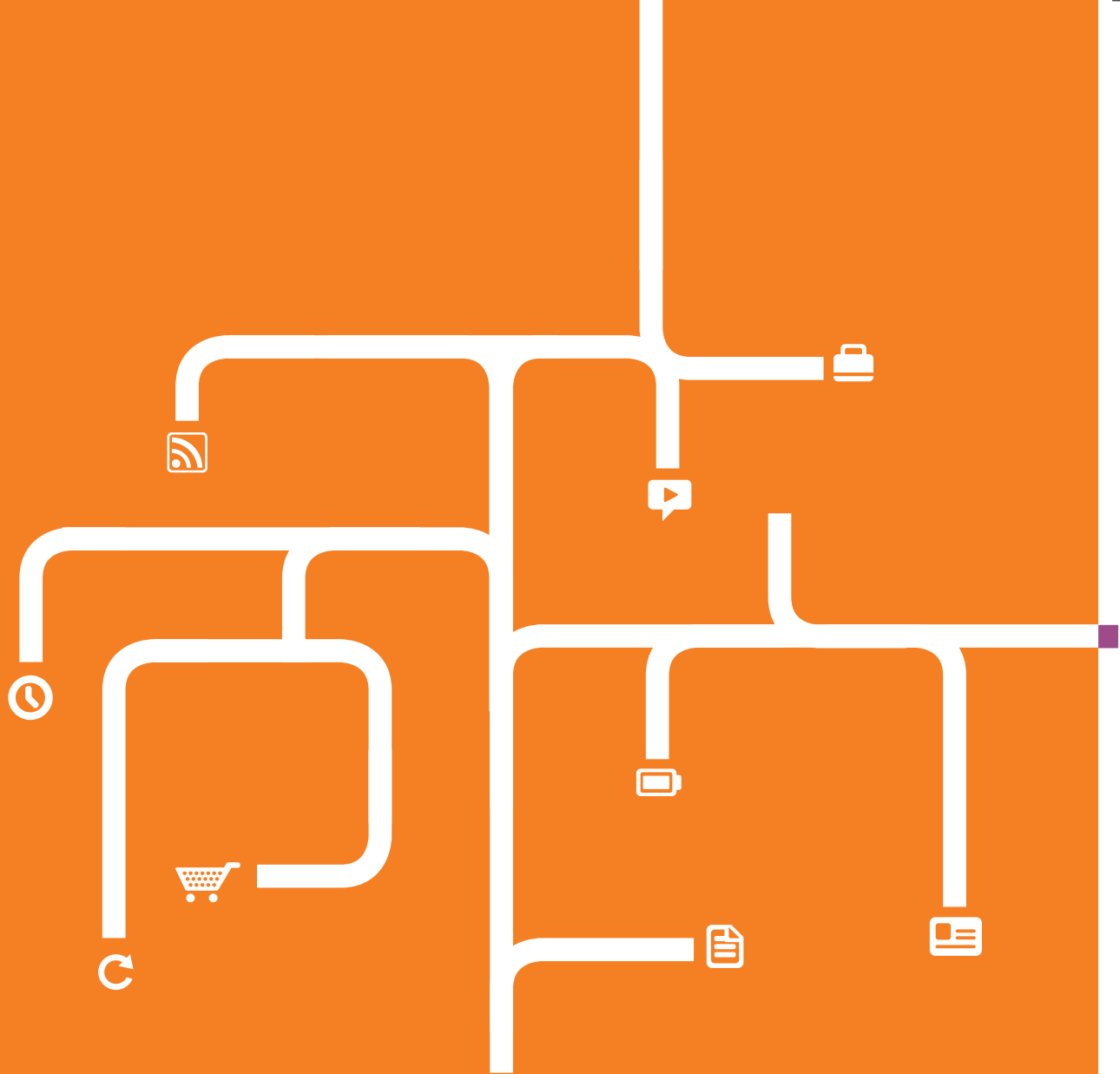
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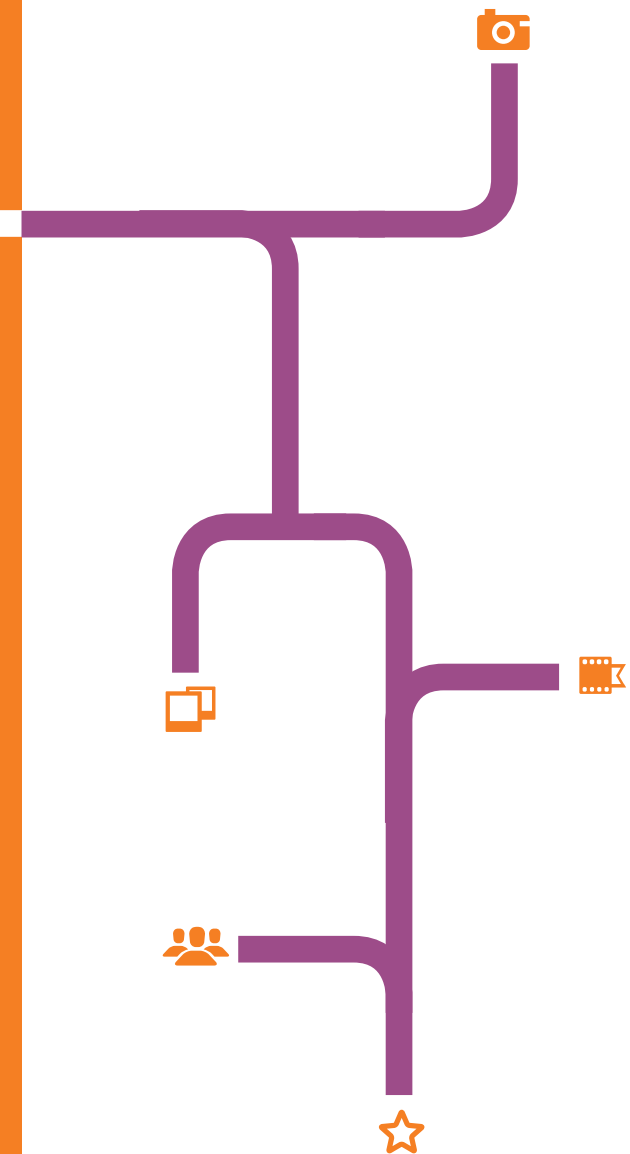


Bell ringing ceremony - Listing of Ybrant Digital Limited (YDL) on BSE Limited (consequent to amalgamation of erstwhile Ybrant Digital Limited with LGS Global), with Mr. M Suresh Kumar Reddy, Mr. Karusala Venkata Subba Rao and Mr. Vijaya Bhasker Reddy (from left to right)





As internet becomes a living reality for more than two billion people in the world, digital media is expanding like never before.



YBRANT DIGITAL LIMITED (YDL) OPERATES AT THE CUTTING EDGE OF DIGITAL MEDIA. IN 2011-12, OUR GROWING TECHNOLOGY EXPERTISE, M&As AND STRATEGIC ALLIANCES HAVE BROUGHT NEW MOMENTUM TO OUR BUSINESS.

FROM GENERATING BILLIONS OF SEARCHES AND IMPRESSIONS TO BRIDGING TOP-NOTCH GLOBAL ADVERTISERS AND PUBLISHERS, FROM CONVERGING CREATIVITY AND TECHNOLOGY TO DELIVERING THE RIGHT MESSAGE TO THE RIGHT AUDIENCE IN A CROWDED DIGITAL-MEDIA WORLD — YDL IS DRIVING GREATER EFFICIENCY, SUSTAINED MOMENTUM AND LEVEL-NEXT BUSINESS GROWTH.

Chairman's perspective



THE WORLD OF DIGITAL MEDIA IS WITNESSING A POSITIVE CHURN.

The global online population today stands at 30% (2.27 billion) of the world's total population. Interestingly, average time spent on the internet globally is now 16 hours per month. As a result, the market for internet advertising is expected to touch USD 100 million by 2014, from around USD 79 million in 2012. The US, the primary market for online advertising, has for the first time reached a value of USD 31 billion mark, registering an annual growth of 22% in 2011 over 2010.

Major European countries saw 14% growth in online marketing, despite economic adversity. China witnessed a whopping 57% growth in online ad spend, emerging as a USD 8.1-billion market. India's online ad spend also surged by 25% to ₹ 2,850 crore in 2011-12.

WE HAVE EMERGED AS ONE OF THE LEADING PLAYERS IN THE DIGITAL MARKETING SPACE IN INDIA AND GLOBALLY. DESPITE ECONOMIC TURMOIL ACROSS THE GLOBE WE PERFORMED CREDITABLY.

We have emerged as one of the leading players in the digital marketing space in India and globally. Despite economic turmoil across the globe we performed creditably. In 2011-12, we achieved a ₹ 1,297-crore turnover, owing to enhanced scale across all business divisions and the amalgamation. We reported a ₹ 272.08 crore EBIDTA, against ₹ 75.59 crore in 2010-11 and a ₹ 191.80-crore net profit against ₹ 50.18 crore in 2010-11. Our earnings per share stood at ₹ 4.03.

One of the major milestones achieved during the year was the the amalgamation of Ybrant Digital Limited into LGS Global Limited. We have received the approval for merger of LGS Global Limited and Ybrant Digital limited from BSE and the Hon'ble High Court of Andhra Pradesh. The amalgamated entity was renamed Ybrant Digital Limited and got the shares listed in June 2012. This amalgamation will help create a highly competitive digital marketing solutions company. The combination of the operations will create a unique level of integration and will enable substantial cost savings. It would also aid in enhancing the scale of operations and the improved financial structure, cash flows, increased assets base, consolidated revenues and profitability would enhance shareholder returns.

I am glad to announce that this year we became sales partners for Microsoft Advertising for Argentina and six cities across India. After being associated with Facebook for the past three years, we are again chosen as their official Marketing API Partner globally. Such partnerships will encourage the YDL team to keep evolving new standards in technology and best practices for ad serving, targeting and optimisation. It also validates our position in the

market as a leading global digital marketing provider.

Our future priorities comprise the following:

- + Capitalise on growth opportunities through organic and inorganic routes
- + Expand geographic presence to Eastern Europe, China, Africa and Korea
- + Continue to invest in technologies to upgrade our existing platforms and develop new platforms in accordance with client requirements
- + Forge relationships with traditional advertising and media service providers
- + Strengthen client relationships with improved solutions and services
- + Widen sales network by acquiring under-monetised media
- + Develop local merchant database into the network using local search
- + Expand presence and revenues from non-USA and European markets

People at YDL have always loved the challenge to elevate the organisation to the next level. Their consistent innovation and hard work have enabled us to emerge as a potent force in the digital galaxy. As internet empowers the world, the creative ferment in digital advertising will continue.

We will act as cheerleaders and celebrate the spectacle.

Best regards,
M Suresh Kumar Reddy
Chairman and Managing Director

Altitudes_achievements

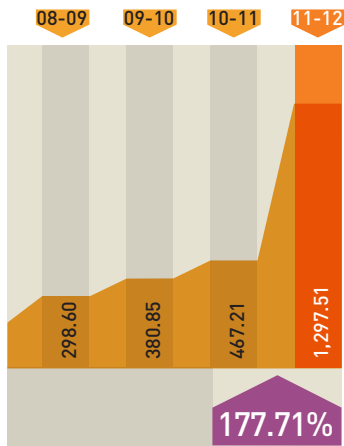
Our operational and financial achievements in 2011-12 give us the confidence to set our eyes towards the next altitude.

Operational highlights

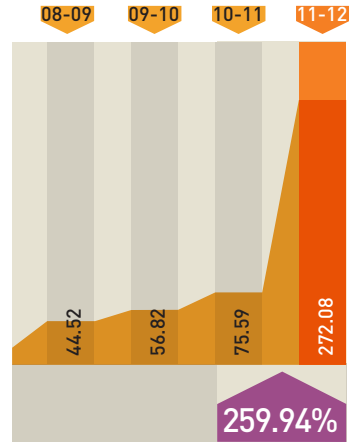
- + Became the exclusive sales house for all mobile advertising on Clarin, the second largest newspaper in Argentina
- + Named the exclusive sales house for all web and mobile advertising on Webjet, a leading Australian travel aggregator and Ski.com.au, Australia's number one website for ski
- + Exclusive provider of social advertising services to leasing agencies (OMD Chile, Havas Digital Chile and Havas Digital Mexico)
- + Exclusive provider of social advertising services to Unilever Argentina, including all its brands and activities
- + YDL (technology partner) and Hiro collaborated to provide the ability to convert display media placements, such as banners into video screens, thus allowing YDL's publishers to display relevant and engaging video content in key locations on their sites. This activity has caught very well with YDL's publisher and advertiser base in key markets
- + Started offering our mobile service provider client portfolio the ability to use a white labelled tool developed by strategic partner JustAd.tv. The tool allows agency creative teams to easily and efficiently create mobile rich media ads to be used on YDL's increasing smartphone user inventory
- + Partnered Appnexus to provide its clients with Real Time Bidding access to large quantities of display media
- + YDL and Right Media invested heavily in technology to enhance and streamline the way the performance data of campaigns (impressions, clicks, conversions and so on) is aggregated and categorised to make an immediate effect on the performance of current and future campaigns
- + A tool was developed by Vexigo and specifically adapted to YDL's needs as a central route for large quantities of display ads on a global scale. The technology semantically analyses web pages before serving ads to scan for potentially malicious ad/ or illegal content. This cutting-edge solution, blocks ads before they are shown at inappropriate places, and allows YDL's advertisers to buy ad space at very competitive rates in full confidence that their brand share is protected

Financial acumen

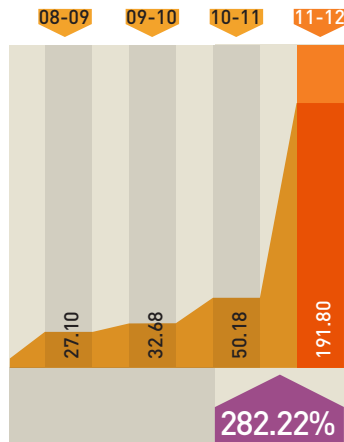
Revenue (₹ in crore)



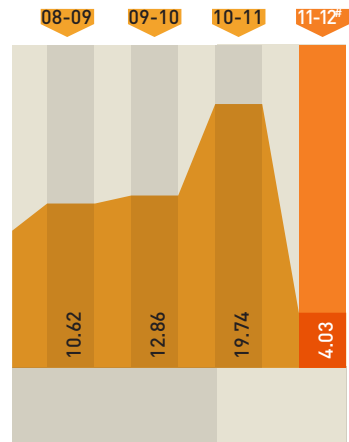
EBITDA (₹ in crore)



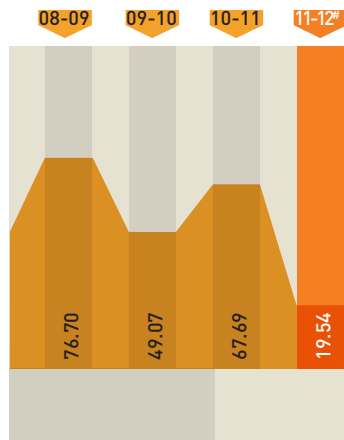
PAT (₹ in crore)



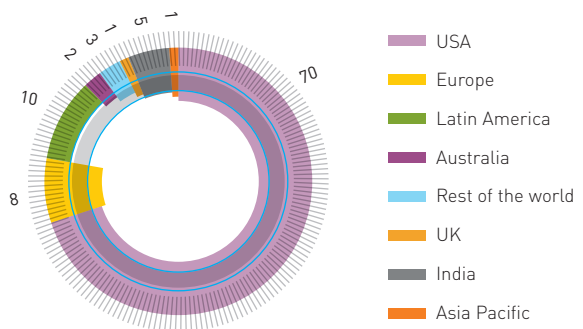
Earnings per share (₹)



Book value per share (₹)



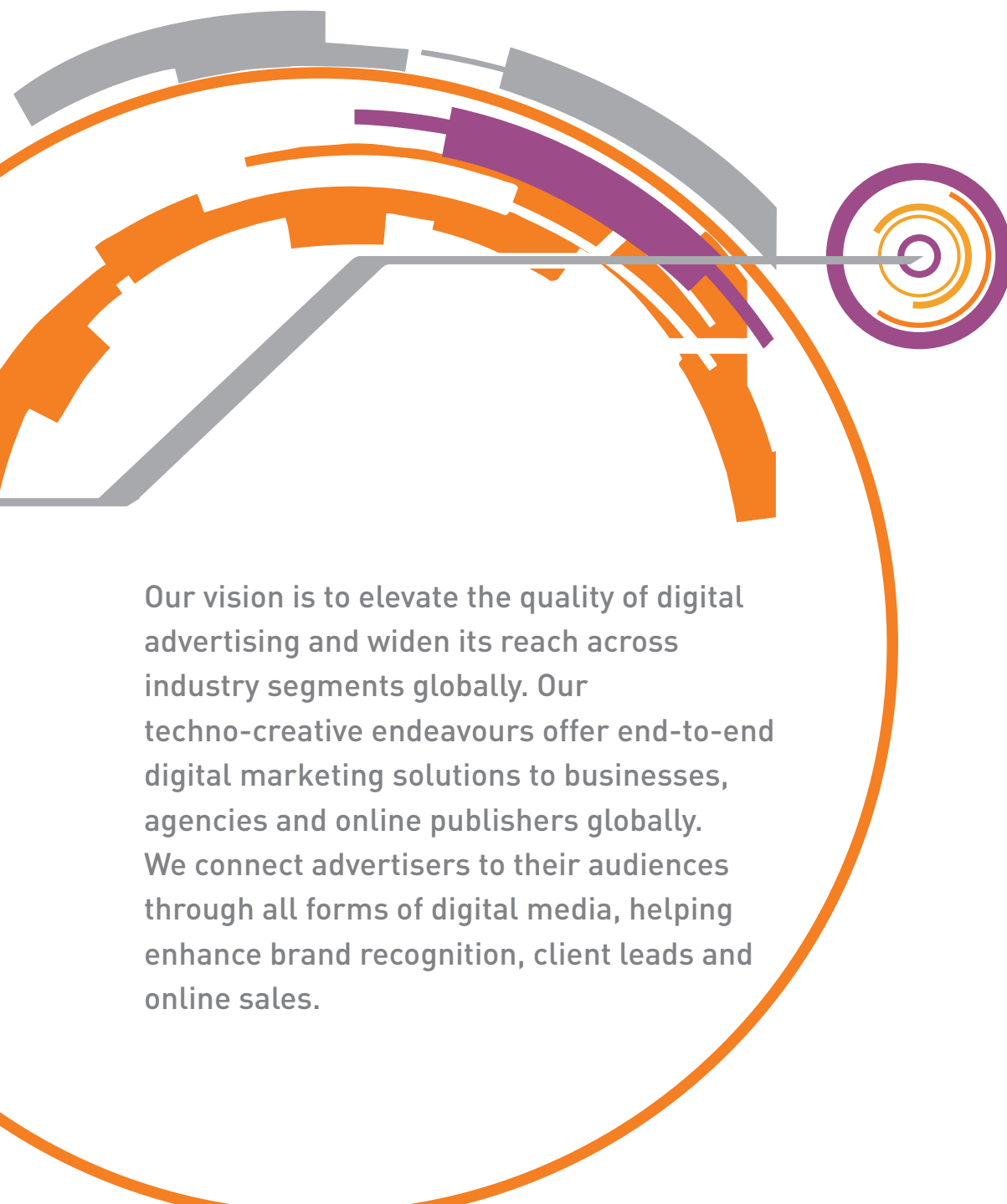
Revenue by geography, 2011-12 (%)



#Change is due to Face Value reduction

* Note: Financials pertaining to FY 2010-11 & FY 2009-10 is of LGS Global Limited (Pre Merged Entity)

Vision_vigour



Our vision is to elevate the quality of digital advertising and widen its reach across industry segments globally. Our techno-creative endeavours offer end-to-end digital marketing solutions to businesses, agencies and online publishers globally. We connect advertisers to their audiences through all forms of digital media, helping enhance brand recognition, client leads and online sales.

Singular objective

We strive to leverage the simplicity, interactivity and dynamism of the internet to deliver targeted, measurable and result-oriented advertising campaigns for our advertisers.



Our role

We are the end-to-end solution providers to business, agencies and advertisers.

Dedicated focus

We concentrate on monetising traffic on the websites of our publishers and ensure high return on investment (ROI) for our advertisers.

Core offerings

 Mobile Advertising	 Social Advertising
 Search Advertising	 Display Advertising
 Online Video Advertising	 Email and Lead Generation
 Casual Gaming	 Cloud Computing

Ad-on offerings

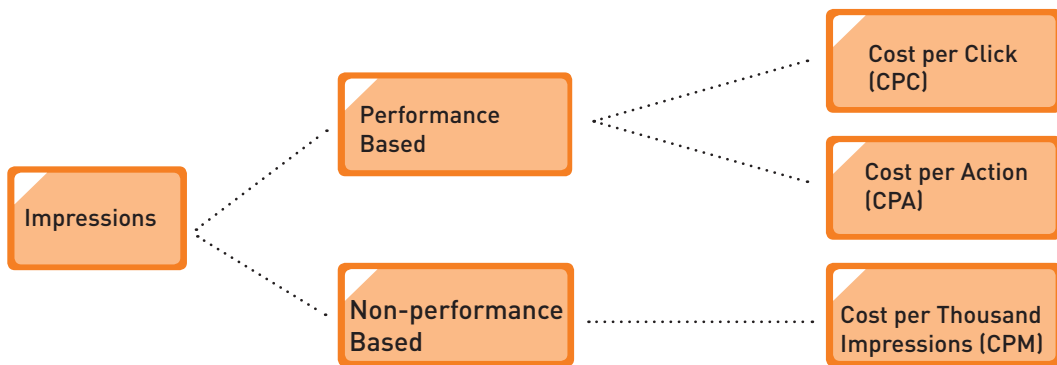
 Digital Media Planning and Buying	 Campaign Optimisation and Analysis
 User Data Collection and Aggregation	 Ad Serving and Traffic Monitoring
 Customisable Applications and Widgets	 Licensed Technology Software
 Creative Enhancement for Performance	 Expert advice for Digital Marketing Strategy
 Search Optimisation Support and Management	 Multi-time-zone Support Structure



Business model



Revenue model



Business divisions

Ybrant Networks

- + Creates network applications and solutions, with in-house teams dedicated to product development, marketing and sales
- + Provides one-stop digital media solutions, with unique technology platforms and guaranteed cross-border traffic
- + Serves leading international brands and partners with some of the world's largest publishers

- + Has acquired Oridian, MediosOne, Dream ad, Max Interactive, TradeUp and Ybrant Networks US

Ybrant Mobile

- + Provides services across three channels - messaging, mobile web and mobile applications
- + Offers to the publishers personalised campaign management, optimisation, competitive payment terms, traffic monetisation and advanced mobile media technology,

which help track performance and manage yield

- + Able to track everything from impressions to conversions, and from SMS delivery to redeeming in-store coupons
- + Global mobile network is spread over the world's top 40 markets across 160 countries

Ybrant Fusion

- + Develops technologies and technological platforms for the Company. Ybrant Fusion's unique applications are designed to help online businesses connect more efficiently
- + Ybrant Fusion's platforms serve and support advertisers, publishers, networks and affiliates through web analytics and the latest user interfaces

Ybrant Media

- + Administers and operates YDL's owned media channel by deploying a range of global digital properties, web portals, gaming entities and mobile platforms

- + The division aims to expand its user base by partnering with global media owners and other digital entities

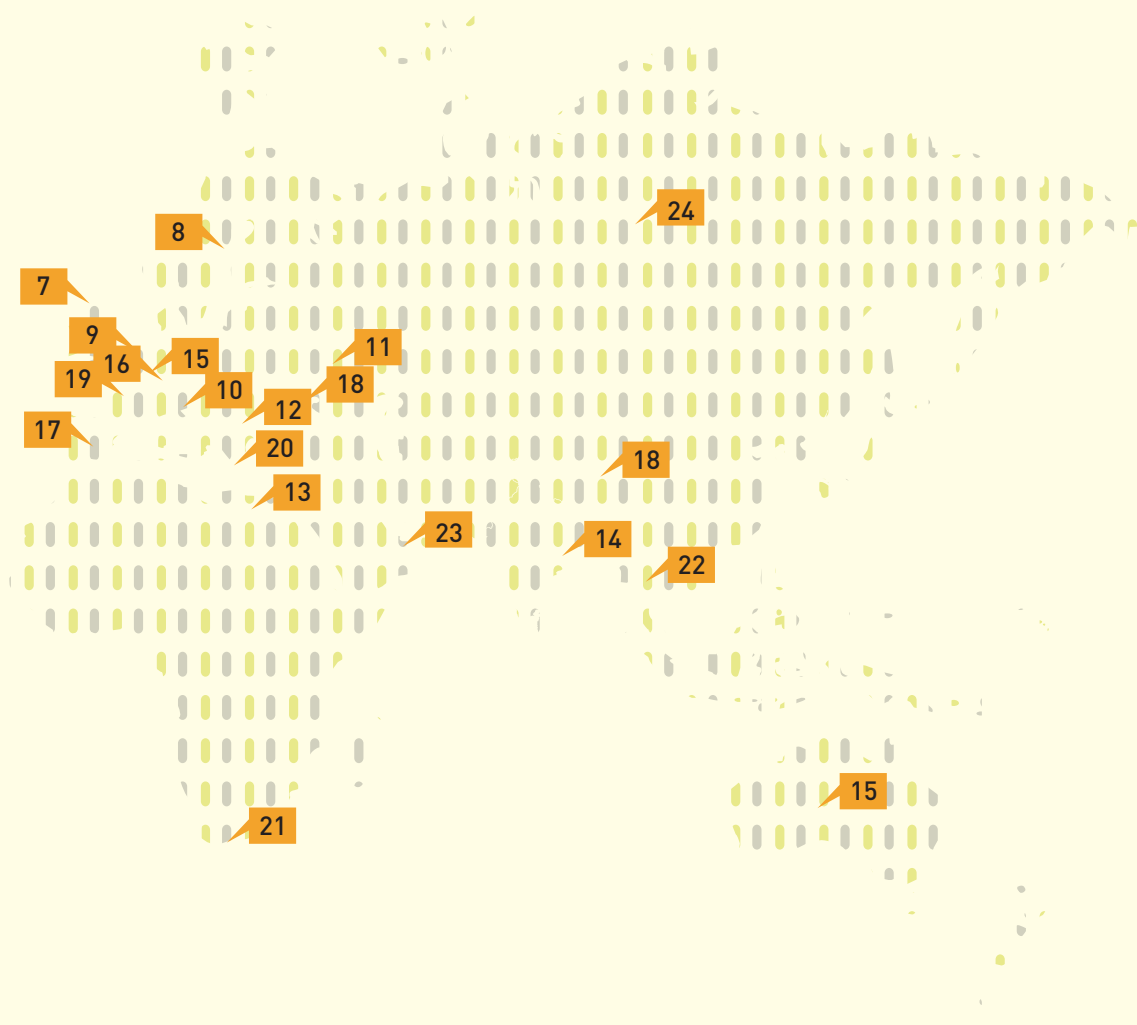
Software Division (Formerly LGS)

- + Global information technology implementation and outsourcing services provider
- + Exceptional track record of providing high quality, on-budget, and on-time solutions
- + Provides end-to-end Enterprise Solution Offerings and Specialising in ERP Solutions, Microsoft and Open Source Systems development

Global presence

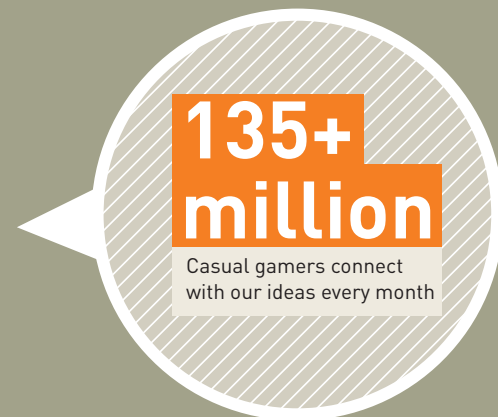
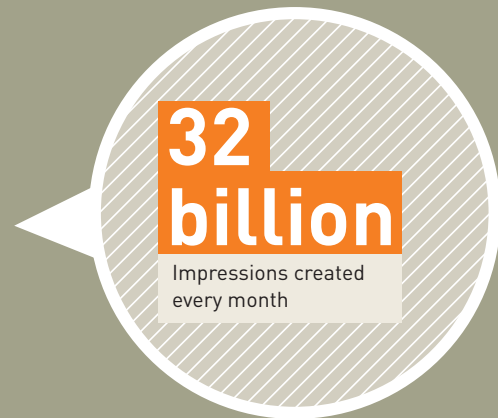
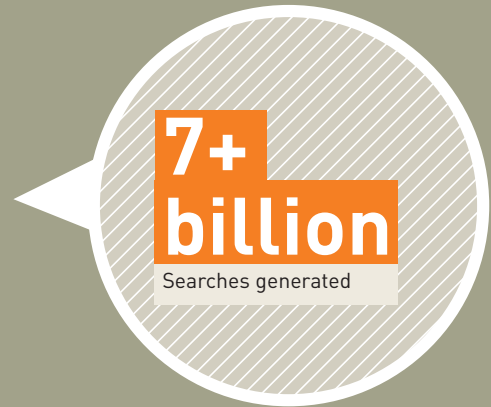


- | | |
|--------------------|------------------|
| 1. North America | 13. Israel |
| 2. Mexico | 14. India |
| 3. Brazil | 15. Australia |
| 4. Uruguay | 16. Germany |
| 5. Argentina | 17. Spain |
| 6. Chile | 18. China |
| 7. The UK | 19. France |
| 8. Sweden | 20. Panama |
| 9. The Netherlands | 21. South Africa |
| 10. Italy | 22. Thailand |
| 11. Ukraine | 23. Emirates |
| 12. Serbia | 24. Russia |



Eyeballs_economies

We help clients attract the right eyeballs. The result is more convenience for end users, more businesses for clients and more momentum for economies.



6000+

Publishers affiliated

120+
million

Unique visitors

140
countries

Wide presence of our web
publishers

150+

Agencies and brands
served

1.12+
billion

Internet users
catered to

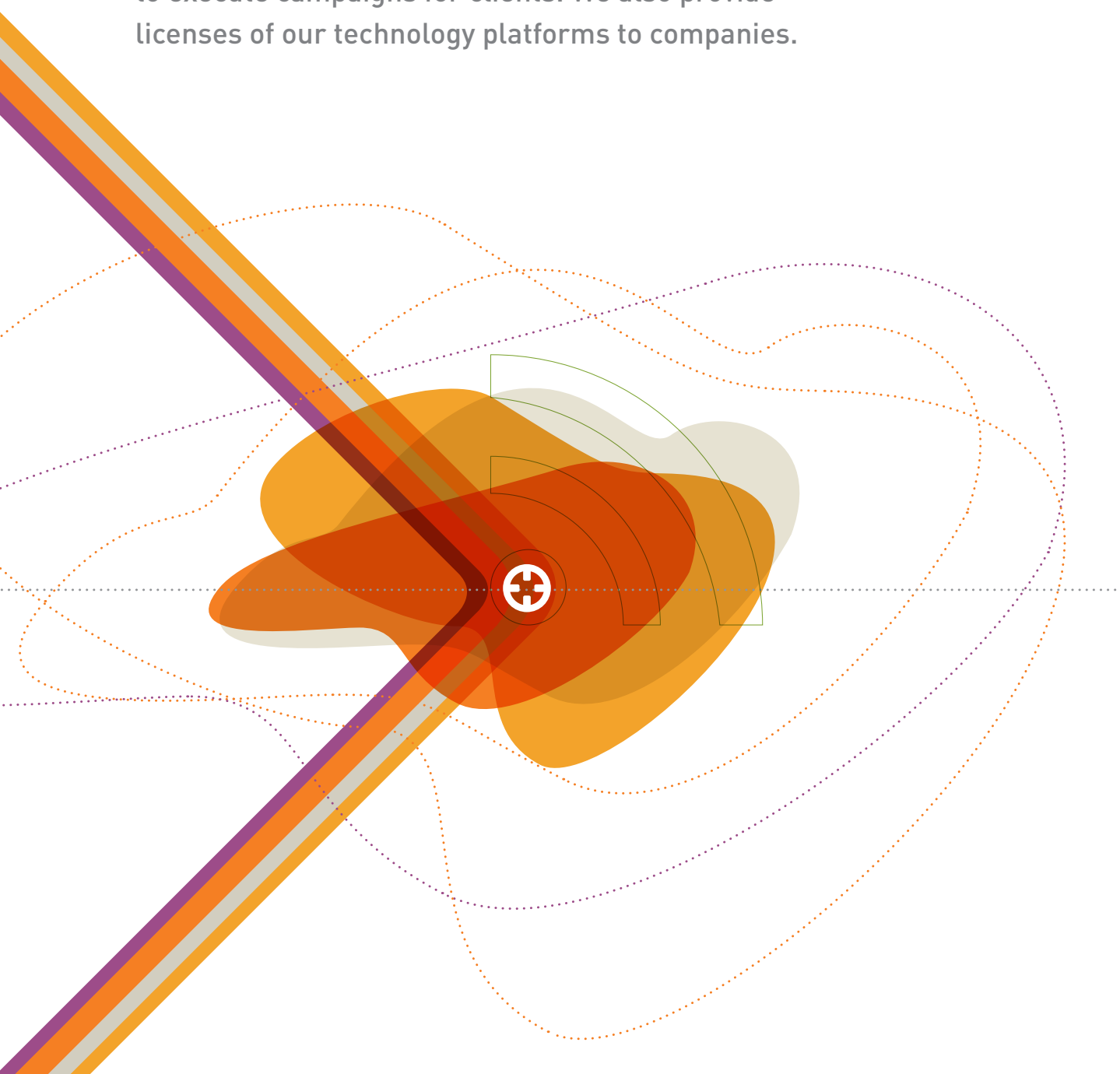
Associated with the best

We are associated with top advertisers like 3M, Adidas, Porsche, Pepsi, Nestle, RedBull, Lufthansa, HSBC, ING, Vodafone, UPS, Swissair, Sony and renowned publishers like Yahoo, about.com, MSN, Fox News, hi5, Viacom and CBS Radio, among others.

Top-notch publishers and properties leverage YDL's locations and connect through YDL's platforms.

Techno_creative

We have created various technology platforms through an assortment of open-source and commercially available software. These platforms are utilised to execute campaigns for clients. We also provide licenses of our technology platforms to companies.



- + **LGS Global:** A Global Information Technology Implementation and Outsourcing Services Provider with an exceptional track record of providing end-to-end Enterprise Solution Offerings and Specialising in ERP Solutions, Microsoft and Open Source Systems development.
- + **Affiliate Management:** Tracks high volumes of impressions, clicks and specified actions, which can come from different publishing sources, including websites, emails, search engines and newsletters.
- + **Co-Registration:** A web-based lead generation software solution. It helps publishers with campaign management, tracking website traffic, revenue accounting and providing detailed statistical reports on performance.
- + **Ad management system (AMS):** This is an innovative ad management technology that combines targeting capabilities with robust tracking, inventory management and reporting features to provide comprehensive solutions for advertisers and publishers.
- + **VoloMP:** VoloMP is a bulk email platform capable of sending up to 20 million emails on one server per day. VoloMP provides clients with a scalable mass-mailing solution, with features including reporting, tracking and list maintenance. We also offer our VoloMP clients a dedicated server, capable of sending 50 million emails per month.
- + **YReach :** We launched a new local search platform. It serves as a platform for smaller companies to advertise in their niche areas. It would provide a unique shopping experience to consumers, allowing consumers to search for various products and services, including food, nightlife, travel, music and movies, by using our website, over SMS or phone.



24*7

Advertisers can log in anytime and see the responses of audience on their ads and campaigns



USD 2 million

Investment made for technology up-gradation in 2011-12

Our USPs

- + Meticulous campaign analysis
- + Targeting the appropriate customer mix to achieve desired targets
- + Track, store and measure website data, used for improving campaign performance
- + Comprehensive online performance reports
- + Conducting ongoing advertising campaigns

Partnerships_prominence

At YDL, we have deployed a technology platform, which helps in developing proprietary products, solutions and deep Application Programming Interface (API) integration with partners. Our technology prowess and market insight have made us the partners of choice of Facebook and Microsoft Corporation India Pvt. Ltd.



Facebook association

We have been selected by Facebook as their Marketing API partner globally. We are integrating the Facebook Marketing API to help advertisers scale their Facebook presence. We have been successfully providing Facebook Ads solutions since 2009, meeting a demanding threshold of requirements established by Facebook's Marketing API team. Our FBM (the flagship Facebook Ads product) and Ybrant Social package creates a complete solution for advertisers seeking to engage social network, audiences effectively. We also unveiled a Quality Control Centre (QCC) for Facebook, an attractive offering for publishers interested in quality display inventory running on their Facebook applications.

Partnering with Facebook

- **Strong relationship:** YDL is on their advertiser board and we participate in their tests for new products
- **Knowhow:** Our unique technology leverages user behaviour and interests
- **Optimisation:** The Facebook system is based on user behaviour. It targets ads using the information that users choose to share. FBM is designed to take bits of information and use them in a large scale to enhance the process. We do it bigger, better and stronger
- **Resources:** Our campaign managers are leading experts on the FB system, available 24/7 to manage campaigns and tackle issues. Consequently, the Click Through Rate (CTR) of ads is monitored and calculated in order to choose the best ads, from the first clicks
- **Results Tracking:** Pixel tracking* is available to follow conversion and immediately affects which ads are shown

*Pixel tracking is an object that is embedded in a web page or email and is usually invisible to the user but allows to check the number of times a user has viewed the page or email.



Microsoft deal

We have been appointed the exclusive representative of Microsoft media in Argentina and six cities of India (Hyderabad, Chennai, Kolkata, Ahmedabad, Pune and Goa). India's Tier II cities are emerging as attractive growth drivers, and this presents an opportunity to engage with audiences in an effective and interactive manner. In addition to becoming the official sales house for Microsoft Advertising properties in India, YDL can also offer its Indian advertisers the opportunity to advertise on Microsoft's premium properties on a global scale.

1st

One of the first to be chosen
as Facebook's API partners

Big

YDL is one of the major
advertisers for Facebook

Life@Ybrant

...is never dull because we work with new technologies, challenging old paradigms and setting new benchmarks of performance.



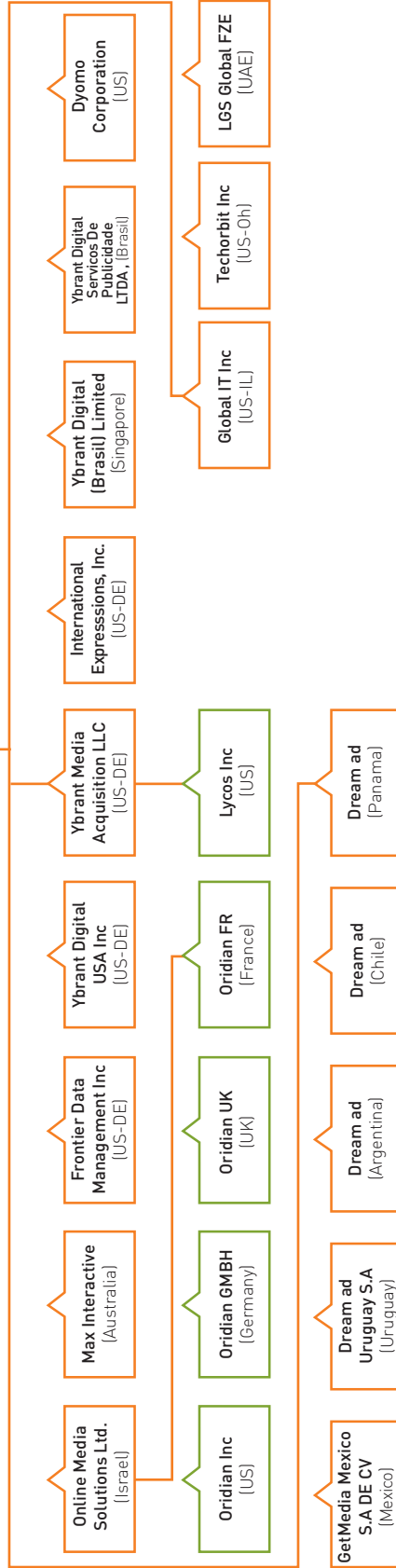
We possess a global workforce of 1,000 employees, of which Hyderabad has 300 employees. We attract and retain talented people and develop their knowledge and skills to leverage new market opportunities.

Our global acquisitions have provided access to new markets and an extensive

pool of talent. We are focused on managing and integrating our global workforce and utilising our resources in regions, where they can perform at their optimal level. We are confident that our exposure to different markets, cultures, product lines and systems will enhance the knowledge and skills of our team.

Operational matrix

Ybrant Digital Limited (India)



The Board



Mr. M Suresh Kumar Reddy

Chairman and Managing Director

Mr. Muthukuru Suresh Kumar Reddy is the Chairman and Managing Director of the Company. He is the co-founder of USA Greetings and Ybrant Technologies Inc. He is responsible for the strategic direction and expansion efforts of the Company. He holds a degree in Master of Science in Engineering from the Iowa State University and a Bachelor of Technology from the Indian Institute of Technology, Kharagpur, India.

He has over two decades of experience in the field of designing, development, and support of various software technologies including business intelligence development and has worked in various key roles, namely as project engineer, software analyst and business analyst in different industries, such as AM General Corporation, Caterpillar, Chrysler, SBC (PacBell) and Charles Schwab Corporation.



Mr. Vijay Kancharla

Executive Director

Mr. Vijay Kumar Kancharla is the Whole-time Director of the Company. He is the co-founder of USA Greetings and Ybrant Technologies Inc. He is currently responsible for the technological operations and technology platforms owned and managed by the Company. He is a Master of Science in Computer Science from the University of Louisville and a Bachelor of Technology from the Jawaharlal Nehru Technological University, Hyderabad, India. He has over 16 years of experience in the field of online advertising technologies. He has served as the Chief Executing Officer of Ybrant Technologies Inc. and was involved in business development, strategic short and long-term planning, setting up of sales and marketing teams, building long-term business and corporate relationships and managing financial and operation teams both in Ybrant Technologies Inc. and our Company. Prior to the setting up of Ybrant Technologies Inc. he has worked for companies like Hewlett Packard and Pacific Bell. During his tenure in these companies he was responsible for design, development and maintenance of various software.

**Mr. Karusala Venkata Subba Rao****Executive Director**

Mr. Rao Karusala, served as the Managing Director of LGS Global Ltd. He continues to head the technology consulting services under YDL. Mr. Karusala has more than 16 years of functional experience in software industry strategic technology advisory services, Information system consultancy services and technological project management services. He is presently the Executive Director of YDL. Prior to co-founding Techorbit, Inc, an ERP software implementation and consulting company. He worked in various roles across different industries in Fortune 500 companies such as SouthWest Gas Corporation, NEC and Honeywell in various roles on ERP systems in USA. Mr. Rao holds an M. Tech from Regional Engineering College (REC), Warangal and a B. Tech. from the Nagarjuna University, India.

**Mr. Vijaya Bhasker Reddy****Independent Non-Executive Director**

Mr. Vijaya Bhasker Reddy is the Independent Director of the Company. He has a Masters degree in Food Engineering from the Indian Institute of Technology, Kharagpur, and has done his Management Development programme from the Indian Institute of Management, Ahmedabad. He has over 20 years of experience in marketing and management and has worked as General Manager at Coca-Cola India.

The Board



Mr. Sagireddy Pulla Reddy

Independent Non-Executive Director

Mr. Sagireddy Pulla Reddy is an Independent Director of the Company. He holds a degree in Bachelor of Technology in Computer Science from Nagarjuna University, Andhra Pradesh, India. He has over 21 years of experience in ITES. Mr. Reddy is the Chairman and Managing Director of SP Software Private Limited since 1995. From 1990 to 1995, he was a partner in Binary Semantics and Embee software Pvt Ltd, before it became a limited company in New Delhi. He has received several awards for his work, including the Bharat Nirman Excellence Award, and more recently, the Rashtriya Rattan Award for his role in the Company's socio-economic development.



Mr. Y Ramesh Reddy

Independent Non-Executive Director

Mr. Yerradoddi Ramesh Reddy is an Independent Director of the Company. He holds a degree in Chemical Engineering from the Indian Institute of Technology, Chennai, and also holds a Management Degree in Finance & Marketing from XLRI, Jamshedpur. He has over 19 years of experience in the field of IT, Manufacturing, Investment Banking and heads the Finance Department at Cambridge Technology Enterprises Limited (CTE). Prior to joining CTE, he was a Strategic Business Unit head with Virinchi Technologies Limited, a Hyderabad-based start-up in e-Business and web-based analytical solutions, for its operations in Malaysia.



Mr. Raghunath Allamsetty

Independent Non-Executive Director

Mr. Raghunath Allamsetty is an Independent Director of the Company. He holds a degree in Bachelor of Technology in Electronics and Communication from Osmania University and a degree in marketing from IGNOU. He has over 18 years of experience in the areas of project development, technical management and business development. Mr. Allamsetty is the Chief Executive Officer of Aasra Archiventures Private Limited and Director of Apere India Private Limited. Prior to his joining Adaptec, he was the Managing Director of Adaptec India Private Limited, and was the co-founder and chief executive officer of various organisations, such as Platys Communication India Pvt Ltd.

Leadership team

Mr. Jacob Nizri

President

A creative and dynamic professional, Mr. Jacob Nizri oversees the Display Ad Networks Division of YDL, namely Oridian, AdDynamix and Medios One. As Director of European Sales, Mr. Nizri was assigned to lead Oridian's first M&A in 2003. In 2005, Mr. Nizri was made VP of Oridian and in late 2006, he took over as its CEO. Mr. Nizri holds two Bachelor degrees in Management & Information Technologies and Computer Education.

Mr. Brad Cohen

Chief Strategy Officer

As a strategic planner with highly developed entrepreneurial skills, Mr. Brad Cohen oversees the M&A activity and integration efforts of the Company. An entrepreneur since college, Mr. Cohen has founded and managed more than nine successful ventures over the past 14 years and has a deep understanding of the global digital industry. In 1998, Mr. Cohen co-founded Cohen Capital; and under his leadership, Cohen Capital Technologies founded Neural Technologies, LLC, a software development company based on the only known Instantaneously Trained Neural Network Algorithm. In 2002, Mr. Cohen co-founded what is now known as Medios One, the Global Online Advertising Network. He received a BA degree from the University of Missouri in Marketing and Political Science.

Mr. Amreek Singh Sandhu

Chief Financial Officer

A highly professional financial expert, Mr. Amreek Singh Sandhu is responsible for the overall Financial Management of YDL. He is an MBA, FCS, FCMA, with over 28 years of experience in various facets of Finance, Corporate Treasury, M&A, and Public Issues and Secretarial & Legal functions. In his previous stints, he has held key leadership positions in SpectrumPower Generation Limited, Hyderabad and Gati Limited. Mr. Singh has an M.Com degree from HP University, Shimla; LLB from Punjab University, Cost Accountancy (FCMA) from The

Institute of Cost Accountants of India, Calcutta; Company Secretary (FCS) from The Institute of Company Secretaries of India, New Delhi, MBA from the Indira Gandhi National University, New Delhi and EAPAF from IIM (C).

Mr. Yaniv Ben Atia

Chief Technology Officer

Mr. Yaniv Ben Atia is the CTO of YDL, and the GM of its Fusion division. As part of his role Yaniv is overseeing YDL's R&D activities, and is leading the Company's technical innovation efforts, and the integration of its diverse digital media products. Prior to joining YDL, Yaniv was with Microsoft Israel for over six years. Previously, Yaniv was the CTO in Microsoft Israel and helmed the Solutions Specialist Group.

Ms. Rema Sujeeth

Director Corporate Communications

Backed by nine years of in-depth experience across companies, Ms. Rema Sujeeth is a motivated and result - oriented professional, who was handling ICFAI's flagship magazine. The Analyst, before joining YDL. She has worked for ANZ Grindlays, Biological E Limited and RK Swamy B BDO. She holds an MBA degree in Market Research and Advertising from Annamalai University.

Mr. Rob Balazy

General Manager and Chief Executive Officer of Lycos

Rob came to YDL in April 2012 as a General Manager and Chief Executive Officer of Lycos. Before joining the Company, Rob was President and CEO of Inform Technologies, Inc, a Spark Capital backed developer of semantic web technology, based in New York City. Prior to Inform he was Vice President at NameMedia, Inc, overseeing business development including strategic partnerships, mergers and acquisitions and media sales. Rob completed earlier stints in product development, marketing and sales at Register.com, Afternic and Applied Semantics, where he led the business effort behind the commercialisation of AdSense and Google's subsequent acquisition of the Company.

Mr. Gal Ekstein**General Manager - Ybrant Networks**

A thought leader with a global vision, Mr. Gal Ekstein has enabled the Network Division to scale new levels internationally. Under his leadership, the Network Division has been witnessing a year-on-year growth, closing some very important deals globally. He was the key person behind the setting up of YDL's office in France, and was instrumental in developing partnerships like Max Interactive, Australia. Mr. Ekstein joined Oridian in 2004 and became Director of Sales in 2005. He holds a Bachelor's Degree in Business Administration, specialising in Computer Science, from the Rupp in College, Israel.

Mr. Ned Rhinelander**Chief Technology Officer - Lycos**

Ned Rhinelander joins Lycos with over 18 years experience delivering publishing and advertising solutions for high-volume consumer media brands. Most recently he served as VP of IT Architecture at CBS Interactive, delivering solutions in the areas of content personalisation and optimisation. Prior to CBS Interactive, in the position of VP of Site Engineering at CNET Networks, he led more than one hundred engineers responsible for website publishing and delivery. He holds an MBA in High Technology from Northeastern University.

At Lycos, Ned is responsible for cultivating the engineering teams. As CTO and VP, he plays a key role in helping guide the direction of the Company, helping the teams grow technologically as needed.

Mr. Oded Lev**Chief Operating Officer - Lycos**

Oded's responsibilities with Lycos and Ybrant are designed to ensure the growth and expansion of Lycos business through the fruitful synergistic activities between Lycos products and Ybrant's many divisions, seeking and developing new business opportunities in the international territories and

searching for new business initiatives that will enhance Lycos business opportunities as a Ybrant subsidiary.

Oded joined Oridian, a current subsidiary of Ybrant, as Director of Business Development in 2003 after graduating from the Business Administration program at Manchester University and earning a Master's degree at the London School of Economics. Since then, Oded has held several senior executive roles in the business development area, including global team development for Ybrant.

Mr. Mark Blais**General Counsel and Secretary, Lycos**

Mark oversees and advises Lycos' management and Board of Directors on all of its worldwide legal affairs, including corporate governance, contracts, litigation, and intellectual property. Joining Lycos in 2005, Mark previously served as the Company's Associate General Counsel and Deputy General Counsel.

Prior to joining Lycos, Mark was an associate in the commercial litigation departments of the law firms of Jones, Day, Reavis & Pogue in Cleveland, OH and Goodwin Procter LLC in Boston, MA.

Mark graduated from Tufts University in 1995 with a B.A. in political science and a minor in Russian language. He holds a law degree from The Catholic University of America, Columbus School of Law, where he served on Law Review and graduated magna cum laude in 1999.

Mr. Shahar Shaharbany**General Manager - Finance**

A skilled finance expert, Mr. Shaharbany has broad – ranging experience incorporate finance and business operations management. His expertise lies in collaborating finance with core business operations, and developing efficient and productive cross-enterprise alliances across multiple business environments. A Certified Public Accountant, he earlier held key positions in the Intelligence Corps of the Israeli Defense Forces. He did his CPA training

Leadership team

at KPMG. Mr. Shaharabany holds an MA degree in Financial Economics (with distinction) from Tel Aviv University.

Mr. Krishna Sudun

General Manager - Indian Operations

An Internet industry expert, Mr. Sudan heads the division that handles hosted solutions and ASP services. He is a seasoned professional with years of industry experience in aggressively growing Internet businesses. Prior to joining YDL, he held a senior position at the Internet start-up iXmatch.com. His experience includes working at companies such as MCI WorldCom, SilverStream, Softech Consulting and Pyramid Consulting. Mr. Krishna Sudan holds a Bachelors Degree in Engineering from the Jawaharlal Nehru Technological University.

Mr. Emanuel Goldschmidt

MD, Business Development - Latin America

A strong entrepreneur and a hardworking professional with proven skills in leadership, management and strategic thinking, Mr. Emanuel Goldschmidt is responsible for the business development of Ybrant Networks in Latin America. Prior to Dream ad, Mr. Goldschmidt worked at IBM from 1998 to 2003 as a lead Sales Manager in their Buenos Aires office for more than five years. Mr. Goldschmidt has a bachelor's degree in Marketing from the Universidad Católica de Salta.

Mr. Andres Laniado

MD, Operations - Latin America

An expert in Latin American business, Mr. Laniado is responsible for the operations of Ybrant Networks for the Latin American region. He possesses extensive experience, having served as the President and COO of Dream ad since July 2004. Prior to Dream ad, Mr.

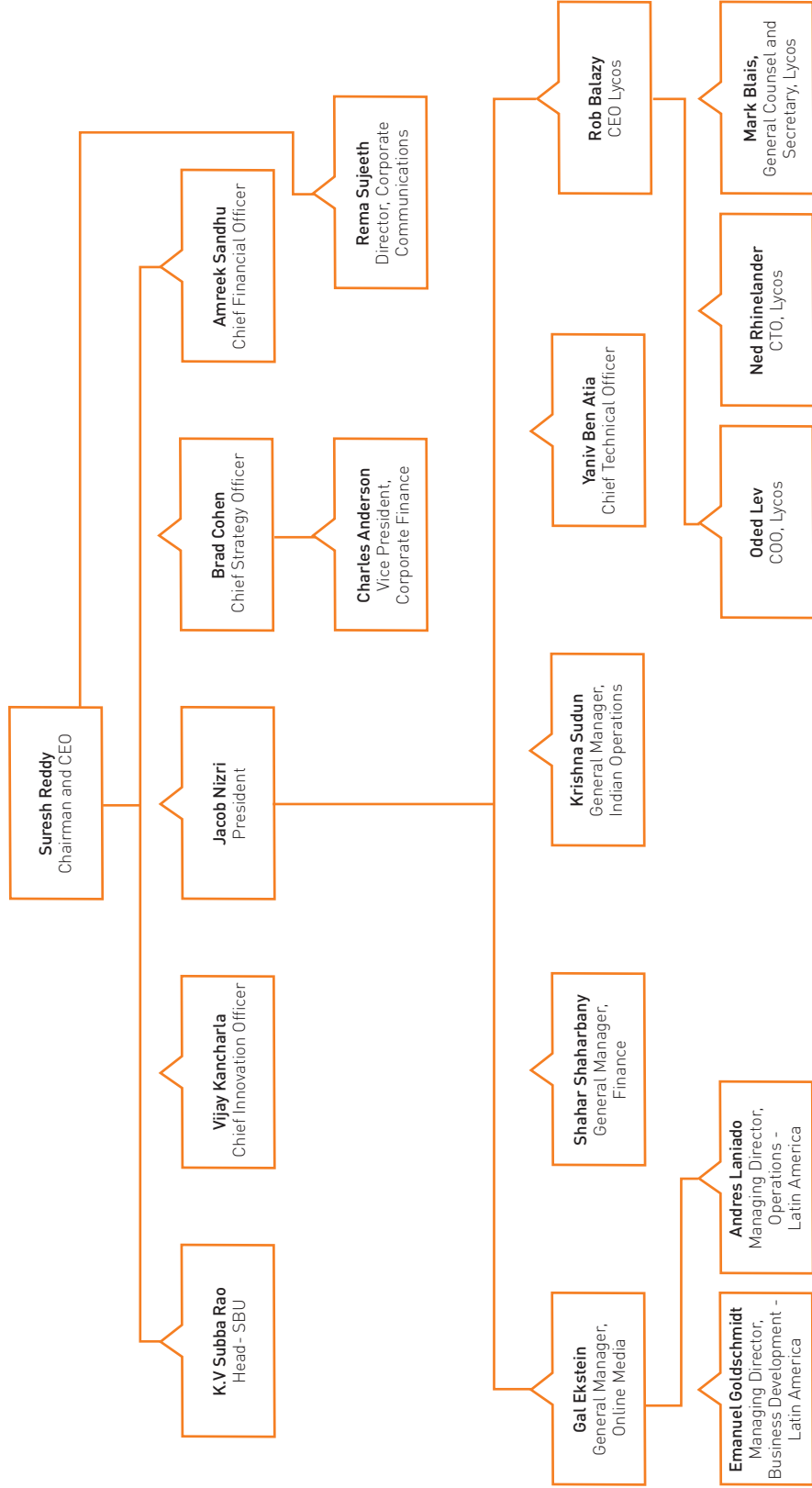
Laniado worked at Accenture from 1999 to 2004 as a telecommunications consultant, and earlier as an accountant at Estudio Laniado & Associates from 1994 to 1998. Mr. Laniado has a Bachelor's degree in Business Administration from the University of Buenos Aires, and a certification in English from the University of Cambridge.

Mr. Charles Anderson

Vice - President, Corporate Finance

A financial wizard, Mr. Charles Anderson was Financial Controller in YDL. In 2006, he joined MediosOne as the Chief Financial Officer. In addition to his financial responsibility, Mr. Anderson was instrumental in the development of MediosOne's search Network business unit. Mr. Anderson is now responsible for directing the budget and cost controls, financial analysis, accounting practices and reporting for YDL. He holds a BS degree from Michigan State University.

Management structure



Notice

NOTICE is hereby given to the members of **YBRANT DIGITAL LIMITED** (formerly, LGS Global Limited) that the Thirteenth Annual General Meeting of the Company will be held on Wednesday, 26th December, 2012 at 10.30 A.M at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, Hyderabad-500 004, A.P, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the financial year ended on that date together with the Reports of Statutory Auditors thereon and Directors' Report thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
3. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad, the retiring Auditors, as 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 on such remuneration as may be determined by the Board of Directors of the Company.

Special Business

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Suresh Kumar Reddy Muthukuru, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.”

5. **To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Vijay Kancharla, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.”

6. **To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Venkata Subba Rao Karusala, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.”

7. **To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Vijaya Bhasker Reddy Maddi, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. **To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other

applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Raghunath Allamsetty, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation.”

9. **To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Pulla Reddy Sagireddy, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation.”

10. **To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Ramesh Reddy Yerradoddi, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation.”

11. **To Consider, and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the **“Act”**) and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999,

the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended) and any statutory modification(s) or re-enactment thereof, for the time being in force and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time, if any, issued/to be issued thereon from time to time by the Securities and Exchange Board of India (the **“SEBI”**), the Reserve Bank of India (the **“RBI”**), Stock Exchanges, Secretariat for Industrial Assistance (the **“SIA”**), Foreign Investment Promotion Board (the **“FIPB”**), Ministry of Finance (Department of Economic Affairs) and/or any other ministry/department of Government of India (the **“GOI”**) and any other appropriate authorities, institutions or bodies, as may be applicable (hereinafter singly or collectively referred to as the **“Concerned Authorities”**) and the provisions in the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions, if any, of the Concerned Authorities in this regard, as may be required and applicable and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed

to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall include any committee constituted by the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts (ADR), Global Depository Receipts (GDR), and/or Foreign Currency Convertible Bonds (FCCB), convertible debentures, fully or partly, and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or non convertible securities with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares, secured premium notes, and/or any other financial instruments which would be converted into/ exchanged with Equity Shares at a later date (the **“Securities”**) as the Board at its sole discretion or in consultation with underwriters, lead managers/merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public, follow-on, preferential issues or private offerings in domestic and/ or one or more international market(s), with or without a green shoe option, or private placement or issued/allotted through Qualified Institutions Placement in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations,

2009 (as amended), or by any one or more or a combination of the above model/ methods or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible Qualified Institutional Buyers including Foreign Institutional Investors, resident/ non-resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilising agents and/or any other categories of investors, (collectively called the **“Investors”**), whether or not such Investors are members of the Company, as may be deemed appropriate by the Board and permitted under applicable laws and regulations, resulting in the issue of an aggregate amount not exceeding ₹ 1500 crore (Rupees Fifteen Hundred crore) or equivalent thereof in any foreign currency and on such terms and conditions and timing of the issue(s)/offering(s) including the Investors to whom the Securities are to be issued, issue price, number of Securities to be issued, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Companies Act, 1956 in respect of any Securities as may be required either on pari-passu basis or otherwise, the stock exchanges on which such Securities will be listed, finalisation of allotment of the Securities on the basis of the subscriptions received, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity share to be allotted on redemption/conversion, the ratio, period of conversion, fixing of record date or book closure dates, and any other matter in connection with, or incidental to, the issue, in consultation with the merchant bankers or other advisors or otherwise, as the Board at

its sole discretion may decide together with any amendments or modifications thereto.

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares allotted in terms of this resolution shall rank *pari passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of, and further to the existing consents under Section 293(1) (a) and other applicable provisions of the Companies Act, 1956 (the Act), the consent of the members be and is hereby granted to the Board to create security, if necessary, for all or any of the above securities to be issued by the creation of mortgage and/or charge on all or any of the company's immovable and/or movable assets, both present and futures, in such form and manner on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the relevant date for determination of applicable price for the issue of Securities through Qualified Institutional Placement and/or Foreign Currency Convertible Bonds shall be the date of meeting in which the Board of Directors or a duly constituted committee thereof decides to open the proposed issue.

RESOLVED FURTHER THAT for the purpose of Qualified Institutional Placement, the consent of the members of the Company be and is hereby accorded to the Board, in compliance with the proviso of regulation 85(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, to issue Equity Shares and/or other securities to Qualified Institutional Buyers at a discount of up to five per cent on the price so calculated under regulation 85 (1) of SEBI (Issue of

Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and such of these Securities to be issued as are not subscribed may be disposed of by the Board in such manner and/or on such terms including offering or placing them with banks/financial institutions/ mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, regulations and guidelines.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorised to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to the offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any

Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into Equity Shares as the Board may in its sole discretion deem appropriate.

RESOLVED FURTHER THAT the Board be and are hereby authorised to do such acts, deeds and things as they, in its absolute discretion, may deem necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- (ii) giving or authorising the giving of such undertakings, declarations, affidavits, certificates, consents and authorities as may be required from time to time by concerned persons; and
- (iii) Settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorised to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the entering into of arrangements/agreements for underwriting, marketing, listing of Securities, trading,

appointment of Lead Manager(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and to do all requisite filings with SEBI, the stock exchanges, the GOI, the RBI, if required and any other concerned authority in India or outside, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the issue, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilisation of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all members.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any offer, issue and allotment of Securities, the Board be and are hereby authorised to constitute a special committee of the Board named the "Issue Committee" and further delegates all or any of the powers herein conferred to give effect to the aforesaid resolutions to the Issue Committee and further authorises the Issue Committee to take all such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to:

- (a) deciding on the timing, pricing and all the terms and conditions of the issue,

- including the price, and to accept any amendments, modifications, variations or alterations thereto;
- (b) Approving the offer document and filing the same with the any authority or persons as may be required;
 - (c) affixing the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorised who shall sign the same in token thereof;
 - (d) arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
 - (e) opening such banks accounts and demat accounts as may be required for the transaction;
 - (f) doing all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
 - (g) making all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
 - (h) making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
 - (i) authorising or delegating all or any of the powers herein above conferred to any or more persons, if need be.”

By Order of the Board
For **Ybrant Digital Limited**
(formerly LGS Global Limited)

Sd/-
CS Jagadeeshwara Rao M
Company Secretary

Dated: 3rd November, 2012
Registered Office:
Plot No.7A, Road No.12,
MLA Colony, Banjara Hills,
Hyderabad – 500 034,
Andhra Pradesh, India

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. 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.

3. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

4. Proxies, in order to be effective, must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution /authority, as applicable.

5. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 22nd December, 2012 to Wednesday, the 26th December, 2012 (both days inclusive). If the dividend as recommended by the Board of Directors is approved and declared at the Annual General Meeting, payment of such dividend will be made on or after 26th December, 2012 as under

(a) To all Beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, 21st December, 2012;

(b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the company on or before the close of business hours on Friday, 21st December, 2012;

6. Members are requested to inform immediately their bank account particulars in the following manner, if not informed earlier, to the Registrar, in respect of equity shares in physical mode and to their Depository Participants (DPs), in respect of equity shares held in dematerialised form, so that the same could be incorporated in payment warrants after their names to avoid fraudulent encashment:

Folio No./DP Id No. & Client Id No.:

Name:

Bank A/c No.:

Name of the Bank:

Signature of Shareholder:

7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective Demat accounts will be used by the Company for payment of the Dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the members.

8. The Securities and Exchange Board of India (SEBI) vide Circular Ref.No.MRD/ DoP/ CIR-05/2007, Dtd. 27th April, 2007 made PAN the sole identification number for all participants transacting in the securities market,

irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the company /RTAs for registration of such transfer of shares.

9. To avoid loss of dividend warrants in transit and undue delay in respect of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India (RBI) from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the company's Registrar's and Share Transfer Agent.
10. Members are requested to intimate the change of address if any, to the Share Transfer Agents, Aarthi Consultants Private Limited, (Unit: YBRANT DIGITAL LIMITED), 1-2-285, Domalguda, Hyderabad - 500 029, Andhra Pradesh, India. Members, whose shareholdings are in electronic mode, are requested to send the intimation for change of address to their respective depository participants and not to the Company or the Registrar & Share Transfer Agent.
11. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
12. Members attending the Meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the same, duly signed, at the entrance of the meeting hall.
13. Members who hold shares in dematerialised form are requested to write their Client ID and DP 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.
14. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
15. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the directors seeking re-appointment in the Annual General Meeting is annexed.

By Order of the Board
For **Ybrant Digital Limited**
(formerly LGS Global Limited)

Sd/-
CS Jagadeeshwara Rao M
Company Secretary

Dated: 3rd November, 2012
Registered Office:
Plot No.7A, Road No.12,
MLA Colony, Banjara Hills,
Hyderabad – 500 034,
Andhra Pradesh, India

Explanatory Statement Pursuant to section 173 (2) of the Companies Act, 1956

ITEM Nos.4, 5, 6, 7, 8, 9 & 10.

The Board of Directors has appointed Mr. Suresh Kumar Reddy Muthukuru, Mr. Vijay Kancharla, Mr. Venkata Subba Rao Karusala, Mr. Vijaya Bhasker Reddy Maddi, Mr. Raghunath Allamsetty, Mr. Pulla Reddy Sagireddy and Mr. Ramesh Reddy Yerradoddi as Additional Directors with effect from 26th June 2012 ("Additional Directors"). As per the provisions of Section 260 of the Companies Act, 1956, these Additional Directors holds the office up to the date of this Annual General Meeting of the Company and are eligible for appointment as Directors. The Company has received notices under Section 257 of the Companies Act, 1956, in respect of the candidates, proposing their appointment as Directors of the Company. The approval of members is required for their appointment as Director.

Brief profile: Details regarding the person proposed to be appointed as Director has been given in the Annexure attached to the Notice and also given their brief profile elsewhere in this Report.

Nature of concern & interest: Mr. Suresh Kumar Reddy Muthukuru, Mr. Vijay Kancharla, Mr. Venkata Subba Rao Karusala, Mr. Vijaya Bhasker Reddy Maddi, Mr. Raghunath Allamsetty, Mr. Pulla Reddy Sagireddy and Mr. Ramesh Reddy Yerradoddi are concerned or interested in the Resolutions of the accompanying notice relating to their own appointment.

ITEM No.11

The members are aware about the merger of the company and increased size of the organisation. Your company has various growth plans and strategies. Therefore, it was proposed to raise funds through issue of securities as detailed in the resolution for rising of funds to achieve these growth plans.

As said above, the resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity Shares, QIP, GDRs, ADRs, FCCBs, Convertible Bonds/ Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board in one or more tranche or tranches.

The objects of this issue are to meet funding requirement for expansions in new growing territories globally, inorganic growth by potential acquisition of companies, working capital and capital expenditure requirements of the Company and its subsidiaries, and other general corporate purposes.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of equity shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

The equity shares allotted or arising out of conversion of any Securities issued pursuant to this resolution would be listed. The issue/

allotment/conversion would be subject to the availability of regulatory approvals, if any. The conversion of other Specified Securities held by foreign investors, into shares would be subject to the applicable foreign investment cap.

Section 81(1) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down. As the aforesaid resolution provides for or may result in issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Regulations.

The Special Resolution as set out above, if passed, will have the effect of allowing the Board to issue and allot Securities to Investors, who may or may not be existing shareholders of the Company in the manner as set out in the resolution. The said resolution also enables the Board to create

mortgage/ charge on the property/ assets of the Company in respect of any debt securities offered by the Company.

The Board of directors accordingly recommends the resolution set out in this notice for the approval of the members by way of Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board
For **Ybrant Digital Limited**
(formerly LGS Global Limited)

Sd/-
CS Jagadeeshwara Rao M
Company Secretary

Dated: 3rd November, 2012

Registered Office:

Plot No.7A, Road No.12,
MLA Colony, Banjara Hills,
Hyderabad – 500 034,
Andhra Pradesh, India

IMPORTANT COMMUNICATION TO THE MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to its members. To support this green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in

respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holding with their Registrar & Share Transfer Agent (RTA) i.e., Aarthi Consultants Private Limited. Members holding shares in physical form may send their requests to RTA address or placing request through website www.aarthiconsultants.com.

Additional Information on Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as per Clause 49 of the Listing Agreement.

Name of Director	Mr. Suresh Kumar Reddy Muthukuru	Mr. Vijay Kancharla	Mr. Venkata Subba Rao Karusala	Mr. Vijaya Bhasker Reddy Maddi	Mr. Raghunath Allamsetty	Mr. Pulla Reddy Sagireddy	Mr. Ramesh Reddy Yerradoddi
Date of Birth	25.10.1966	10.05.1967	06.03.1968	31.07.1963	21.02.1967	12.07.1967	24.10.1966
Date of Appointment on the Board of the Company	26.06.2012	26.06.2012	26.06.2012	26.06.2012	26.06.2012	26.06.2012	26.06.2012
Category	Chairman & Managing Director	Executive Director	Executive Director	Independent Director	Independent Director	Independent Director	Independent Director
Relationship with other Directors	None	None	None	None	None	None	None
Expertise in specific function area	Software Industry and Business Intelligence Development	Online Advertising Technology	Entrepreneur in Software Industry & Infrastructure Management	Marketing and Management	Project and Business Development Technical Management	Entrepreneur IT & ITeS	IT, Manufacturing and Investment Banking
Qualification	Master of Science from Iowa State University and B.Tech., from IIT, Kharagpur	Master of Science from University of Louisville and B.Tech., from JNTU, Hyderabad	Master of Technology from REC, Warangal Fellow of Institute of Engineers	Master's Degree in Food Engineering from IIT, Kharagpur and Management Development Programme from IIM, Ahmedabad	B. Tech., from Osmania University, Hyderabad and Degree in Marketing from IGNOU	B. Tech., from Nagarjuna University, Andhra Pradesh	Chemical Engineering from IIT, Chennai and Management Degree in Finance and Marketing from XLRI, Jamshedpur

Additional Information on Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as per Clause 49 of the Listing Agreement.

List of other directorships held as on 03.11.2012 (excluding Private, Section 25 Companies & Foreign Companies)	NIL	NIL	MIL Smart Grid Limited	NIL	NIL	NIL	NIL
Chairman / member of the committee of the Board of Directors of the Company	NIL	NIL	NIL	Chairman of Remuneration & Compensation Committee	Member of Audit Committee, Shareholders Grievance Committee, Remuneration & Compensation Committee	Member of Audit Committee, Remuneration & Compensation Committee	Chairman of Shareholders Grievance Committee, Member of Remuneration & Compensation Committee
Chairman / Member of the committees in other companies in which he is a Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Number of shares held in the Company as on 30.09.2012	65865510	65865510	713963	180000	NIL	NIL	NIL

Directors' Report

To

The Members

Your Directors have great pleasure in presenting the Thirteenth Annual Report on the business and operations of the Company for the financial year ended 31st March, 2012.

(₹ in Lakhs)

Financial Results	For the financial year ended 31st March,			
	Consolidated		Standalone	
	2012	2011*	2012	2011*
Total Income	129751.10	46721.16	51315.46	29849.19
Gross Profit before Interest, Depreciation & Tax	27208.05	7559.30	8967.57	3990.53
Less: Interest	2765.63	1232.72	2295.34	1170.92
Depreciation	1675.91	585.06	687.89	435.59
Provision for Tax	3274.24	651.06	994.91	252.47
Profit after Tax	19492.27	5090.46	4989.43	2131.56
Less: Provision for Deferred Tax Liability	312.12	72.06	212.41	72.06
Net Profit for the year	19180.15	5018.40	4777.02	2059.49
Balance Brought forward from the previous year	14445.24	9786.86	7634.94	5935.47
Profit available for appropriations	33625.39	14805.26	12411.96	7994.97
Provision for proposed Dividend	952.50	254.24	952.50	254.24
Tax on Dividends	154.52	42.22	154.52	42.22
Transferred to General Reserve	143.31	63.56	143.31	63.56
Profit Carried to Balance Sheet	32375.06	14445.24	11161.63	7634.95

* FY 2011 financials are regrouped as per the revised Sch VI format. FY 2011 figures are pertaining to erstwhile LGS business only i.e prior to merger and does not include pre merger financials of YDL transferor company. The merger is effective w.e.f. 01.04.2011.

Dividend

Your Directors take pleasure in recommending a dividend of 10% (i.e. Re. 0.20/- per equity share on face value of ₹ 2/- per share) for the approval of the members for the financial year ended 31st March, 2012. The dividend, if declared as above, would involve an outflow of ₹ 95,250,300/- towards dividend and ₹ 15,451,980/- towards dividend tax, resulting in a total outflow of ₹ 110,702,280/-.

Transfer of Unpaid Dividend

Your company does not have any unpaid dividend required to be transferred to the Investor Education and Protection Fund (IEPF) under section 205C of the Companies Act, 1956 in the financial year 2011-12.

Transfer to Reserves

The Company proposes to transfer ₹14,331,044/- to the General Reserve out of the amount available for appropriations and an amount of ₹ 3,237,506,826/- is proposed to be retained in the Consolidated Profit and Loss account and an amount of ₹ 1,116,162,005/- is proposed to be retained in the Stand Alone Profit and Loss account

Changes & Developments during the year and thereafter

The Scheme of Amalgamation of Ybrant Digital Limited (Transferor Company) with LGS Global Limited (Transferee Company) was sanctioned by the Hon'ble High Court of Andhra Pradesh vide its Order Dtd. 11th April, 2012 which came into effective from the appointed date i.e 1st April, 2011. Signification information about the amalgamation was given at appropriate places in this Annual Report.

Equity Share Capital: Pursuant to the Scheme of the Amalgamation as sanctioned by the Hon'ble High Court of A.P., the authorised share capital of the company is ₹ 195,00,00,000/- (Rupees One Hundred and Ninety Five crore only) divided into 97,50,00,000 (Ninety Seven crore and Fifty Lakhs only) Equity Shares of ₹ 2/- (Rupees Two only) and

the issued, subscribed and paid up Share Capital of the Company is ₹ 95,25,02,998/- (Rupees Ninety Five crore Twenty Five Lakhs Two Thousand Nine Hundred and Ninety Eight only) divided into 47,62,51,499 (Forty Seven crore Sixty Two Lakhs Fifty One Thousand Four Hundred and Ninety Nine only) Equity Shares of ₹ 2/- (Rupees Two only) each. The Equity Share Capital is reorganised from ₹ 10/- each fully paid to ₹ 2/- each fully paid.

Change of Name: As per the Scheme of Amalgamation as sanctioned by the Hon'ble High Court of Andhra Pradesh, the name of the Company has been changed from LGS Global Limited to "YBRANT DIGITAL LIMITED" with effective from 14th June, 2012 and the fresh certificate of incorporation has been issued by the Registrar of Companies, A.P.

Operational Results & Business

The members are aware about the amalgamation of YDL (Transferor Company) with LGS Global Limited (Transferee Company- New name Ybrant Digital Limited).The merged entity has provided significant impetus to the growth of the company by achieving size, integration and greater financial strength and resulted in improved shareholders' value by way of improved financial structure, cash flows, increased assets base, consolidated revenues and profitability. Consequent to merger Digital Marketing segment was added to the existing Software Development business.

During the year under review, the standalone total income was ₹ 5,131,546,250/- as against ₹ 2,984,919,149/- in the previous year. The consolidated total income was ₹ 12,975,110,298/- as against ₹ 4,672,116,540/- in previous year. The financial performance was discussed elsewhere in this Annual Report.

Your Company caters to its clients through a network of global presence by its established offices and a relentless effort is on the leash for bringing out constant improvements.

Accounts of Subsidiaries

Your Company has Seventeen subsidiaries and names and relevant information was given elsewhere in this Annual Report. There has been no material change in the nature of the business of the subsidiaries. As required under the Listing Agreement with the Stock Exchanges, consolidated financial statements have been prepared and included in this Annual Report.

The Ministry of Corporate Affairs (MCA), Govt. of India, has granted subject to fulfillment of certain conditions, general exemption from attaching the annual accounts and other reports of Company's subsidiaries, as required under section 212 of the Companies Act, 1956. Copies of these annual accounts and related information will be made available at the Registered Office of the Company during business hours and also at the venue during the Annual General Meeting. The financial information as required in the above referred notification for each subsidiary is published at the end of the consolidated financial statements in the Annual Report for the year 2011-12.

A statement pursuant to Section 212 of the Companies Act, 1956 related to Subsidiary Companies given at the end of the consolidated financial statement in the Annual Report.

Consolidated Financial Statements

In accordance with Accounting Standards AS-21 on Consolidated Financial Statements, the Audited Consolidated Financial Statements are included in this Annual Report.

Fixed Deposits

The Company has not invited/accepted any fixed deposits from the public for the financial year ended 31st March, 2012.

Particulars of Employees

Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956 are part of the Director's Report. However, having regard to the

provisions of Section 219(i)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the shareholders of the Company and others entitled thereto. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.

Auditors

M/s. P. Murali & Co., Chartered Accountants, Auditors of the Company will retire at the conclusion of the Annual General Meeting and are eligible for re-appointment. They have conveyed their willingness to accept re-appointment and confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956.

The Auditors' Report to the shareholders does not contain any qualification or adverse remarks which require any clarification or explanation.

Directors

Consequent to amalgamation of Ybrant Digital Limited with LGS Global Limited, the Post Merged Entity Board was reconstituted by inducting new directors and resignation of old directors in the following manner.

The Board of Directors in its meeting held on 26th June, 2012 has appointed Mr. Suresh Kumar Reddy Muthukuru, Mr. Vijay Kancharla, Mr. Venkata Subba Rao Karusala, Mr. Vijaya Bhasker Reddy Maddi, Mr. Raghunath Allamsetty, Mr. Pulla Reddy Sagireddy and Mr. Ramesh Reddy Yerradoddi as Additional Directors on the Board.

As per the provisions of Section 260 of the Companies Act, 1956, these Directors are hold office up to the ensuing Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 along with the requisite deposit, in respect of the above persons, proposing their candidature for the office of Director of the Company.

Resolutions seeking approval of the members for the appointment of aforesaid Additional Directors as Directors of the Company (regularisation) have been incorporated in the Notice of the ensuing Annual General Meeting.

The Board of Directors in its meeting held on 26th June, 2012 has accepted resignations from Mr. Venkateswara Rao Kadiyala, Mr. Chivukula Sasikanth, Dr. Rajesh Sankhla, Mr. Kishore Kumar Putta, Mr. Venkata Subbaraju Kanumuri and Mr. Venkata Subba Rao Karusala.

Your board expresses its sincere appreciation and gratitude to all the outgoing Directors for their valuable assistance and advice tendered by them during the tenure of their association with the Board and the Company.

The members have accorded their consent for the appointment of Mr. Suresh Kumar Reddy M as Chairman & Managing Director, Mr. Vijay Kanchala as Executive Director and Mr Venkata Subba Rao Karusala as Executive Director for a period of five years w.e.f 26th June, 2012.

Report on Corporate Governance

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

Management Discussion & Analysis

The Management Discussion and Analysis Report (MDA) is forming part of this Annual Report.

Declaration on Code of Conduct

Pursuant to provisions of Clause 49 (I) (D) (ii) of the Listing Agreement, a Declaration declaring that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, is forming part of the Corporate Governance Report attached herewith.

Disclosure On Company's Employees Stock Options

During the year under review no scheme is in force

and no options were granted, hence no information / disclosures are being made under SEBI (ESOS / ESPS) Guidelines 1999. LGSL Foundation is holding 783509-shares as on 30th September , 2012 after successfully implementation of various Employees Stock Option Schemes in earlier years. Ybrant Employees Welfare Trust (ESOP Trust) hold shares in erstwhile Ybrant Digital Limited (Transferor company) and consequent merger the balance as on 30th September 2012 is 73,50,000-shares in the present company. ESOP of erstwhile Ybrant Digital Limited is in force and continuing as per their ESOP scheme.

Cash Flow Statement Pursuant to Clause 32

The Cash Flow Statement pursuant to Clause 32 of the Listing Agreement entered into with Stock Exchange(s) is appended to this Annual Report.

Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars, as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, are as following:

(i) Details of Conservation of Energy

The operations of your company do not consume high levels of energy. The Company uses electric energy for its equipment such as computer terminals, air conditioners, lighting and utilities in the work premises. Adequate measures have been taken to conserve energy by using energy-efficient computers and equipment with the latest technologies. However, the requirement of disclosure of particulars with respect to conservation of energy as prescribed in 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 are not applicable to the Company and hence not provided. As an ongoing process, the following measures are undertaken to conserve energy.

- (a) Implementation of viable energy audit proposals.
- (b) Installation of automatic power factor controllers to save maximum demand charges and energy.
- (c) Training front-end operational persons on the opportunities and importance of energy conservation.
- (d) Automation of air conditioners is taken up in all locations.
- (e) Precision temperature controllers are installed in all locations.
- (f) Awareness and training sessions for maintenance personnel were conducted by experts.
- (g) Optimum usage of air-conditioning equipment is made within the office space.
- (h) Efforts are on to provide for intelligent lighting, automatic lighting system based on sensors for optimum use of power.

(ii) Research & Development and Technology Absorption

The Company's business is in Software Development and Digital Marketing. The change in industry paradigm is dynamic. The Company is continuously updating these changes and constantly evaluates these developments to improve its capabilities towards the industry. Accordingly, research and development of new services, Display Advertising, platforms and methodologies continue to be of importance to us. This

allows us to enhance quality, productivity and customer satisfaction through continuous improvements/innovation. As part of continuous thrust on R&D the company is also focus on Solutions Research and Vertical Focus Research. Solutions Research would identify new ideas which would enable business process improvement for customers and would be aligned with the business strategy and growth opportunities of the organisation.

Vertical Focus would primarily deal with building Centers of Excellence (CoE) around verticals such as financial services, Life sciences, pharmacy, energy, retail and process / discrete manufacturing. The Company plans to be a player in niche technologies and lays emphasis in staying current in the new technologies. However, no separate amount was spent on R&D and not significant compared to the size of operations. Therefore, the R&D expenditure is recognised in the Profit & Loss A/c., when incurred.

(iii) Foreign Exchange Earnings and outgo

The particulars of earning and expenditure in foreign exchange during the year are given vide note no.32 & 33 in notes to Standalone financial statements.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state that:

- (a) in preparation of annual accounts containing financial statements for the financial year ended 31st March, 2012 the applicable accounting standards have been followed.
- (b) the accounting policies are consistently followed and your Directors have applied them to give a true and fair view of the state of

affairs of the Company and the profit/loss for that period.

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) annual accounts have been prepared on a going concern basis.

Acknowledgements and Appreciations

We thank our Customers, Vendors, Governmental

Authorities, Banks, Financial Institutions and esteemed Shareholders for their continued support. We place on record our appreciations of the contribution made by the employees at all levels.

For and on behalf of the Board of Directors

Ybrant Digital Limited
(formerly LGS Global Limited)

Sd/-

Suresh Kumar Reddy Muthukuru
Chairman & Managing Director

Place : Hyderabad

Date : 3rd November, 2012

Management Discussion & Analysis

Global economy

2011-12 will be remembered as the year of the Great Stagnation, which blighted most developed economies in Europe and decelerated the pace of economic growth in the developing world. The US economy also witnessed fragile recovery and uncertainties still loom large on both sides of the Atlantic. Nature also showed its full fury with earthquake and Tsunami ravaging the Japanese archipelago. Add to that, socio-political disturbances in the Middle East and North Africa (MENA), which considerably impacted economic activities.

The BRICS nations lost much of their sheen with China and India also joining the bandwagon of economic hardship. While China's economic growth was 9.2% in 2011-12, compared to 10% in 2010-11, India's growth plummeted to 6.5% from 8.4% in the previous year. Brazil, Russia and South Africa were also hit by economic slowdown. The global growth prospects for 2012-13 however, appear to be relatively better, if the European calamity does not snowball into a major crisis.

GDP trends			(%)
Economies	2011	2012	2013 (E)
Global	3.9	3.5	4.1
Advanced	1.6	1.4	2
Emerging	6.2	5.7	6

(Source: IMF)

Global advertisement market

The market for global advertisements grew 7.3% to reach a market value of USD 498 billion in 2011 (*Source: AC Nielsen*). Despite the impact of the global economic crisis, the total ad spend is projected to reach a market value of USD 542 billion in 2012 and grow by 6.4% in 2013. The growth is expected to be driven by robust spending in China, India, Japan and the US (*Source: eMarketer*).

Growth trends

- ▼ 60% of the total global ad spend is expected to come from emerging markets between 2011 to 2014
- ▼ 49% of the global growth is expected to come from 10 emerging markets by 2014
- ▼ BRIC nations are likely to contribute one third of growth by 2014
- ▼ Indonesia, Argentina, South Africa, South Korea, Mexico and Turkey are likely to deliver 16% of the global ad growth.

10 Countries: Driving the next wave of emerging ad markets

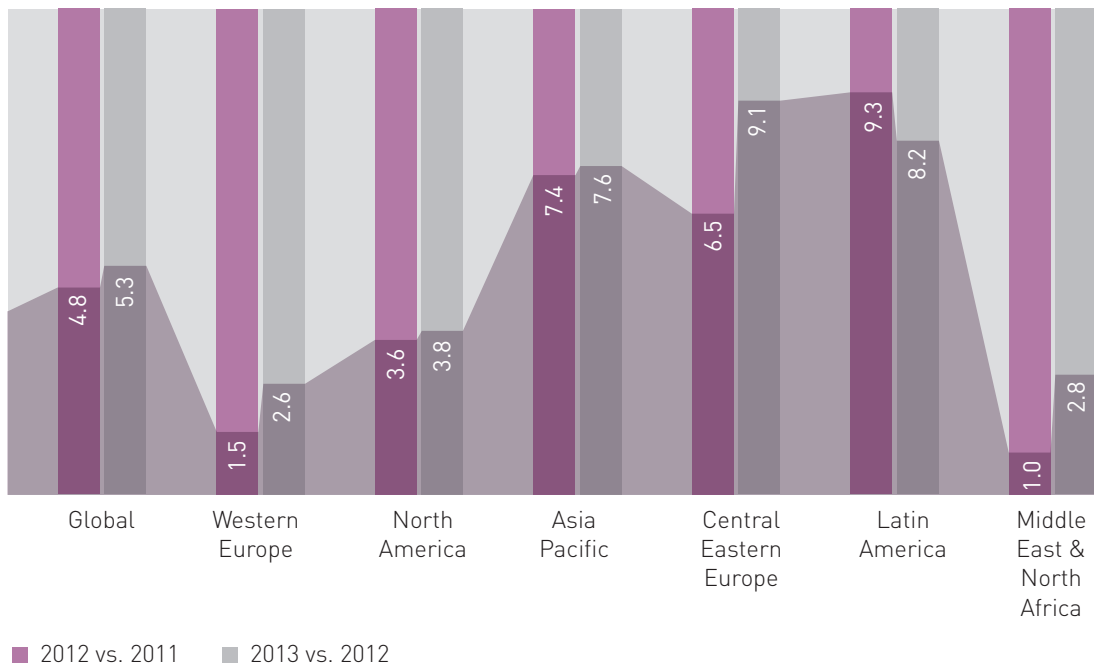
Countries	(USD million)
	2014 vs. 2011 Adspend Growth
1. China	17,158
2. Russia	4,138
3. Brazil	3,917
4. Indonesia	3,820
5. Argentina	2,281
6. South Africa	2,050
7. South Korea	1,632
8. India	1,571
9. Mexico	1,339
10. Turkey	1,167

[Source: ZenithOptimedia, March 2012]

Despite the impact of the global economic crisis, the total ad spend is projected to reach a market value of USD 542 billion in 2012 and grow by 6.4% in 2013.

Forecast by region, 2012

(%)



[Source: ZenithOptimedia, March 2012]

Role of technology in advertising

It goes without saying that technology plays a vital role in modern human lives. Over the years, robotics, computer hardware production and software designs have vastly enriched life. Even the world of advertising did not remain untouched.

Earlier, TV, print and radio represented the key media for advertisers to convey their Big Idea to large groups of people in a controlled manner. Now we have entered into the new era of digitalising. The digital media bridges old and new media formats, while catalyzing thousands of other media. This has been possible only through the evolution of technology. The digital technology and the internet - along with mobile and other web-enabled devices over the past few years - is taking advertising to a new level.

Today, viewers have multiple screens for infotainment. Therefore, advertisers don't just depend upon the conventional medium of marketing their brands. They are finding new and innovative channels for delivering their messages to the target audience. Technology has played a key role in enhancing the online brand experience for the expanding viewer community. Besides, with the advent of social media in particular, the former one-way communication between advertisers and consumers has become a two-way dialogue. As technology becomes more advanced and ubiquitous, advertising will become even more personalised, contextual, relevant and useful.

Growth across various marketing media

Traditional media*

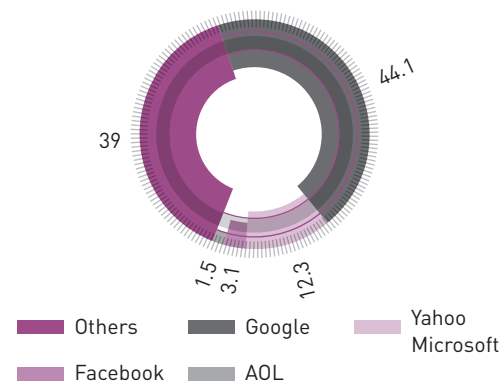
The traditional media witnessed positive growth trends globally with television and radio growing by 10.1% and 9.7%, in 2011 respectively. The television is likely to hold its position and sustain its share of 40% till 2013.

*Newspaper, radio, television, magazine, cinema, outdoor and so on.

Internet media

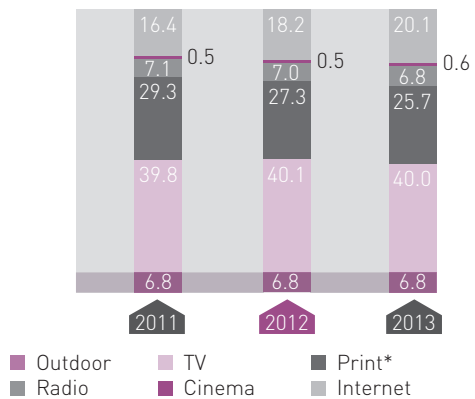
The overall online spending is expected to grow by 21.3% in 2012, compared to 21.1% in 2011. (Source: eMarketer). Africa and the Middle East are likely to experience the highest growth rate, with the total spend reaching USD 3 billion by 2016. Latin America, Eastern Europe and Asia-Pacific are likely to register above-average growth through 2016. However, growth in North America and Western Europe will remain robust, but more moderate during the same period.

Online advertising market share (%)



(Source: Go.Gulf.com)

Media share of spend 2011-2013 (%)



(Source: ZenithOptimedia, Mar 2012)

*excludes advertising on websites, tablet editions or mobile apps

The internet media showed a striking growth rate of 24% across all markets (Source: Nielsen wire). It is gaining global prominence, led by explosive growth in social media advertising and display advertising. It is anticipated to contribute 20% of the total media spend by 2014.

Media ad spend worldwide, 2010-2016

(USD billion)

Economies	2010	2011	2012	2013	2014	2015	2016
North America	165.84	171.66	182.99	190.29	198.68	204.38	212.03
Asia Pacific	135.46	146.30	162.39	179.61	197.39	215.55	232.79
Western Europe	116.75	118.62	120.64	124.01	127.36	129.91	131.99
Latin America	27.41	30.94	34.65	38.12	42.69	46.75	51.33
Eastern Europe	19.64	21.78	23.81	25.95	28.16	30.41	32.69
Middle East & Africa	14.42	15.81	17.79	19.02	20.34	21.56	22.79
Worldwide	479.52	505.12	542.27	577.00	614.62	648.56	683.61

(Source: eMarketer)

Digital ad spend worldwide, 2010-2016

(USD billion)

Economies	2010	2011	2012	2013	2014	2015	2016
North America	28.29	34.70	42.61	50.02	56.68	61.76	66.55
Western Europe	22.04	24.83	27.96	31.17	34.88	38.12	41.05
Asia-Pacific	18.05	22.11	27.63	33.57	39.79	46.23	53.16
Eastern Europe	2.25	3.60	4.68	5.73	6.62	7.48	8.15
Latin America	2.03	2.67	3.62	4.43	5.67	6.69	7.68
Middle East & Africa	0.38	0.57	0.84	1.24	1.71	2.22	2.81
Worldwide	73.04	88.47	107.33	126.16	145.34	162.49	179.41

[Source: eMarketer]

Internet - the digital highway

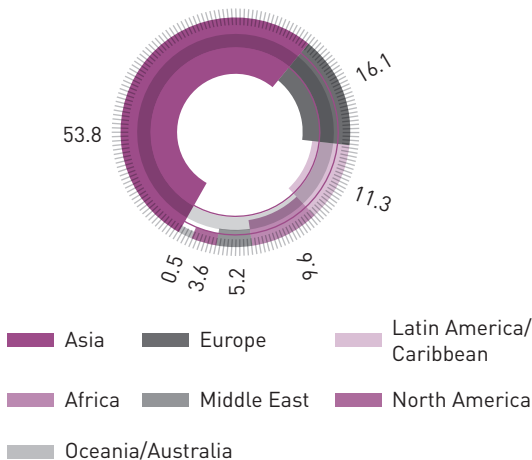
The world today is incomplete without the internet. It touches every aspect of our waking hours and helps bring the world closer. The internet population has doubled from 2007-12, and the total number has grown from 1.15 billion in 2007 to 2.27 billion in 2012.

- ▼ The Middle East: 20 million to 77 million, a 294% increase
- ▼ North America: 233 million to 273 million, a 17% increase
- ▼ Latin America (South & Central America): 110 million to 236 million, a 114% increase
- ▼ Oceania (including Australia): 19 million to 24 million, a 27% increase

Online advertising market share

(%)

1.1 billion new Internet users added in 5 years



[Source: Internet World Stats, April 2012]

Growth in internet users by geography, 2007-12

- ▼ Africa: 34 million to 140 million, a 317% increase
- ▼ Asia: 418 million to over 1 billion, a 143% increase
- ▼ Europe: 322 million to 501 million, a 56% increase

The global online population is equivalent to 30% of the world's total population. Asia has the largest internet users in the world, equal to the world's entire internet population in 2007.

Interestingly, the internet users in Europe and Asia crossed the 500 million and 1 billion mark during 2011-12, respectively. The world uses more of internet every day, and the amount of time spent on internet because of business, education or pleasure continue to grow.

Factors spurring internet use

- ▼ Technological advancement
- ▼ Mobile and broadband
- ▼ Affordability
- ▼ Ease of use
- ▼ Social networking
- ▼ Gaming
- ▼ E-commerce

The internet advertising industry is expected to touch a market value of USD 100 billion by 2015 from USD 70 billion now. The ability to monitor the campaigns work on a real-time basis and a huge surge is expected from the markets of China, LATAM and India. This is expected to drive growth.

Internet advertising

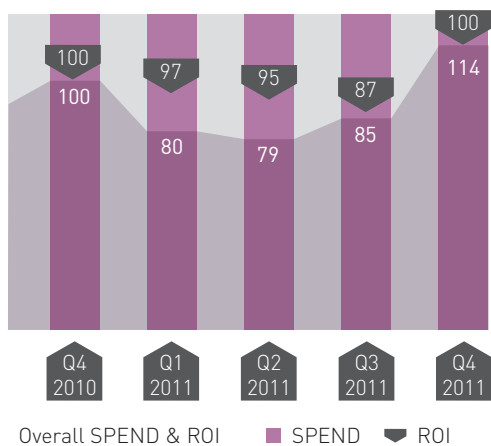
To put it in simple words, internet advertising is the online promotion of products and services to a mass audience, without any limitations of time and geography. It is done through various means, namely display ads network, search marketing, email marketing & lead generation, affiliate marketing, social marketing and mobile marketing. Internet advertising grew by 15% in the second quarter of 2012-13. Ad revenues from all the channels hit a record high of USD 8.4 billion in 2012.

Digital advertising performance

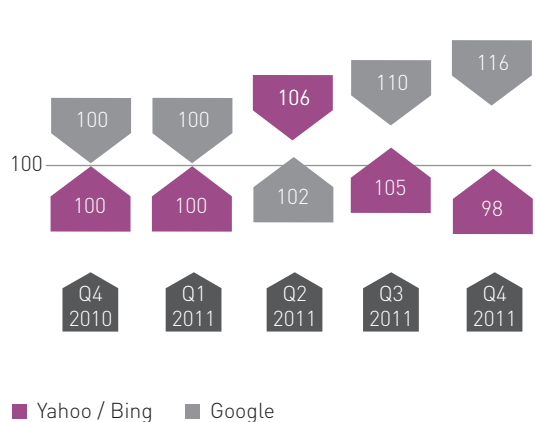
Digital advertising has shown robust growth during Q1 FY 2012 across all channels. Internet search remains the principal driver of return on investment (ROI) for marketers absorbing the majority of biddable digital advertising spend. With four-fold increase in traffic on mobile devices the advertisers are increasing their search investments to these devices. During Q1 FY 2012 search grew by 16% on a year-on-year basis.

This suggests that the search on mobiles and tablets is emerging at a quick pace like social media (Source: Adobe Digital Index). Search-based advertising has gained importance, because it is performance based Cost per click (CPC) and Cost per action (CPA) models. They are more important for e-commerce and direct marketing.

Search spend and ROI during 2011 [%]



Cost per click trends [%]

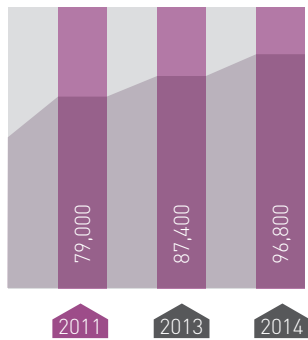


[Source: Efficient Frontier: Digital marketing performance report]

Outlook

The internet advertising industry is expected to touch a market value of USD 100 billion by 2015 from USD 70 billion now. The ability to monitor the campaigns work on a real-time basis and a huge surge is expected from the markets of China, LATAM and India. This is expected to drive growth.

Market size of internet advertising (USD million)



■ Internet Advertising

Regional break-up of the internet size

(USD million)

	2012	2013	2014
USA	33,200	36,300	40,000
Europe	24,600	26,800	29,000
Latin America	3,100	3,600	4,200
Asia	17,400	19,600	22,200

Emerging trends in digital advertising

- ▼ Mobile search spend will make up 16-22% of all paid clicks by 2012 end
- ▼ Search spend in the U.S. will increase 10-15% for the rest of 2012
- ▼ Tablet-and-mobile spend will make up 15-20% of all search spend by 2012 end
- ▼ Facebook engagement rates will grow as more brands convert to and maximise Facebook Timeline for brands
- ▼ Facebook will reach 5% of all online advertising spend by 2012 end
- ▼ Development of other social platforms like Google+ and LinkedIn will give more opportunities

(Source: Efficient Frontier: Digital marketing performance report, Adobe Digital Index)

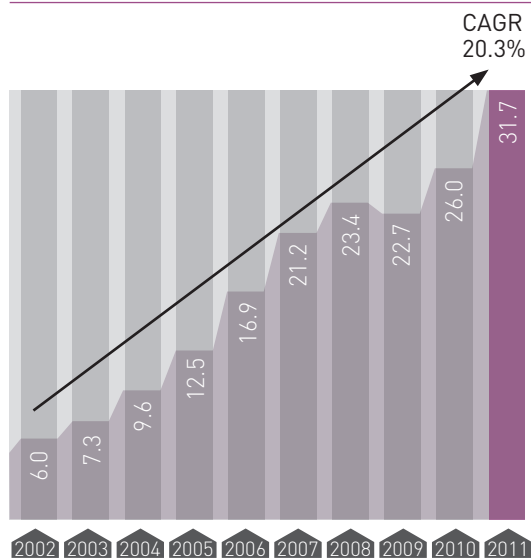
Markets in focus

The US online advertising industry

The US is the largest and the principal market for online advertising. Despite economic slowdown, the US has crossed the USD 30-billion revenue mark for the first time in 2011. Internet advertising revenues grew by 22% in 2011 annually, totalling USD 31.7 billion. In the fourth quarter of 2011, revenues totalled USD 8.97 billion, increasing by 15% on a quarter-on-quarter basis and by 15% annually. Top ten online advertising companies contributed 71% to the total ad revenues in the fourth quarter of 2011. The revenues have increased both in percentage terms and on dollar basis. The total revenues grew by a CAGR of 20.3% over 2002-2011.

Annual revenues from online advertising

(USD billion)



(Source: IAB Internet Advertising Revenue Report, 2011; PricewaterhouseCoopers)

The interactive advertising industry holds a centre stage in media, reaching out to consumers through various forms like search, display, digital video, among others. Significant growth is expected from mobile advertising. The total revenues from mobile advertising stood at USD 1.6 billion in 2011, a 149% surge from USD 0.64 billion in 2010. With consumers spending more time on digital media, marketers are constantly building up their brands across various digital mediums.

Segmental revenue in 2011

Ad formats	Revenue (USD in billion)	Growth (%)
Search	14.8	27
Display	11.1	15
Classifieds	2.6	-
Mobile	1.6	149
Lead Generation	1.5	15
Email	213	9

Search being the leader in the advertising space is followed by display advertising. The display advertising is further sub divided into the following:

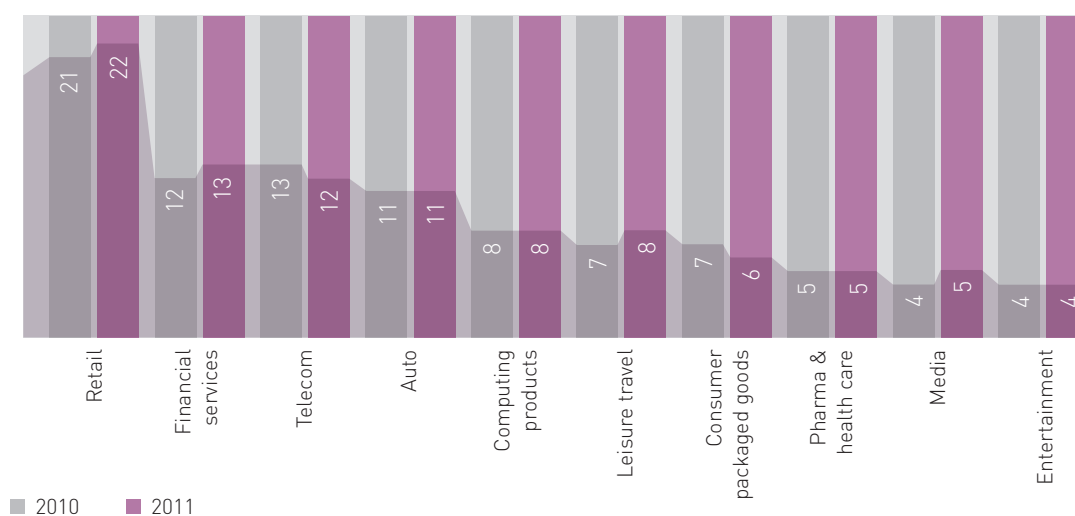
Display advertising	[%]	
	2011	2010
Banner Ad	22	23
Digital video	6	5
Rich media	4	6
Sponsorship	4	3

Mobile advertising

Mobile advertising has emerged as the fastest medium for advertising. The US mobile advertising spend grew 89% in 2011 over 2010, and is around USD 1.45 billion (*Source: eMarketer*). Time spent by an US internet user is 32 hours, double that of global users. Social media is gaining prominence in the advertising domain with Facebook in the lead.

Revenues by industry category

[%]



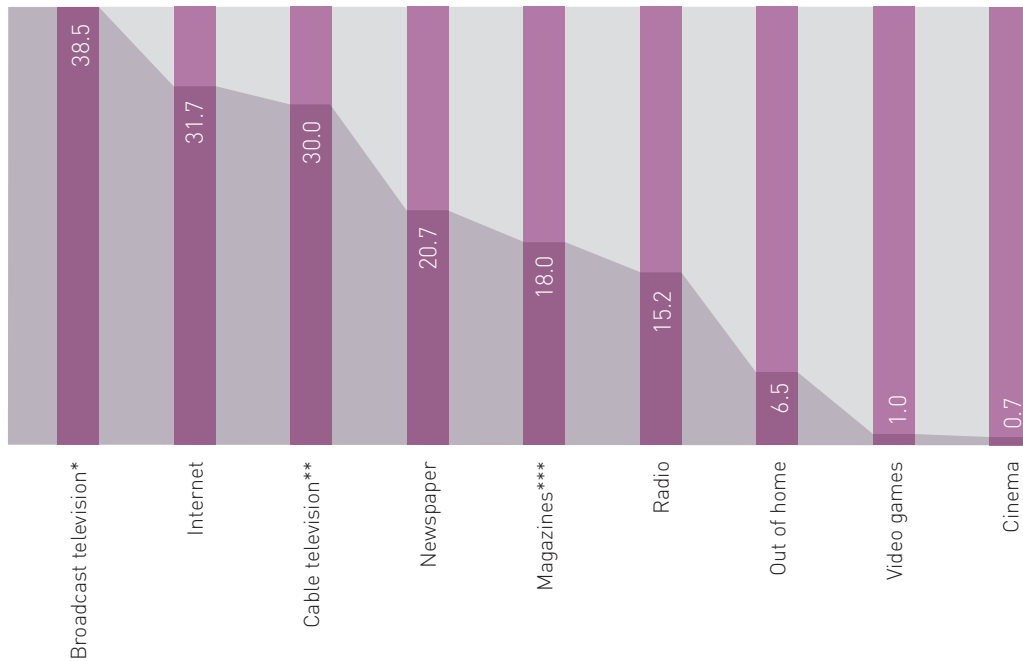
[Source: IAB Internet Advertising Revenue Report]

Advertising market share by media

Internet advertising has grown significantly following television. However, its growth has surpassed the advertising revenues of cable television.

Advertising revenue market share by media - 2011

(USD billion)



Pricing Model

The rise in growth rates in search and the emergence of performance based mobile has led to a rise in the performance-based pricing. There are three pricing models offered to the advertisers namely cost-per-thousand (CPM), performance based pricing and hybrid pricing options, which combine CPM and performance-based pricing. The US market saw an improvement in performance based advertising, contributing 65% to the total revenues in 2011, compared to 62% in 2010. Around 31% of the total ad revenues were contributed by CPM, which declined by 2% compared to 2010. Approximately 4% of the revenues came from hybrid basis.

Cost per thousand impression (CPM) – This refers to the rate per thousand impressions. An impression

is a single appearance of an advertisement on a web page. Every time the advertisement loads on the user's screen, the ad server counts it as one impression. The yardstick of performance can be sub-divided into the following:

- ▼ **Cost per click (CPC):** In CPC, charges are determined depending upon the number of clicks.
- ▼ **Cost per action (CPA):** In CPA, the advertiser pays for each specified action (purchase, form submission, among others) linked to the advertisement.

And hybrid method is a mix of both the CPM and performance basis methods.

Pricing strategy

[%]

Pricing Models	2011	2010
Performance basis	65	62
CPM basis	31	33
Hybrid basis	4	5

Outlook of the US online advertising industry

The US market is expected to grow 25% in ad spend and conclude the year 2012 at close to USD 40 billion mark. It is likely that spending will be concentrated on three formats: search, banners and video advertising. By 2016 these three formats

are likely to make up 80% of the total ad spend. A double-digit growth is projected for all formats with spending on video growing at the highest pace. Growth is expected to remain robust led by the Olympics and Presidential elections.

US Online Ad Spending Share, by format, 2011-2016

[% , except total]

	2011	2012	2013	2014	2015	2016
Search	48.0%	49.4%	49.2%	48.1%	47.6%	46.9%
Banners	24.1%	23.4%	22.6%	21.8%	21.1%	20.5%
Video	6.3%	7.9%	9.8%	12.1%	13.6%	15.0%
Classifieds and directories	7.8%	6.4%	5.7%	5.3%	5.2%	5.2%
Lead generation	5.1%	4.9%	4.9%	4.8%	4.7%	4.6%
Rich media	4.9%	4.2%	3.8%	3.6%	3.4%	3.3%
Sponsorships	3.4%	3.5%	3.7%	4.0%	4.1%	4.2%
Email	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Total (USD billion)	32.03	39.50	46.50	52.80	57.50	62.00

Note: eMarketer benchmarks its US online spending projections against the IAB/PWC data, for which the last full year measured was 2010.

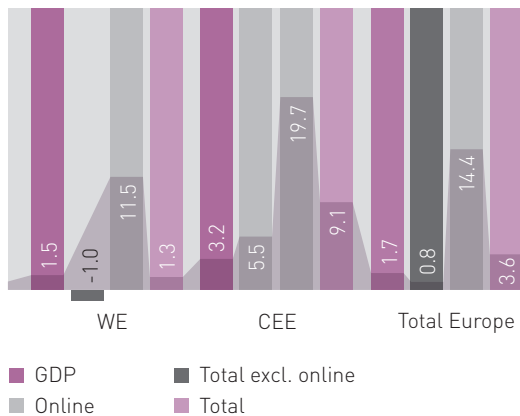
[Source: eMarketer, Jan 2012]

The European online advertising industry

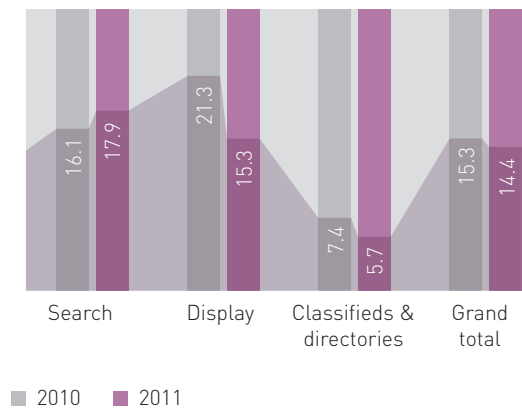
Despite a challenging year, Europe's online industry (considering only the 26 major countries* as mentioned in IAB's report) grew 14.4% in 2011, touching a value of 20.9 billion pounds. Even though the growth was lower compared to 15.3% in 2010, the current growth rate is commendable at a time, when the economy is under considerable stress.

Search remained in the focus growing by 18% annually. Internet contributed around 22% of the overall media spends, video and mobile also witnessed a decent growth. Search and display remained ahead of the league. Video and mobile contributed to 8% and 2% of the total display spend.

Economic growth vs. Ad growth (%)



Year-on-year growth by Ad format (%)



[Source: IAB Europe]

*Austria, the Netherlands, Belgium, Norway, Bulgaria, Poland, Czech Republic, Russia, Croatia, Romania, Denmark, Serbia, Finland, Slovenia, France, Slovakia, Germany, Spain, Greece, Sweden, Hungary, Switzerland, Ireland, Turkey, Italy and UK

Latin America’s online advertising industry

Latin America is one of the fastest growing economies in terms of ad spending. The total ad spend during 2011 increased by 11.6%, of which the online advertising spend grew by 2.2%. As per

estimates, the total ad spends in Latin America will grow to USD 34 billion in 2012 and USD 50 billion by 2016. Simultaneously, the online industry is also projected to touch a value of USD 3.62 billion in 2012 from USD 2.67 billion registered in 2011.

Growth in ad spend in 2011 (y-o-y)

- ▼ Argentina: 117% growth in online ad spend
- ▼ Brazil: 20% growth in online ad spend
- ▼ Chile: 30% growth in online ad spend
- ▼ Colombia: 33% increase in online ad spend
- ▼ Mexico: 36% increase in online ad spend
- ▼ Panama: 7.7% increase in overall ad spend
- ▼ Peru: 37% increase in online ad spend
- ▼ Uruguay: 50% increase in online ad spend

Asia Pacific’s online industry

The number of internet users in the Asia Pacific region crossed one billion in 2011.

As of December, 2011, internet users in this region accounted for 46% of the world’s total. On an average, a user spends around 14 hours on the internet. Despite having a large base of internet users, Asia’s penetration rate is 26%, compared to 42% globally.

The online spend generated in this region stood at USD 24.8 billion, 29% of the total global online spend. For every dollar spent on online initiatives, the return is USD 1.78, exceeding the returns of all

other formats including TV, print, out-of-home and trade. It is estimated that the share of global online ad spend will increase to 26% by 2015 from 24% in 2010.

Asia Pacific's Internet Users by Country

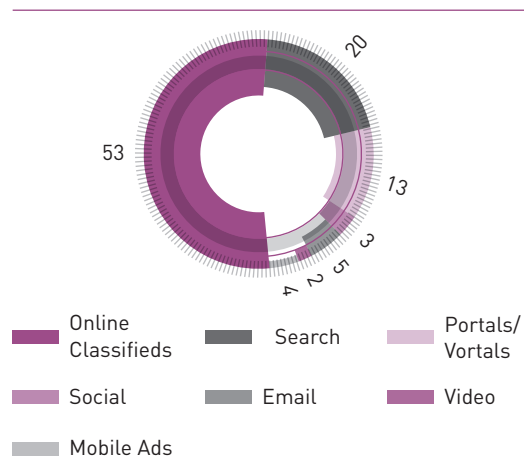
Country	Internet Users	Penetration Rate (%)	% of Users
Australia	19,554,832	89.80	81.70
China	513,100,000	38.40	50.50
Hong Kong	4,894,913	68.70	0.50
India	121,000,000	10.20	11.90
Indonesia	55,000,000	22.40	5.40
Japan	101,228,736	80.00	10.00
Korea, South	40,329,660	82.70	4.00
Malaysia	17,723,000	61.70	1.70
New Zealand	3,625,553	84.50	15.20
The Philippines	29,700,000	29.20	2.90
Singapore	3,658,400	77.20	0.40
Taiwan	16,147,000	70.00	1.60
Thailand	18,310,000	27.40	1.80
Vietnam	30,516,587	33.70	3.00

India's online industry

With 121 million users, India's internet penetration is 8.2%. It is projected that there will be around 222 million users by 2015. More than 30% of the internet population in India remains online for more than 16 hours weekly.

The country's online advertising spend touched ₹ 2,850 crore in 2011-12, around 7% of the global pie, comprising search advertising (20%), portal websites (13%) social media advertisements (3%), email services (5%), video ads (2%), mobile devices (4%) and the remaining 53% relates to classified listings.

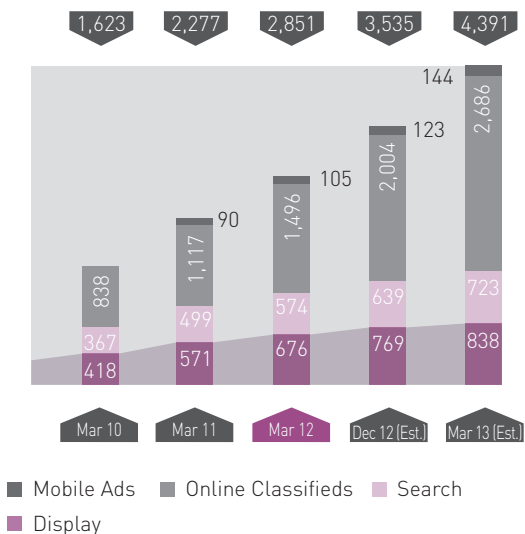
Total online Ad/classifieds spend (FY2012) (%)



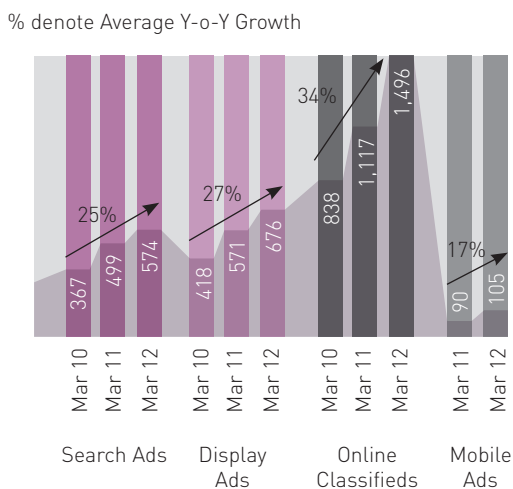
[Source: India Digital Advertising Report]

The industry is expected to grow by 25% and touch ₹ 4,391 crore by 2012. The major ad formats like search ads, display ads, mobile ads and online classifieds are expected to grow by 25%, 27%, 17% and 34%, respectively in the foreseeable future.

Digital advertising spend (₹ in crore)



Types of digital advertising and growth (₹ in crore)



Social media

Social media is a growing global buzz. According to one survey, India has an audience of 43.5 million, with more than 33 million users on more than one social network sites. Social media spend of all companies is likely to touch ₹ 94 crore in 2012.

Industry wise ad spend

The BFSI sustained its strong online advertising growth both in 2010-11 and 2011-12. A result of rising disposable income across India’s rural and urban areas. This was followed by the automotive, banking, financial services and insurance industry, consumer durables, education, electronic media, among others.

Industry-wise performance in 2011-12 (₹ in crore)

Industry	Display ads	Search ads
Automotive	93	34
BFSI	77	112
Consumer durables	54	19
Education	31	20
Electronic media	30	9
FMCG	54	25
IT	56	56
Online publishers	51	75
Telecom	85	57
Travel	120	138

Advantages of digital advertising

- ▼ **Reach:** The ability of the online medium to target a certain section of users is one of the greatest advantages of digital advertising.

It also provides digital marketing services, including digital media planning and buying, digital campaign analysis, ad serving, optimisation of digital advertising campaign, data collection and aggregation, and customised technology platforms, as well as allied services, such as hosting, managing, reporting, optimising and customer support service needs of customers.

- ▼ **Measurement:** With various tools becoming available, tracking the effectiveness of ad campaigns is becoming possible today. In other words, measuring Return on Investment (ROI) is easy now.
- ▼ **Interactivity and Engagement:** The internet is arguably one of the most interactive and engaging medium among various others. Interactive campaigns have become a norm with the power of the online medium.
- ▼ **Creativity:** Creativity that advertisers can have in the online medium is additionally worth mentioning. There are numerous multimedia tools that make online ads powerful, engaging and above all, effective.
- ▼ **Time:** Through the internet, an advertiser can reach a desired target group or demographic in a much shorter time frame.
- ▼ **Cost:** Compared to traditional forms of advertising, digital advertising is cheaper.

Business overview

Ybrant Digital Limited (YDL)

YDL was founded in 1999 and is headquartered in Hyderabad, India. YDL offers digital marketing solutions to businesses, agencies and online publishers globally. The Company acts as an interface between the publishers and the advertisers, offering technology platforms, custom software, marketing creatives, search optimisation support and paid search management, as well as various marketing tools, such as display ad network, email marketing, search marketing, lead generation and affiliate marketing.

It also provides digital marketing services, including digital media planning and buying, digital campaign analysis, ad serving, optimisation of digital advertising campaign, data collection and aggregation, and customised technology platforms, as well as allied services, such as hosting, managing, reporting, optimising and customer support service needs of customers.

Moreover, the Company offers technology platforms to advertisers, publishers and other networks, which comprise ad management technology, art banner and video ad servicing engine. Further, the Company provides licenses of in-house technology software to other digital marketing companies.

Financial performance

Standalone		(₹ in crore)	
Particulars	2011-12	2010-11	% increase
Gross revenue	503.75	298.67	68.66
EBITDA	89.67	39.90	124.74
Profit before tax	59.84	23.84	151.00
Profit after tax	47.77	20.59	132.00
Earnings per share*	1.00	8.10	

*The total number of issued shares stands at 476,251,499 in 2011-12 compared to 25,423,667 in 2010-11, as result of listing of the Company. Hence EPS for both years is not comparable.

Consolidated		(₹ in crore)	
Particulars	2011-12	2010-11	% increase
Gross revenue	1297.51	467.21	177.77
EBITDA	272.09	75.60	259.90
Profit before tax	227.67	57.41	296.56
Profit after tax	191.80	50.18	282.22
Earnings per share*	4.03	19.74	

*The total number of issued shares stands at 476,251,499 in 2011-12 compared to 25,423,667 in 2010-11, as result of listing of the Company. Hence EPS for both years is not comparable.

Risk management

The Company has identified major risks and concerns, during its operations and have effectively taken active measures to mitigate those risks.

Following are the major risks encountered:

- ▼ **Global economic growth:** The sluggish growth in the economies globally has impacted consumer and business sentiment.
- ▼ **Enhanced competition:** Increased competition from the US market is likely to reduce price and revenue margin.
- ▼ **Regulatory changes:** The Company has major operations in the US, Europe, LATAM, among others; legislative changes in countries can hamper business activities.

- ▼ **Human potential:** Availability and retaining skilled manpower is a challenge for the industry.
- ▼ **Capital intensive industry:** Constant technology enhancement is required in the digital industry, which in turn, requires significant capital investment.

Risk mitigation measures

The Company is expanding its footprints across potential markets like Brazil and China. It has ventured into strategic tie-ups and acquisitions to leverage on evolving market opportunities. Apart from technology up-gradation, YDL is focusing on continuous innovation to fulfil multiple customer requirements. The Company has in place significant policies to attract and retain

potential resources. Apart from offering attractive remuneration to its employees, the Company focuses on providing a congenial working environment. Human resources are trained in multiple ways to develop an extensive talent pool.

Human resources

The Company firmly recognises the importance of its human resource to achieve its vision. YDL has significant policies to acquire and retain new and existing talents. It trains its people in a variety of ways to create an extensive talent pool. Apart from providing attractive remuneration to people, YDL also focuses on providing a stimulating and multi-cultural working environment.

Internal control system

YDL's robust internal control system ensures authorised business transactions. Internal audit function is an independent function, which is conducted by internal auditors through extensive

audits. Regular internal audits determine the operational and financial efficiencies of the Company. Moreover, the Audit Committee of the Board of Directors conduct periodic reviews of pan-organisational effectiveness and recommends improvements whenever required. The internal control system also formulates well documented policies, guidelines, authorisations and approval procedures and ensures compliance with applicable policies and statutes.

For and on behalf of the Board of Directors

Ybrant Digital Limited
(formerly LGS Global Limited)

Sd/-

Suresh Kumar Reddy Muthukuru
Chairman & Managing Director

Place : Hyderabad

Date : 3rd November, 2012

Report on Corporate Governance

Company's Philosophy on Code of Governance

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and enhance shareholder value keeping in view the interest of all stake-holders. The Company stands by transparency in all its dealings and strict regulatory compliance.

Board of Directors

Your Company has optimum combination of executive, non executive, independent and non independent directors in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. Your Company has total strength of 7 directors consisting of 3 Executive Directors and 4 Non Executive Independent directors.

None of the directors on the Board is a member of more than 10 committees or chairman of more than 5 committees as specified in Clause 49, across all the companies in which he is a director. Necessary disclosures regarding committee positions in other public companies have been made by the directors.

All Independent Directors comply with the requirements of the Listing Agreement for being categorised as Independent Director.

The Board was reconstituted on 26th June, 2012 as per the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh vide its Order Dtd. 11th April, 2012.

Name of the Director	Category	Designation	No. of Directorships in other Public Companies	No. of Committees positions held in other Public Companies	
				Chairman	Member
Mr. Suresh Kumar Reddy Muthukuru	P & ED	CMD	NIL	NIL	NIL
Mr. Vijay Kancharla	P & ED	E D	NIL	NIL	NIL
Mr. Venkata Subba Rao Karusala	P & ED	E D	1	NIL	NIL
Mr. Vijaya Bhasker Reddy Maddi	NEID	Director	NIL	NIL	NIL
Mr. Raghunath Allamsetty	NEID	Director	NIL	NIL	NIL
Mr. Pulla Reddy Sagireddy	NEID	Director	NIL	NIL	NIL
Mr. Ramesh Reddy Yerradoddi	NEID	Director	NIL	NIL	NIL

P & ED=Promoter & Executive Director; NEID=Non Executive Independent Director;

The details of category of directorship, attendance of board meetings and last Annual General Meeting during the year, number of directorships, committee chairmanships and memberships held by the directors in other companies furnished herewith. Other directorships do not include alternative directorships, directorships of Private Limited Companies, Section 25 companies and of companies incorporated outside India. Chairmanship / membership of Board Committees include only Audit Committee and the Shareholder's Grievance Committee.

Ten Board Meetings were held during the financial year ended 31st March, 2012. Your Company has complied with all the requirements in terms of Listing Agreement and Companies Act, 1956 in respect of Board Meetings. The dates on which the Meetings were held are 12th May, 2011, 16th June, 2011, 23rd July, 2011, 1st August, 2011, 3rd August, 2011, 12th August, 2011, 23rd August, 2011, 5th September, 2011, 14th November, 2011 and 13th February, 2012.

Name of the Director	No. of Board Meetings (during the year 2011-12)		Whether attended last AGM held on 27th September, 2011
	Held	Attended	
Mr. Venkata Subba Rao Karusala	10	10	YES
Mr. Venkateswara Rao Kadiyala	10	10	YES
Mr. Sasikanth Chivukula	10	3	YES
Mr. Kishore Kumar Putta	10	10	NO
Dr. Rajesh Sankhla	10	10	YES
Mr. Venkata Subba Raju Kanumuri	10	10	YES

The Board meetings are generally held at least once in a quarter, amongst others for consideration of the financial results. Besides this, additional Board meetings are also convened to address the specific requirements of the Company, as and when the need arises. The urgent items, if any, are approved by passing resolutions through circulation by the Board. Agenda papers along with detailed notes are circulated to the Directors in advance for each of these meetings. All relevant information, as required was placed before the Board from time to time. The minutes of meetings of Board and Committees are circulated to the members of the meeting for their confirmation.

None of the Independent directors has any pecuniary or material relationship or transaction with the Company.

The Company has no material non listed Indian Subsidiary Company and therefore, the requirement of inducting an Independent Director on the Board of Directors of the Subsidiary Company does not arise.

Board Committees: To enable better management of the affairs of the Company, the Board delegates certain matters to Committees of the Board set up for the purpose. The proceedings of the meetings of the Committees are circulated to the Board. The Minutes of the Committee meetings are placed before the Board for its adoption.

Audit Committee

The Board of Directors of the Company has constituted the Audit Committee to assist the Board in discharging its responsibilities effectively. The constitution of the Audit Committee also meets with the requirements of Section 292A of

the Companies Act, 1956 and SEBI Regulations/ Listing Agreement with the Stock Exchanges.

The terms of reference of the Committee covers accounting matters, financial reporting, internal controls and the matters as contained in Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Audit Committee meetings are usually held at the registered office of the Company and are usually attended by the Statutory Auditors, Chief Financial Officer (CFO), Vice President (Finance & Accounts) apart from Committee members. Other functional heads and special invitees are invited to the meetings, as required. The Company Secretary acts as Secretary of the Committee.

The Quarterly, Half yearly and Annual financial results of the Company were reviewed by the Audit Committee before consideration and approval by the Board of Directors. The Committee reviewed the adequacy of Internal Control Systems and the various compliances.

The then Chairman of the Audit Committee Mr. Sasikanth Chivukula attended the previous Annual General Meeting of the Company held on 27th September, 2011 in terms of Clause 49 of the Listing Agreement.

The composition of the Audit Committee as on date and particulars of meetings attended by the members of the Audit Committee are given below:

Five Audit Committee Meetings were held during the financial year ended 31st March, 2012. The dates on which the Meetings were held are 12th May, 2011, 12th August, 2011, 23rd August, 2011, 14th November, 2011 and 13th February, 2012.

Name of the Member	Status in the Committee	No. of Meetings (during the year 2011-12)	
		Held	Attended
Mr. Sasikanth Chivukula	Chairman	5	3
Dr. Rajesh Sankhla	Member	5	5
Mr. Venkata Subba Raju Kanumuri	Member	5	5
Mr. Venkateswara Rao Kadiyala	Member	5	5

The Audit Committee was reconstituted on 26th June, 2012 by comprising following Directors on the Board:

Name of the Member	Status in the Committee	Category
Mr. Ramesh Reddy Yerradoddi	Chairman	Non Executive and Independent
Mr. Vijaya Bhasker Reddy Maddi	Member	Non Executive and Independent
Mr. Raghunath Allamsetty	Member	Non Executive and Independent

The Audit Committee Chairman Mr. Ramesh Reddy is having financial expertise knowledge. He holds a Management Degree in Finance & Marketing from XLRI, Jamshedpur and also holds a degree in Chemical Engineering from the Indian Institute of Technology, Chennai and having rich experience in the field of IT, Manufacturing, Investment Banking and Finance

Remuneration & Compensation Committee

The Board of Directors of the Company has reconstituted the Remuneration & Compensation Committee on 26th June, 2012 consisting 3 Independent Non Executive Directors on the Board:

Name of the Member	Status in the Committee
Mr. Vijaya Bhasker Reddy Maddi	Chairman
Mr. Raghunath Allamsetty	Member
Mr. Pulla Reddy Sagireddy	Member

The terms of references of the Committee includes recommendations to the Board about Compensation and Benefits for Executive Directors, approval of stock options to employees and such other matters as may be referred to it by the Board from time to time. During the year under review 2 meetings were held on 23rd July, 2011 and 13th February, 2012.

Name of the Member	Status in the Committee	No. of Meetings (during the year 2011-12)	
		Held	Attended
Dr. Rajesh Sankhla	Chairman	2	2
Mr. Venkata Subba Raju Kanumuri	Member	2	2
Mr. Chivukula Sasikanth	Member	2	1
Mr. Venkata Subba Rao Karusala	Member	2	2

Directors' Remuneration Policy:

Non Executive Directors are not paid any remuneration other than sitting fee for the meetings attended by them. There are no performance linked incentives payable to any of the directors. At present, the company does not have any stock option plan as part of remuneration package for any director. Remuneration of the Executive Director is approved by the Remuneration & Compensation Committee, Board of Directors and the Shareholders of the Company.

During the year, the Company has paid ₹ 5000/- as sitting fee to its Non Executive Independent Directors for attending meetings of the Board and Audit Committee. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

Details of sitting fee paid during the year and their holding of equity shares in the Company as on 31st March, 2012 are given below:

Name	Sitting fee paid as on 31st March, 2012 in ₹	No. of Shares held as on 31st March, 2012
Mr. Venkata Subba Rao Karusala	NIL	713963
Mr. Venkateswara Rao Kadiyala	NIL	713963
Mr. Sasikanth Chivukula	30000	NIL
Dr. Rajesh Sankhla	75000	NIL
Mr. Kishore Kumar Putta	50000	NIL
Mr. Venkata Subbaraju Kanumuri	75000	NIL

Remuneration paid to the Whole time Directors for the year ended 31st March, 2012

Particulars	Mr Venkata Subba Rao Koursala	Mr Venkateswara Rao Kadiyala
Designation	Managing Director	Jt. Managing Director
Salary (₹)	29,61,000/-	29,61,000/-
Contribution to P.F.	2,52,000/-	2,52,000/-
Others	Nil	Nil
Total Amount (₹)	32,13,000/-	32,13,000/-

Shareholders' / Investors' Grievance Committee

Constitution and Composition:

Shareholders/Investors Grievance committee was reconstituted on 26th June, 2012 by comprising following directors on the Board. The Committee had been constituted to look into and redress the grievances of the shareholders and investors pertaining to transfer of shares, physical share transfers, non-receipt of Annual Reports etc.

Name of the Member	Status	Category
Mr. Pulla Reddy Sagireddy	Chairman	Non Executive and Independent
Mr. Vijaya Bhasker Reddy Maddi	Member	Non Executive and Independent
Mr. Raghunath Allamsetty	Member	Non Executive and Independent

Name and Designation of the Compliance Officer

Mr. M. Jagadeeshwara Rao, Company Secretary.

No. of Shareholders complaints received during the year 2011-12 and the Status of Investor's Complaints:

Details of Investor complaints received and redressed for the period 1st April, 2011 to 31st March, 2012

Compliance	Receipt	Resolved	Pending
Complaints			
a Non receipt of dividend warrants	2	2	0
b Non receipt of Annual reports	1	1	0
Total	3	3	0

General Body Meetings**(i) Location and time, where last three Annual General Meetings held are as follows:**

Year	Location	Date	Time
2010-11	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, Andhra Pradesh.	27th September, 2011	12:00 noon
2009-10	Same location as above	24th December, 2010	11:00 A. M
2008-09	Same location as above	30th December, 2009	11:00 A. M

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Date	Description of Special Resolution passed
27.11.2011	No Special Resolution was passed in this AGM
24.12.2010	Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad
30.12.2009	Consent pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws, for issue of further securities to various categories of investors in India and Abroad.

(iii) Extra-Ordinary General Meetings held during the last three years:

Year	Location	Time & Date
2012	The Golkonda Hyderabad Hotel, Banjara Hills, Masab Tank, Hyderabad , A. P.	11:00 A.M., 20th August, 2012
2012	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	11:30 A.M., 30th June, 2012 (Adjourned Meeting)

2012	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	11:30 A.M., 23rd June, 2012 (Meeting Adjourned to 30.06.2012)
2011	Surana Udyog Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P. Court convened meeting of the Equity shareholders in the matter of Amalgamation	04:30 P.M., 15th July, 20 11
2011	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	11.30.A.M., 24th December, 2011

(iv) Resolutions passed in the above said Extra-Ordinary General Meetings:

Date	Description of Resolutions passed
20.08.2012	(i) Issue of Equity Shares on preferential basis to the persons other than promoters
	(ii) Issue of Optionally Convertible Loans (OCL) to persons other than promoters
30.06.2012	Issue of Optionally Convertible Loans (OCL) to persons other than promoters
23.06.2012	Meeting adjourned to 30th June, 2012
15.07.2011	(i) Increase of Authorised Share Capital to ₹ 60,00,00,000/- (₹ Sixty crore only) divided into 6,00,00,000 (Six crore) equity shares of ₹ 10/- (₹ Ten only) each.
	(ii) Issue and allotment of 3,00,00,000 (Three crore only) convertible warrants to the persons under promoter group on preferential basis.
24.12.2011	Convened meeting of the equity shareholders of the Company to ascertain the consent of the shareholders for the amalgamation of Ybrant Digital Limited (Transferor Company) with LGS Global Limited (Transferee Company, Now Ybrant Digital Limited)

(v) Postal Ballot: During the period under review the consent of the shareholders was obtained through two Postal Ballot notices vide Notice Dtd.5th September, 2011 & 26th June,2012

Resolutions passed through Postal Ballot Notice Dtd. 5th September, 2011 and details of voting.

The Company has conducted the Postal Ballot pursuant to provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011 for the following resolutions of which results were declared on 22nd October, 2011.

Resolution No. 1: Special Resolution for grant of authorisation to the Board u/s 81(1A) of the Companies Act, 1956 for raising of funds for an amount not exceeding ₹ 1500 crore or any amount equivalent thereof in any foreign currency by issuing of any kind of securities as detailed in the resolution. The Special Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.98%.

Resolution No. 2: Ordinary Resolution for consent of the shareholders u/s 293(1)(d) of the Companies Act,1956 to the Board to borrow up to ₹ 1500 crore as detailed

in the resolution. The Ordinary Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.99%.

Resolution No 3: Ordinary Resolution for authorising the Board u/s 293(1) (a) of the Companies Act, 1956 to create charge/mortgage/hypothecate on the assets of the company up to ₹ 1500 crore as detailed in the resolution. The Ordinary Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.96%.

Resolution No.4: Special Resolution for authorising the board u/s 372A of the Companies Act, 1956 to do investments/ make loans/give guarantees/provide securities up to ₹ 1500 crore as detailed in the resolution. The Special Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.98%.

Resolution No.5: Special Resolution for shifting of Registered office of the Company from State of Andhra Pradesh to State of Tamil Nadu as detailed in the resolution. The Special Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.99%.

Persons who conducted the postal ballot exercise:

The Board of Directors had appointed Mr. Y. V. Rao & Associates, Practicing Company Secretaries as Scrutiniser for conducting the Postal Ballot exercise in a fair and transparent manner and to submit the Report.

Resolutions passed through Postal Ballot Notice Dtd. 26th June, 2012 and details of voting.

The Company has conducted the Postal Ballot pursuant to provisions of Section 192A of the Companies Act, 1956 read with Companies

(Passing of Resolution by Postal Ballot) Rules, 2011 for the following resolutions of which results were declared on 17th August, 2012.

Resolution No 1: Special Resolution for consent of the shareholders u/s. 17 of the Companies Act, 1956 for alteration of the main objects in the objects clause III (A) of the Memorandum of Association of the Company as detailed in the resolution. The Special Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.99%.

Resolution No. 2: Ordinary Resolution for the appointment of Mr. Suresh Kumar Reddy M as Chairman & Managing Director (CMD). The Ordinary Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.99%.

Resolution No 3: Ordinary Resolution for the appointment Mr. Vijay Kancharla as Executive Director. The Ordinary Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.99%.

Resolution No.4: Ordinary Resolution for the appointment of Mr. Venkata Subba Rao Karusala as Executive Director. The Ordinary Resolution was passed with requisite majority with the percentage of votes cast in favour of the resolution being 99.99%.

Persons who conducted the postal ballot exercise:

The Board of Directors had appointed M/s. C.V. Reddy K & Associates, Practicing Company Secretaries as Scrutiniser for conducting the Postal Ballot exercise in a fair and transparent manner and to submit the Report.

Procedure for Postal Ballot: The Company generally adopts the following procedure while conducting the Postal Ballot:

- (a) The Board of directors identifies and approves the nature of transactions for which approval has to be sought from the shareholders by way of postal ballot.
 - (b) Board of directors appoints a qualified professional as prescribed under the Companies Act, 1956 and the rules made there under as the scrutiniser to conduct the postal ballot procedure in a fair and transparent manner.
 - (c) The Board of directors approves the calendar of events which inter alia includes the details regarding the date of dispatch of the notice, the last date to receive the assent or dissent ballot forms and the date of declaration of the results.
 - (d) The Board of directors approves the notice to be circulated to the members under Section 192A of the Companies Act, 1956 together with the explanatory statement and the postal ballot form.
 - (e) Board of directors nominates any one of the Executive Directors and the Company Secretary to be responsible to the conducting the postal ballot process.
 - (f) The scrutiniser submits his report to the Chairman on the date of declaration of results.
- iv) **Strictures and Penalties:** There has not been any non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
 - v) **Compliance:** At every Board Meeting statements of compliance with all laws and regulations as certified by the Chairman & Managing Director and the Company Secretary are placed for review by the Board. The Board considers all materially important show causes / demand notices received from statutory authorities and the steps / action taken by the Company in this regard. The Board reviews the compliance of all the applicable laws and gives appropriate directions, wherever necessary.
 - vi) **Code of Conduct:** The Board of Directors have laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code have been posted on the website of the Company. Annual declaration is obtained from every person covered by the Code. The Code of Conduct for prevention of insider trading, as required by SEBI, was adopted by the company for the prevention of Insider Trading applicable to all the Board members and designated employees. The Code, besides other relevant matters, prohibits an insider from dealing in the shares of the company while in possession of the unpublished price sensitive information in relation to the company. In accordance with this Code, the Company closes the trading window for designated employees from time to time. As per the Code, trading window is closed from the prescribed day before the Board meeting and opened after 24 hours of conclusion of Board meeting in which the financial results or any other price sensitive information is being considered by the Board.

Disclosures

- i) **Related Party Transactions:** The disclosures regarding related party transactions forms part of the notes to the financial statements published elsewhere in this Annual Report.
- ii) **Accounting Treatment:** There is no different Accounting treatment from the prescribed Accounting standards.
- iii) **Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up at its meetings.

- vii) **CMD and CFO Certification:** The CMD and CFO have given certificates to the Board as contemplated in Clause 49 of the Listing Agreement.
- viii) **Mandatory Requirements:** All the Mandatory requirements as to Corporate Governance have been complied with.
- ix) **Non Mandatory Requirements:** The Company has complied with all the mandatory requirements of the clause 49 of the Listing Agreement. Board has constituted a Remuneration and Compensation Committee, the details of which are given in this report. This year the company has unqualified financial statements.
- x) **Whistle Blower policy:** Though the Company does not have whistle blower policy, no person is denied access to the Audit Committee.
- xi) **Financial statements:** In the preparation of the consolidated financial statements, the company has adopted AS 21 issued by the Institute of Chartered Accountants of India (ICAI) and has been prepared under the historical cost convention, on the accrual basis of accounting and complies with the mandatory accounting requirements issued by the ICAI. The same has been disclosed in the notes to the consolidated financial statements.
- xii) **Reconciliation of Share Capital Audit Report:** A qualified Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares

held with NSDL and CDSL. The Reconciliation of Share Capital Audit Report submitted to Stock Exchanges for every quarter within one month from the end of the quarter.

Means of Communication

- i) The quarterly, half yearly unaudited financial results and annual audited results of the Company were published in the national level English newspapers as well as regional language newspapers circulating in the state of Andhra Pradesh. The results are also displayed on the Company's website www.ybrantdigital.com. Official news releases, detailed presentations made to media, analyst, Institutional Investors etc. are displayed on the company's website www.ybrantdigital.com. Official media releases are sent to Stock Exchanges.
- ii) **Designated exclusive E-mail ID:** The Company has designated the following E-mail ID exclusively for investor servicing ir@ybrantdigital.com.
- iii) **Management Discussion & Analysis:** The detailed report is forming part of this Annual Report.

General Shareholders Information

Thirteenth Annual General Meeting:

Day & Date	:	Wednesday, 26th December, 2012
Time	:	10:30.A.M.
Venue	:	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad-500 004

Financial Calendar for the Year 2012-13 (tentative)

Financial reporting for the quarter ended	On or Before end of the
30th June, 2012	14th August, 2012
30th September, 2012	14th November, 2012
31st December, 2012	14th February, 2013
31st March, 2013	15th May, 2013
AGM for the year ending 31st March, 2013	30th September, 2013
Dividend payment	The dividend, if declared, shall be paid / credited within the statutory period.

Book Closure Dates: from 22nd December, 2012 to 26th December, 2012 (both days inclusive) for the purpose of Annual General Meeting.

Dividend Payment Date: if, declared, within 30 days from the date of AGM

Listing on Stock Exchanges : BSE Limited (BSE), Mumbai, Madras Stock Exchange Limited (MSE), Chennai

Listing fee: The Company has paid the listing fee for the financial year 2012-13

Annual Custodial fee: Annual Custodial fee was paid to the Depositories for the financial year 2012-13.

Stock Code: BSE – Scrip Code: 532368; Stock Code: YBRANTDIGI

ISIN Code : INE425B01027

Stock Market Data: Monthly High/Low of Market price of the Company's shares traded in BSE and performance in comparison to BSE Sensex during the period from April, 2011 to March, 2012 is furnished below.

Month	BSE Limited, Mumbai Share Prices (In ₹)		BSE Sensex	
	High	Low	High	Low
April '11	46.50	37.10	19811.14	18976.19
May '11	55.80	39.30	19253.87	17786.13
June '11	55.00	42.00	18873.39	17314.38
July '11	61.00	47.10	19131.70	18131.86
August '11	63.00	43.15	18440.07	15765.53
September '11	69.50	43.60	17211.80	15801.01
October '11	81.80	56.00	17908.13	15745.43
November '11	114.90	77.60	17702.26	15478.69
December '11	141.40	85.50	17003.71	15135.86
January '12	130.75	100.35	17258.97	15358.02
February '12	128.75	95.00	18523.78	17061.55
March '12	112.85	82.05	18040.69	16920.61

Registrar & Share Transfer Agent (RTA)

Aarathi Consultants Private Limited, whose address is given below, is the Registrar & Share Transfer Agent of the Company for looking after the work related to share registry.

Aarathi Consultants Private Limited,

[Unit: YBRANT Digital Limited]; 1-2-285, Domalguda, Hyderabad - 500 029. A.P. India.

Phone : +91-40-27634445, 27638111, 27642217, 66611921; Fax : +91-40-27632184,

Email : info@aarthiconsultants.com; aarthiconsultants@gmail.com

Website: www.aarthiconsultants.com

Share Transfer System

The Company has Registrar and Share Transfer Agent. Share Transfers, if documents are found to be in order, are registered and returned in the normal course within two weeks from the date of receipt of the documents. Requests for dematerialisation of shares are processed and confirmation given to the respective depositories i.e National Securities Depositories Ltd (NSDL) and Central Depository Services (India) Ltd., (CDSL) within seven days.

Distribution of Shareholding as on 30th September, 2012

Nominal Value of Shareholding (in ₹)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2749	89.87	713231	0.15
5001 - 10000	66	2.16	250391	0.05
10001 - 20000	33	1.08	256264	0.05
20001 - 30000	13	0.42	154495	0.03
30001 - 40000	16	0.52	283588	0.06
40001 - 50000	10	0.33	230147	0.05
50001 - 100000	36	1.18	1277665	0.27
100000 & Above	136	4.45	473085718	99.34
Total	3059	100	476251499	100

Shareholding pattern as on 30th September, 2012:

Category	Total	% Equity
1. Company Promoter / Promoter Group	197358294	41.44
2. Foreign Institutional Investors	78426579	16.47
3. Foreign Venture Capital Investors	99808710	20.96
4. Bodies Corporate	27511712	5.78
5. Overseas Corporate Bodies	24200398	5.08
6. Foreign Nationals	3252592	0.68
7. Non Resident Individuals	3639239	0.76
8. Trusts	18033509	3.79
9. General Public	22185119	4.66
10. Employees	1650000	0.35
11. Clearing Members	185347	0.04
Grand Total	476251499	100

Dematerialisation of Shares and Liquidity: 66.70% of the total shares have been dematerialised up to 30th September, 2012.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

Pursuant to members' approval in its EGM held on 15.07.2011, the Company issued and allotted 3,00,00,000 (Three Crore only) convertible warrants to the persons under promoter group on preferential basis in accordance with the SEBI(issue of capital and disclosure requirements) Regulations (warrants). These warrants are outstanding as on date and these warrants are due for conversion on or before 22nd January, 2013. As per the terms of warrants one warrant will be convertible in to one equity share and if converted fully, paid up equity capital will be ₹101,25,02,998/- (₹ One Hundred and One crore Twenty Five Lakhs Two Thousand Nine Hundred and Ninety Eight only).

Investor Correspondence

For queries relating to Shares:	For queries relating to Financial Statements and other contents of Annual Reports:
Aarthi Consultants Private Limited, (Unit: YBRANT Digital Limited)	YBRANT Digital Limited (formerly, LGS Global Limited),
1-2-285, Domalguda, Hyderabad - 500 029.A.P.	Plot No. 7A, Road No. 12, MLA Colony,
Phone : +91-40-27634445, 27638111, 27642217, 66611921	Banjara Hills, Hyderabad - 500 034, A. P.
Fax : +91-40-27632184,	Phone No. +91 40 4567 8999
Email: info@arthiconsultants.com; arthiconsultants@gmail.com	Fax No. +91 40 4567 8998
	Email: ir@ybrantdigital.com;
	Website: www.ybrantdigital.com

Locations:

In view of the nature of the Company's business viz. Digital Marketing, Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and Abroad and does not have any manufacturing plant. However, the addresses of such offices are given elsewhere in this report.

Corporate Identity Number (CIN): L64203AP1999PLC030996. The Company is registered in the State of Andhra Pradesh.

For and on behalf of the Board of Directors

Ybrant Digital Limited

(formerly LGS Global Limited)

Sd/-

Suresh Kumar Reddy Muthukuru

Chairman & Managing Director

Place : Hyderabad

Date : 3rd November, 2012.

Declaration From The Managing Director for Compliance With Code of Conduct for Board and Senior Management

(Pursuant to Clause 49 I (D) of the Listing Agreement)

This is to confirm and declare that M/s. YBRANT DIGITAL LIMITED (formerly, LGS Global Limited) has put in place the Code of Conduct for the Board of Directors and Senior Management. This code is applicable to all the Directors of the Company and the Members of Senior Management. The Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the Board of Directors and Senior Management as on 31st March, 2012. The Company has complied with the provisions of the Listing Agreement in this respect.

For **Ybrant Digital Limited**
(formerly LGS Global Limited)

Sd/-

Place : Hyderabad
Date : 3rd November, 2012.

Suresh Kumar Reddy Muthukuru
Chairman & Managing Director

Compliance Certificate on Corporate Governance

To

The Members of
Ybrant Digital Limited
(Formerly, LGS Global Limited)
Hyderabad

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of YBRANT DIGITAL LIMITED (formerly, LGS Global Limited) ("the company") for the year ended 31st March, 2012 as stipulated in Clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on "Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information

and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of 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 **P. Murali & Co.,**
Chartered Accountants

P. Murali Mohana Rao
Partner
FRN: 007257S
Membership No.23412

Place : Hyderabad
Date : 3rd November, 2012

Auditors' Report

To

The Members,

M/S Ybrant Digital Limited

(Formerly LGS GLOBAL LIMITED)

1. We have audited the attached Balance Sheet of M/S Ybrant Digital Limited (Formerly LGS GLOBAL LIMITED) as at 31st March, 2012 and also the Profit and Loss Account for the period ended on the date annexed thereto. 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.
2. 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 a 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.
3. As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to 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 proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet & Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet & Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956;
 - e) In our opinion and to the best of our information and according to the explanations given to us, said Accounts give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) In the case of the Profit & Loss Account, of the Profit for the period ended on that date;
- And
- iii) In the case of the Cash Flow, of the cash flows for the period ended on that date;

For **P. Murali & Co.,**
Chartered Accountants.,
Frn No: 007257S
Sd/-

P. Murali Mohana Rao

Place : Hyderabad

Partner

Date : 10th September, 2012

M.No: 23412



Annexure to the Auditors' Report:

- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management reasonable intervals and no discrepancies between the book records and the physical inventory have been noticed on such verification.
 - c) During the year, the Company has not disposed off major fixed assets.
- II. The Company has no Inventory, hence this clause is not applicable.
- III. a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
 - c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties , is not applicable to the company.
 - d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than Rupees one Lac does not arise and the clause is not Applicable.
 - e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
 - f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- IV. In our opinion and according to the information and explanation given to us, there are generally adequate internal controls commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and for sale of goods and services. There is no continuing failure by the Company to correct any major weaknesses in internal control.
- V. a) In our opinion and according to the information and explanations given to us, no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the Company in respect of any party in the financial year.
 - b) According to the information and explanations given to us, there are no contracts or arrangements made by the Company and hence the reasonable price having regarded to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Companies Act,1956 and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of

Annexure to the Auditors' Report:

- cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956.
- IX. a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provision of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the Company is not dealing or trading in shares securities, Debentures and other investments and hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has given corporate guarantee to the Bankers for loan taken by its subsidiary. In our opinion, the terms and conditions on are not prejudicial to the interests of the Company
- XVI. According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the company.
- XVII. According to the information and explanations given to us, the Company has not used short term funds for long term Investment.
- XVIII. According to the information and explanation given to us, the Company has not made preferential allotment to parties covered in the Register maintained Under Section 301 of the Companies Act, 1956. Hence this clause is not applicable.
- XIX. According to the information and explanations given to us, the Company has not issued debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For **P. Murali & Co.,**
Chartered Accountants.,
Frn No: 007257S
Sd/-

P. Murali Mohana Rao

Place : Hyderabad Partner
Date : 10th September, 2012 M.No: 23412



Balance Sheet as at 31st March, 2012

(₹)

Particulars	Note No.	As on 31st March, 2012	As on 31st March, 2011
I. Equity & Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	1	952,502,998	254,236,670
(b) Reserves and Surplus	2	4,961,572,366	784,561,201
(c) Money received against share warrants	3	355,800,000	-
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,430,679,891	26,116,000
(b) Deferred Tax Liabilities (Net)	5	45,647,098	17,797,945
(c) Other Long Term Liabilities	6	158,585,150	138,415,000
(d) Long Term Provisions	7	37,038,476	43,185,193
(3) Current Liabilities			
(a) Short-Term Borrowings	8	1,204,575,455	929,980,199
(b) Trade Payables	9	2,941,437,248	1,260,126,984
(c) Other Current Liabilities	10	321,128,368	54,317,840
(d) Short-Term Provisions	11	238,145,651	94,959,552
Total		12,647,112,701	3,603,696,584
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	271,197,507	128,448,966
(ii) Intangible assets	12	557,883,019	232,292,893
(b) Non-current investments	13	5,093,225,722	742,107,032
(c) Long Term Loans and advances	14	46,096,429	47,545,851
(d) Other Non-Current assets	15	356,482,096	110,427
(2) Current assets			
(a) Trade receivables	16	4,472,810,267	1,967,988,607
(b) Cash and Bank Balances	17	96,309,394	10,830,808
(c) Short-Term Loans and Advances	18	1,753,108,267	474,372,000
Total		12,647,112,701	3,603,696,584

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 0072575
Chartered Accountants

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-
P.Murali Mohana Rao
Partner
M.No. 23412

Sd/-
M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
K.Venkata Subba Rao
Executive Director

Place : Hyderabad
Date : 10th September,2012

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

Sd/-
M. Jagadeeshwara Rao
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2012

(₹)

Particulars	Note No.	Year Ending 31st March, 2012	Year Ending 31st March, 2011
Revenue from Operations	19	5,037,522,167	2,986,766,057
Other Income	20	94,024,083	(1,846,908)
Total Revenue		5,131,546,250	2,984,919,149
Expenses			
Purchase / Cost of Revenue	21	3,735,591,352	2,184,988,219
Employee Benefit expenses	22	301,263,015	321,167,388
Other Operating Expenses	23	53,155,286	46,259,839
Administrative Expenses	24	144,779,924	33,449,164
Financial costs	25	229,533,971	117,092,098
Depreciation and amortisation expense	12	68,789,384	43,559,473
Total Expenses		4,533,112,932	2,746,516,181
Profit before Extraordinary items and tax		598,433,318	238,402,968
Extraordinary Items		-	-
Profit Before Tax		598,433,318	238,402,968
Tax Expense			
(1) Current tax		99,490,549	25,247,274
(2) Deferred tax		21,241,314	7,206,262
Profit After Tax		477,701,455	205,949,432
Earning per equity share			
(1) Basic		1.00	8.10
(2) Diluted		1.00	8.10

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

Sd/-

P.Murali Mohana Rao
Partner
M.No. 23412

Place : Hyderabad
Date : 10th September,2012

Sd/-

M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-

K.Venkata Subba Rao
Executive Director

Sd/-
M. Jagadeeshwara Rao
Company Secretary



Cash Flow Statement for the year ended 31st March, 2012

Particulars	(₹)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
A. Cash Flow from Operating Activities		
Net Profit Before Tax	598,433,318	250,295,663
Adjustment for :		
Add: Depreciation	68,789,384	43,377,473
Interest Paid	11,144,813	117,092,098
Written off Expenses	9,952,254	182,000
Operating Profit before Working Capital Changes	688,319,769	410,947,234
Adjustment for Working Capital Changes		
Increase/(Decrease) in Short term Borrowings	274,595,256	-
Increase/(Decrease) in Trade Payables	1,681,310,264	619,056,731
Increase/(Decrease) other Current Liabilities	167,319,979	-
Increase/(Decrease) Short-Term Provisions	32,483,820	-
Decrease/(Increase) Trade Receivables	(2,504,821,660)	(536,595,803)
Decrease/(Increase) Short-Term Loans and Advances	(1,278,736,267)	(388,225,305)
Increase/(Decrease) other Current Assets	-	-
	(939,528,839)	105,182,857
B Cash Flow from Investing Activities		
Purchase/Increase of assets	(537,128,051)	(80,497,768)
Other Non-Current Investments	(4,351,118,690)	-
Investment in Subsidiary	-	(16,242,500)
Intangibles under development	-	-
Net cash from investing activities	B (4,888,246,741)	(96,740,268)
C. Cash Flows from Financing Activities		
Interest Paid	(11,144,813)	(108,874,037)
Increase in Long Term Loans	1,404,563,891	-
Deferred Tax	6,607,838	-
Increase in share capital	698,266,328	-
Increase in Capital Reserve	3,810,011,992	-
Increase in share warrants	355,800,000	-
long term provision	(6,146,717)	-
Other Long term Liabilities	20,170,150	-
Long term loans and advances	1,449,422	74,027,625
Other Non - Current Assets	(366,323,925)	-
Net cash from financing activities	C 5,913,254,166	(34,846,412)
Cash and cash equivalents at beginning of year	10,830,808	37,234,631
Net change in cash (A+B+C)	85,478,586	(26,403,823)
Cash and cash equivalents at period ended 31st March, 2012	96,309,394	10,830,808

AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

Sd/-

P.Murali Mohana Rao
Partner
M.No. 23412

Place : Hyderabad
Date : 10th September,2012

Sd/-

M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-

K.Venkata Subba Rao
Executive Director

Sd/-
M. Jagadeeshwara Rao
Company Secretary

Notes Significant accounting policies to standalone financials

Company Overview:

LGS Global is a Global Information Technology Implementation and Outsourcing Services Provider with an exceptional track record of providing high quality, on-budget, and on-time solutions to demanding clients. Our business knowledge in key verticals helps us provide solutions that are customised to address the specific needs while focusing on maximising value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. LGS Global provides End-to-end Enterprise Solution Offerings and Specialising in ERP Solutions, Microsoft and Open Source Systems development.

Post merger of YDL with LGS Global Limited, the name of the Company is changed to Ybrant Digital Limited.

YDL, offers digital marketing solutions to businesses, agencies and online publishers worldwide. YDL connects Advertisers with their Audience across any form of Digital Media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant Digital channels. YDL has a global presence, with offices in over 20 countries.

Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year:

Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of fixed assets and provisions for bad and doubtful debts. Any revision to accounting estimates is recognised prospectively.

1. Revenue Recognition :

a) Software Development:

- i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.
- iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognised as related services are performed.
- iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.



Notes Significant accounting policies to standalone financials

v) Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

b) Digital Marketing Services:

i) The Contracts between the Company and its Customers are either time or material contracts or fixed price contracts.

ii) Revenue from fixed price contracts is recognised according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognised immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognised in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.

iii) In respect of time and material contract, revenue is recognised in the period in which the services are provided.

iv) Revenue from product sale and licensing arrangements are recognised on delivery and installation.

2. Foreign Exchange Transaction :

Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.

Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets

and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date and resultant gain or loss is recognised in the profit and loss account. Non monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of transaction.

3. Investments :

Investments are either classified as current or long term, based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost and provisions recorded to recognise any decline, other than temporary, in the value of each investment.

4. Fixed Assets

Tangible assets

Tangible assets are stated at actual cost less accumulated depreciation. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

Intangible assets

Intangible assets are recorded at consideration paid for acquisition and other direct costs that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

Notes Significant accounting policies to standalone financials

5. Depreciation and Amortisation :

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956 and there is no change in the method of Depreciation during the year. Individual assets acquired for less than ₹ 5,000 are entirely depreciated in the year of acquisition.

Preliminary Expenses are amortised over the period of 5 years.

6. Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly, it is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and asset can be measured reliably.

7. Earnings Per Share:

The earnings considered in ascertaining the companies earning per share comprise net profit after tax and includes the post tax effect of any extra-ordinary/exceptional item is considered. The number of shares used in computing basic

earnings per share is the weighted average number of shares outstanding during the year.

The no. of shares used in computing diluted earnings per share comprises the weighted average no. of shares considered for deriving basic earnings per share and also the weighted average no. of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

8. Gratuity and Leave Encashment :

In accordance with the Payment of Gratuity Act, 1972, the company provides for gratuity, a defined benefit retirement plan covering eligible employees of the company. The Gratuity provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the group. The company has a made a provision for gratuity to its employees on the basis of independent actuarial valuation, in accordance with AS-15. The actuarial liability is determined with reference to employees at the end of each financial year.

The provision for Leave Encashment is calculated as per accrual method.

9. Borrowing Cost :

Borrowing cost relating to acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/sale. Borrowing cost that is attributable to the projects is charged to the respective projects. All other borrowing costs, not eligible for inventorisation/capitalisation, are charged to revenue.



Notes Significant accounting policies to standalone financials

10. Cash Flow Statement :

The Company has prepared Cash Flow Statement as per the AS-3.

Cash flows are reported using the Indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

11. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event;
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) A possible obligation, unless the probability of outflow of resources is remote. Contingent Assets are neither recognised nor disclosed.

12. Impairment of Assets:

Management periodically assesses using external and internal sources whether there

is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sale price or present value as determined above.

13. Related Party Disclosures :

The Company furnishes the details of Related Party Disclosures as given in Para 23 and 26 as required by AS-18.

14. Lease Rentals

Operating Lease :

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. The company charges Lease rentals in respect of assets taken under operating leases to profit and loss account on a straight line basis over the lease term.

Finance Lease:

A Finance lease is a lease that transfers substantially all the risks and rewards incidental to the ownership of an asset.

15. Claims:

Claims made by the company are recognised to the extent the Company deems them recoverable. Claims against the Company, including liquidated damages, are recognised only on acceptance basis. Claims which are contingent in nature are not recognised in the books but are disclosed separately in the Notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 1 : SHARE CAPITAL		(₹)	
Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Equity Share Capital		
	(a) Authorised		
	(No. of Shares 975,000,000 Current Year)	1,950,000,000	-
	(No. of Shares 40,000,000 Previous Year)	-	400,000,000
	(b) Issued		
	(No. of Shares 476,251,499 Current Year)	952,502,998	-
	(No. of Shares 25,423,667 Previous Year)	-	254,236,670
	(c) Subscribed & Fully Paid Up		
	(No. of Shares 476,251,499 Current Year)	952,502,998	-
	(No. of Shares 25,423,667 Previous Year)	-	254,236,670
	(d) Subscribed & not fully paid up		
		-	-
	(e) Par Value per share	2	10
	Total Equity Share capital	952,502,998	254,236,670
II	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity Shares of ₹ 2/- Each, Fully paid up		
	At the Beginning	25,423,667	25,423,667
	Issued during the year - As per Scheme of Amalgamation (Refer Note 1[a])	450,827,832	-
	At the end	476,251,499	25,423,667
III	Details of Shareholder holding more than 5% shares of the company:*	% of Share Holding	
	Equity Shares of ₹ 2/- each Held By		
	M. Suresh Kumar Reddy - No. Of Shares (C.Y) 65,865,510 (P.Y) Nil	13.83%	-
	Vijay Kancharla - No. Of Shares (C.Y) 65,865,510 (P.Y) Nil	13.83%	-
	Everest Capital (M) Ltd - No. Of Shares (C.Y) 65,179,080 (P.Y) Nil	13.69%	-
	Redmond Investments Ltd - No. Of Shares (C.Y) 360,00,000 (P.Y) Nil	7.56%	-
	Oak India Investments - No. Of Shares (C.Y) 34,629,630 (P.Y) Nil	7.27%	-
	Sansar Capital Mauritius Ltd - No. Of Shares (C.Y) 33,563,430 (P.Y) Nil	7.05%	-
	Fiora Enterprises Limited - No. Of Shares (C.Y)** (P.Y) 4,321,108	**	17.00%



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 1 : SHARE CAPITAL (Contd.)			(₹)	
Sl. No.	Particulars		As on 31st March, 2012	As on 31st March, 2011
III	Details of Shareholder holding more than 5% shares of the company:*		% of Share Holding	
	Probus Capital Limited	- No. Of Shares (C.Y) ** (P.Y) 3,481,853	**	13.69%
	SBI Global Factors Limited	- No. Of Shares (C.Y) ** (P.Y) 2,499,969	**	9.83%
	Fingrowth Co Limited	- No. Of Shares (C.Y) ** (P.Y) 2,231,853	**	8.78%
	Mundi Enterprises Limitd	- No. Of Shares (C.Y) ** (P.Y) 2,231,853	**	8.78%

* The data pertaining to shareholding more than 5% as on 31st March 2012 was given based on the scheme of amalgamation and as per the court order dated 11-04-2012 which is effective from appointed date i.e.1st April, 2011, the corresponding previous years shares data pertains to LGS Global Ltd (premerged entity).

** As the shareholding of these shareholders is not more than 5% as on 31 March 2012, their shareholding is not mentioned

Note No: 1(a)

The Transferor Company as per the scheme of Amalgamation
Equity Shares

At the Beginning of the Year	58,735,260
Add: Conversion of 12,076,810 CCPS to Equity	11,902,712
Add: Conversion of 3,000,000 Share Warrants	3,000,000
Add: Issue of the ESOPs	1,500,000
Total No.of Shares Before Amalgamation	75,137,972

As per the Scheme of Amalgamation, the Consideration is " 6 Equity Shares of ₹ 10/- each of the Transferee Company would be issued for every 1 equity share of ₹ 10 each held by shareholders of transferor company. Accordingly 75,137,972 Equity Shares of Transferor Company are converted into 450,827,832 Fully Paid up Equity Shares of ₹ 10/- each of the Transferee Company".

As per the Scheme of Amalgamation, the Equity Share Capital is reorganised by cancellation of ₹ 8/- of Every Equity share of ₹ 10/- Fully Paid Up i.e. ₹ 4,762,514,990/- divided into 476,251,499 Equity Shares of ₹ 10/- Each Fully Paid to ₹ 952,502,998/- divided into 476,251,499 Equity Shares of ₹ 2/- Each Fully Paid.

Difference of ₹ 8/- Per Equity Share i.e. ₹ 3,810,011,992/- arising on account of Re-organisation Equity Share Capital pursuant to the Scheme is credited to Capital Reserve as given in Note No: 2.

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 2 : RESERVES AND SURPLUS

[₹]

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Reserves And Surplus		
a)	Capital reserve		
	As at the commencement of the year	2,000,000	2,000,000
	Add: Additions during the year	3,810,011,992	-
		3,812,011,992	2,000,000
b)	General Reserves		
	As at the commencement of the year	19,067,326	12,711,409
	Add: Additions during the year	14,331,044	6,355,917
		33,398,370	19,067,326
c)	Surplus :		
	Opening Balance - Profit and Loss Account	763,493,875	593,546,580
	Add: Transfer from Profit & Loss Account	477,701,453	205,949,432
	Less: Transfer To General Reserve	14,331,044	6,355,917
	Less: Dividend	95,250,300	25,423,667
	Less: Dividend distribution tax	15,451,980	4,222,553
		1,116,162,004	763,493,875
	Total Reserves and Surplus	4,961,572,366	784,561,201

NOTE NO. 3 : MONEY RECEIVED AGAINST SHARE WARRANTS

[₹]

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Share Warrants Refer Note No: 3(a)	355,800,000	-
	Note:		
	Note No:3(a): 30,000,000 convertible warrants (convertible within 18 months) to be converted into 30,000,000 Equity Shares @ ₹ 47.25 per equity share. Face Value ₹ 2/- per equity share and Share premium of ₹ 45.25 per equity share. An amount of ₹ 355,800,000/- is Money received against Share Warrants.		
	Total Money Received Against Share Warrants	355,800,000	-



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 4 : LONG TERM BORROWINGS		(₹)	
Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Long Term Borrowings		
	a) Term Loans		
	ICICI Bank (Refere Note No. 4(a))	60,000,000	-
	SBI Term Loan (Refere Note No. 4(b))	15,000,000	25,000,000
	Canara bank Term Loan (Refere Note No. 4(c))	26,250,000	-
		101,250,000	25,000,000
	b) Loans and advances from related parties		
	Un Secured		
	Online Media Solutions Limited, Israel	80,679,320	-
	Frontier Data Management Inc., U.S.A.	66,537,929	-
	International Expressions Inc., U.S.A	53,805,790	-
	Ybrant Media Acquisition Inc., U.S.A	1,023,153,905	-
	Maxinteractive Pte Ltd, Australia	47,860,947	-
	Dream Ad, Panama	56,276,000	-
	c) Deposits.		
	Unsecured Rental Deposit	1,116,000	1,116,000
		1,329,429,891	1,116,000
Notes:			
<i>Note No. 4(a): Term Loans From ICICI Bank: Exclusive Charge on Current Assets & Exclusive Charge on Movable Fixed Assets</i>			
<i>Note No. 4(b): Term Loan of ₹ 400 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors</i>			
<i>Note No. 4(c): Term Loan of ₹ 450 lakhs from Canara Bank are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors</i>			
	Total Long Term Borrowings	1,430,679,891	26,116,000

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Opening Deferred tax Liability	17,797,945	7,731,594
	Add:		
	Deferred Tax Liability (Transferred on Account of Merger)	6,843,928	-
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	22,402,847	7,206,262
	Deferred Tax Liability due to others	-	2,860,089
	Gross Deferred tax Liability	47,044,720	17,797,945
	Opening Deferred tax Asset	-	-
	Deferred Tax Asset (Transferred on Account of Merger)	236,090	-
	Provision for Gratuity and Compensated Absences	1,161,532	-
	Gross Deferred tax Asset	1,397,622	-
	Deferred Tax Liability/ (Asset) - Net	45,647,098	17,797,945

NOTE NO. 6 : OTHER LONG TERM LIABILITIES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Acquisition Payables	158,585,150	138,415,000
	Total Other Long Term Liabilities	158,585,150	138,415,000

NOTE NO. 7 : LONG TERM PROVISIONS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Provisions for employee benefits		
	- Provision for Gratuity	6,104,670	3,937,548
	- Provision for Leave Encashment	1,425,356	1,826,971
	b) Other Provisions	29,508,450	37,420,674
	Total Long Term Provisions	37,038,476	43,185,193



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 8 : SHORT TERM BORROWINGS		(₹)	
Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Short term borrowings		
	a) Cash Credits and Working Capital Demand Loan from Banks		
	Secured -		
	Axis Bank - Cash Credit Facility - (Refer Note No 8(a))	450,000,000	450,000,000
	SBI - EPC Facility - (Refer Note No 8(b))	300,000,000	300,000,000
	SBIGF Ltd - Factoring Facility	-	122,028,851
	Canara Bank - OD Facility - (Refer Note No 8(c))	350,000,000	-
	b) Loans and advances from related parties		
	Secured by Pledge of Promoter Shares	104,575,455	57,951,348
Notes:			
<i>Note No 8(a): Working Capital of ₹ 4500 lakhs and Bank Guarantee of ₹ 400 Lakhs from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors.</i>			
<i>Note No 8(b): Working Capital of ₹ 3000 Lakhs, and Bank Guarantee of ₹ 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors.</i>			
<i>Note No 8(c): Working Capital of ₹ 3500 lakhs and Bank Guarantee of ₹ 1000 Lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors.</i>			
Total Long Term Borrowings		1,204,575,455	929,980,199

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 9 : TRADE PAYABLES

[₹]

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Trade Payables	2,941,437,248	1,260,126,984
	Total Trade Payables	2,941,437,248	1,260,126,984

NOTE NO. 10 : OTHER CURRENT LIABILITIES

[₹]

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Current maturities of long term debt	145,000,000	26,400,000
	b) Current Maturities of Finance Leases	-	89,914
	c) Interest accrued and due on borrowings.	20,447,263	9,475,007
	d) Unpaid dividend.	717,328	18,352,919
	e) Other Current Liabilites	73,105,414	-
	f) Acquisition Payables	81,858,363	-
	Total Other Current Liabilites	321,128,368	54,317,840

NOTE NO. 11 : SHORT TERM PROVISIONS

[₹]

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Provisions for employee benefits		
	Employee Benefit Payable	19,879,511	12,093,442
	b) Others		
	Statutory Liabilities	7,258,641	6,508,779
	c) Provision for Expenses		
	Provision for Dividend	95,250,300	25,423,667
	Provision for Dividend Distribution Tax	15,451,980	4,222,553
	Provision for Expenses	814,670	-
	Provision for Income Tax	99,490,549	46,711,111
	Total Short Term Provisions	238,145,651	94,959,552

Notes to financial statements for the year ended 31st March, 2012

NOTE NO 12 : TANGIBLE & INTANGIBLE ASSETS AS AT 31st March, 2012

Sl. No.	Particulars	Gross Block						Depreciation			Net Block as on 31st March, 2011
		As on 1st April, 2011	Additions during the year	As Per Scheme of Amalgamation As on 1st April, 2011	Sale / Deletions during the year	As on 31st March, 2012	Dep. As on 1st April, 2011	Dep. on Acquisition	Dep. For the year 2011-2012	Total Depreciation	Net Block as on 31st March, 2012
I	Tangible Assets										
1	Land	-	-	2,195,210	-	2,195,210	-	-	-	2,195,210	
2	Building	-	-	3,169,609	-	3,169,609	-	-	-	3,169,609	
3	Electrical Equipment	11,099,259	-	12,187,011	-	23,286,270	3,252,726	2,573,578	1,109,128	16,350,838	
4	Office Equipment	8,219,837	9,601	43,432,135	151,516	51,813,089	1,915,608	9,787,760	2,462,694	37,647,027	
5	Air Conditioners	7,157,738	-	-	-	7,157,738	1,524,989	-	340,921	1,865,910	
6	Computers	77,653,562	78,780,000	114,213,297	25,863,708	296,510,567	43,126,658	97,948,349	38,321,185	117,114,375	
7	Furniture	67,753,552	-	34,908,152	25,000	102,666,704	18,081,726	10,710,220	6,516,763	67,377,995	
8	Vehicles	956,104	-	61,000	-	1,015,104	285,829	556	96,699	632,020	
9	Assets at US Branch	30,668,263	-	-	-	30,668,263	6,869,813	-	2,379,845	21,418,605	
II	Intangible Fixed Assets										
1	Intangible Assets	181,445,503	-	-	-	181,445,503	35,422,305	-	11,920,834	134,102,364	
2	Computer Products/Rights	90,957,100	-	-	245,852,364	336,809,464	4,687,405	-	5,641,315	326,480,744	
3	Good Will	61,317,995	97,299,911	-	-	158,617,906	61,317,995	-	61,317,995	97,299,911	
	TOTAL	537,226,913	176,089,512	210,166,414	271,892,588	1,195,375,427	176,485,054	121,020,463	68,789,384	829,080,526	
	PREVIOUS YEAR	456,729,145	80,497,768	-	-	537,226,913	133,107,581	43,377,473	-	360,741,859	
										176,485,054	
										323,621,564	

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 13 : NON- CURRENT INVESTMENTS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Non- Current Investments		
	Investment in Subsidiaries		
	Equity Shares		
	Frontier Data Management Inc, USA	191,081,699	-
	International Expressions Inc, USA	308,056,943	-
	Ybrant Digital U.S . Inc, USA	1,107,395,650	-
	Online Media Solutions Limited , Israel	517,881,121	-
	Ybrant Media Acquisition Inc, USA	1,265,240,000	-
	Dream Ad Companies	543,240,000	-
	Max Interactive Pty Ltd., Australia	417,490,000	-
	Dyomo Corporation, USA	467,300	-
	Ybrant Digital Services De Publicidade Ltda,Brasil	265,932	-
	Ybrant Digital (Brasil) Ltd., Singapore	45	-
	Global IT Inc , USA 100% of holding	659,979,382	659,979,382
	Techorbit Inc, USA 100% of Holding	61,884,000	61,884,000
	LGS Global FZE, UAE	243,650	243,650
II	Unquoted		
	Lanco Net Ltd , 2000000 shares of ₹ 10/- each	20,000,000	20,000,000
	Total Non - Current Investments	5,093,225,722	742,107,032

NOTE NO. 14 : LONG TERM LOANS AND ADVANCES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Capital Advances		
	Secured Advances , Considered Good		
	Advance for Acquisition	22,435,000	-
	Sub Total	22,435,000	-
II	Loans & Advances to Related Party		
	Secured, Considered Good		
	Unsecured, LGSL Foudation Trust	7,064,173	7,064,173
	Unsecured, Ybrant Employee Welfare Trust	15,050,000	-
	Sub Total	22,114,173	7,064,173
III	Unsecured, Considered Good		
	Security Deposit	1,547,256	-
	Other Advances	-	40,481,678
	Sub Total	1,547,256	40,481,678
	Total Long Term Loans and Advances	46,096,429	47,545,851



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 15 : OTHER NON-CURRENT ASSETS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Unamortised Expenses	38,144,607	110,427
	Finance Related Expenses	169,649,241	-
	Foreign Currency Translation Account	148,688,248	-
	Total Other Non-Current Assets	356,482,096	110,427

NOTE NO. 16 : TRADE RECEIVABLES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	1,847,490,348	830,587,883
II	Other Receivables:		
	Unsecured, Considered Good	2,641,468,389	1,137,400,724
		4,488,958,737	1,967,988,607
	Less : Allowance for bad & doubtful debts	16,148,470	-
	Total Trade Receivables	4,472,810,267	1,967,988,607

NOTE NO. 17 : CASH AND BANK BALANCES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	84,662,000	4,849,847
	2) Unpaid Dividend Account	717,328	630,135
	b) Cash on hand	409,066	400,826
II	Other Bank Balances		
	On Deposit Accounts		
	1) Having Maturity more than 12 Months from date of deposit	-	150,000
	2) On Margin Money Deposit Accounts	10,521,000	4,800,000
	Total Cash and Bank Balances	96,309,394	10,830,808

Notes to financial statements for the year ended 31st March, 2012

NOTE NO : 18 SHORT TERM LOANS AND ADVANCES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Security Deposit		
	Security Deposit for Repayment of Installments	12,000,000	12,750,000
	Rental Deposits - Unsecured	6,407,621	10,316,236
	Other Deposits - Unsecured	204,626	1,633,813
II	b) Unsecured, Considered Good		
	Advances to Employees	344,546	-
	Other Advances	1,702,076,324	449,671,951
	Advance Income Tax - FY 2011-12	5,000,000	-
	TDS Receivables	1,495,150	-
	Other Receivables	25,580,000	-
	Total Short Term Loans and Advances	1,753,108,267	474,372,000

NOTE NO. 19 : REVENUE FROM OPERATIONS

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	Revenue from operations		
(a)	Sale of Software Exports	4,071,201,758	2,306,947,313
(b)	Sale of Services	374,168,859	679,818,744
(c)	Other Operating Revenues	592,151,550	-
	Total Revenue from Operations	5,037,522,167	2,986,766,057

NOTE NO. 20 : OTHER INCOME

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Interest income	5,907,748	563,618
	(b) Other non-operating income	1,794,546	1,701,228
	(c) Net gain/loss on foreign currency translation and transaction	60,741,789	(4,111,754)
	(d) Guarantee Commission	25,580,000	-
	Total Other Income	94,024,083	(1,846,908)



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 21 : PURCHASE / COST OF REVENUE		[₹]	
Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Trade Purchase	580,620,000	600,532,180
	(b) Purchase of Software Products / Services	3,154,971,352	1,584,456,039
	Total Purchase / Cost Of Revenue	3,735,591,352	2,184,988,219

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES		[₹]	
Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Salaries & Wages	277,962,715	310,340,971
	(b) Contribution to Provident & Other Funds	7,375,377	4,392,917
	(c) Managerial/ Director's Remuneration	13,626,000	6,433,500
	(d) Staff Welfare Expenses	2,298,923	-
	Total Employee Benefit Expenses	301,263,015	321,167,388

NOTE NO. 23 : OTHER OPERATING EXPENSES		[₹]	
Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Power & Fuel	2,825,749	3,311,305
	(b) Rent	18,953,128	16,433,230
	(c) Repairs to Building	741,163	507,327
	(d) Repairs to Machinery	2,067,660	2,939,268
	(e) Insurance	2,452,307	-
	(f) Rates & Taxes (excluding Income Tax)	9,532,156	6,911,565
	(g) Miscellaneous Expenditure	7,609,463	1,703,628
	(h) Payment to Auditors:		
	(i) As Auditor	441,200	220,600
	(ii) For Other Services	330,900	330,900
	(i) Ins Fee	4,126,577	-
	(j) Discount Expense	12,947	-
	(k) Prior Period Item	-	11,892,695
	(l) Bad Debts written off	4,062,036	2,009,321
	Total Other Expenses	53,155,286	46,259,839

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 24 : ADMINSTRATIVE EXPENSES

[₹]

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Telephone, Postage and Others (Internet)	6,093,698	4,792,205
	(b) Business Promotion Expenses	8,056,612	11,619,216
	(c) Travelling and Conveyance	24,333,922	9,231,433
	(d) Office Maintenance	2,702,014	-
	(e) Printing & Stationery Expenses	1,009,807	1,155,624
	(f) Security Charges	156,350	-
	(g) Rates & Taxes (excluding Income Tax)	816,860	-
	(h) Consultancy Charges	15,017,585	5,713,236
	(i) Event Sponsorship & Seminar Fee	5,072,793	-
	(j) Web Development Expenses	629,866	569,204
	(k) Professional Consultancy fee	15,983,386	368,246
	(l) Sales and Marketing Expenses	42,208,309	-
	(m) Donation	15,000	-
	(n) Preliminary Expenses / Written off	9,952,254	-
	(o) Miscellaneous Expenses	680,386	-
	(p) Other Administrative Expenses	12,051,082	-
	Total Administrative Expenses	144,779,924	33,449,164

NOTE NO. 25 : FINANCE COST

[₹]

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Interest Expenses	-	-
	- Interest on Cash Credit	138,712,627	99,257,543
	- Interest on Term Loan	11,144,813	6,829,168
	- Interest on Secured Loan and Unsecured Loan	56,718,733	2,682,970
	- Loan processing Charges & Bank Charges	22,957,798	8,322,417
	Total Finance Cost	229,533,971	117,092,098



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 26

Amalgamation of YDL with

LGS Global Limited:

a) Scheme of Amalgamation:

A scheme of amalgamation is presented under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for the transfer and merger of YDL with LGS Global Limited.

(i) Brief Note About YDL:

YDL / Transferor Company was originally incorporated as a Private Limited Company under the name and style of USA Greetings (India) Private Limited in the State of Andhra Pradesh on 28th March, 2000 under the Certificate of Incorporation No. 01-34055 of 1999-2000.

Later on the Company had changed its name to M/s. Ybrant Technologies (India) Private Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 7th November, 2000. Later on the Company had converted itself into a Public Limited Company by changing its name to Ybrant Technologies (India) Limited and a fresh certificate of Incorporation consequent on conversion under Section 31/44 of the Companies Act, 1956 was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 23rd August, 2005.

Later on the Company had changed its name to M/s. Ybrant Technologies Limited and a fresh Certificate of Incorporation

consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 21st February, 2006. Later on the name of the Company was changed to its present name i.e. M/s. YDL and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, and Hyderabad on 15th April, 2008 after complying with the necessary formalities under the Companies Act, 1956.

(ii) Brief Note About LGS Global Limited:

LGS Global Limited / Transferee Company was originally incorporated as a Public Limited company under the name and style of Lanco Global Limited in the State of Andhra Pradesh on 28th January, 1999 under the Certificate of Incorporation no.01-30996 of 1998-1999. Later on the Company had changed its name to its present name i.e. M/s. LGS Global Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 5th November, 2008 after complying with the necessary formalities under the Companies Act, 1956.

b) Effective date of Scheme of Amalgamation

Approved:

The scheme of amalgamation of YDL (Transferor Company) with LGS Global Limited (Transferee Company) with effect from 01st April 2011 (the appointed date) has been approved by the Hon'ble High Court of Andhra Pradesh. Vide its Order dated 11th April 2012.

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 27

Managerial Remuneration:

The key management personnel comprise four directors. Particulars of Remuneration and other benefits provided to key management personnel is given below:

Particulars	(₹)	
	Year Ended 31 March, 2012	Year Ended 31 March, 2011
Remuneration	13,626,000	6,433,500
Perquisites & Allowances	Nil	Nil
Total	13,626,000	6,433,500

NOTE NO. 28

Auditor's Remuneration:

Particulars	(₹)	
	Year Ended 31 March, 2012	Year Ended 31 March, 2011
Statutory Audit Fees	441,200	220,600
Tax Audit Fee	110,300	110,300
Other Services	220,600	220,600
Total	772,100	551,500

NOTE NO. 29

Quantitative Details:

The Company is engaged in the development of Computer Software and services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 30

Related Party Transactions:

During the financial year 2011-12 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

(a) Related Parties:

Sl. No.	Particulars	Nature of Relationship
1	M.Suresh Kumar Reddy	Chairman and Managing Director
2	Vijay Kancharla	Executive Director
3	K Venkata Subba Rao	Managing Director
4	K. Venkateswara Rao	Joint Managing Director
5	Frontier Data Management Inc, USA	100% Wholly Owned Subsidiary
6	International Expressions Inc, USA	100% Wholly Owned Subsidiary
7	Ybrant Digital U.S. Inc, USA	100% Wholly Owned Subsidiary
8	Online Media Solutions Limited, Israel	100% Wholly Owned Subsidiary
9	Ybrant Media Acquisition Inc, USA	100% Wholly Owned Subsidiary
10	Dyomo Corporation, USA	100% Wholly Owned Subsidiary
11	Max Interactive Pty, Ltd., Australia	100% Wholly Owned Subsidiary
12	DreamAd, Argentina	100% Wholly Owned Subsidiary
13	DreamAd, Chile	100% Wholly Owned Subsidiary
14	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	100% Wholly Owned Subsidiary
15	DreamAd, Panama	100% Wholly Owned Subsidiary
16	DreamAd, Uruguay	100% Wholly Owned Subsidiary
17	Ybrant Digital Servicos De Publicidade Ltda, Brasil	100% Wholly Owned Subsidiary
18	Ybrant Digital (Brasil) Ltd., Singapore	100% Wholly Owned Subsidiary
19	Tech Orbit Inc, USA	100% Wholly Owned Subsidiary
20	Global IT Inc, USA	100% Wholly Owned Subsidiary
21	LGS Global FZE, UAE	100% Wholly Owned Subsidiary

Notes to financial statements for the year ended 31st March, 2012

(b) Related Party Transactions:

(₹)				
Particulars	Nature of Relation Ship	Nature of Transaction	Year Ended 31st March, 2012	Year Ended 31st March, 2011
M.Suresh Kumar Reddy	Chairman and Managing Director	Remuneration	3,600,000	-
Vijay Kancharla	Executive Director	Remuneration	3,600,000	-
K.Venkata Subba Rao	Managing Director	Remuneration	3,213,000	3,216,750
K.Venkateswara Rao	Joint Managing Director	Remuneration	3,213,000	3,216,750
3K Technologies Ltd	Common Directors	Business Advance Paid	-	286,065,813
3K Infrastructures Ltd	Common Directors	Business Advance Paid	-	1,361,535
Global IT Inc	Subsidiary	Investment	-	16,242,500
Tech Orbit Inc	Subsidiary	Revenue	4,150,000	-
International Expressions Inc, USA	100% Wholly Owned Subsidiary	Investment	44,128,005	-
Online Media Solutions Limited, Israel	100% Wholly Owned Subsidiary	Unsecured Loans	8,183,550	-
		Revenue	15,594,799	
Max Interactive Pty Ltd., Australia	100% Wholly Owned Subsidiary	Unsecured Loans	7,268,294	-
DreamAd, Panama	90% YDL and 10% Online Media Solutions Ltd.,	Unsecured Loans	42,616,000	-
Dyomo Corporation	100% Wholly Owned Subsidiary	Revenue	191,036,601	-
Ybrant Media Acquisition Inc, USA	100% Wholly Owned Subsidiary	Guarantee Commission	25,580,000	



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 31

Operating Lease:

The company has taken its office premises on lease under operating lease agreement that is renewable on a periodic basis at the option of the both the lessor and the lessee. Rental expenses under those leases were ₹ 18,953,128/- and for the previous year ₹ 16,433,230/-.

NOTE NO. 32

Foreign Currency Outflows:

Foreign Exchange outflows as reported by the Company to Government of India and as certified by Management.

Particulars	[₹]	
	Year Ended March 31, 2012	Year Ended March 31, 2011
Capital Expenditure	Nil	Nil
Foreign Travelling	7,491,099	1,240,367
Investments in Subsidiaries	44,128,005	Nil
Others	138,198,977	89,169,106
Total	189,818,081	90,409,473

NOTE NO. 33

Foreign Currency Inflows:

Foreign Exchange inflows as reported by the Company to Government of India and as certified by Management.

Particulars	[₹]	
	Year Ended March 31, 2012	Year Ended March 31, 2011
Sales & Services	452,633,242	670,703,122
Loans and Advances	Nil	Nil
Others	Nil	Nil
Total	452,633,242	670,703,122

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 34

Employee Benefits (Gratuity)

The details of the Company's post – retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Amounts recognised in the Balance Sheet as at 31-03-2012

Sl. No	Particulars	Gratuity (₹)
1	Present Value of Obligation as at the end of the year	8,352,310
2	Value of Fund as at the end of the year	2,247,640
3	Funded Status	(6,104,670)
4	Unrecognised Actuarial (gains) / losses	-
5	Net Asset / (Liability) Recognised in Balance Sheet	(6,104,670)

b) Expenses recognised in Profit & Loss Account for the year ended 31-03-2012

Sl. No	Particulars	Gratuity (₹)
1	Current Service Cost	1,716,106
2	Past Service cost	2,337,738
3	Interest Cost	279,749
4	Expected return on Plan Assets	(112,301)
5	Net actuarial (gain)/ loss recognised in the year	612,512
6	Expenses to be recognised in Profit & Loss Account	4,833,804

c) Present value of Obligation for the year ended 31-03-2012

Sl. No	Changes in Present Value of Obligations	Gratuity (₹)
1	Present Value of Obligation as at the beginning of the year	3,496,860
2	Interest Cost	279,749
3	Past Service Cost	2,337,738
4	Current Service Cost	1,716,106
5	Benefits paid	(90,655)
6	Actuarial (gain)/ loss on obligations	612,512
7	Present Value of Obligation as at the end of the year	8,352,310
	a. Current Liability	434,320
	b. Non-current Liability	7,917,990



Notes to financial statements for the year ended 31st March, 2012

d) Actuarial (Gain) / Loss recognised during the year

Sl. No	Particulars	Gratuity (₹)
1	Actuarial (Gain)/Loss for the year – Obligation	612,512
2	Total (Gain) / Loss for the year	612,512
3	Actuarial (Gain) / Loss recognised in the year	612,512

e) Assumptions

Assumptions made for the purpose of Gratuity valuation for the year ended 31-03-2012

Particulars	Gratuity (₹)
Discount Rate	8.70%
Rate of increase in Compensation levels	6%
Rate of Return on Plan Assets	0%
Expected Average remaining working lives of employees (years)	25 Years

Leave Encashment

The provision for Leave Encashment is calculated as per accrual method and included in current liability & provision.

NOTE NO. 35

Earnings Per Share:

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Profits Attributable to Equity Share Holders	477,701,455	205,949,432
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	476,251,499	25,423,667
Diluted	476,251,499	25,423,667
Earnings per Share – Basic	1.00	8.10
Earnings per Share – Diluted	1.00	8.10

The EPS of ₹ 1.00 on a PAT of ₹ 477,701,455/- for the year ended 31 March 2012 is for the post merged entity and is based on an Equity Capital i.e. ₹ 952,502,998/- consisting of 476,251,499 Equity Shares of ₹ 2/- each fully paid up and whereas the EPS of ₹ 8.10 on a PAT of ₹ 205,949,432/- for the year ended 31 March 2011 and is for the pre-merged entity (LGS) and is based on Equity Capital i.e. ₹ 254,236,670 consisting of 25,423,667 Equity Shares of ₹ 10/-each fully paid up.

Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 36

In case of Foreign exchange fluctuation profit / loss as per AS 11 the Branch and head office is having integral transactions and hence profit / loss debited to P & L a/c. The receivables have been considered at the actual rate at which the amount is realised and accordingly Gain from Foreign Exchange fluctuation and Integral transactions of ₹ 60,741,789/- (net) has been reflected in Profit and Loss Account for the Year.

NOTE NO. 37

Segment Reporting:

The Company is mainly engaged in the area of providing Software Development Services and Digital Marketing and related services.

The company publishes standalone financial statements along with the consolidated financial statements in the annual report. In accordance with the AS-17, Segment Reporting, the company has disclosed the Segment information in the consolidated financial statements.

NOTE NO. 38

Intra branch Transactions:

The Intra Branch transactions have been eliminated while preparing the financial statements.

NOTE NO. 39

Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2012.

NOTE NO. 40

Confirmation of Closing Balances:

Closing Balances of Debtors, Creditors, Loans and Advances are subject to confirmations.

NOTE NO. 41

Capitalisation of Work In Progress:

During the financial year, the company has capitalised the Capital Work In progress of ₹ 245,852,364/- as Software Products and claimed depreciation on the same.



Notes to financial statements for the year ended 31st March, 2012

NOTE NO. 42

Contingent Liabilities & Guarantees:

Particulars	Name of the Bank / Party	(₹)	
		Year Ended March 31, 2012	Year Ended March 31, 2011
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn)	Daum Global Holdings Corp, Republic of Korea	204,640,000	Nil
Corporate Guarantee for Foreign Currency Term Loan (FCTL) (USD 10Mn)	ICICI Bank Limited, New York Branch, USA	511,600,000	Nil
Bank Guarantees for Tender Participation & Performance Guarantees	Axis Bank, S.R.Nagar Branch, Hyderabad, Andhra Pradesh, India	31,619,269	31,619,269
Performance Guarantees	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	70,854	Nil
Foreign Letter of Credit for Purchase of Software Products (USD 1 Mn)	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	51,160,000	Nil

* Assumption: 1 USD = ₹ 51.16 (Closing rate as on 31st March 2012)

NOTE NO. 43

Dividend as recommended by the Board of Directors is provided in the accounts and it is pending for shareholders/lending Institutions approval. The Provision for current dividend tax is provided in the accounts.

NOTE NO. 44

The previous year figures are pertaining to LGS Global Limited i.e Pre Merged Entity and does not include Pre merger financials of Ybrant Digital Limited.

NOTE NO. 45

The figures of previous year have been regrouped wherever necessary.

NOTE NO. 46

The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For and on Behalf of the Board

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-
P.Murali Mohana Rao
Partner
M.No. 23412

Sd/-
M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
K.Venkata Subba Rao
Executive Director

Place : Hyderabad
Date : 10th September, 2012

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

Sd/-
M. Jagadeeshwara Rao
Company Secretary



Auditors' Report on Consolidated Financial Statements

To The Board of Directors

YBRANT DIGITAL LIMITED

(Formerly LGS GLOBAL LIMITED)

We have examined the attached Consolidated Balance Sheet of YDL (Formerly LGS GLOBAL LIMITED) ('the Company') and its wholly owned subsidiaries Techorbit Inc, USA, Global IT Inc, USA, LGS Global FZE, UAE, Frontier Data Management Inc, USA, International Expressions Inc, USA, Ybrant Digital U.S.Inc, USA, Online Media Solutions Ltd., Israel, Ybrant Media Acquisition Inc, USA, Dyomo Corporation, USA, Max Interactive Pty Ltd., Australia, DreamAd, Argentina, DreamAd, Chile, Get Media Sociedad Anonima de Capital Variable, Mexico, DreamAd, Panama, DreamAd, Uruguay, Ybrant Digital Servicos De Publicidade Ltda, Brasil, Ybrant Digital (Brasil) Limited, Singapore as at 31st March, 2012 and the Consolidated Profit & Loss Account for the year ended on the date annexed thereto and Consolidated Cash flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a 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. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of its subsidiaries Techorbit Inc, USA, Global IT Inc, USA, LGS Global FZE, UAE, Frontier Data Management Inc, USA, International Expressions Inc, USA, Ybrant Digital U.S.Inc, USA, Online Media Solutions Ltd., Israel, Ybrant Media Acquisition Inc, USA, Dyomo Corop, USA, Max Interactive Pty Ltd., Australia, DreamAd, Argentina, DreamAd, Chile, Get Media Sociedad Anonima de Capital Variable, Mexico, DreamAd, Panama, DreamAd, Uruguay, Ybrant Digital

Auditors' Report on Consolidated Financial Statements

Servicos De Publicidade Ltda, Brasil, Ybrant Digital (Brasil) Limited, Singapore as at 31st March, 2012.

We did not audit the financial statements of all the above mentioned subsidiaries, which reflect total assets of ₹ 4,343,616,097/- as at 31 March 2012, total revenue of ₹ 7,843,564,048/- and net cash flows amounting to ₹ 1,610,539,902/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit

reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31st March, 2012.
- b) In the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
- c) In the case of the Consolidated cash flows Statement, of the consolidated Cash flows of the company and its subsidiaries for the year then ended.

For **P. Murali & Co.,**
Chartered Accountants.,
Frn No: 007257S
Sd/-

P. Murali Mohana Rao

Place : Hyderabad

Partner

Date : 10th September, 2012

M.No: 23412



Consolidated Balance Sheet as at 31st March, 2012

(₹)

Particulars	Note No	As on 31st March, 2012	As on 31st March, 2011
I. Equity and Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	1	952,502,998	254,236,670
(b) Reserves and Surplus	2	7,998,776,848	1,465,591,794
(c) Money received against share warrants	3	355,800,000	-
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	605,783,302	170,186,726
(b) Deferred Tax Liabilities (Net)	5	[9,701,242]	17,797,945
(c) Other Long Term Liabilities	6	872,985,150	138,415,000
(d) Long Term Provisions	7	37,038,476	118,138,969
(3) Current Liabilities			
(a) Short-Term Borrowings	8	1,308,961,916	929,980,199
(b) Trade Payables	9	3,884,675,521	1,362,326,592
(c) Other Current Liabilities	10	539,987,368	54,317,840
(d) Short-Term Provisions	11	443,918,461	152,060,562
Total		16,990,728,798	4,663,052,297
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	726,707,869	197,096,134
(ii) Intangible assets	12	2,343,435,823	472,226,762
(iii) Capital work-in-progress	12	222,104,328	-
(iv) Intangible assets under development		194,918,402	-
(b) Non-current investments	13	78,434,610	20,000,000
(c) Long Term Loans and advances	14	977,942,789	839,307,602
(d) Other Non-Current assets	15	448,340,590	25,421,900
(2) Current assets			
(a) Trade receivables	16	7,228,047,382	2,542,207,789
(b) Cash and Bank Balances	17	1,706,849,297	21,296,723
(c) Short-Term Loans and Advances	18	2,950,500,614	545,495,387
(d) Other Current Assets	19	113,447,094	-
Total		16,990,728,798	4,663,052,297

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-

P.Murali Mohana Rao
Partner
M.No. 23412

Place : Hyderabad
Date : 10th September, 2012

Sd/-

M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

Sd/-

K.Venkata Subba Rao
Executive Director

Sd/-
M. Jagadeeshwara Rao
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

(₹)

Particulars	Note No	Year Ending 31st March, 2012	Year Ending 31st March, 2011
Revenue from Operations	20	12,631,768,261	4,673,963,448
Other Income	21	343,342,037	[1,846,908]
Total Revenue		12,975,110,298	4,672,116,540
Expenses			
Purchase / Cost of Revenue	22	7,590,716,739	2,184,988,219
Employee Benefit expenses	23	1,073,722,373	1,593,547,423
Other Operating Expenses	24	120,781,018	71,171,555
Administrative Expenses	25	1,469,085,044	66,478,360
Financial costs	26	276,562,861	123,271,743
Depreciation and amortisation expense	12	167,590,571	58,505,701
Total Expenses		10,698,458,606	4,097,963,001
Profit Before Tax		2,276,651,692	574,153,539
Tax expense:			
(1) Current tax		327,423,846	65,106,909
(2) Deferred tax		31,212,164	7,206,262
Profit After Tax		1,918,015,682	501,840,368
Earning per equity share:			
(1) Basic		4.03	19.74
(2) Diluted		4.03	19.74

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

Sd/-

P.Murali Mohana Rao
Partner
M.No. 23412

Place : Hyderabad
Date : 10th September, 2012

Sd/-

M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-

K.Venkata Subba Rao
Executive Director

Sd/-
M. Jagadeeshwara Rao
Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March, 2012

(₹)

Particulars	Year ended 31st March, 2012	Year ended 31st March 2011
A. Cash Flow from Operating Activities		
Net Profit Before Tax	2,276,651,692	586,046,233
Adjustment for		
Add: Depreciation	167,590,571	58,323,701
Interest Paid	29,777,320	123,271,543
Write off	24,720,853	182,000
Operating Profit before Working Capital Changes	2,498,740,436	767,823,477
Adjustment for Working Capital Changes		
Increase/(Decrease) in Short Term Borrowings	378,981,717	-
Increase/(Decrease) in Trade Payables	2,522,348,929	608,599,573
Increase/(Decrease) other Current Liabilities	158,245,682	-
Increase/(Decrease) Short-Term Provisions	181,155,620	-
Decrease/(Increase) Trade Receivables	(4,685,839,593)	(1,192,804,035)
Decrease/(Increase) Short-Term Loans and Advances	(2,405,005,227)	-
Increase/(Decrease) other Current Assets	(113,447,095)	-
	(1,464,819,531)	183,619,015
B Cash Flow from Investing Activities		
Purchase/Increase of assets	(2,568,411,367)	(148,624,024)
Non-Current Investments	(58,434,610)	-
Capital Work in Progress	(222,104,328)	-
Intangibles under development	(194,918,402)	-
Net cash from investing activities B	(3,043,868,707)	(148,624,024)
C. Cash Flows from Financing Activities		
Interest Paid	(29,777,320)	(115,053,482)
Increase in Long Term Loans	435,596,577	-
Deferred Tax	(58,711,352)	-
Increase in share capital	698,266,328	-
Increase in Capital Reserve	4,725,871,652	-
Increase in share warrants	355,800,000	-
long term provision	(81,100,493)	-
Other Long term Liabilities	734,570,150	-
Long term loans and advances	(138,635,187)	36,043,863
Other Non - Current Assets	(447,639,543)	(10,771,806)
Net cash from financing activities C	6,194,240,812	(89,781,425)
Cash and cash equivalents at beginning of year	21,296,723	76,083,157
Net change in cash (A+B+C)	1,685,552,574	(54,786,434)
Cash and cash equivalents at period ended 31st March, 2012	1,706,849,297	21,296,723

Summary of Significant Accounting Policies
The accompanying notes are an integral part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

Sd/-

P.Murali Mohana Rao
Partner
M.No. 23412

Place : Hyderabad
Date : 10th September,2012

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-

M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-
Amreek Singh Sandhu
Chief Financial Officer

Sd/-

K.Venkata Subba Rao
Executive Director

Sd/-
M. Jagadeeshwara Rao
Company Secretary

Notes Significant accounting policies to consolidated financials

Company Overview:

LGS Global is a Global Information Technology Implementation and Outsourcing Services Provider with an exceptional track record of providing high quality, on-budget, and on-time solutions to demanding clients. Our business knowledge in key verticals helps us provide solutions that are customised to address the specific needs while focusing on maximising value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. LGS Global provides End-to-end Enterprise Solution Offerings and Specialising in ERP Solutions, Microsoft and Open Source Systems development.

Post merger of YDL with LGS Global Limited, the name of the Company is changed to YDL

YDL, offers digital marketing solutions to businesses, agencies and online publishers worldwide. Ybrant Digital connects Advertisers with their Audience across any form of Digital Media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant Digital channels. YDL has a global presence, with offices in over 20 countries.

Basis of Preparation of Consolidated Financial Statements:

The consolidated financial statements relate to YDL (Formerly known as LGS GLOBAL LIMITED) ("the Company") has prepared the Consolidated Financial Statements, by consolidating its accounts with that of its wholly owned subsidiaries Techorbit Inc, USA, Global IT Inc, USA, LGS Global FZE, UAE, Frontier Data Management Inc, USA , International Expressions Inc, USA, Ybrant Digital U.S.Inc, USA, Online Media Solutions Ltd., Israel, Ybrant Media Acquisition Inc, USA, Dyomo Corporation, USA, Max Interactive Pty Ltd., Australia, DreamAd, Argentina,

DreamAd, Chile, Get Media Sociedad Anonima de Capital Variable, Mexico, DreamAd, Panama,

DreamAd, Uruguay, Ybrant Digital Servicios De Publicidade Ltda, Brasil, Ybrant Digital (Brasil) Limited, Singapore in accordance with the Statements of Accounting standards on "Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India (ICAI) The Consolidated Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statements issued by the ICAI. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its' subsidiary companies are combined on a line by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 --"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (ii) In case of foreign subsidiaries, Assets and Liabilities are consolidated at the Foreign Exchange rates prevailing at the end of the year.
- (iii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill.
- (iv) Minority interest's share is not there as the company is holding 100 % Equity Shares.
- (v) As for as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and



Notes Significant accounting policies to consolidated financials

other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of fixed assets and provisions for bad and doubtful debts. Any revision to accounting estimates is recognised prospectively.

1. Revenue Recognition :

a) Software Development:

- i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognised as and when the services are performed.
- iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognised as related services are performed.

iv) Revenue on fixed price contracts is recognised in accordance with percentage of completion and method of account.

v) Revenue is not recognised on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

b) Digital Marketing Services:

- i) The Contracts between the Company and its Customers are either time or material contracts or fixed price contracts.
- ii) Revenue from fixed price contracts is recognised according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognised immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognised in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.
- iii) In respect of time and material contract, revenue is recognised in the period in which the services are provided.

Notes Significant accounting policies to consolidated financials

iv) Revenue from product sale and licensing arrangements are recognised on delivery and installation.

2. Foreign Exchange Transaction :

Realised gains & loss in foreign exchange transactions are recognised in Profit & Loss Account.

Transactions in foreign currency will be recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency will be translated at the rate of exchange as at Balance Sheet date and resultant gain or loss is recognised in the profit and loss account. Non monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of transaction.

3. Investments :

Investments are either classified as current or long term, based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost and provisions recorded to recognise any decline, other than temporary, in the value of each investment.

4. Fixed Assets :

Tangible assets

Tangible assets are stated at actual cost less accumulated depreciation. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, finance

charges and other incidental expenses incurred during the construction/installation stage.

Intangible assets

Intangible assets are recorded at consideration paid for acquisition and other direct costs that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

5. Depreciation and Amortisation :

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956 and there is no change in the method of Depreciation during the year. Individual assets acquired for less than ₹ 5,000 are entirely depreciated in the year of acquisition.

Preliminary Expenses are amortised over the period of 5 years.

6. Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax asset & liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly, it is recognised as an asset in the balance sheet when it is probable that the



Notes Significant accounting policies to consolidated financials

future economic benefit associated with it will flow to the company and asset can be measured reliably.

7. Earnings Per Share:

The earnings considered in ascertaining the companies earning per share comprise net profit after tax and includes the post tax effect of any extra-ordinary/exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

The no. of shares used in computing diluted earnings per share comprises the weighted average no. of shares considered for deriving basic earnings per share and also the weighted average no. of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

8. Gratuity and Leave Encashment :

In accordance with the Payment of Gratuity Act, 1972, the company provides for gratuity, a defined benefit retirement plan covering eligible employees of the company. The Gratuity provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the group. The company has a made a provision for gratuity to its employees on the basis of independent actuarial valuation, in accordance with AS-15. The actuarial liability is determined with reference to employees at the end of each financial year.

The provision for Leave Encashment is calculated as per accrual method.

9. Borrowing Cost :

Borrowing cost relating to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. Borrowing cost that is attributable to the projects is charged to the respective projects. All other borrowing costs, not eligible for inventorisation/capitalisation, are charged to revenue.

10. Cash Flow Statement :

The Company has prepared Cash Flow Statement as per the AS-3.

Cash flows are reported using the Indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

11. Provisions, Contingent Liabilities and Contingent Assets :

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) The Company has a present obligation as a result of a past event;
- b) A probable outflow of resources is expected to settle the obligation; and
- c) The amount of the obligation can be reliably estimated.

Notes Significant accounting policies to consolidated financials

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in the case of:

- a) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;
- b) A possible obligation, unless the probability of outflow of resources is remote. Contingent Assets are neither recognised nor disclosed.

12. Impairment of Assets:

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sale price or present value as determined above.

13. Related Party Disclosures :

The Company furnishes the details of Related Party Disclosures as given in Para 23 and 26 as required by AS-18.

14. Lease Rentals

Operating Lease :

Leases where the lessor retains substantially all the risks and rewards of ownership are

classified as operating leases. The company charges Lease rentals in respect of assets taken under operating leases to profit and loss account on a straight line basis over the lease term.

Finance Lease:

A Finance lease is a lease that transfers substantially all the risks and rewards incidental to the ownership of an asset.

15. Claims:

Claims made by the company are recognised to the extent the Company deems them recoverable. Claims against the Company, including liquidated damages, are recognised only on acceptance basis. Claims which are contingent in nature are not recognised in the books but are disclosed separately in the Notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 1 : SHARE CAPITAL		(₹)	
Sl No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Equity Share Capital		
	(a) Authorised		
	(No. of Shares 975,000,000 Current Year)	1,950,000,000	-
	(No. of Shares 40,000,000 Previous Year)	-	400,000,000
	(b) Issued		
	(No. of Shares 476,251,499 Current Year)	952,502,998	-
	(No. of Shares 25,423,667 Previous Year)	-	254,236,670
	(c) Subscribed & Fully Paid Up		
	(No. of Shares 476,251,499 Current Year)	952,502,998	-
	(No. of Shares 25,423,667 Previous Year)	-	254,236,670
	(d) Subscribed & not fully paid up		
	(e) Par Value per share	2	10
	Total Equity Share capital	952,502,998	254,236,670
II	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
	Equity Shares of ₹ 2/- Each, Fully paid up		
	At the Beginning	25,423,667	25,423,667
	Issued during the year - ESOP	9,000,000	-
	Conversion of CCPS	71,416,272	-
	Conversion of Share warrants	18,000,000	-
	Issued during the year - As per Scheme of Merger	352,411,560	-
	At the end	476,251,499	25,423,667
III	Details of Shareholder holding more than 5% shares of the company:*	% of Share Holding	
	Equity Shares of ₹ 2/- each Held By		
	M. Suresh Kumar Reddy - No. Of Shares (C.Y) 65,865,510 (P.Y) NIL	13.83%	-
	Vijay Kancharla - No. Of Shares (C.Y) 65,865,510 (P.Y) NIL	13.83%	-
	Everest Capital (M) Ltd - No. Of Shares (C.Y) 65,179,080 (P.Y) NIL	13.69%	-
	Redmond Investments Ltd - No. Of Shares (C.Y) 360,00,000 (P.Y) NIL	7.56%	-
	Oak India Investments - No. Of Shares (C.Y) 34,629,630 (P.Y) NIL	7.27%	-
	Sansar Capital Mauritius Ltd - No. Of Shares (C.Y) 33,563,430 (P.Y) NIL	7.05%	-
	Fiora Enterprises Limited - No. Of Shares (C.Y)** (P.Y) 4,321,108	**	17.00%

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 1 : SHARE CAPITAL (Contd.)

(₹)

Sl No.	Particulars		As on 31st March, 2012	As on 31st March, 2011
III	Details of Shareholder holding more than 5% shares of the company:*		% of Share Holding	
	Probus Capital Limited	- No. Of Shares (C.Y) ** (P.Y) 3,481,853	**	13.69%
	SBI Global Factors Limited	- - No. Of Shares (C.Y) ** (P.Y) 2,499,969	**	9.83%
	Fingrowth Co Limited	- No. Of Shares (C.Y) ** (P.Y) 2,231,853	**	8.78%
	Mundi Enterprises Limitd	- No. Of Shares (C.Y) ** (P.Y) 2,231,853	**	8.78%

* The data pertaining to shareholding more than 5% as on 31st March 2012 was given based on the scheme of amalgamation and as per the court order dated 11-04-2012 which is effective from appointed date i.e. 1-April 2011, the corresponding previous years shares data pertains to LGS Global Ltd (premerged entity).

** As the shareholding of these shareholders is not more than 5% as on 31 March 2012, their shareholding is not mentioned

Note No: 1(a)

The Transferor Company as per the scheme of Amalgamation
Equity Shares

At the Beginning of the Year	58,735,260
Add: Conversion of 12,076,810 CCPS to Equity	11,902,712
Add: Conversion of 3,000,000 Share Warrants	3,000,000
Add: Issue of the ESOPs	1,500,000
Total No. of Shares Before Amalgamation	75,137,972

As per the Scheme of Amalgamation, the Consideration is " 6 Equity Shares of ₹ 10/- each of the Transferee Company would be issued for every 1 equity share of ₹ 10 each held by shareholders of transferor company. Accordingly 75,137,972 Equity Shares of Transferor Company are converted into 450,827,832 Fully Paid up Equity Shares of ₹ 10/- each of the Transferee Company".

As per the Scheme of Amalgamation, the Equity Share Capital is reorganised by cancellation of ₹ 8/- of Every Equity share of ₹ 10/- Fully Paid Up i.e. ₹ 4,762,514,990/- divided into 476,251,499 Equity Shares of ₹ 10/- Each Fully Paid to ₹ 952,502,998/- divided into 476,251,499 Equity Shares of ₹ 2/- Each Fully Paid.

Difference of ₹ 8/- Per Equity Share i.e. ₹ 3,810,011,992/- arising on account of Re-organisation Equity Share Capital pursuant to the Scheme is credited to Capital Reserve as given in Note No: 2.



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 2 : RESERVES AND SURPLUS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Reserves and Surplus		
	a) Capital reserve		
	As at the commencement of the year	2,000,000	2,000,000
	Add: Additions during the year	4,725,871,652	-
	Sub Total	4,727,871,652	2,000,000
	b) General Reserves		
	As at the commencement of the year	19,067,326	12,711,409
	Add: Additions during the year	14,331,044	6,355,917
	Sub Total	33,398,370	19,067,326
	c) Surplus		
	Opening Balance - Profit and Loss Account	1,444,524,468	978,686,237
	Add: Transfer from Profit & Loss Account	1,918,015,682	501,840,368
	Less: Transfer To General Reserve	14,331,044	6,355,917
	Less: Dividend	95,250,300	25,423,667
	Less: Dividend distribution tax	15,451,980	4,222,553
	Sub Total	3,237,506,826	1,444,524,468
	Total Reserves and Surplus	7,998,776,848	1,465,591,794

NOTE NO. 3 : MONEY RECEIVED AGAINST SHARE WARRANTS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Share Warrants		
	Refer Note No: 3(a)	355,800,000	-
	Note:		
	<i>"Note No: 3(a): 30,000,000 convertible warrants (convertible within 18 months) to be converted into 30,000,000 Equity Shares @ ₹ 47.25 per equity share. Face Value ₹ 2/- per equity share and Share premium of ₹ 45.25 per equity share. An amount of ₹ 355,800,000/- is Money received against Share Warrants."</i>		
	Total Money Received Against Share Warrants	355,800,000	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 4 : LONG TERM BORROWINGS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Long Term Borrowings		
	a) Term Loans		
	ICICI Bank (Refer Note No: 4(a))	512,656,396	74,660,515
	SBI Term Loan (Refer Note No: 4(b))	15,000,000	25,000,000
	Canara bank Term Loan (Refer Note No: 4(c))	26,250,000	-
	Others (Refer Note No: 4(d))	17,590,674	-
		571,497,070	99,660,515
	b) Loans and advances from related parties		
	Un Secured		
	Mr. Venkat Kadiyala	26,580,610	-
	Mr. Rao Karusala	6,589,622	-
	Others	-	69,410,211
	c) Deposits.		
	Unsecured Rental Deposit	1,116,000	1,116,000
		34,286,232	70,526,211
Notes:			
Note No. 4(a): Term Loans From ICICI Bank: Exclusive Charge on Current Assets & Exclusive Charge on Movable Fixed Assets			
Foreign Currency Term Loan is Secured by creating first charge on all assets of Ybrant Media Acquisition Inc USA, both present and future, pledge of shares of companies acquired and pledge of 36.0 million shares by promoter group.			
Note No. 4(b): Term Loan of ₹ 400 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors			
Note No. 4(c): Term Loan of ₹ 450 lakhs from Canara Bank are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors			
Note No. 4(d): Long Term Borrowings Taken from others is relating to the TECHORBIT INC (Subsidiary) is secured by the accounts receivable of the company.			
	Total Long Term Borrowings	605,783,302	170,186,726



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)		(₹)	
Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Opening Deferred tax Liability	17,797,945	7,731,594
	Add:		
	Deferred Tax Liability (Transferred on Account of Merger)	104,725,138	-
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	32,373,697	7,206,262
	Deferred Tax Liability due to others	-	2,860,089
	Gross Deferred tax Liability	154,896,780	17,797,945
	Opening Deferred tax Asset		
	Deferred Tax Asset (Transferred on Account of Merger)	163,436,490	-
	Provision for Gratuity, Compensated Absences and others	1,161,532	-
	Gross Deferred tax Asset	164,598,022	-
	Deferred Tax Liability/ (Asset) - Net	(9,701,242)	17,797,945

NOTE NO. 6 : OTHER LONG TERM LIABILITIES		(₹)	
Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Acquisition Payables	872,985,150	138,415,000
	Total Long Term Liabilities	872,985,150	138,415,000

NOTE NO. 7 : LONG TERM PROVISIONS		(₹)	
Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Provisions for employee benefits		
	- Provision for Gratuity	6,104,670	3,937,548
	- Provision for Leave Encashment	1,425,356	1,826,971
	b) Other Provisions	29,508,450	112,374,450
	Total Long Term Provisions	37,038,476	118,138,969

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 8 : SHORT TERM BORROWINGS.

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Short term borrowings		
a)	Cash Credits and Working Capital Demand Loan from Banks		
	- Secured		
	Axis Bank - Cash Credit Facility (Refer Note No:8(a))	450,000,000	450,000,000
	SBI - EPC Facility (Refer Note No:8(b))	300,000,000	300,000,000
	SBIGF Ltd - Factoring Facility	-	122,028,851
	Canara Bank - Od Facility (Refer Note No:8(c))	350,000,000	-
	Others	104,386,461	-
b)	Loans and advances from other parties		
	Secured by Pledge of Promoter Shares	104,575,455	57,951,348
	Notes:		
	<i>Note No 8(a): - Working Capital of ₹ 4500 lakhs and Bank Guarantee of ₹ 400 Lakhs from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors.</i>		
	<i>Note No 8(b): - Working Capital of ₹ 3000 Lakhs, and Bank Guarantee of ₹ 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors</i>		
	<i>Note No 8(c): - Working Capital of ₹ 3500 lakhs and Bank Guarantee of ₹ 1000 Lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares and personal Guarantee of Promoter Directors.</i>		
	Total Short Term Borrowings	1,308,961,916	929,980,199



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 9 : TRADE PAYABLES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Trade Payables	3,884,675,521	1,362,326,592
	Total Trade Payables	3,884,675,521	1,362,326,592

NOTE NO. 10 : OTHER CURRENT LIABILITIES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Current maturities of long term debt	145,000,000	26,400,000
	b) Current Maturities of Finance Leases	-	89,914
	c) Interest accrued and due on borrowings	20,447,262	9,475,007
	d) Unpaid dividend	717,328	18,352,919
	e) Other Current Liabilities	291,964,415	-
	f) Acquisition Payables	81,858,363	-
	Total Other Current Liabilities	539,987,368	54,317,840

NOTE NO. 11 : SHORT TERM PROVISIONS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Provisions for employee benefits		
	Employee Benefit Payable	77,703,868	12,093,442
	b) Others		
	Statutory Liabilities	52,820,389	6,508,779
	c) Provision for Expenses		
	Provision for Dividend	95,250,300	25,423,667
	Provision for dividend distribution tax	15,451,980	4,222,553
	Provision for Expenses	5,774,929	-
	Provision for Income Tax	196,916,996	103,812,121
	Total Short Term Provisions	443,918,461	152,060,562

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO 12 : TANGIBLE & INTANGIBLE ASSETS AS AT 31st March, 2012

Sl. No.	Particulars	Gross Block					Depreciation			Net Block as on 31st March, 2012	Net Block as on 31st March, 2011		
		As on 1st April, 2011	Additions during the year	As Per Scheme of Amalgamation As on 1st April, 2011	Additions during the year	Sale / Deletions during the year	As on 31st March, 2012	Dep. As on 1st April, 2011	Dep. on Acquisition			Dep. For the year 2011-2012	Total Depreciation
I	Tangible Assets												
1	Land	-	-	2,195,210	-	-	2,195,210	-	-	-	-	2,195,210	-
2	Building	-	-	21,049,549	-	-	21,049,549	-	2,391,674	3,567,959	5,959,633	15,089,916	-
3	Electrical Equipment	11,099,259	-	12,187,011	-	-	23,286,270	3,252,726	2,573,578	1,109,128	6,935,432	16,350,838	7,846,533
4	Office Equipment	8,219,837	9,601	62,277,917	1,415,190	-	71,922,545	1,915,608	16,459,219	5,724,540	24,099,367	47,823,178	6,304,229
5	Air Conditioners	7,157,738	-	-	-	-	7,157,738	1,524,989	-	340,921	1,865,910	5,291,828	5,632,749
6	Computers	77,653,562	78,780,000	418,026,956	186,747,174	-	761,207,692	43,126,658	193,597,847	95,691,374	332,415,879	428,791,813	34,526,904
7	Furniture	67,753,552	-	34,908,152	25,000	-	102,666,704	18,081,726	10,710,220	6,516,763	35,308,709	67,377,995	49,671,826
8	Property & Equipment	-	-	37,237,836	12,790,902	-	50,028,738	-	8,068,025	10,406,877	18,474,902	31,553,836	-
9	Vehicles	954,104	-	7,961,460	-	-	8,915,564	285,829	7,424,200	229,473	7,939,502	976,062	668,275
10	Assets At Usa Branch	30,668,263	-	-	-	-	30,668,263	6,869,813	-	2,379,845	9,249,658	21,418,605	23,798,650
11	Asset At Subsidiary	74,354,167	167,640	-	-	-	74,521,807	5,706,999	-	7,544,843	13,251,842	61,269,965	68,647,168
12	Computer Software	-	-	29,875,263	3,397,066	-	33,272,329	-	1,887,650	2,816,056	4,703,706	28,568,623	-
13	Intangible Assets At Subsidiary	205,509,885	-	-	-	-	205,509,885	39,430,095	-	13,700,643	53,130,738	152,379,147	166,079,790
II	Intangible Fixed Assets												
1	Intangible Assets	181,445,503	-	64,624,238	-	-	246,069,741	35,422,305	-	11,920,834	47,343,139	198,726,602	146,023,198
2	Computer Products	90,957,100	-	-	245,852,344	-	336,809,444	4,487,405	-	5,641,315	10,328,720	326,480,744	86,249,695
3	Good Will	137,989,162	97,299,911	1,494,695,340	-	-	1,729,984,413	64,135,083	-	-	64,135,083	1,665,849,330	73,854,079
III	Capital Work In Progress												
		-	-	-	-	-	222,104,328	-	-	-	-	222,104,328	-
TOTAL		893,742,132	176,257,152	2,185,038,932	673,332,024	-	3,927,390,240	224,439,236	243,112,413	167,590,571	635,142,220	3,292,248,020	649,322,896
	PREVIOUS YEAR	745,138,108	148,624,024	-	-	-	893,762,132	166,115,535	-	56,323,701	224,439,236	649,322,896	579,022,573



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 13 : NON- CURRENT INVESTMENTS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Non- Current Investments		
	Investment in Subsidiaries		
	Equity Shares		
	Affiliates	58,434,610	-
	Unquoted		
	Lanco Net Ltd 2,000,000 shares of ₹ 10/- each	20,000,000	2,00,00,000
	Total Non - Current Investments	78,434,610	20,000,000

NOTE NO. 14 : LONG TERM LOANS AND ADVANCES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Capital Advances		
	Secured Advances , Considered Good		
	Advance for Acquisition	22,435,000	-
	Sub Total	22,435,000	-
II	Loans & Advances to Related Party		
	Secured, Considered Good		
	Unsecured, LGSL Foudation Trust	7,064,173	7,064,173
	Unsecured, Ybrant Employee Welfare Trust	15,050,000	
	Sub Total	22,114,173	7,064,173
III	Unsecured, Considered Good		
	Security Deposit	2,416,976	-
	Other Advances	930,976,640	832,243,429
	Sub Total	933,393,616	832,243,429
	Total Long Term Loans and Advances	977,942,789	839,307,602

NOTE NO. 15 : OTHER NON-CURRENT ASSETS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Unamortised Expenses		
	Finance related expenses	158,860,592	354,077
	Foreign Currency Translation Reserve	169,649,242	-
		119,830,756	25,067,823
	Total Other Non- Current Assets	448,340,590	25,421,900

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 16 : TRADE RECEIVABLES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	1,955,451,196	933,210,952
II	Other Receivables:		
	Unsecured, Considered Good	5,288,744,656	1,608,996,837
		7,244,195,852	2,542,207,789
	Less : Allowance for bad & doubtful debts	16,148,470	-
	Total Trade Receivables	7,228,047,382	2,542,207,789

NOTE NO. 17 : CASH AND BANK BALANCES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	1,695,201,901	15,315,762
	2) Unpaid Dividend Account	717,328	630,135
	b) Cash on hand	409,068	400,826
II	Other Bank Balances		
	On Deposit Accounts		
	1) Having Maturity more than 12 Months from date of deposit	-	150,000
	2) On Margin Money Deposit Accounts	10,521,000	4,800,000
	Total Cash and Bank Balances	1,706,849,297	21,296,723

NOTE NO : 18 SHORT TERM LOANS AND ADVANCES

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	a) Security Deposit		
	Security Deposit for Repayment of Installments	12,000,000	12,750,000
	Rental Deposits - Unsecured	11,527,151	10,316,236
	Other Deposits - Unsecured	1,382,150	1,633,813
II	b) Unsecured, Considered Good		
	Advances to Employees	73,02,306	-
	Other Advances	2,872,207,527	520,795,338
	Advance Income Tax	5,000,000	-
	c) Loans to Related Parties Unsecured, Considered Good	41,081,480	-
	Total Short Term Loans and Advances	2,950,500,614	545,495,387

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 19 : OTHER CURRENT ASSETS

(₹)

Sl. No.	Particulars	As on 31st March, 2012	As on 31st March, 2011
I	(a) Other Accounts Receivables	28,086,840	-
	(b) Prepaid Expenses	7,231,517	-
	(c) TDS Receivables	1,495,150	-
	(d) Tax Receivables	76,633,587	-
	Total Other Current Assets	113,447,094	-

NOTE NO. 20 : REVENUE FROM OPERATIONS

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	Revenue from operations		
	(a) Sale of Software Exports	5,997,707,800	3,994,144,704
	(b) Sale of Services	6,041,908,911	679,818,744
	(c) Other Operating Revenues	592,151,550	-
	Total Revenue from Operations	12,631,768,261	4,673,963,448

NOTE NO. 21 : OTHER INCOME

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Interest income	5,907,748	563,618
	(b) Other non-operating income	276,692,500	1,701,228
	(c) Net gain/loss on foreign currency translation and transaction	60,741,789	[4,111,754]
	(d) Guarantee Commission	-	-
	Total Other Income	343,342,037	[1,846,908]

NOTE NO. 22 : PURCHASE / COST OF REVENUE

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
	(a) Trade Purchase	580,620,000	600,532,180
	(b) Purchase of Software Products / Services	7,010,096,739	1,584,456,039
	(c) Cost of Revenue	-	-
	Total Purchases / Cost of Revenue	7,590,716,739	2,184,988,219

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Salaries & Wages	1,048,938,932	1,582,721,006
	(b) Contribution to Provident & Other Funds	7,375,377	4,392,917
	(c) Managerial/ Director's Remuneration	13,626,000	6,433,500
	(d) Staff Welfare Expenses	3,782,064	-
	Total Employee Benefit Expenses	1,073,722,373	1,593,547,423

NOTE NO. 24 : OTHER OPERATING EXPENSES

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Power & Fuel	2,988,252	3,311,305
	(b) Rent	38,945,751	20,863,261
	(c) Repairs to Building	741,163	507,327
	(d) Repairs & Maintenance	2,436,333	10,437,699
	(e) Insurance	33,242,993	-
	(f) Rates & Taxes (excluding Income Tax)	12,210,355	6,911,565
	(g) Miscellaneous Expenditure	7,902,390	10,457,369
	(h) Payment to Auditors:		
	(i) As Auditor	8,443,144	220,600
	(ii) For Other Services	330,900	330,900
	(i) Ins Fee	4,126,577	-
	(j) Discount Expense	12,947	-
	(k) Prior Period Item	-	11,892,695
	(l) Bad Debts Written off	9,400,213	6,238,834
	Total Other Expenses	120,781,018	71,171,555



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 25 : ADMINSTRATIVE EXPENSES

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Telephone, Postage and Others (Internet)	29,988,156	7,086,335
	(b) Business Promotion Expenses	497,452,240	19,307,510
	(c) Travelling and Conveyance	91,060,629	18,173,368
	(d) Office Maintenance	26,053,760	-
	(e) Printing & Stationery Expenses	1,342,484	1,155,624
	(f) Security Charges	156,350	-
	(g) Rates & Taxes (excluding Income Tax)	60,254,916	-
	(h) Consultancy Charges & Commission	15,569,921	19,818,073
	(i) Event Sponsorship & Seminar Fee	5,072,793	-
	(j) Web Development Expenses	42,824,667	569,204
	(k) Professional Consultancy fee	91,109,192	368,246
	(l) Sales and Marketing Expenses	42,426,234	-
	(m) Donation	15,000	-
	(n) Preliminary Expenses / Written off	24,720,853	-
	(o) Miscellaneous Expenses	528,523,427	-
	(p) Books and Subscriptions	463,340	-
	(q) Other Administrative Expenses	12,051,082	-
	Total Administrative Expenses	1,469,085,044	66,478,360

NOTE NO. 26 : FINANCE COST

(₹)

Sl. No.	Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	(a) Interest Expenses		
	- Interest on Cash Credit	143,031,339	104,689,257
	- Interest on Term Loan	29,777,320	6,829,168
	- Interest on Secured Loan and Unsecured Loan	74,487,037	2,682,970
	- Loan processing Charges & Bank Charges	29,267,165	9,070,348
	Total Finance Cost	276,562,861	123,271,743

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 27

Amalgamation of Ybrant Digital Limited with LGS Global Limited:

a) Scheme of Amalgamation:

A scheme of amalgamation is presented under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for the transfer and merger of YDL with LGS Global Limited.

(i) Brief Note About YDL:

YDL / Transferor Company was originally incorporated as a Private Limited Company under the name and style of USA Greetings (India) Private Limited in the State of Andhra Pradesh on 28th March, 2000 under the Certificate of Incorporation No. 01-34055 of 1999-2000.

Later on the Company had changed its name to M/s. Ybrant Technologies (India) Private Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 7th November, 2000. Later on the Company had converted itself into a Public Limited Company by changing its name to Ybrant Technologies (India) Limited and a fresh certificate of Incorporation consequent on conversion under Section 31/44 of the Companies Act, 1956 was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 23rd August, 2005.

Later on the Company had changed its name to M/s. Ybrant Technologies Limited and a fresh Certificate of Incorporation consequent on change

of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 21st February, 2006. Later on the name of the Company was changed to its present name i.e. M/s. YDL and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, and Hyderabad on 15th April, 2008 after complying with the necessary formalities under the Companies Act, 1956.

(ii) Brief Note About LGS Global Limited:

LGS Global Limited / Transferee Company was originally incorporated as a Public Limited company under the name and style of Lanco Global Limited in the State of Andhra Pradesh on 28th January, 1999 under the Certificate of Incorporation no.01-30996 of 1998-1999. Later on the Company had changed its name to its present name i.e. M/s. LGS Global Limited and a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies, Andhra Pradesh, Hyderabad on 5th November, 2008 after complying with the necessary formalities under the Companies Act, 1956.

b) Effective date of Scheme of Amalgamation

Approved:

The scheme of amalgamation of YDL (Transferor Company) with LGS Global Limited (Transferee Company) with effect from 01st April 2011 (the appointed date) has been approved by the Hon'ble High Court of Andhra Pradesh. Vide its Order dated 11th April 2012.



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 28

Managerial Remuneration:

The key management personnel comprise four directors. Particulars of Remuneration and other benefits provided to key management personnel is given below:

(₹)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Remuneration	13,626,000	6,433,500
Perquisites & Allowances	NIL	NIL
Total	13,626,000	64,33,500

NOTE NO. 29

Auditor's Remuneration:

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Statutory Audit Fees	8,343,144	220,600
Tax Audit Fee	110,300	110,300
Other Services	220,600	220,600
Total	8,674,044	551,500

NOTE NO. 30

Quantitative Details:

The Company is engaged in the development of Computer Software and services. The production and sale of such software and services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4C of Part II of Schedule VI to the Companies Act, 1956.

NOTE NO. 31

Related Party Transactions

During the financial year 2011-12 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(₹)

Particulars	Nature of Relation Ship	Nature of Transaction	Year Ended 31st March, 2012	Year Ended 31st March, 2011
M.Suresh Kumar Reddy	Chairman and Managing Director	Remuneration	3,600,000	-
Vijay Kancharla	Executive Director	Remuneration	3,600,000	-
K.V. Subba Rao	Managing Director	Remuneration	3,213,000	3,216,750
K.Venkateswara Rao	Joint Managing Director	Remuneration	3,213,000	3,216,750
3K Technologies Ltd *	Common Directors	Business Advance Paid	-	286,065,813
3K Infrastructures Ltd *	Common Directors	Business Advance Paid	-	1,361,535

NOTE NO. 32

Operating Lease:

The company leases office premises under operating lease agreement that is renewable on a periodic basis at the option of the both the lessor and the lessee. Rental expenses under those leases were ₹ 38,945,751/- and for the previous year ₹ 20,863,261/-.

NOTE NO. 33

Employee Benefits (Gratuity)

The details of the Company's post - retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Amounts recognised in the Balance Sheet as at 31-03-2012

Sl. No.	Particulars	Gratuity (₹)
1	Present Value of Obligation as at the end of the year	8,352,310
2	Value of Fund as at the end of the year	2,247,640
3	Funded Status	(6,104,670)
4	Unrecognised Actuarial (gains) / losses	-
5	Net Asset / (Liability) Recognised in Balance Sheet	(6,104,670)



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

b) Expenses recognised in Profit & Loss Account for the year ended 31-03-2012:

Sl. No.	Particulars	Gratuity (₹)
1	Current Service Cost	1,716,106
2	Past Service cost	2,337,738
3	Interest Cost	279,749
4	Expected return on Plan Assets	(112,301)
5	Net actuarial (gain)/ loss recognised in the year	612,512
6	Expenses to be recognised in Profit & Loss Account	4,833,804

c) Present value of Obligation for the year ended 31-03-2012

Sl. No.	Changes in Present Value of Obligations	Gratuity (₹)
1	Present Value of Obligation as at the beginning of the year	3,496,860
2	Interest Cost	279,749
3	Past Service Cost	2,337,738
4	Current Service Cost	1,716,106
5	Benefits paid	(90,655)
6	Actuarial (gain)/ loss on obligations	612,512
7	Present Value of Obligation as at the end of the year	8,352,310
a.	Current Liability	434,320
b.	Non-current Liability	7,917,990

d) Actuarial (Gain) / Loss recognised during the year :

Sl. No.	Particulars	Gratuity (₹)
1	Actuarial (Gain)/Loss for the year – Obligation	612,512
2	Total (Gain) / Loss for the year	612,512
3	Actuarial (Gain) / Loss recognised in the year	612,512

e) Assumptions:

Assumptions made for the purpose of Gratuity valuation for the year ended 31-03-2012

Sl. No.	Particulars	Gratuity (₹)
	Discount Rate	8.70%
	Rate of increase in Compensation levels	6%
	Rate of Return on Plan Assets	0%
	Expected Average remaining working lives of employees (years)	25 Years

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

(ii) Leave Encashment

The provision for Leave Encashment is calculated as per accrual method and included in current liability & provision.

NOTE NO. 34

Earnings Per Share: (₹)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Profits Attributable to Equity Share Holders	1,918,015,682	501,840,368
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	476,251,499	25,423,667
Diluted	476,251,499	25,423,667
Earnings per Share – Basic	4.03	19.74
Earnings per Share – Diluted	4.03	19.74

The EPS of ₹ 4.03 on a PAT of ₹ 1,918,015,682/- for the year ended 31 March 2012 is for the post merged entity and is based on an Equity Capital i.e. ₹ 952,502,998/- consisting of 476,251,499 Equity Shares of ₹ 2/- each fully paid up and whereas the EPS of ₹ 19.74 on a PAT of ₹ 501,840,368/- for the year ended 31 March 2011 and is for the pre-merged entity (LGS) and is based on Equity Capital i.e. ₹ 254,236,670 consisting of 25,423,667 Equity Shares of ₹ 10/-each fully paid up.

NOTE NO. 35

In case of Foreign exchange fluctuation profit / loss as per AS 11 the Branch and head office is having integral transactions and hence profit / loss debited to P & L a/c. The receivables have been considered at the actual rate at which the amount is realised and accordingly Gain from Foreign Exchange fluctuation and Integral transactions of ₹ 60,741,789/- (net) has been reflected in Profit and Loss Account for the Year.

NOTE NO. 36

Segment Reporting:

The Company is mainly engaged in the area of providing Software Development Services and Digital Marketing and related services.

Segment wise Reporting is given as per **Annexure A**

NOTE NO. 37

Intra branch Transactions:

The Intra Branch transactions have been eliminated while preparing the financial statements.



Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 38

Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2012.

NOTE NO. 39

Confirmation of Closing Balances:

Closing Balances of Debtors, Creditors, Loans and Advances are subject to confirmations.

NOTE NO. 40

Capitalisation of Work In Progress:

During the financial year, the company has capitalised the Capital Work In progress of ₹ 24,58,52,364/- as Software Products and claimed depreciation on the same.

NOTE NO. 41 : CONTINGENT LIABILITIES & GUARANTEES

(₹)

Particulars	Name of the Bank / Party	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn)	Daum Global Holdings Corp, Republic of Korea	204,640,000	NIL
Corporate Guarantee for Foreign Currency Term Loan (FCTL) (USD 10Mn)	ICICI Bank Limited, New York Branch, USA	511,600,000	NIL
Bank Guarantees for Tender Participation & Performance Guarantees	Axis Bank, S.R.Nagar Branch, Hyderabad, Andhra Pradesh, India	31,619,269	31,619,269
Performance Guarantees	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	70,854	NIL
Foreign Letter of Credit for Purchase of Software Products (USD 1 Mn)	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	51,160,000	NIL

* Assumption: 1 USD = ₹51.16 (Closing rate as on 31st March 2012)

Notes to Consolidated Financial Statements for the year ended 31st March, 2012

NOTE NO. 42

Dividend as recommended by the Board of Directors is provided in the accounts and it is pending for shareholders/lending Institutions approval. The Provision for current dividend tax is provided in the accounts.

NOTE NO. 43

The previous year figured are pertaining to LGS Global Limited i.e. Pre Merged Entity and does not include Pre merger financial of YDL.

NOTE NO. 44

The figures of previous year have been regrouped wherever necessary.

NOTE NO. 45

The figures have been rounded off to the nearest rupee

AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Regn. No: 007257S
Chartered Accountants

Sd/-

P.Murali Mohana Rao
Partner
M.No. 23412

Place : Hyderabad
Date : 10th September,2012

Sd/-

M.Suresh Kumar Reddy
Chairman & Managing Director

Sd/-

Amreek Singh Sandhu
Chief Financial Officer

For and on behalf of the Board of

For **Ybrant Digital Limited**
(Formerly LGS Global Limited)

Sd/-

K.Venkata Subba Rao
Executive Director

Sd/-

M. Jagadeeshwara Rao
Company Secretary

Section 212 Statement pursuant to Section 212 of the Companies Act, 1956, related to subsidiary companies

Sr. no.	Company/ Subsidiary Name	Financial year (1)	Shares of the subsidiary held by the Company on the above date: (2)	Number and face value(a)	Extent of holding (b)	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt with in the accounts of the Company: (3)	For the financial year ended on 31st March, 2012 (a)	For the previous financial year of the subsidiaries since it became a subsidiary (b)	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is dealt with in the accounts of the Company: (4)	For the financial year ended on 31st March, 2012 (a)	For the previous financial year of the subsidiaries since it became a subsidiary (b)	Change in the holding company's interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding company's financial year. (5)	Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding company's financial year in respect: a) the subsidiaries fixed assets b) its investments c) money lent by the subsidiary company d) the money borrowed by it for any purpose other than that of meeting current liabilities
1	Global IT Inc, USA	31-03-2012	"100,000/ \$0.10"		100%	N.A	N.A	\$12,041,359.00	\$4,034,327	N.A	\$12,041,359.00	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
2	Techorbit Inc, USA	31-03-2012	"100,000/ \$0.10"		100%	N.A	N.A	\$6,923,238	\$3,361,311	N.A	\$6,923,238	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
3	LGS Global FZE, UAE	31-03-2012	NIL		0	N.A	N.A	NIL	NIL	N.A	NIL	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
4	Dream Ad - Argentina	31-03-2012	12,000 Shares at \$1 each		100%	N.A	N.A	NIL	\$1806,531	N.A	\$1806,531	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
5	Dream Ad - Chile	31-03-2012	1,500 Shares at \$1,000 each		100%	N.A	N.A	NIL	\$373,310	N.A	\$373,310	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
6	Get Media, Mexico	31-03-2012	1,500 Shares at \$1,000 each		100%	N.A	N.A	NIL	\$329,413	N.A	\$329,413	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.



Section 212 Statement pursuant to Section 212 of the Companies Act, 1956, related to subsidiary companies (Contd.)

Sr. no.	Company/ Subsidiary Name	Financial year (1)	Shares of the subsidiary held by the Company on the above date: (2)	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt with in the accounts of the Company: (3)		The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is dealt with in the accounts of the Company: (4)	Change in the holding company's interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding Company's financial year. (5)	Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding company's financial year in respect: a) the subsidiaries fixed assets b) its investments c) money lent by the subsidiary company d) the money borrowed by it for any purpose other than that of meeting current liabilities
				Number and face value(a)	Extent of holding (b)			
7	Dream Ad - Panama	31-03-2012	100 Shares at \$100 each	100%	N/A	\$682,779	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
8	Dream Ad - Uruguay	31-03-2012	2100 Shares at \$1 each	100%	N/A	\$87,179	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
9	Dyomo Corporation, USA	31-03-2012	1500 Shares at No Par Value	100.0%	N/A	\$4,216,134	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
10	Ybrant Media Acquisition Inc	31-03-2012	1500 Shares at No Par Value	100%	N/A	\$7,340,948	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
11	Frontier Data Management	31-03-2012	1500 Shares at No Par Value	100%	N/A	\$5,112,835	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
12	International Expressions Inc	31-03-2012	1500 Shares at No Par Value	100%	N/A	\$2,534,044	Not applicable as financial year coincides with that of the holding company	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.

Section 212

Statement pursuant to Section 212 of the Companies Act, 1956,
related to subsidiary companies

Sr. no.	Company/ Subsidiary Name	Financial Year (1)	Shares of the subsidiary held by the Company on the above date: (2)	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is not dealt with in the accounts of the Company: (3)	The net aggregate of profit/(loss) of the subsidiary for the above financial year so far as they concern the members of the Company and is dealt with in the accounts of the Company: (4)	Change in the holding company's interest in the subsidiaries between the end of the financial year of the subsidiary and the end of the holding Company's financial year. (5)	Material changes which have occurred between the end of the aforesaid financial year of the subsidiaries and the end of the holding company's financial year in respect: a) the subsidiaries fixed assets b) its investments c) money lent by the subsidiary company d) the money borrowed by it for any purpose other than that of meeting current liabilities	
			Number and face value(a) (b)	For the financial year ended on 31st March, 2012 (a)	For the previous financial year of the subsidiaries since it became a subsidiary (b)			
13	Max Interactive Pvt Ltd	31-03-2012	100 Shares at No Par Value	N.A	N.A	\$ 135,214	NIL	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
14	Online Media Solutions Ltd	31-03-2012	14,624,541 Shares at No Par Value	N.A	N.A	\$(793,410)	NIL	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
15	Ybrant Digital Servicos De Publicidade Ltda, Brasil	31-03-2012	9,999 Shares at \$1 per share	N.A	N.A	\$2,864,759	NIL	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
16	Ybrant Digital USA	31-03-2012	6,525,100 at No Par Value	N.A	N.A	\$861,201	NIL	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.
17	Ybrant Digital (Brasil) Limited, Singapore	31-03-2012	1 Share at SGD 1 each	N.A	N.A	NIL	NIL	As the financial year of both holding and subsidiary companies coincide, there are no particulars to furnish.



Section 212 Statement pursuant to exemption received under section 212(8) of the companies act, 1956 relating to subsidiary companies

S. No.	Description	DreamAd, Argentina		DreamAd, Chile		Get Media Mexico S.A. DE CV	
		Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD
a)	Capital	85,58,897	170,157	142,349	2,830	1,517,652	30,172
b)	Reserves & Surplus	(47,571,764)	(991,429)	82,495,579	1,767,686	17,514,676	413,008
c)	Total Assets	630,882,002	12,303,313	198,442,629	4,034,095	134,680,689	2,714,958
d)	Total Liabilities	630,882,002	12,303,313	198,442,629	4,034,095	134,680,689	2,714,958
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turn Over	391,089,598	81,56,196	181,042,274	3,775,647	81,369,664	1,696,969
g)	Profit before tax	(31,493,560)	(656,800)	21,829,909	455,264	23,045,106	480,564
h)	Provisions for taxation	7,660,238	149,731	4,192,767	81,954	77,32,885	151,151
i)	Profit after taxation	(39,153,798)	(806,531)	17,637,142	373,310	15,312,220	329,413
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency		USD(\$)		USD(\$)		USD(\$)	

S. No.	Description	DreamAd, Panama		DreamAd, Uruguay		Dyomo Corporation, U.S.A	
		Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD
a)	Capital	12,575,000	250,000	1,674,437	33,289	467,300	10,000
b)	Reserves & Surplus	98,337,533	2,090,574	6,026,526	126,866	341,056,119	7,290,254
c)	Total Assets	182,002,269	3,730,131	16,570,111	333,516	415,198,189	8,740,339
d)	Total Liabilities	182,002,269	3,730,131	16,570,111	333,516	415,198,189	8,740,339
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turn Over	54,153,675	1,129,378	31,175,172	650,160	545,732,616	11,381,285
g)	Profit before tax	32,739,253	682,779	5,351,795	111,612	225,201,346	4,696,587
h)	Provisions for taxation	NIL	NIL	12,49,992	24,433	24,579,975	480,453
i)	Profit after taxation	32,739,253	682,779	4,101,803	87,179	200,621,371	4,216,134
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency		USD(\$)		USD(\$)		USD(\$)	

Section 212

Statement pursuant to exemption received under section 212(8) of the companies act, 1956 relating to subsidiary companies

S. No.	Description	Frontier Data Management Inc, USA		International Expressions Inc., USA		Max Interactive Pty Ltd., Australia	
		Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD
		a)	Capital	171,951,937	3,809,303	342,954,805	7,520,000
b)	Reserves & Surplus	888,260,824	21,109,079	399,266,108	10,403,848	77,550,189	1,627,320
c)	Total Assets	1,112,174,951	25,934,062	764,323,176	18,355,870	97,882,822	2,024,752
d)	Total Liabilities	1,112,174,951	25,934,062	764,323,176	18,355,870	97,882,822	2,024,752
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turn Over	661,646,083	13,798,667	237,984,433	4,963,179	162,441,319	3,387,723
g)	Profit before tax	271,025,292	5,652,248	137,187,847	2,861,060	10,922,681	227,793
h)	Provisions for taxation	27,596,369	539,413	16,730,139	327,016	4,736,341	92,579
i)	Profit after taxation	243,428,923	5,112,835	120,457,709	2,534,044	6,186,340	135,214
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency		USD(\$)		USD(\$)		USD(\$)	

S. No.	Description	Online Media Solutions Ltd, Israel		Ybrant Digital Servicos De Publicidade Ltda, Brasil		Ybrant Digital U.S. Inc, USA	
		Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD
		a)	Capital	287,496,660	6,369,000	265,932	5,814
b)	Reserves & Surplus	172,829,178	3,802,303	139,223,713	2,980,967	388,783,540	8,488,966
c)	Total Assets	958,214,958	20,042,303	433,848,937	8,740,481	1,538,611,766	34,062,479
d)	Total Liabilities	958,214,958	20,042,303	433,848,937	8,740,481	1,538,611,766	34,062,479
e)	Details of Investments	58,434,610	1,294,000	NIL	NIL	NIL	NIL
f)	Turn Over	1,569,084,100	32,702,000	459,528,729	9,583,498	238,473,427	4,973,377
g)	Profit before tax	(35,150,760)	(754,410)	189,457,738	3,951,152	46,779,828	975,596
h)	Provisions for taxation	1,995,240	39,000	55,579,866	1,086,393	5,852,448	114,395
i)	Profit after taxation	(37,146,000)	(773,410)	133,877,873	2,864,759	40,927,380	861,201
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency		USD(\$)		USD(\$)		USD(\$)	



Section 212

Statement pursuant to exemption received under section 212(8) of the companies act, 1956 relating to subsidiary companies

S. No.	Description	Ybrant Media Acquisition Inc., USA		Ybrant Digital (Brasil) Limited, Singapore		Tech Orbit Inc., USA	
		Amount in INR	Amount in USD	Amount in INR	Amount in USD	Amount in INR	Amount in USD
a)	Capital	1,219,040,000	27,000,000	45	1	511,600	10,000
b)	Reserves & Surplus	619,058,267	13,812,800	NIL	NIL	550,124,657	10,753,023
c)	Total Assets	3,773,080,704	86,411,192	45	1	702,904,327	13,739,334
d)	Total Liabilities	3,773,080,704	86,411,192	45	1	702,904,327	13,739,334
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turn Over	1,585,274,950	33,061,000	NIL	NIL	927,520,363	18,129,796
g)	Profit before tax	361,853,513	7,546,476	NIL	NIL	202,328,131	3,954,811
h)	Provisions for taxation	12,227,240	239,000	NIL	NIL	30,363,460	593,500
i)	Profit after taxation	349,626,273	7,307,476	NIL	NIL	171,964,671	3,361,311
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency		USD(\$)		USD(\$)		USD(\$)	

S. No.	Description	Global IT Inc, USA		LGS Global FZE, UAE	
		Amount in INR	Amount in USD	Amount in INR	Amount in USD
a)	Capital	647,532,120	12,657,000	255,800	5000
b)	Reserves & Surplus	670,928,407	13,114,316	NIL	NIL
c)	Total Assets	1,558,476,643	30,462,796	255,800	5000
d)	Total Liabilities	1,558,476,643	30,462,796	255,800	5000
e)	Details of Investments	NIL	NIL	NIL	NIL
f)	Turn Over	1,127,955,114	22,047,598	NIL	NIL
g)	Profit before tax	243,807,994	4,765,598	NIL	NIL
h)	Provisions for taxation`	37,411,824	731,271	NIL	NIL
i)	Profit after taxation	206,396,170	4,034,327	NIL	NIL
j)	Proposed Dividend	NIL	NIL	NIL	NIL
Reporting Currency		USD(\$)		USD(\$)	

For and on behalf of the Board of Directors

Ybrant Digital Limited

(formerly LGS Global Limited)

Sd/-

Suresh Kumar Reddy Muthukuru

Chairman & Managing Director

Place : Hyderabad

Date : 10th September, 2012

Corporate information

Registered Office

Plot No.7A, Road No.12,
MLA Colony, Banjara Hills,
Hyderabad – 500 034 Andhra
Pradesh, India.
Phone: +91 (40) 4567 8999
Email: ir@ybrantdigital.com
Website: www.ybrantdigital.com

SEZ Unit

Block – 401, Building No. 14,
Survey No. 64, Mindspace,
Cyberabad, Madhapur,
Hyderabad – 500 081, A.P

Board of Directors

Mr. M Suresh Kumar Reddy
Mr. Vijay Kancharla
Mr. Raghunath Allamsetty
Mr. Vijaya Bhasker Reddy
Mr. Sagireddy Pulla Reddy
Mr. Y Ramesh Reddy
Mr. Karusala Venkata
Subba Rao

Bankers

ICICI Bank Limited,
Axis Bank Limited
Canara Bank
State Bank of India
ING Vysya Bank Limited

Chief Financial Officer

Mr. Amreek Singh Sandhu

Company Secretary

CS Jagadeeshwara Rao
Mabagapu

Auditors

M/s. P. MURALI & CO
Chartered Accountants,
6-3-655/2/3, Somajiguda,
Hyderabad - 500 082,
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Registrar and Share Transfer Agent

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Subsidiaries

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**International Expressions Inc.
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Dream ad S.A, Uruguay
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Global IT, Inc.
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