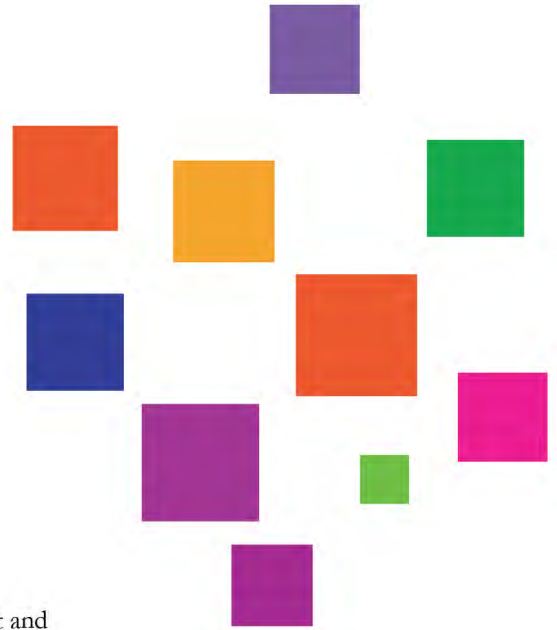


Marketing Digital Media Worldwide



14th Annual Report

Financial Year **2012 - 2013**



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 forwardlooking statements, whether as a result of new information, future events or otherwise.

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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

www.ybrantdigital.com

Board of Directors

Mr. M Suresh Kumar Reddy

Mr. Vijay Kancharla

Mr. Karusala Venkata Subba Rao

Mr. Raghunath Allamsetty

Mr. Vijaya Bhasker Reddy

Mr. Y Ramesh Reddy

Mr. S Pulla Reddy (upto 24th June, 2013)

Subsidiaries

Get Media Mexico S.A. DE CV

Presidente Masaryk No. 111, 1er. Piso, Col.
Chapultepec, Morales, Mexico D.F.

Yreach Media Pvt Ltd

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

Frontier Data Management Inc (MediosOne)

108 West, 13th Street, Wilmington,
Delaware 19801, USA.

International Expressions Inc (VoloMP)

108 West, 13th Street, Wilmington,
Delaware 19801, USA.

Max Interactive Pty Ltd

5 Kings Lane, Darlinghurst,
NSW 2010, Australia

Dyomo Corporation

16192, Coastal Highway, Lewes,
Delaware 19958-9776, County of Sussex, USA

Ybrant Digital Servicios De Publicidad ILTDA

12995, Andar 18 Sala 36, 04.578-000,
Brooklin Novo, Sao Paulo, SP.

Online Media Solutions Limited (Oridian)

Sapir 3 Herzlia 46733,
PO Box 12637, Israel.

Techorbit, Inc

21515, Ridge Top Circle, Suite 150A
Sterling, VA -20166

Ybrant Digital (Brasil) Limited

188721, 333, North Bridge Road, #08-00,
KH KHEA Building, Singapore.

Global IT, Inc

21165, Whitefiled Place, Suite 206,
Sterling, VA-20165

Dream ad S.A , Chile

Padre tMariano 103 Of. 207,
Providencia Santiago de Chile, Chile.

Dream ad S.A , Argentina

Av. Corrientes, 327 Piso 11,
Buenos Aires, Argentina.

Dream ad S.A, Panama

Av. Samuel Lewis y Calle 50,
Panama city, Panama.

Dream ad S.A,a Uruguay

Ellauri 357, Of. 50, 2Piso, Montevideo,
Uruguay CP. 11300.

Ybrant Media Acquisition LLC

1201, Orange St, Suite 600, Wilmington,
New Castle County, Delaware, 19801, USA.

LGS Global FZE

Ras Al Khaimah Free Trade Zone,
Ras Al Khaimah, UAE

Ybrant Digital US Inc.

1201, Orange St, Suite 600, Wilmington,
New Castle County, Delaware, 19801, USA.

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,

Andhra Pradesh, India.

Registrar and Share Transfer Agent

Aarthi Consultants Private Limited,

1-2-285, Domalguda,

Hyderabad-500 029, Andhra Pradesh, India

Phone: +91 (40) 2763 8111, +91 (40) 2763 4445, +91 (40) 2764 2217

Email: info@aarthiconsultants.com ; Fax:+91 (40) 2763 2184



We all know the internet is a big deal. Yet it is only when you stop and consider some of the facts about its recent growth that you get a grasp of just how big a deal it is and how ever present it has become in our daily lives.

- About *250 billion emails* are sent every day.
- *One-third* of the world's population is online
- *4.8 billion have a mobile phone* whilst only 4.2 billion own a toothbrush.
- Over a *billion people watch videos* on YouTube every month, averaging 4 hours each per month.
- Every *8th couple in the USA of today met online* through internet.

Measuring The Immeasurable

“The internet is accountable. It is knowable. It is the highway leading marketers to their Holy Grail: single-sourcing technology that can definitively tie the information consumers perceive to the purchases they make” wrote Randall Rothenberg in Wired in January 1998.

What we have learned in the decade-and-a-half since is that some of what happens on the internet is much more accountable. Newspapers, for example, have learned which of their stories attract online readers in a way they never knew offline. Digital technology has given us many better tools to measure what people are doing with media. Increasingly, and almost regardless of age, we are using the internet for shopping, social networking, booking holidays, searching for a new home or a new love, catching up on sports results or betting on them, as well as for conducting life’s more mundane business – like paying energy bills or sorting out finances.



Chairman's perspective:

Industry Overview:

We find ourselves in the middle of a revolution. The potential that digital technologies gives us commercial, social and intellectual - is unprecedented in human history. Over the next few years, we will see a complete transformation of the way we live our lives, driven by the internet, the smart phone and new connected devices. The past decade or so we have seen the birth of a new era. Indeed, it is only ten years since mainstream broadband adoption began, and not five since smart phones became a thing. Many marketers remain concerned that they are not using social channels correctly or getting the most out of them. While models to demonstrate true return on investment are still in creation, the real opportunity for marketers lies within the new realms of data that these social channels create and how they can use the data to better understand their customers and improve their marketing strategies accordingly.

Globally, spending on advertising will rise from \$538.75 billion in 2012 to \$676.17 billion in 2016, as the advertising industry has proved quietly resilient despite ongoing economic hurdles worldwide. Worldwide, digital ad spending passed the \$100-billion mark for the first time, according to new eMarketer estimates, and will increase by a further 15.1% in 2013 to \$118.4 billion. Much of the growth is coming from Asia-Pacific, where, more than 1 billion people will use the web at least once per month. By 2016, this audience number will almost be 1.4 billion. Asia-Pacific will be home to some 2.15 billion mobile phone users this year. In China alone, the mobile consumer base will top 1 billion in 2014. That will put worldwide digital ad spending levels—including online and mobile advertising spending, other than messaging-based formats—at 21.7% of the total spent on ads in all media this year, and on track to account for more than one-quarter of all ad spending by 2016.

Business Overview:

Our technology optimization tools are in full gear, being used across our Display campaigns for the past few months. We already began early implementation of our campaign Pre-Planning tool, which would allow us to automatically open campaigns in our systems in a smart and optimized manner. We are increasing our investment in media buy of Display inventory, which is growing consistently for the past year and is reaching breaking numbers. Our media management technology tool is entering critical beta stages, with the new infrastructure expected to allow us with the necessary scale we require for our fast growth.

We have made organizational changes based around revenue streams, which would allow us much greater focus and accountability towards our clients. Main revenue streams are Online Performance, Video Advertising, Brand Advertising, Media Sales, and of course our leading regions LATAM, Australia and UK. Facundo Maldonado has been named MD for LATAM, and is reshaping our local operations to strengthen our positioning in the market, and expand our efforts across other revenue streams.

During the year, we have an exceptional item in our balance sheet, a write-off Rs 147 Crores. The write off was due to the Premerger the Companies main business was software development and post-merger the company have two verticals i.e. Software development and Digital Marketing. As a prudent practice, In the Post merger balance sheet, based on the recommendations of audit committee, to have a true and fair view of the value of the assets presented as on the balance sheet date ie 31-3-2013 and to disclose the financials as per the accounting standards, the board of directors have taken a decision to write off the uncollectable account receivables to the extent of Rs. 59.93 Crs in Standalone balance sheet and Rs.134.94 Crs in the Consolidated balance sheet mainly from software vertical. However, Company will keep on pursuing to recover the possible amount from the customers. In future, If any amount is recovered, the same will be shown as income.

Operating in a highly fragmented industry, we have been largely successful in consolidating our presence across 24 countries of the world. With consolidation comes integration: all our offices are highly integrated, encouraging exchange of ideas in a multi-cultural work environment. Over the years, we have also built intensive relationships with advertisers, publishers, and online ad agencies. In conclusion, I must thank our people for their hard work and drive for innovation, which truly made us what we are today: an industry leader with a global presence.

I must reiterate that Ybrand is only as good as its people and we will continue to investing attracting and grooming the best talent in the industry. So that, we can sustain our growth process to keep pace with the phenomenal growth of the internet and mobile communication. I thank you all for your unstinted support and encouragement.

As always, we remain grateful for the support of our shareholders and expect to grow our Company faster in the coming years.

Sincerely,

M Suresh Kumar Reddy
Chairman



Ybrant's Business

Ybrant Digital Limited is the new-age digital media company offering Digital Marketing solutions to businesses, agencies, and online publishers worldwide. Ybrant's digital-channel solutions, flexible and scalable platforms, coupled with massive local presence, enable targeting the right audience for advertisers, delivering the appropriate messages and better monetization for content owners. We connect advertisers to their audiences through all forms of digital media, helping enhance brand recognition, client leads and online sales.

Business Model

Brand / Portal ➤ Ad-Agency ➤ Technology + Reach Provider ➤ Publisher ➤ Internet users

Brands

The Advertisers who spend money for marketing and branding of their products and services.

Ad - Agency

are businesses dedicated to handle advertising and sometimes other forms of promotion for Brands.

Publisher

includes websites and web companies which attract traffic due to the content provided by them viz. Mobile phones, IPTV, Podcasts, etc.

Technology + Reach provider

Ybrant Digital acts as an interface between the Publishers and the Ad Agencies by offering Technical expertise, technology platforms, custom software and marketing creatives in order to achieve better ROI.

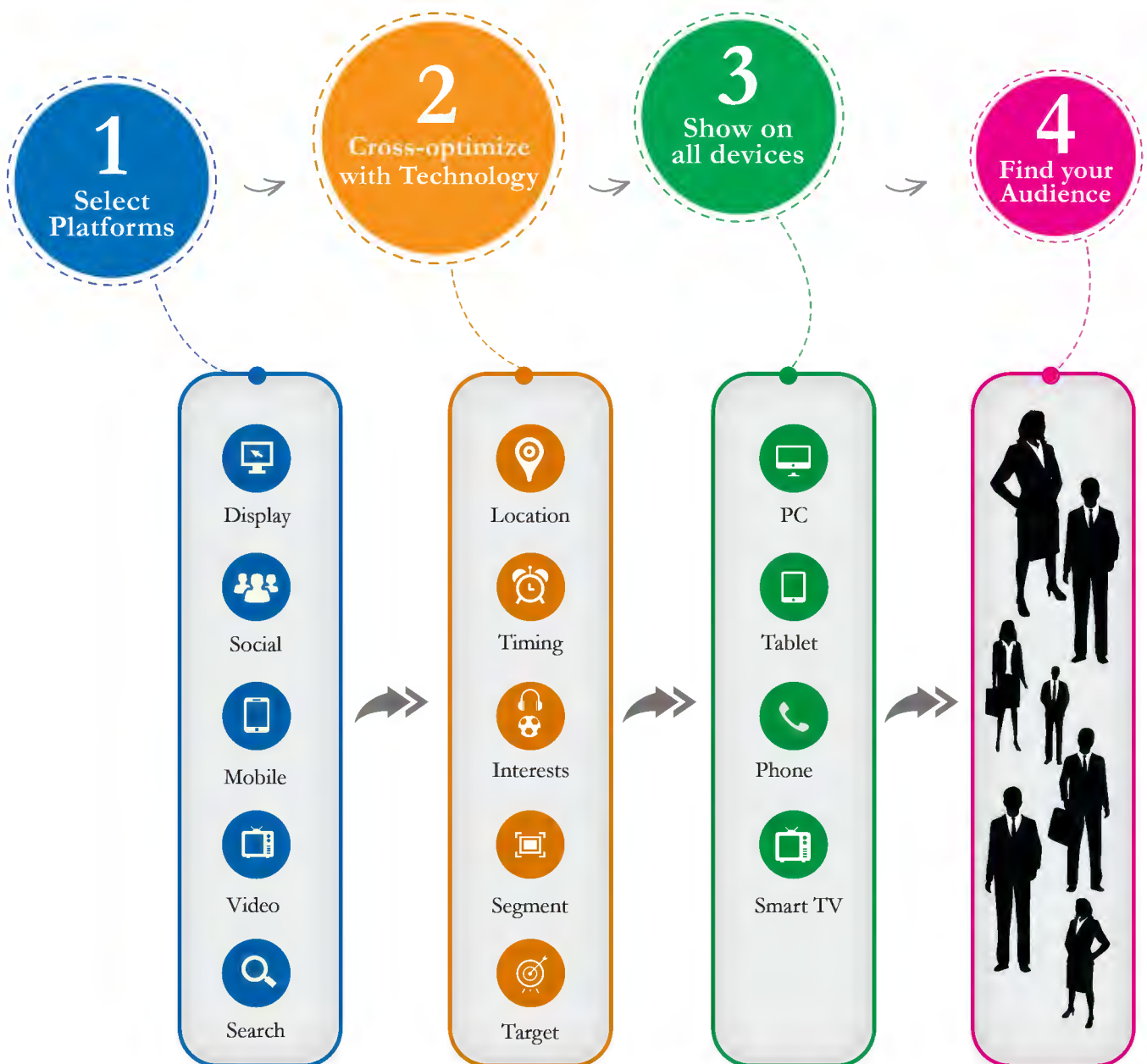
Optimizing Technology to every screen

The internet today is business of multiscreens. Most of consumers' media time today is spent in front of a screen – computer, smartphone, tablet and TV.

The device we choose to use is often driven by our context: where we are, what we want to accomplish and the amount of time needed.

Portable screens allow us to move easily from one device to another to achieve a task. Search is the most common bridge between devices in this sequential usage.

Multiple screens make us feel more efficient because we can act spontaneously and get a sense of accomplishment – this results in a feeling of “found time”



Pricing Methods



CPM or CPT

Cost Per Thousand or Cost Per Mille is a measurement on the basis of showing the ad to one thousand viewers.



CPC

is a measurement in which Advertisers /Agency pay the media owner when the ad is clicked. It is defined simply as "the amount spent to get an advertisement clicked.



CPA or CPL

is a measurement where the Advertisers /Agency pays for each specified action (a purchase, a form submission, and so on) linked to the advertisement.

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
- This division has acquired Oridian, MediosOne, dream ad, Max Interactive and Ybrant Networks US

Ybrant Mobile

- Provides services across three channels - messaging, mobile web and mobile applications
- Offers to the publishers personalized campaign management, optimization, competitive payment terms, traffic monetization 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

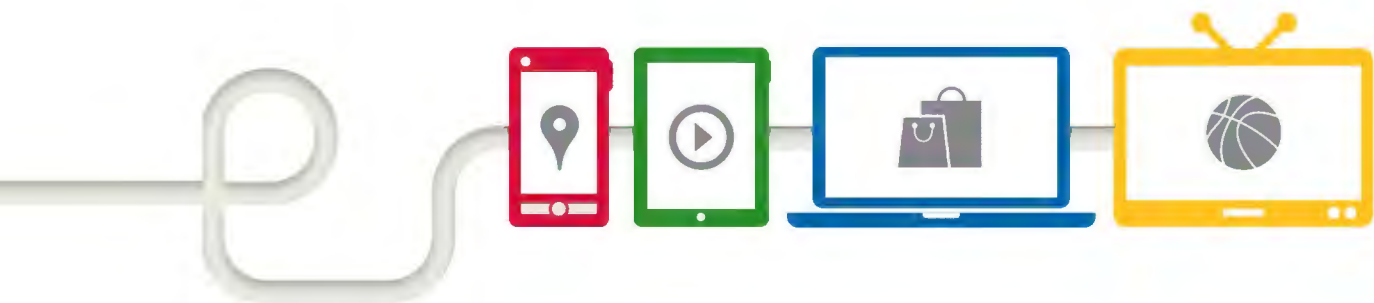
- Develops technologies and technological platforms for the company.
Ybrant Fusion's unique applications are designed to help online businesses connect more efficiently
- Ybrant Fusion's platforms serve and support advertisers, publishers, networks and affiliates through web analytics and the latest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

Ybrant Media

- Administers and operates Ybrant Digital'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

Product Development Division

- 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 Specializing in ERP Solutions, Microsoft and Open Source Systems development



Core offerings



Mobile Advertising



Social Advertising



Search Advertising



Display Advertising



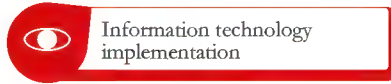
Online Video Advertising



Email and Lead Generation



Casual Gaming



Information technology implementation

Ad-on offerings



Digital Media Planning and Buying



User Data Collection and Aggregation



Customizable Applications and Widgets



Creative enhancement for performance



Search optimisation support and management



Campaign Optimization and Analysis



Ad Serving and traffic monitoring



Licensed technology software



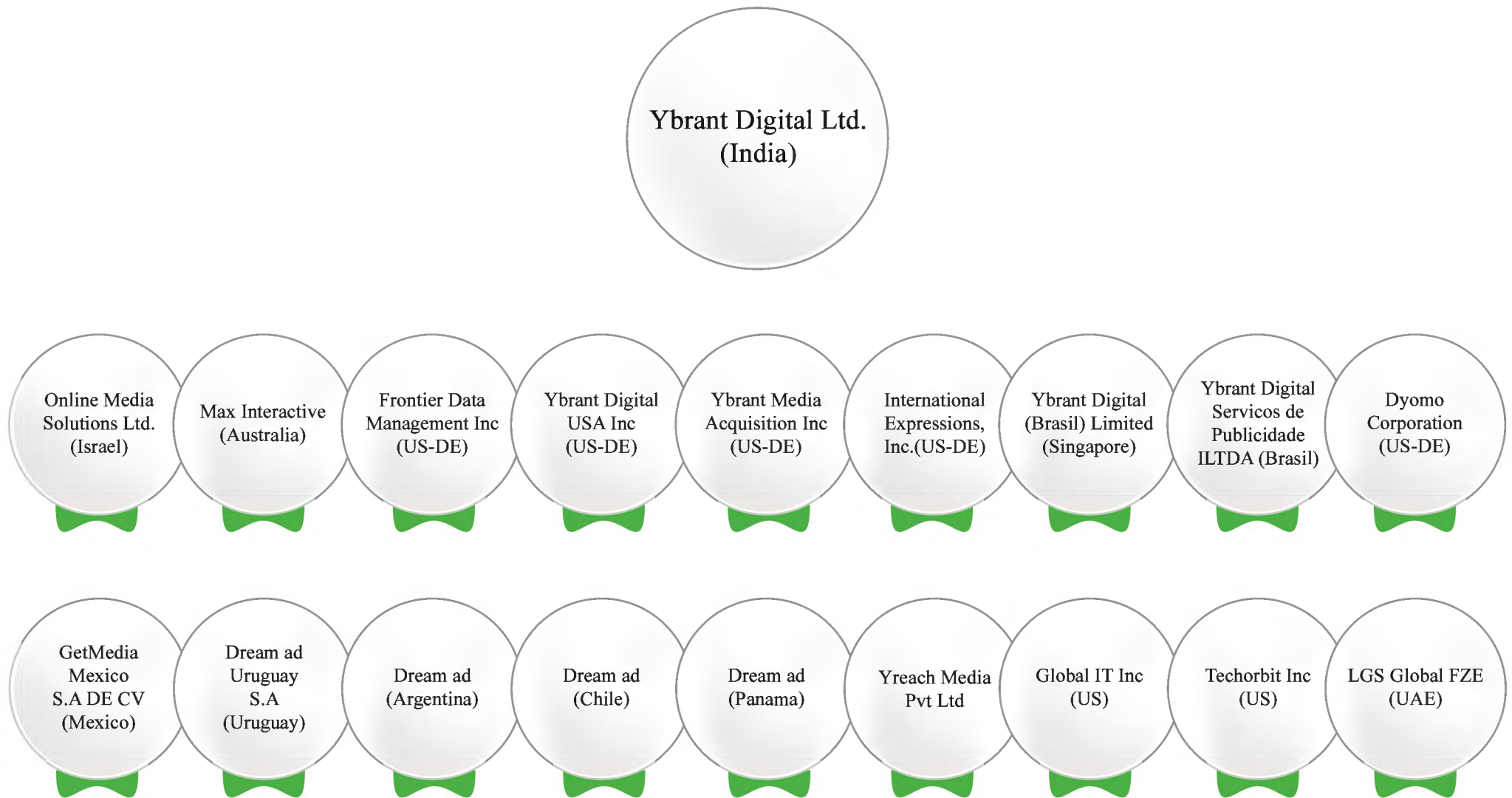
Expert advice for digital marketing strategy



Multi-time-zone support structure



Organization Structure



Board of Directors



M. Suresh Kumar Reddy, *Chairman*

Mr. Muthukuru Suresh Kumar Reddy is the Chairman and Promoter 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 Kumar Kancharla, *Director*

Mr. Vijay Kumar Kancharla is the Promoter 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 17 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 17 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 Master's 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 21 years of experience in marketing and management and has worked as General Manager at Coca-Cola India.

Board of Directors



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 20 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 19 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.



Key Employees

■ 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 15 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 29 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 Spectrum Power 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 14 years of in-depth experience across companies, Ms. Rema Sujeeth is a motivated and result – oriented professional. Prior to joining Ybrant, she was handling ICFAI's flagship magazine 'The Analyst'. Earlier, she had worked for ANZ Grindlays, Biological E Limited and RK Swamy BBDO. She holds an MBA degree in Market Research and Advertising from Annamalai University.

■ Mr. Krishna Sudun

General Manager - Indian Operations

An Internet industry expert, Mr. Sudun 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 Sudun holds a Bachelors Degree in Engineering from the Jawaharlal Nehru Technological University.

■ 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, specializing in Computer Science, from the Rupp in College, Israel.

■ Mr. Shahar Shaharbany

General Manager – Finance

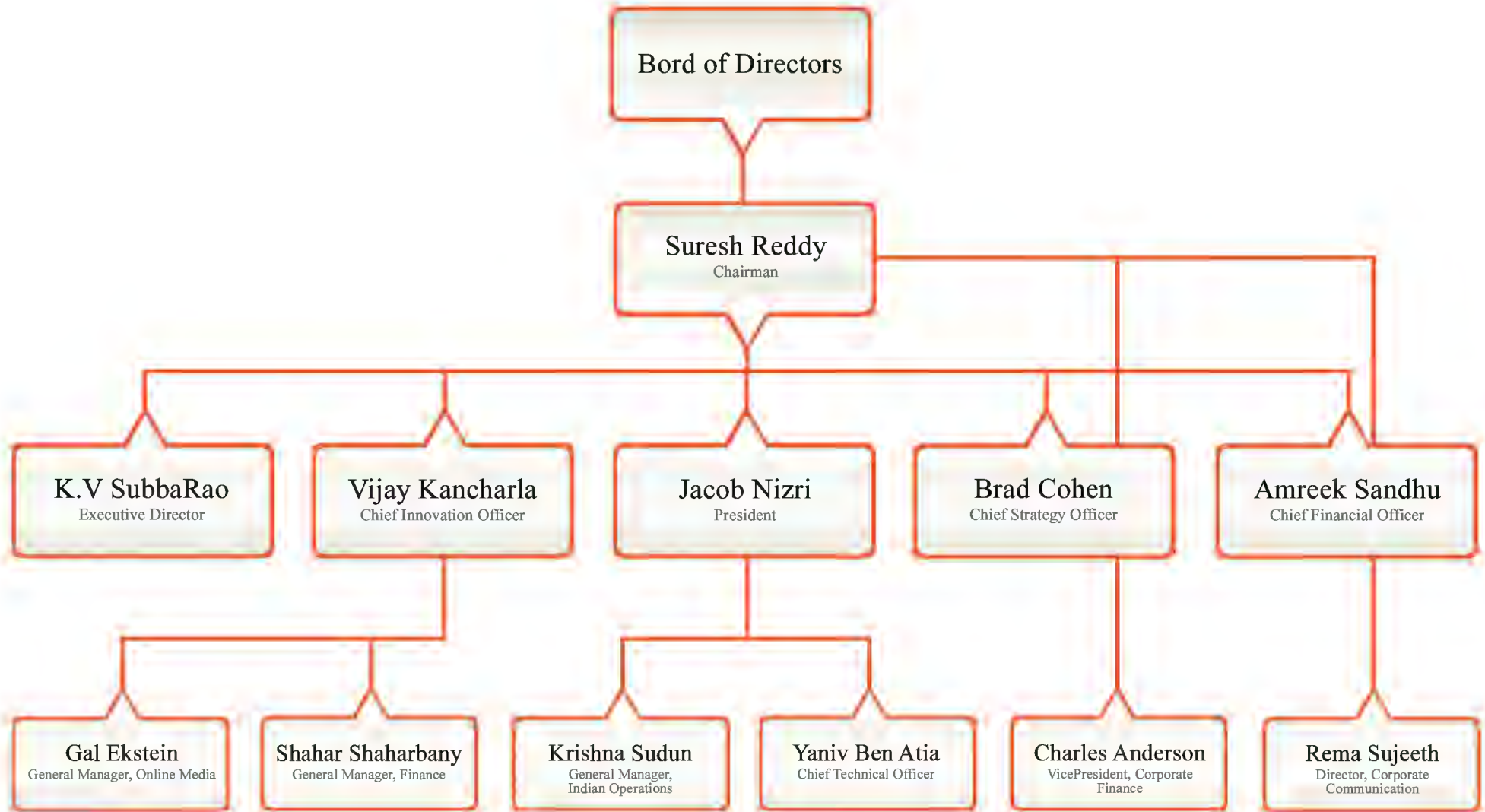
A skilled finance expert, Mr. Shaharbany has broad ranging experience in corporate finance and business operations management. His expertise lies in collaborating finance with core business operations, and developing efficient and productive cross-enterprise alliances across multiple business environments. A Certified Public Accountant, he earlier held key positions in the Intelligence Corps of the Israeli Defense Forces. He did his CPA training at KPMG. Mr. Shaharbany holds an MA degree in Financial Economics (with distinction) from Tel Aviv University.

■ 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.

Organization Chart



NOTICE

NOTICE is hereby given to the members of **YBRANT DIGITAL LIMITED** that the Fourteenth Annual General Meeting of the Company will be held on Thursday, 26th September, 2013 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, 2013, 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 appoint a Director in place of Mr. Y.Ramesh Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
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.

By Order of the Board

For **YBRANT DIGITAL LIMITED**
(formerly LGS Global Limited)

Sd/-

CS JAGADEESHWARA RAO M

Company Secretary

Dated: August 08, 2013

Registered Office:

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

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. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 21, 2013 to Thursday, September 26, 2013 (both days inclusive).
5. 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.
6. 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.
7. 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.
8. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the director 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: August 08, 2013

Registered Office:

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

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

Name of Director	Mr. Y. Ramesh Reddy
Date of Birth	24.10.1966
Date of Appointment on the Board of the Company	26.06.2012
Category	Independent Director
Relationship with other Directors	None
Expertise in specific function area	IT., Manufacturing and Investment Banking
Qualification	Chemical Engineering from IIT, Chennai and Management Degree in Finance and Marketing from XLRI, Jamshedpur.
List of other directorships held as on 31.03.2013 (excluding Private, Section 25 Companies & Foreign Companies)	NIL
Chairman / member of the committee of the Board of Directors of the Company	Chairman of the Audit Committee
Chairman / Member of the committees in other companies in which he is a Director	NIL
Number of shares held in the Company as on 31.03.2013	NIL

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.

DIRECTORS' REPORT

To

The Members

Your Directors have great pleasure in presenting the Fourteenth Annual Report on the business and operations of the Company for the financial year ended March 31, 2013.

₹ in Lakhs

Financial Results	For the financial year ended 31 st March,			
	Consolidated		Standalone	
	2013	2012	2013	2012
Total Income	161538.85	129751.10	60213.67	51315.46
Gross Profit before Interest, Depreciation & Tax	12100.26*	27208.05	4623.77*	8967.57
Less: Interest	3516.77	2765.63	2319.25	2295.34
Depreciation	2603.08	1675.91	1247.26	687.89
Provision for Tax	1059.97	3274.24	221.13	994.91
Profit after Tax	4920.44	19492.27	836.13	4989.43
Less: Provision for Deferred Tax Liability	383.83	312.12	383.83	212.41
Add: MAT Credit Entitlement	562.88	0	562.88	0
Net Profit for the year	5099.49	19180.15	1015.18	4777.02
Balance Brought forward from the previous year	32375.06	14445.24	11161.63	7634.94
Profit available for appropriations	37474.55	33625.39	12176.81	12411.96
Provision for proposed Dividend	0	952.50	0	952.50
Tax on Dividends	0	154.52	0	154.52
Transferred to General Reserve	30.46	143.31	30.46	143.31
Profit Carried to Balance Sheet	37444.10	32375.06	12146.35	11161.63

* Figures are after write off of Rs.59.93 Crs and Rs.134.94 Crs in Standalone and Consolidated balance sheet respectively.

DIVIDEND

In order to strengthen financial viability and in view of future plans of the company, the directors of your company expresses their inability to recommend any dividend for the financial year 2012-2013.

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 2012-13.

TRANSFER TO RESERVES

The Company proposes to transfer ₹30,45,536/- to the General Reserve out of the amount available for appropriations and an amount of ₹3,74,44,10,781/- is proposed to be retained in the Consolidated Profit and Loss account and an amount of ₹12,14,634,326/- is proposed to be retained in the Stand Alone Profit and Loss account

OPERATIONAL RESULTS & BUSINESS

During the year under review, the standalone total income was ₹6,02,13,67,206/- as against ₹5,13,15,46,250/- in the previous year. The consolidated total income was ₹16,15,38,85,005/- as against ₹ 12,97,51,10,298/- 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 Eighteen 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 2012-13. 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 March 31, 2013.

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

The Board of Directors has accepted the resignation of Mr.S.Pulla Reddy, Independent director on the board w.e.f June 24, 2013 and placed its deep sense of appreciation for his services during the tenure of his association as Board member.

Mr.Y.Ramesh Reddy, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommends the resolution for his re-appointment as director of your Company and the additional information furnished in the notice of the fourteenth Annual General Meeting pursuant to the provisions of Clause 49 of the Listing Agreement

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 March 31,2013

after successful implementation of various Employees Stock Option Schemes in earlier years. Ybrant Employees Welfare Trust (ESOP Trust) is holding 73,50,000-shares as on March 31, 2013 after successful implementation of various Employees Stock Option Schemes in earlier years in Ybrant Digital Limited (Transferor Company). No fresh ESOP was implemented during the year under review .

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.

DISCLOSURES OF PARTICULARS WITH RESPECT TO 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 Information Technology (IT) and Information Technology Enabled Services (ITES) Industry are subject to high rate of technological obsolescence.

The Company's business is Digital Marketing and Software Development. The change in the industry paradigm is dynamic. The Company is continuously updating these changes and constantly evaluating 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 and innovations. As part of the continuous thrust on R&D, the company is also focused on Solutions Research and Vertical Focus Research. These 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 organization.

(a) R & D Initiative:

The Company believes that technological obsolescence is a practical reality. It invests and encourages continuous innovation. Its R& D is always focused to provide unique benefits to our customers and other stakeholders by working both proactively (self-driven research) and reactively (customer-driven research). Our technical team also works to optimize the existing software applications and to be able to optimally use the existing hardware on a continuous basis.

(b) Specific areas for R&D at the company & the benefits derived there from:

The Company is continuously working on its all business areas specifically digital marketing division for bringing about significant improvements in its services offered at competitive. The R& D activities taken up by the company helps it to remain competitive.

(c) Future plan of action:

The Company is constantly keep working on finding/evaluating new technologies, processes, frameworks and methodologies to enable us in improving the quality of our offering and better ways to service at competitive at all levels.

(d) Expenditure on R& D for the year ended March 31, 2013:

Our R & D activities are not capital intensive and we do not specifically provide for the same in our books.

(iii) Foreign Exchange Earnings and outgo

The particulars of earning and expenditure in foreign exchange during the year are given vide note no.31 & 32 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 March 31, 2013 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/-

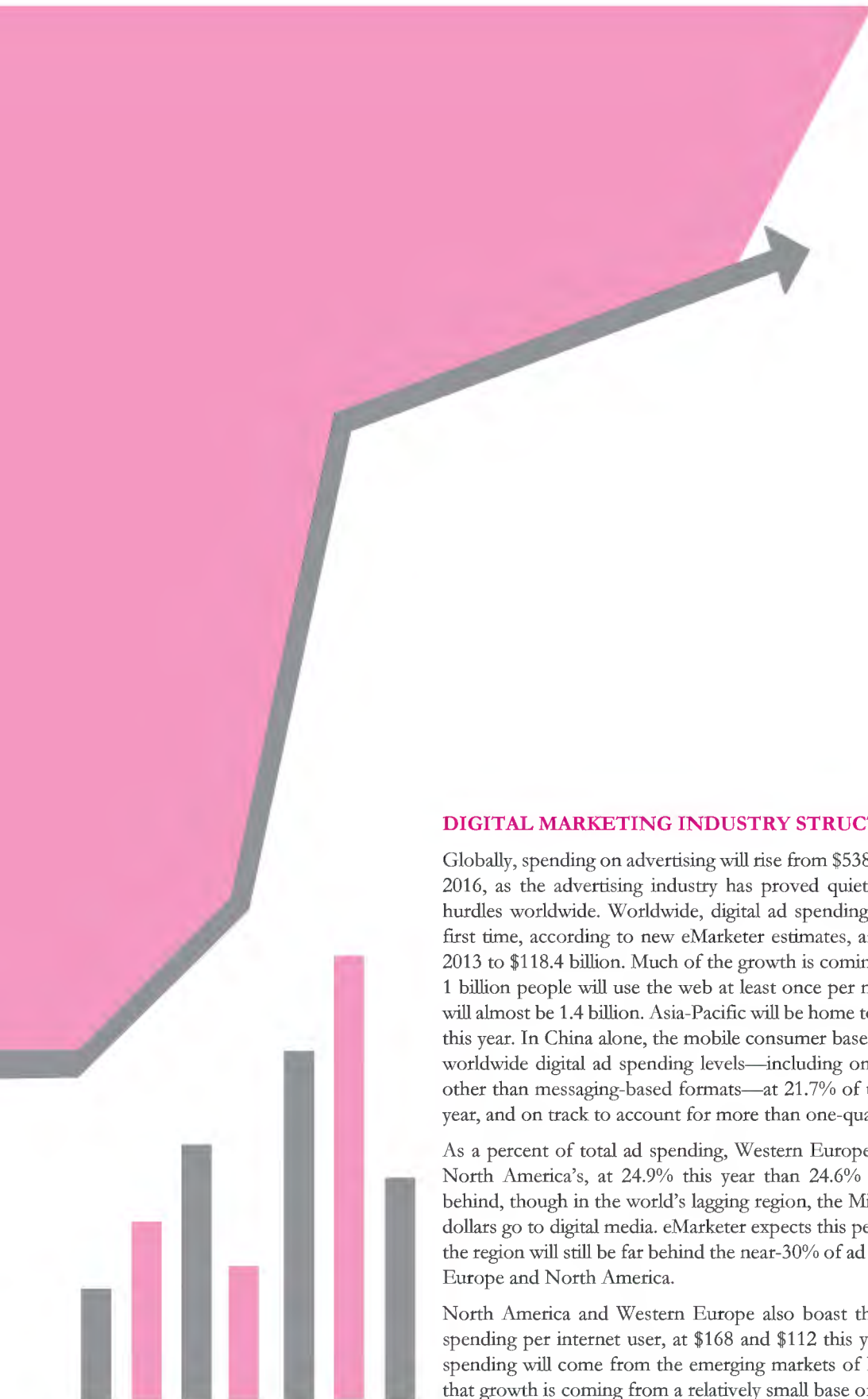
M. Suresh Kumar Reddy

Chairman

Place : Hyderabad

Date: August 08, 2013.

Management Discussion & Analysis



DIGITAL MARKETING INDUSTRY STRUCTURE & DEVELOPMENT:

Globally, spending on advertising will rise from \$538.75 billion in 2012 to \$676.17 billion in 2016, as the advertising industry has proved quietly resilient despite ongoing economic hurdles worldwide. Worldwide, digital ad spending passed the \$100-billion mark for the first time, according to new eMarketer estimates, and will increase by a further 15.1% in 2013 to \$118.4 billion. Much of the growth is coming from Asia-Pacific, where, more than 1 billion people will use the web at least once per month. By 2016, this audience number will almost be 1.4 billion. Asia-Pacific will be home to some 2.15 billion mobile phone users this year. In China alone, the mobile consumer base will top 1 billion in 2014. That will put worldwide digital ad spending levels—including online and mobile advertising spending, other than messaging-based formats—at 21.7% of the total spent on ads in all media this year, and on track to account for more than one-quarter of all ad spending by 2016.

As a percent of total ad spending, Western Europe's digital spending is slightly ahead of North America's, at 24.9% this year than 24.6% previous year. Asia-Pacific is not far behind, though in the world's lagging region, the Middle East and Africa, just 7% of all ad dollars go to digital media. eMarketer expects this percentage to nearly double by 2016, but the region will still be far behind the near-30% of ad spending devoted to digital in Western Europe and North America.

North America and Western Europe also boast the highest regional levels of digital ad spending per internet user, at \$168 and \$112 this year, respectively. The fastest growth in spending will come from the emerging markets of Indonesia, India and Mexico—though that growth is coming from a relatively small base of spending.

North America

North America accounts for the greatest share of all digital ad spending, at 39% as of the end of 2012. As emerging markets in Asia-Pacific and Latin America up spending, however, North America and second-place Western Europe will lose share slightly throughout the forecast period. By 2016, 36.7% of spending will come from North America and 23.7% from Western Europe. By the same year, Asia-Pacific will contribute 29.8% of all digital ad spend in the world.

Europe

Eastern Europe has suffered from the financial turmoil afflicting many of its neighbors to the west. The resulting slowdown has come at a bad time for the advertising sector—and for digital advertising in particular, which arguably hasn't yet achieved critical mass in several countries.

Asia Pacific

Asia-Pacific is currently the global leader in mobile advertising, with projected mobile ad spending of \$2.56 billion this year. But North America is fast becoming the world's leading hotspot, expanding twice as fast as Asia-Pacific. During the next four years, global spending on mobile ads will leap from \$6.6 billion to \$25.3 billion.

Latin America

Economically, Latin America has shone brightly. But media spending in the region is small compared to more mature regions, though growing fast. Ad spending in Latin America topped \$30 billion in 2011, eMarketer estimates, and will reach nearly \$35 billion in 2012, a rise of 12%.

INDIAN DIGITAL MARKETING SCENARIO:

Online advertising in India is currently generating US\$410 million a year and represents 7% of total advertising spend. By 2015, it is expected to generate US\$1.6 billion and comprise 10 to 15% of India's overall ad spend. Mobile advertising spend came to US\$56.5 million in 2011. It is forecast to reach US\$247 million by 2015.

Google and Facebook alone account for approximately 60% of India's online advertising market. Almost 50% of the entire classifieds business takes place over the internet. Currently the classifieds business is valued at US\$225 million. By 2015, the classifieds market will reach US\$510 million.

IT Industry Scenario:

The IT Services industry today is facing intense competitive pressures and rapidly changing market dynamics, driven by changing economy, regulatory environment, new technology and innovation. Customers today seek more efficient and effective operations along with technology based innovation and business transformation. The IT industry in India is currently going through a slow growth phase with growth declining from 15% in FY12 to 12% in FY13. While we consider the sluggishness witnessed in the global economy, this may not be alarming.

Government has been the largest IT consumer. However many of the projects get delayed due to slow decision making. Large Corporate have been delaying tech refresh initiatives due to the challenging business environment. The overall business environment in the country was not very conducive to sustain growth. It is expected that there will be slow recovery from the later part of financial year 2013-14.

Indian IT exports have grown by about 18% during the financial year 2012-13 compared to 22% in the previous year indicating the robustness of the Indian IT export sector. However the resistance to off shoring in US will have its impact on our software exports. The welcome change is the recovery seen in the markets like Japan and opportunity for niche players even in the US markets.

BUSINESS OVERVIEW:

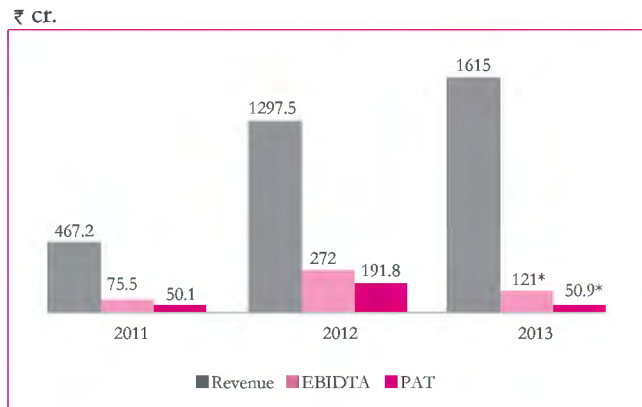
We are a leading global provider of end-to-end digital marketing services with operations in 24 countries. We act as an intermediary between publishers, which are websites that want to monetize their traffic, and advertisers, which are businesses and advertising agencies that wish to promote brands, generate customer leads and sell products and services using digital media. We focus on monetizing traffic on the websites of our publishers and maximizing the return on advertising spends for our advertisers.

We offer marketing through various channels, comprising display advertisements, search marketing, email marketing, lead generation, affiliate marketing, social website marketing and mobile marketing. We also provide various other services related to digital marketing, such as licensing our technology platforms, digital media planning and buying, advertisement serving, analytics and data collection and aggregation.

We strive to leverage the simplicity, interactivity and dynamism of the Internet with the objective of delivering a result oriented advertising campaign for our advertisers. We offer targeted and measurable online advertising campaigns and programs to our advertisers in order to increase their brand recognition and generate client leads and online sales.

FINANCIAL OVERVIEW:

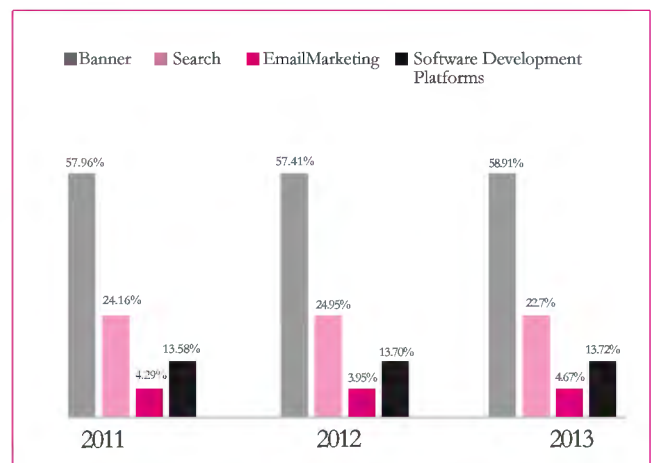
During the year under review, the standalone total income was ₹6,02,13,67,206/- as against ₹5,13,15,46,250/- in the previous year. The consolidated total income was ₹16,15,38,85,005/- as against ₹12,97,51,10,298/- in previous year. The financial performance was discussed elsewhere in this Annual Report vide notes to accounts.



* EBIDTA and PAT After write off of ₹147 crores

US is continuous to be our major source of our revenues, however Latin America has over taken Europe as the second major source of our revenues.

Banner continuous to be our major revenue in segment



Ybrant SWOT Analysis :

Strengths	Weakness	Opportunities	Threats
Early entrant in a fast growing market	Overdependence on developed economies	Digital media channels spends is appx.10% of overall global advertising spends.	Acquisitions involve numerous risks, any of which could harm our business, financials and our future growth plans, if not executed in line with our plans.
Deep domain knowledge	Use of technologies that restricts the receipt of internet advertisements, like filter software, by internet users may affect the reach and penetration of internet advertisement to customers which may have an effect on the operations and financial position of the Company.	Growing internet acceptance	New privacy legislations, industry standards and other regulations
Global footprints		Rising broadband penetration	Competition
Deep agency relations		India emerging a strong	Consolidation of technology and service providers
Comprehensive range of services			
Complementary acquisitions			

OUTLOOK:

Given global developments and issues within India, one expects the economic slowdown to continue for at least another year. This may have an impact on both the recruitments and the real estate business. However, one expects this slowdown to be partially, or even fully, offset by transformation of several offline functions to online ones.

RISKS AND CONCERNS:

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:

Ybrant Digital 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:

Ybrant Digital firmly recognizes 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 CONTROLS AND THEIR ADEQUACY:

Ybrant Digital has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and the Audit Committee, and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

For and on behalf of the Board of Directors

YBRANT DIGITAL LIMITED

(formerly LGS Global Limited)

Sd/-

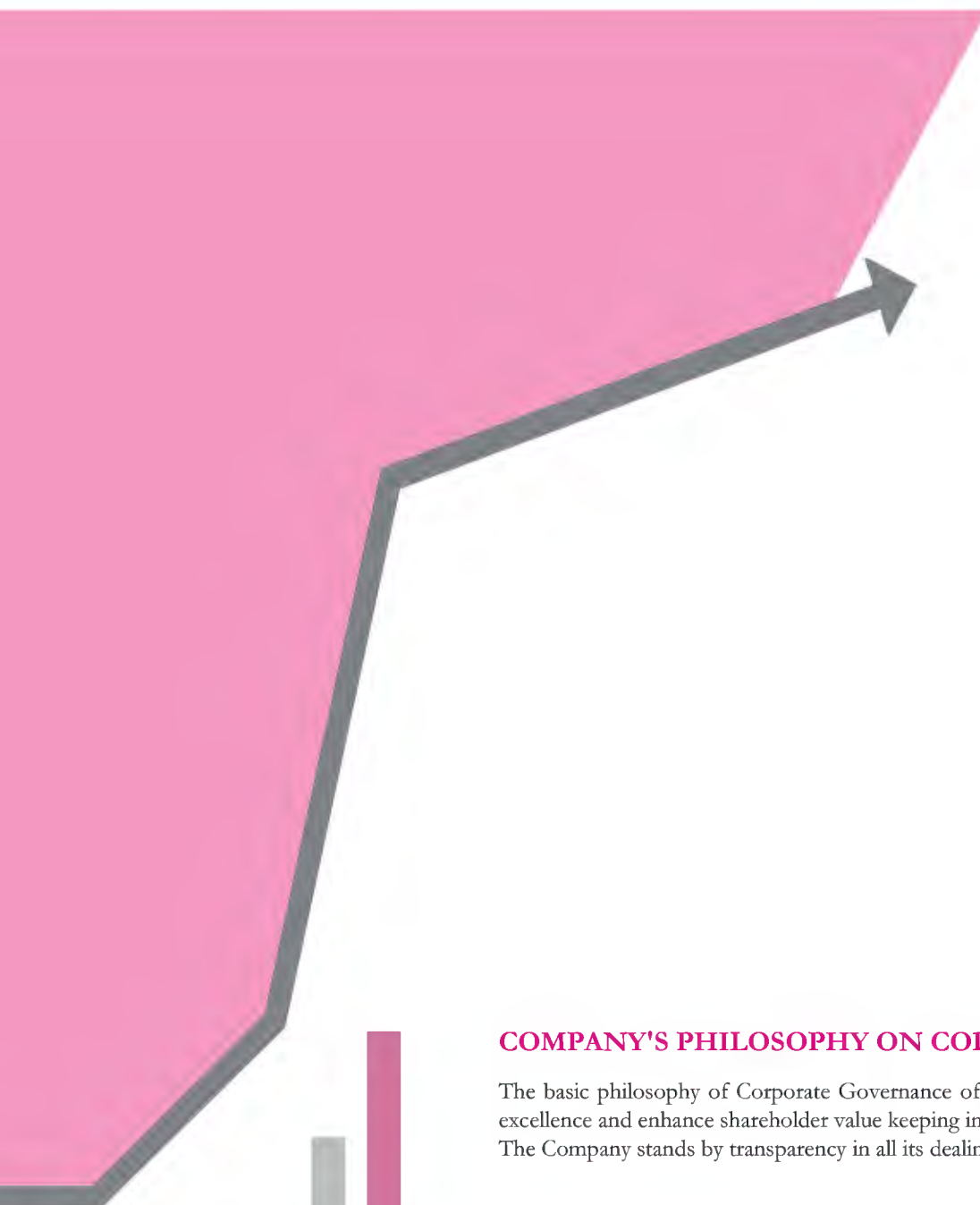
M.Suresh Kumar Reddy

Chairman

Place: Hyderabad

Date: August 8, 2013.

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 6 directors consisting of 1 Executive Director, 3 Non Executive Independent directors and 2 promoter 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 categorized as Independent Director. The composition of Board is as follows:

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 & D	Chairman	NIL	NIL	NIL
Mr. Vijay Kancharla	P & D	Director	NIL	NIL	NIL
Mr. Venkata Subba Rao Karusala	P & ED	ED	1	NIL	NIL
Mr. Vijaya Bhasker Reddy Maddi	NEID	Director	NIL	NIL	NIL
Mr. Raghunath Allamsetty	NEID	Director	NIL	NIL	NIL
Mr. Ramesh Reddy Yerradoddi	NEID	Director	NIL	NIL	NIL

P & ED=Promoter & Executive Director; P&D=Promoter & 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.

Twelve Board Meetings were held during the financial year ended March 31, 2013. 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 (i) May 15, 2012 (ii) May 26, 2012 (iii) June 26, 2012 (iv) July 15, 2012 (v) July 27, 2012 (vi) August 13, 2012 (vii) August 27, 2012 (viii) September 10, 2012 (ix) September 18, 2012 (x) November 3, 2012 (xi) January 31, 2013 (xii) February 14, 2013.

Name of the Director	No. of Board meetings (during the year 2012-2013)		Whether attended last AGM held on 26.12.2012
	Held	Attended	
Mr. Suresh Kumar Reddy Muthukuru	10	10	YES
Mr. Vijay Kancharla	10	1	NO
Mr. Venkata Subba Rao Karusala	12	12	YES
Mr. Vijaya Bhasker Reddy Maddi	10	5	YES
Mr. Raghunath Allamsetty	10	8	NO
Mr. Pulla Reddy Sagireddy #	10	9	YES
Mr. Ramesh Reddy Yerradoddi	10	10	YES
Mr. Venkateswara Rao Kadiyala*	3	3	NO
Mr. Chivukula Sasikanth	3	3	NO
Dr. Rajesh Sankhla*	3	3	NO
Mr. Kishore Kumar Putta*	3	3	NO
Mr. Venkata Subbaraju Kanumuri*	3	3	NO

#Resigned from the Board w.e.f. June 24, 2013; * Resigned from the Board w.e.f. June 26, 2012

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 Chairman of the Audit Committee Mr. Ramesh Reddy Yerradoddi attended the previous Annual General Meeting of the Company held on December 26, 2012 in terms of Clause 49 of the Listing Agreement.

Five Audit Committee Meetings were held during the financial year ended March 31, 2013. The dates on which the Meetings were held are (1) May 15, 2012 (2) August 13, 2012 (3) September 10, 2012 (4) November 03, 2012 and (5) February 14, 2013.

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

Name of the Member	Status in the Committee	No. of Meetings (during the year 2012-13)	
		Held	Attended
Mr. Ramesh Reddy Yerradoddi	Chairman	4	4
Mr. Vijaya Bhasker Reddy Maddi	Member	4	2
Mr. Raghunath Allamsetty	Member	4	4
Mr. Sasikanth Chivukula*	Chairman	1	1
Dr. Rajesh Sankhla *	Member	1	1
Mr. Venkata Subba Raju Kanumuri*	Member	1	1
Mr. Venkateswara Rao Kadiyala*	Member	1	1

* Resigned from the Board w.e.f. June 26, 2012

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 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 1 (one) meeting was held on June 26, 2012.

Name of the Member	Status in the Committee	No. of Meetings (during the year 2012-13)	
		Held	Attended
Mr. Vijaya Bhasker Reddy Maddi	Chairman	1	N.A
Mr. Raghunath Allamsetty	Member	1	1
Mr. Pulla Reddy Sagireddy*	Member	1	1
Mr.Y.Ramesh Reddy#	Member	N.A.	N.A

* Resigned from the Board w.e.f. June 24, 2013 #Appointed as member w.e.f. August 08, 2013

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 Director is approved by the Remuneration & Compensation Committee, Board of Directors and the Shareholders of the Company.

During the year, the Company has paid Rs.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 remuneration paid to whole time directors & sitting fees to non executive independent directors during year ended March 31, 2013 and shareholding of directors in the Company as on March 31, 2013 are given below:

Name	Remuneration paid to whole time directors (₹)	Sitting fee paid during the period ended 31.03.2013	No. of Shares held as on 31.03.2013
Mr. Suresh Kumar Reddy Muthukuru	36,00,000	NIL	69873882
Mr. Vijay Kancharla	36,00,000	NIL	65865510
Mr. Venkata Subba Rao Karusala	32,42,250	NIL	713963
Mr. Vijaya Bhasker Reddy Maddi	NIL	35000	180000
Mr. Raghunath Allamsetty	NIL	60000	NIL
Mr. Ramesh Reddy Yerradoddi #	NIL	70000	NIL
Mr. Pulla Reddy Sagireddy	NIL	45000	NIL
Mr. Sasikanth Chivukula	NIL	20000	N.A
Dr. Rajesh Sankhla*	NIL	20000	N.A
Mr. Kishore Kumar Putta*	NIL	15000	N.A
Mr. Venkata Subbaraju Kanumuri*	NIL	20000	N.A

Resigned from the Board w.e.f. June 24, 2013; * Resigned from the Board w.e.f. June 26, 2012

SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievances of the shareholders. During the year under review 1 (one) meeting was held on June 26, 2012.

The composition of the Committee is as follows:

Name of the Member	Status in the Committee	No. of Meetings (during the year 2012-13)	
		Held	Attended
Mr. Pulla Reddy Sagireddy*	Chairman	1	1
Mr. Vijaya Bhasker Reddy Maddi	Member	1	NIL
Mr. Raghunath Allamsetty	Member	1	1
Mr.M.Suresh Kumar Reddy#	Member	N.A	N.A

* Resigned from the Board w.e.f. June 24, 2013 # Appointed as a Member w.e.f. August 08, 2013

Name and Designation of the Compliance Officer

Mr. M. Jagadeeshwara Rao, Company Secretary.

Complaints: Four Investors' complaints have been received and same were pending for resolved for the period under review

GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2011-12	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A.P.	December 26, 2012	10:30 A. M.
2010-11	Same location as above	September 27, 2011	12:00 noon
2009-10	Same location as above	December 24, 2010	11:00 A. M.

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

Date	Description of Special Resolution passed
26.12.2012	Special Resolution was passed for raising of funds by issue of further securities u/s 81(1A) of the Companies Act, 1956.
27.09.2011	No Special Resolution was passed in this AGM
24.12.2010	Special Resolution was passed for raising of funds by issue of further securities u/s 81(1A) of the Companies Act, 1956.

(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., August 20, 2012
2012	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	11:30 A.M., June 30, 2012 (Adjourned Meeting)
2012	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	11:30 A.M., June 23, 2012 Meeting Adjourned to 30.06.2012
2011	Surana Udyog Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	04:30 P.M., July 15, 2011

Court convened meeting of the Equity shareholders in the matter of Amalgamation

2011	K L N Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, Hyderabad, A. P.	11.30 A.M. December 24, 2011
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(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 June 30, 2012
15.07.2011	(i) Increase of Authorised Share Capital to ₹ 60,00,00,000/- (Rupees Sixty Crores only) divided into 6,00,00,000 (Six Crores) equity shares of ₹ 10/- (Rupees 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	Court 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)

Postal Ballot: None of the resolutions was required to be passed through postal ballot during the year under report.

DISCLOSURES

- (i) There were no materially significant related party transactions i.e transactions of the company of material nature with its promoters, the directors or the management, their relatives etc, that may have potential conflict with the interests of the company at large. The related party transactions are duly disclosed in the Notes to Accounts.
- (ii) There were no cases of non-compliance by the company and no penalties, strictures were 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.
- (iii) No treatment different from the Accounting Standards prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of financial statements.
- (iv) The Company has complied with all the mandatory requirements as to Corporate Governance.
- (v) The Company at present has adopted the non-mandatory requirements in regard to the constitution of Remuneration Committee. The Company has not adopted any formal Whistle Blower policy but no person is denied access to the Audit Committee
- (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.
- (iv) SEBI Complaints Redress System (SCORES): SEBI has designed a centralized Web-based system, www.scores.gov.in wherein the investors can lodge their complaints and can view the status of their complaints being replied to by the respective Company. In compliance thereof, the Company is regularly uploading the 'Action taken Report' on the said website in respect of the investors' references received, if any.
- (v) BSE Corporate Compliance & Listing Centre (the "Listing Centre"): The Listing Centre of BSE is a web based application designed by BSE for Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, etc. are also filed electronically on the Listing Centre.

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.

GENERAL SHAREHOLDERS INFORMATION

Fourteenth Annual General Meeting:

Day & Date : Thursday, 26th September, 2013

Time : 10.30.a.m.

Venue : KLN Prasad Auditorium, FAPCCI,
Federation House, 11-6-841,
Red Hills, Hyderabad-500 004

Financial Calendar for the Year 2013-14 (tentative)

Financial reporting for the quarter ended	On or Before end of the
June 30, 2013	August 14, 2013
September 30, 2013	November 14, 2013
December 31, 2013	February 14, 2014
March 31, 2013	May 30, 2014
AGM for the year ending March 31, 2014	September 30, 2014
Dividend payment	The dividend, if declared, shall be paid / credited within the statutory period.

Book Closure Dates: Saturday, September 21, 2013 to Thursday, September 26, 2013 (both days inclusive) for the purpose of Annual General Meeting.

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 2013-14

Annual Custodial fee: Annual Custodial fee was paid to the Depositories for the financial year 2013-14.

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, 2012 to March, 2013 is furnished below.

Month	BSE Limited, Mumbai Share Prices (In ₹)		BSE Sensex	
	High	Low	High	Low
April '12	110.00	83.00	17664.10	17010.16
May '12	103.00	83.30	17432.33	15809.71
June '12	99.80	77.90	17448.48	15748.98
July '12	99.90	84.60	17631.19	16598.48
August '12	92.00	75.00	17972.54	17026.97
September '12	87.00	65.20	18869.94	17250.80
October '12	82.50	73.30	19137.29	18393.42
November '12	79.75	67.80	19372.70	18255.69
December '12	75.00	65.45	19612.18	19149.03
January '13	69.00	54.05	20203.66	19508.93
February '13	59.00	44.00	19966.69	18793.97
March '13	50.25	26.75	19754.66	18568.43

Registrar & Share Transfer Agent (RTA)

Aarthi 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.

AARTHI 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@arthiconsultants.com; arthiconsultants@gmail.com

Website: www.arthiconsultants.com

Share Transfer System

Share transfers are processed and share certificates duly endorsed are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The transfers, transmissions, duplicate share certificates etc, matters are generally placed before the Shareholders'/Investors' Grievance Committee for its approval. The Registrar & Share Transfer Agent (RTA) is authorized to do endorsement on Transfer of Shares which is duly approved by the committee. Requests for dematerialization 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.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchanges.

Distribution of Shareholding as on March 31, 2013

Nominal Value of Shareholding (in ₹)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2821	89.47	732393	0.15
5001 - 10000	65	2.06	244731	0.05
10001 - 20000	38	1.21	299550	0.06
20001 - 30000	18	0.57	213589	0.04
30001 - 40000	20	0.63	356201	0.07
40001 - 50000	10	0.32	224525	0.05
50001 - 100000	45	1.43	1624586	0.34
100000 & Above	136	4.31	472555924	99.22
TOTAL	3153	100	476251499	100

Shareholding pattern as on March 31, 2013:

S.No	Category	Total	% Equity
1	Company Promoter / Promoter Group	197504029	41.47
2	Foreign Venture Capital Investors	99808710	20.96
3	Foreign Institutional Investors	78426579	16.47
4	Bodies Corporate	26284855	5.52
5	Overseas Corporate Bodies	24200398	5.08
6	General Public	22949685	4.82
7	Trusts	18033509	3.79
8	Non Resident Individuals	3641842	0.76
9	Foreign Nationals	3251592	0.68
10	Employees	1650000	0.35
11	Financial Institutions / Banks	500000	0.1
12	Clearing Members	300	0
	GRAND TOTAL	476251499	100

Dematerialization of Shares and Liquidity: 82.02% of the total shares have been dematerialized up to March 31, 2013.

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

No such instruments were outstanding.

Investor Correspondence

For queries relating to Shares:

Aarthi Consultants Private Limited,
(Unit: YBRANT Digital Limited)
1-2-285, Domalguda, Hyderabad - 500 029.A.P.
Phone : +91-40-27634445, 27638111, 27642217, 66611921
Fax : +91-40-27632184,
Email:info@arthiconsultants.com;
arthiconsultants@gmail.com

For queries relating to Financial Statements and other contents of Annual Reports:

Investor Relations YBRANT Digital Limited
(formerly, LGS Global Limited),
Plot No. 7A, Road No. 12, MLA Colony,
Banjara Hills, Hyderabad - 500 034, A. P.
Phone No. +91 40 4567 8999 ;
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.

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/-

Place : Hyderabad
Date : August 08, 2013

M.Suresh Kumar Reddy
Chairman

CMD & CFO CERTIFICATE

(Pursuant to clause 49 (V) of the Listing Agreement)

To

The Board of Directors

YBRANT DIGITAL LIMITED

(Formerly LGS Global Limited)

We, the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer of YBRANT DIGITAL LIMITED (formerly, LGS Global Limited) ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2013 and based on our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.
- (e) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

For **YBRANT DIGITAL LIMITED**
(formerly LGS Global Limited)

Sd/-

Sd/-

M. Suresh Kumar Reddy

Amreek Singh Sandhu

Chairman & Managing Director

Chief Financial Officer

Place : Hyderabad

Date : May 30,2013

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 March 31, 2013. The Company has complied with the provisions of the Listing Agreement in this respect.

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

Sd/-

M.Suresh Kumar Reddy

Chairman & Managing Director

Place : Hyderabad

Date: May 30, 2013

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 March 31, 2013 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

Sd/-

P. Murali Mohana Rao

Partner

FRN: 007257S

Membership No.23412

Place: Hyderabad

Date : August 08, 2013

To
The Members,
Ybrant Digital Limited
(Formerly LGS Global Limited)

We have audited the accompanying financial statements of YBRANT DIGITAL LIMITED (Formerly LGS Global Limited) (the Company), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

Standalone Financial Statements

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.

For P. Murali & Co.
Chartered Accountants
Firm Registration Number. 007257S

Sd/-

P .Murali Mohana Rao
Partner
Membership Number. 023412

ANNEXURE TO THE AUDITORS' REPORT

- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- c) The Company has not disposed off substantial part of the fixed Assets during the year.
- II. The Company is not having any 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, over due Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- e) The Company has not taken loans, 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 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.
- g) As no loans are taken by the Company, the clause of repayment of interest & principal amount to parties is not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- V. a) In our opinion and according to the information and explanations given to us, during the year, no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into by the Company.
- b) According to the information and explanations given to us, as no such contracts or arrangements have been made by the company, the applicability of the clause of charging the reasonable price having regards 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 Act 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 cost records under clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956.
- IX. a) The Company is generally regular in depositing statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales tax/Value Added Tax, Excise Duty & other statutory dues with the appropriate authorities except in few cases where there was a delay in remitting the statutory dues.
- b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Assessment Year	Amount ₹	Forum where dispute is Pending
Income Tax	2006-07, 2007-08, 2008-09 & Other Years	7,77,49,879	Tribunal/Appeal

- 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 provisions 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 certain guarantees on behalf of its subsidiaries as mentioned in note 39 of notes to financial statements.
- 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 no funds are raised by the Company on short-term basis. Hence the clause of short term funds being applied for long term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any 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 information and explanations given to us, the company has not raised 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 does not arise.
- 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
Firm Registration No. 007257S

Sd/-
P.Murali Mohana Rao
Partner
Membership No. 023412

Place : Hyderabad
Date : 30-05-2013

Balance Sheet

as at 31st March, 2013

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Particulars	Note No.	As on 31st March, 2013	As on 31st March, 2012
I. Equity & Liabilities:			
(1) Shareholder's Funds			
(a) Share Capital	1	95,25,02,998	95,25,02,998
(b) Reserves and Surplus	2	5,19,70,81,824	4,96,15,72,366
(c) Money received against share warrant	3	-	35,58,00,000
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,25,67,61,902	1,43,06,79,891
(b) Defferred Tax Liabilities (Net)	5	8,40,30,296	4,56,47,098
(c) Other Long Term Liabilities	6	16,86,09,000	15,85,85,150
(d) Long Term Provisions	7	3,86,90,203	3,70,38,476
(3) Current Liabilities			
(a) Short-Term Borrowings	8	1,19,24,69,733	1,20,45,75,455
(b) Trade Payables	9	2,12,77,46,554	2,94,14,37,248
(c) Other Current Liabilities	10	66,95,59,486	32,11,28,368
(d) Short-Term Provisions	11	10,73,87,734	23,81,45,651
Total		11,79,48,39,730	12,64,71,12,701
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	25,33,42,999	27,11,97,507
(ii) Intangible assets	12	48,23,31,494	55,78,83,019
(b) Non-current investments	13	5,10,87,67,605	5,09,32,25,722
(c) Long Term Loans and advances	14	4,63,77,129	4,60,96,429
(d) Other Non-Current assets	15	11,08,04,838	35,64,82,096
(2) Current assets			
(a) Trade receivables	16	3,87,53,10,489	4,47,28,10,267
(b) Cash and Bank Balances	17	9,49,31,658	9,63,09,394
(c) Short-Term Loans and Advances	18	1,82,29,73,518	1,75,31,08,267
Total		11,79,48,39,730	12,64,71,12,701

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Registration Number: 007257S
Chartered Accountants
Sd/-
P.Murali Mohana Rao
Partner
Membrship Number: 23412

Place : Hyderabad
Date : 30th May, 2013

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/-
CS Jagadeeshwara Rao M
Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2013

₹

Particulars	Note No.	Year Ending 31st March, 2013	Year Ending 31st March, 2012
Revenue from Operations	19	5,90,47,58,336	5,03,75,22,167
Other Income	20	11,66,08,870	9,40,24,083
Total Revenue		6,02,13,67,206	5,13,15,46,250
Expenses:			
Purchase / Cost of Revenue	21	4,14,82,08,320	3,73,55,91,352
Employee Benefit expenses	22	34,32,26,784	30,12,63,015
Other Operating Expenses	23	70,79,75,515	5,31,55,286
Administrative Expenses	24	35,95,79,700	14,47,79,924
Financial costs	25	23,19,25,327	22,95,33,971
Depreciation and amortization expense	12	12,47,25,833	6,87,89,384
Total Expenses		5,91,56,41,479	4,53,31,12,932
Profit before Extraordinary items and tax		10,57,25,727	59,84,33,318
Extraordinary Items		-	-
Profit Before Tax		10,57,25,727	59,84,33,318
Tax expense:			
(1) Current tax		2,21,13,021	9,94,90,549
(2) Deferred tax		3,83,83,198	2,12,41,314
(3) MAT Credit Entitlement		5,62,88,350	-
Profit After Tax		10,15,17,858	47,77,01,455
Earning per equity share:			
(1) Basic		0.21	1.00
(2) Diluted		0.21	1.00

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**

Firm Registration Number: 007257S

Chartered Accountants

Sd/-

P.Murali Mohana Rao

Partner

Membership Number: 23412

Place : Hyderabad

Date : 30th May, 2013

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/-

CS Jagadeeshwara Rao M

Company Secretary

Cash flow statement

statement for the year ended 31st March, 2013

₹

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
A. Cash Flow from Operating Activities		
Net Profit Before Tax	10,57,25,727	59,84,33,318
Adjustment for :		
Add: Depreciation	12,47,25,833	6,87,89,384
Interest Paid	3,16,51,775	1,11,44,813
Written off Expenses	-	99,52,254
Operating Profit before Working Capital Changes	26,21,03,335	68,83,19,769
Adjustment for Working Capital Changes:		
Increase/(Decrease) in Short term Borrowings	(1,21,05,722)	27,45,95,256
Increase/(Decrease) in Trade Payables	(81,36,90,694)	1,68,13,10,264
Increase/(Decrease) other Current Liabilities	32,63,18,097	16,73,19,979
Increase/(Decrease) Short-Term Provisions	(13,07,57,917)	3,24,83,819
Decrease/(Increase) Trade Receivables	59,74,99,778	(2,50,48,21,660)
Decrease/(Increase) Short-Term Loans and Advances	(1,35,76,901)	(1,27,87,36,266)
Net Cash Flow from Operating Activities	A	(93,95,28,839)
B. Cash Flow from Investing Activities		
Purchase/Increase of assets	(3,13,19,800)	(53,71,28,051)
Other Non-Current Investments	-	(4,35,11,18,690)
Investment in Subsidiary	(1,55,41,883)	-
Net cash from investing activities	B	(4,88,82,46,741)
C. Cash Flows from Financing Activities		
Interest Paid	(3,16,51,775)	(1,11,44,813)
Increase/(Decrease) in Long Term Loans	(17,39,17,989)	1,40,45,63,891
Increase/(Decrease) in share capital	-	69,82,66,328
Increase/(Decrease) in Capital Reserve	35,58,00,000	3,81,00,11,992
Increase/(Decrease) in share warrants	(35,58,00,000)	35,58,00,000
Increase/(Decrease) in Foreign Currency Fluctuation Reserve	(7,31,20,152)	-
Increase/(Decrease) in long term provision	16,51,727	(61,46,717)
Increase/(Decrease) in Other Long term Liabilities	1,00,23,850	2,67,77,988
Increase/(Decrease) in Long term loans and advances	(2,80,700)	14,49,422
Increase/(Decrease) in Other Non - Current Assets	9,69,89,010	(36,63,23,925)
Net cash from financing activities	C	5,91,32,54,166
Cash and cash equivalents at beginning of year	9,63,09,394	1,08,30,808
Net change in cash (A+B+C)	(13,77,736)	8,54,78,586
Cash and cash equivalents at period ended 31st March, 2013	9,49,31,658	9,63,09,394

AS PER OUR REPORT OF EVEN DATE

For **P.Murali & Co.,**
Firm Registration Number: 007257S
Chartered Accountants
Sd/-

P.Murali Mohana Rao

Partner

Membership Number: 23412

Place : Hyderabad

Date : 30th May, 2013

Sd/-

M. Suresh Kumar Reddy

Chairman & Managing Director

Sd/-

Amreek Singh Sandhu

Chief Financial Officer

Sd/-

K.Venkata Subba Rao

Executive Director

Sd/-

CS Jagadeeshwara Rao M

Company Secretary

Notes

Significant accounting policies to standalone financials

Company Overview:

Ybrant Digital Limited, 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. Ybrant Digital has a global presence, with offices in over 24 countries.

Ybrant Digital Limited is also 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 customized to address the specific needs while focusing on maximizing 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. Ybrant Provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

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 recognized 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 recognized 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 recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized 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 recognized in the period in which the services are provided.
- (iv) Revenue from product sale and licensing arrangements are recognized 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 recognized in the profit and loss account. Non monetary assets and liabilities are translated at the rate prevailing on the date of transaction and foreign exchange fluctuation gain or loss arises on account of translation of non monetary items like long term loans and advances are accumulated in a reserve account (FCMITDA).

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 recognize 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 capitalized 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 Amortization :

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 Rs. 5,000 are entirely depreciated in the year of acquisition.

6. Taxation:

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

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 recognized 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 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 capitalized 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,

Notes Significant accounting policies to standalone financials 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 recognized 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 recognized 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 recognized 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.

15. Finance Lease:

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

16. Claims:

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

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 1 : SHARE CAPITAL

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012		
I	Equity Share Capital				
	(a) Authorised Capital				
	(97,50,00,000 Equity Shares of ₹ 2/- each)	1,95,00,00,000	1,95,00,00,000		
	(b) Issued, Subscribed & Fully Paid Up				
	(47,62,51,499 Equity Shares of ₹ 2/- each paid up in previous year)	95,25,02,998	95,25,02,998		
	(Issue of Equity Shares in Current year - NIL-)		-		
	(c) Subscribed & not fully paid up				
	(Issue of Equity Shares in Current year - NIL-)		-		
	(Issue of Equity Shares in Previous year - NIL-)	-			
	(d) Par Value per share	2	2		
	Total Equity Share capital	95,25,02,998	95,25,02,998		
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	47,62,51,499	2,54,23,667		
	Issued during the year - ESOP	-	90,00,000		
	Conversion of CCPS	-	7,14,16,272		
	Conversion of Share warrants	-	1,80,00,000		
	Issued during the year - As per Scheme of Merger	-	35,24,11,560		
	At the end	47,62,51,499	47,62,51,499		
III	Details of Shareholder holding more than 5% shares of the company:*		% of Share Holding		
	Equity Shares of ₹ 2/- each Held By	No. of Equity Shares	As on		
		As on 31-03-2013	As on 31-03-2012		
			As on 31-03-2013		
			As on 31-03-2012		
	M. Suresh Kumar Reddy	6,98,73,882	6,58,65,510	14.67%	13.83%
	Vijay Kancharla	6,58,65,510	6,58,65,510	13.83%	13.83%
	Everest Capital (M) Ltd	6,51,79,080	6,51,79,080	13.69%	13.69%
	Redmond Investments Ltd	3,55,50,000	3,60,00,000	7.46%	7.56%
	Oak India Investments	3,46,29,630	3,46,29,630	7.27%	7.27%
	Sansar Capital Mauritius Ltd	3,35,63,430	3,35,63,430	7.05%	7.05%

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 2 : RESERVES AND SURPLUS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	RESERVES AND SURPLUS		
	a) Capital reserve		
	As at the commencement of the year	3,81,20,11,992	20,00,000
	Add: Forfeiture of Share Warrant Money during the year	35,58,00,000	3,81,00,11,992
	Sub Total	4,16,78,11,992	3,81,20,11,992
	b) General Reserves		
	As at the commencement of the year	3,33,98,370	1,90,67,326
	Add: Additions during the year	30,45,536	1,43,31,044
	Sub Total	3,64,43,906	3,33,98,370
	c) Surplus :		
	Opening Balance - Profit and Loss Account	1,11,61,62,004	76,34,93,875
	Add: Transfer from Profit & Loss Account	10,15,17,858	47,77,01,453
	Add: Prior period Adjustment	-	-
	Less: Transfer To General Reserve	30,45,536	1,43,31,044
	Less: Bonus Shares Issued	-	0.00
	Less: Dividend	-	9,52,50,300
	Less: Dividend distribution tax	-	1,54,51,980
	Sub Total	1,21,46,34,326	1,11,61,62,004
	d) Foreign Currency Translation Reserve		
	Foreign Currency Translation Reserve	(22,18,08,400)	-
	Total Reserves and Surplus	5,19,70,81,824	4,96,15,72,366

NOTE NO. 3 : MONEY RECEIVED AGAINST SHARE WARRANTS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Share Warrants	-	35,58,00,000

Note:

The convertible equity share warrants were due to be exercised in the last quarter of 2012-13. The same not having been exercised stand forfeited

Total Money Received Against Share Warrants

35,58,00,000

Notes to financial statements for the year ended 31st March,2013

NOTE NO. 4 : LONG TERM BORROWINGS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Long Term borrowings		
	a) Term Loans		
	ICICI Bank (Refere Note No. 4(a))	-	6,00,00,000
	SBI Term Loan (Refere Note No. 4(b))	75,00,000	1,50,00,000
	Canara bank Term Loan (Refere Note No. 4(c))	1,68,75,000	2,62,50,000
		2,43,75,000	10,12,50,000
	b) Loans and advances from related parties		
	Un Secured		
	Online Media Solutions Limited,Israel	8,57,73,030	8,06,79,320
	Frontier Data Management Inc., U.S.A.	7,07,38,819	6,65,37,929
	International Expressions Inc., U.S.A	5,72,02,834	5,38,05,790
	Ybrant Media Acquisition Inc., U.S.A	95,77,27,219	1,02,31,53,905
	Maxinteractive Pte Ltd,Australia	-	4,78,60,947
	Dream Ad, Panama	5,98,29,000	5,62,76,000
	c) Deposits.		
	Unsecured Rental Deposit	11,16,000	11,16,000
		1,23,23,86,902	1,32,94,29,891
	Note No. 4(a): Term Loans From ICICI Bank: Exclusive Charge on Current Assets & Exclusive Charge on Movable Fixed Assets		
	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		
	Total Long Term Borrowings	1,25,67,61,902	1,43,06,79,891

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	Opening Deferred tax Liability	4,70,44,720	1,77,97,945
	Add:		
	Deferred Tax Liability (Transferred on Account of Merger)	-	68,43,928
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	3,93,59,441	2,24,02,847
	Deferred Tax Liability due to others	-	-
	Gross Deferred tax Liability	8,64,04,161	4,70,44,720
	Opening Deferred tax Asset	13,97,622	-
	Deferred Tax Asset (Transferred on Account of Merger)	-	2,36,090
	Provision for Gratuity and Compensated Absences	9,76,243	11,61,532
	Gross Deferred tax Asset	23,73,865	13,97,622
	Deferred Tax Liability/ (Asset) - Net	8,40,30,296	4,56,47,098

NOTE NO. 6 : OTHER LONG TERM LIABILITIES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Acquisition Payables		
	Global IT & Tech Orbit INC Acquisition Payables	16,86,09,000	15,85,85,150
	Total Long Term Liabilities	16,86,09,000	15,85,85,150

NOTE NO. 7 : LONG TERM PROVISIONS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Provisions for employee benefits		
	- Provision for Gratuity	57,26,132	61,04,670
	- Provision for Leave Encashment	15,90,450	14,25,356
	b) Other Provisions	3,13,73,621	2,95,08,450
	Total Long Term Provisions	3,86,90,203	3,70,38,476

Notes to financial statements for the year ended 31st March,2013

NOTE NO. 8 : SHORT TERM BORROWINGS.

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
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))	45,00,00,000	45,00,00,000
	SBI - EPC Facility - (Refer Note No 8(b))	30,00,00,000	30,00,00,000
	Canara Bank - OD Facility - (Refer Note No 8(c))	35,00,00,000	35,00,00,000
	b) Loans and advances from other parties		
	Unsecured Loans & Advances	-	-
	Secured by Pledge of Promoter Shares	9,24,69,733	10,45,75,455
	Total Short Term Borrowings	1,19,24,69,733	1,20,45,75,455

Notes:

Note No 8(a): Working Capital of ₹ 4500 lakhs and Bank Guarantee LC of Rs 400 Lakhs, ₹ 200 Lakhs Loan Equivalent Risk(LER) from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares, immovable property and personal Guarantee of Promoter Directors.

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, immovable property and personal guarantee of Promoter Directors

Note No 8(c): Working Capital of ₹ 3500 lakhs and Bank Guarantee LC of ₹ 1000 Lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares, immovable property and personal Guarantee of Promoter Directors.

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 9 : TRADE PAYABLES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	a) Trade Payables	2,12,77,46,554	2,94,14,37,248
	Total Trade Payables	2,12,77,46,554	2,94,14,37,248

NOTE NO. 10 : OTHER CURRENT LIABILITES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Current maturities of long term debt	11,25,00,000	14,50,00,000
	b) Interest accrued and due on borrowings.	2,79,07,159	2,04,47,263
	c) Unpaid dividend.	9,58,95,628	7,17,328
	d) Other Current Liabilities	36,58,16,969	7,31,05,414
	e) Acquaiation Payables	6,74,39,730	8,18,58,363
	Total Other Current Liabilites	66,95,59,486	32,11,28,368

NOTE NO. 11 : SHORT TERM PROVISIONS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Provisions for employee benefits		
	Employee Benefit Payable	2,67,63,219	1,98,79,511
	b) Others		
	Other Provisions	4,13,31,053	-
	c) Provision for Expenses		
	Provision for Dividend	-	9,52,50,300
	Provision for Dividend Distribution Tax	-	1,54,51,980
	Provision for Expenses	1,71,80,441	80,73,311
	Provision for Income Tax	2,21,13,021	9,94,90,549
	Total Short Term Provisions	10,73,87,734	23,81,45,651

Note 12

TANGIBLE & INTANGIBLE ASSETS AS AT 31st March, 2013

₹

Sl. No.	Particulars	Gross Block				Depreciation				Net Block as on 31st March, 2013	Net Block as on 31st March, 2012
		As on 1st April, 2012	Additions during the year	Sale / Deletions during the year	As on 31st March, 2013	Dep. As on 1st April, 2012	Dep. For the year 2012-13	Sale / Deletions during the year	Total Depreciation		
I	TANGIBLE ASSETS										
1	Land	21,95,210	-	-	21,95,210	-	-	-	-	21,95,210	21,95,210
2	Building	31,69,609	-	-	31,69,609	-	-	-	-	31,69,609	31,69,609
3	Electrical Equipment	2,32,86,270	-	-	2,32,86,270	69,35,432	11,06,098	-	80,41,530	1,52,44,740	1,63,50,838
4	Office Equipment	5,18,13,089	3,74,662	-	5,21,87,751	1,37,24,625	24,65,338	-	1,61,89,963	3,59,97,788	3,80,88,464
5	Air Conditioners	71,57,738	-	-	71,57,738	23,07,347	3,39,993	-	26,47,340	45,10,398	48,50,391
6	Computers	29,65,10,567	18,20,313	-	29,83,30,880	17,93,96,192	3,39,18,476	-	21,33,14,668	8,50,16,212	11,71,14,375
7	Furniture	10,26,86,704	1,58,600	-	10,28,45,304	3,53,08,709	65,01,114	-	4,18,09,823	6,10,35,481	6,73,77,995
8	Vehicles	10,15,104	-	-	10,15,104	3,83,084	96,435	-	4,79,519	5,35,585	6,32,020
9	Assets At Usa Branch	3,06,68,263	2,89,66,225	-	5,96,34,488	92,49,658	47,46,854	-	1,39,96,512	4,56,37,976	2,14,18,605
II	Intangible Fixed Assets										
1	Intangible Assets	18,14,45,503	-	-	18,14,45,503	4,73,43,139	1,19,18,413	-	5,92,61,552	12,21,83,951	13,41,02,364
2	Computer Products / Rights	33,68,09,464	-	-	33,68,09,464	1,03,28,720	4,41,73,130	-	5,45,01,850	28,23,07,614	32,64,80,744
3	Good Will	15,86,17,906	-	-	15,86,17,906	6,13,17,995	1,94,59,982	-	8,07,77,977	7,78,39,929	9,72,99,911
	Total	1,19,53,75,427	3,13,19,800		1,22,66,95,227	36,62,94,901	12,47,25,833		49,10,20,734	73,56,74,493	82,90,80,526
	PREVIOUS YEAR	53,72,26,913	65,81,48,514	-	1,19,53,75,427	17,64,85,054	18,98,09,847	-	36,62,94,901	82,90,80,526	36,07,41,859

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 13 : NON-CURRENT INVESTMENTS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Non- Current Investments		
	Investment in Subsidiaries		
	Equity Shares		
	Frontier Data Management Inc, USA	19,10,81,699	19,10,81,699
	International Expressions Inc, USA	32,34,99,826	30,80,56,943
	Ybrant Digital U.S . Inc, USA	1,10,73,95,650	1,10,73,95,650
	Online Media Solutions Limited , Israel	51,78,81,121	51,78,81,121
	Ybrant Media Acquisition Inc, USA	1,26,52,40,000	1,26,52,40,000
	Dream Ad Companies	54,32,40,000	54,32,40,000
	Max Interactive Pty Ltd., Australia	41,74,90,000	41,74,90,000
	Dyomo Corporation, USA	4,67,300	4,67,300
	Ybrant Digital Services De Publicidade Ltda,Brasil	2,65,932	2,65,932
	Ybrant Digital (Brasil) Ltd., Singapore	45	45
	Yreach Media Pvt Ltd	99,000	-
	Global IT Inc , USA 100% of holding	65,99,79,382	65,99,79,382
	Techorbit Inc, USA 100% of Holding	6,18,84,000	6,18,84,000
	LGS Global FZE, UAE	2,43,650	2,43,650
II	Unquoted		
	Lanco Net Ltd , 2000000 shares of ₹ 10/- each	2,00,00,000	2,00,00,000
	Total Non - Current Investments	5,10,87,67,605	5,09,32,25,722

NOTE NO. 14 : LONG TERM LOANS AND ADVANCES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Capital Advances		
	Secured Advances , Considered Good		
	Advance for Acquisition	2,24,35,000	2,24,35,000
	Sub Total	2,24,35,000	2,24,35,000
II	Loans & Advances to Related Party		
	Secured, Considered Good		
	Unsecured, Ybrant Employee Welfare Trust	1,50,50,000	1,50,50,000
	Unsecured, LGSL Foudation Trust	60,14,873	70,64,173
	Sub Total	2,10,64,873	2,21,14,173
III	Unsecured, Considered Good		
	Security Deposit	28,77,256	15,47,256
	Sub Total	28,77,256	15,47,256
	Total Long Term Loans and Advances	4,63,77,129	4,60,96,429

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 15 : OTHER NO-CURRENT ASSETS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Unamortised Expenses		
	Finance related expenses	2,59,80,218	3,81,44,607
	Foreign Currency Translation Account	8,48,24,620	16,96,49,241
	Total Other Non-Current Assets	-	14,86,88,248
		11,08,04,838	35,64,82,096

NOTE NO. 16 : TRADE RECEIVABLES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good		
	Unsecured, Considered Good	1,48,37,65,976	1,84,74,90,348
II	Other Receivables:		
	Unsecured, Considered Good	2,39,15,44,513	2,64,14,68,389
	Sub - Total	3,87,53,10,489	4,48,89,58,737
	Less : Allowance for bad & doubtful debts	-	1,61,48,470
	Total Trade Receivables	3,87,53,10,489	4,47,28,10,267

NOTE NO. 17 : CASH AND BNK BALANCES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	7,53,67,971	8,46,62,000
	2) Unpaid Dividend Account	6,98,521	7,17,328
	b) Cash on hand	7,19,822	4,09,066
	Other Bank Balances		
	On Deposit Accounts		
	1) On Margin Money Deposit Accounts	1,81,45,344	1,05,21,000
	Total Cash and Bank Balances	9,49,31,658	9,63,09,394

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Security Deposit		
	Security Deposit for Repayment of Installments	1,20,00,000	1,20,00,000
	Rental Deposits - Unsecured	60,07,194	64,07,621
	Other Deposits - Unsecured	-	2,04,626
II	b) Unsecured, Considered Good		
	Advances to Employees	7,60,771	3,44,546
	Other Advances	1,68,41,44,900	1,70,20,76,324
	Advance Income Tax – FY 2011-12	-	50,00,000
	TDS Receivables	11,38,340	14,95,150
	MAT Credit	5,62,88,350	-
	Other Receivables	6,26,33,963	2,55,80,000
	Total Short Term Loans and Advances	1,82,29,73,518	1,75,31,08,267

NOTE NO. 19 : REVENUE FROM OPERATIONS

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
I	Revenue from operations		
	(a) Sale of Software Exports	4,92,79,14,456	4,07,12,01,758
	(b) Sale of Services	97,68,43,880	37,41,68,859
	(c) Other Operating Revenues	-	59,21,51,550
	Total Revenue from Operations	5,90,47,58,336	5,03,75,22,167

NOTE NO. 20 : OTHER INCOME

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
I	(a) Interest income	20,45,924	59,07,748
	(b) Other non-operating income	19,520	17,94,546
	(c) Net gain/loss on foreign currency translation and transaction	8,73,48,776	6,07,41,789
	(d) Guarantee Commission	2,71,94,650	2,55,80,000
	Total Other Income	11,66,08,870	9,40,24,083

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 21 : PURCHASE / COST OF REVENUE

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
I	(a) Trade Purchase	-	58,06,20,000
	(b) Purchase of Software Products	1,59,07,79,036	1,36,64,27,146
	(c) Cost of Revenue	2,55,74,29,284	1,78,85,44,206
	Total Purchase / Cost of Revenue	4,14,82,08,320	3,73,55,91,352

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
I	(a) Salaries & Wages	32,65,69,832	27,79,62,715
	(b) Contribution to Provident & Other Funds	42,72,082	73,75,377
	(c) Managerial/ Director's Remuneration	1,04,42,250	1,36,26,000
	(d) Staff Welfare Expenses	19,42,620	22,98,923
	Total Employee Benefit Expenses	34,32,26,784	30,12,63,015

NOTE NO. 23 : OTHER OPERATING EXPENSES

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
	(a) Power & Fuel	37,69,277	28,25,749
	(b) Rent	5,88,21,733	1,89,53,128
	(c) Repairs to Building	-	7,41,163
	(d) Repairs to Machinery	99,69,508	20,67,660
	(e) Insurance	61,25,270	24,52,307
	(f) Rates & Taxes (excluding Income Tax)	93,99,664	95,32,156
	(g) Miscellaneous Expenditure	18,12,615	76,09,463
	(h) Payment to Auditors:		
	(i) As Auditor	2,24,720	4,41,200
	(ii) For Other Services	3,37,080	3,30,900
	(i) Ins Fee	34,73,964	41,26,577
	(j) Discount Expense	4,25,559	12,947
	(k) Prior Period Item	1,42,72,621	-
	(l) Bad Debts written off	59,93,43,504	40,62,036
	Total Other Expenses	70,79,75,515	5,31,55,286

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 24 : ADMINISTRATIVE EXPENSES

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
I	(a) Telephone, Postage and Others (Internet)	1,75,26,760	60,93,698
	(b) Business Promotion Expenses	3,18,44,352	80,56,612
	(c) Travelling and Conveyance	1,95,29,441	2,43,33,922
	(d) Office Maintenance	1,37,25,862	27,02,014
	(e) Printing & Stationery Expenses	32,84,815	10,09,807
	(f) Security Charges	1,70,700	1,56,350
	(g) Rates & Taxes (excluding Income Tax)	-	8,16,860
	(h) Consultancy Charges	2,19,72,389	1,50,17,585
	(i) Event Sponsorship & Seminar Fee	1,52,04,189	50,72,793
	(j) Web Development Expenses	2,36,73,284	6,29,866
	(k) Professional Charges	1,12,56,552	1,59,83,386
	(l) Sales and Marketing Expenses	8,14,95,841	4,22,08,309
	(m) Donation	-	15,000
	(n) Preliminary Expenses / Written off	38,93,591	99,52,254
	(o) Miscellaneous Expenses	11,23,88,432	6,80,386
	(p) Books & Subscriptions	22,92,347	-
	(q) Other Administrative Expenses	13,21,145	1,20,51,082
	Total Administrative Expenses	35,95,79,700	14,47,79,924

NOTE NO. 25 : FINANCE COST

₹

Sl. No.	Particulars	Year end 31st March, 2013	Year end 31st March, 2012
I	(a) Interest Expenses		
	- Interest on Cash Credit	16,34,45,393	13,87,12,627
	- Interest on Term Loan	3,16,51,775	1,11,44,813
	- Interest on Secured Loan and Unsecured Loan	2,40,54,842	5,67,18,733
	- Loan processing Charges & Bank Charges	1,27,73,317	2,29,57,798
	Total Finance Cost	23,19,25,327	22,95,33,971

Notes to financial statements for the year ended 31st March, 2013

NOTE NO.26

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, 2013	Year Ended 31st March, 2012
Remuneration	1,04,42,250	1,36,26,000
Perquisites & Allowances	NIL	NIL
Total	1,04,42,250	1,36,26,000

NOTE NO.27

Auditor's Remuneration:

Particulars	₹	
	Year Ended 31st March, 2013	Year Ended 31st March, 2012
Statutory Audit Fees	2,24,700	4,41,200
Tax Audit Fee	1,10,300	1,10,300
Other Services	2,26,800	2,20,600
Total	5,61,800	7,72,100

NOTE NO.28

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,2013

NOTE NO.29

Related Party Transactions:

During the financial year 2012-13 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	Executive Director
4	Yreach Media Private Limited, India	99% Owned Subsidiary
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 Servicios 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,2013

(b) Related Party Transactions:

₹

Particulars	Nature of Relation Ship	Nature of Transaction	Year Ended 31 stMarch,2013	Year Ended 31stMarch,2012
M. Suresh Kumar Reddy	Chairman and Managing Director	Remuneration	36,00,000	36,00,000
Vijay Kancharla	Executive Director	Remuneration	36,00,000	36,00,000
K. Venkata Subba Rao	Executive Director	Remuneration	32,42,250	32,13,000
K Venkateswara Rao	Joint Managing Director	Remuneration	NIL	32,13,000
Tech Orbit Inc	Subsidiary	Revenue	4,79,33,765	41,50,000
International Expressions Inc, USA	100% Wholly Owned Subsidiary	Investment	15,44,28,83	4,41,28,005
Online Media Solutions Limited, Israel	100% Wholly Owned Subsidiary	Loans and Advances	90,23,837	81,83,550
		Revenue	2,10,25,526	1,55,94,799
Max Interactive Pty Ltd., Australia	100% Wholly Owned Subsidiary	Unsecured Loans	NIL	72,68,294
DreamAd, Panama	90% Ybrant Digital Limited and 10% Online Media Solutions Ltd.,	Unsecured Loans	NIL	4,26,16,000
Dyomo Corporation	100% Wholly Owned Subsidiary	Revenue	7,72,57,706	19,10,36,601
Ybrant Media Acquisition Inc, USA	100% Wholly Owned Subsidiary	Guarantee	2,71,94,650	2,55,80,000
		Commission Advance-Revenue	1,89,69,693	NIL

Notes to financial statements for the year ended 31st March, 2013

NOTE NO.30

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 ₹5,88,21,733/- and for the previous year ₹1,89,53,128/-.

NOTE NO.31

Foreign Currency Outflows:

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

Particulars	₹	
	As on 31st March, 2013	As on 31st March, 2012
Foreign Travelling	1 2,20,356	74,91,099
Investments in Subsidiaries	1,54,42,883	4,41,28,005
Others	5,54,85,000	13,81,98,977
Total	7,21,48,239	18,98,18,081

NOTE NO.32

Foreign Currency Inflows:

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

Particulars	₹	
	As on 31st March, 2013	As on 31st March, 2012
Sales & Services	19,93,87,694	45,26,33,242
Loans and Advances	4,10,85,718	NIL
Total	24,04,73,412	45,26,33,242

Notes to financial statements for the year ended 31st March,2013

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 recognized in the Balance Sheet as at

S.no	Particulars	As on 31st March, 2013	As on 31st March, 2012
1	Present Value of Obligation as at the end of the year	84,57,464	83,52,310
2	Value of Fund as at the end of the year	23,56,344	22,47,640
3	Funded Status	(61,01,120)	(61,04,670)
4	Unrecognized Actuarial (gains) / losses	NIL	NIL
5	Net Asset / (Liability) Recognized in Balance Sheet	(61,01,120)	(61,04,670)

b) Expenses recognized in Profit & Loss Account for the year ended 31-03-2013

S.no	Particulars	As on 31st March, 2013	As on 31st March, 2012
1	Current Service Cost	17,51,819	17,16,106
2	Past Service cost	NIL	23,37,738
3	Interest Cost	7,26,651	2,79,749
4	Expected return on Plan Assets	(1,96,324)	(1,12,301)
5	Net actuarial (gain)/ loss recognized in the year	(22,85,695)	6,12,512
6	Expenses to be recognized in Profit & Loss Account	(3,549)	48,33,804

c) Present value of Obligation for the year ended 31-03-2013

Changes in Present Value of Obligations		Year Ended 31st March, 2013	Year Ended 31st March, 2012
1	Present Value of Obligation as at the beginning of the year	83,52,310	34,96,860
2	Interest Cost	7,26,651	2,79,749
3	Past Service Cost	NIL	23,37,738
4	Current Service Cost	17,51,819	17,16,106
5	Benefits paid	(87,621)	(90,655)
6	Actuarial (gain)/ loss on obligations	(22,85,695)	6,12,512
7	Present Value of Obligation as at the end of the year	84,57,464	83,52,310
	a. Current Liability	3,74,988	4,34,320
	b. Non-current Liability	80,82,476	79,17,990

Notes to financial statements for the year ended 31st March,2013

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

S.no	Particulars	Year Ending 31st March, 2013	Year Ending 31st March,2012
1	Actuarial (Gain)/Loss for the year – Obligation	(22,85,695)	6,12,512
2	Total (Gain) / Loss for the year	(22,85,695)	6,12,512
3	Actuarial (Gain) / Loss recognized in the year	(22,85,695)	6,12,512

e) Assumptions:

Assumptions made for the purpose of Gratuity valuation

Particulars	Year Ended	Year Ended
Discount Rate	8.20%	8.70%
Rate of increase in Compensation levels	6%	6%
Rate of Return on Plan Assets	9%	0%
Expected Average remaining working lives of employees (years)	27 Years	25 Years

(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:

	Year Ended	Year Ended
Profits Attributable to Equity Share Holders	10,15,17,858	47,77,01,455
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	47,62,51,499	47,62,51,499
Diluted	47,62,51,499	47,62,51,499
Earnings per Share – Basic	0.21	1.00
Earnings per Share – Diluted	0.21	1.00

The EPS of ₹ 0.21 on a PAT of ₹10,15,17,858/- for the year ended 31 March 2013 for an Equity Capital i.e. ₹95,25,02,998/- consisting of ₹47,62,51,499 Equity Shares of ₹2/- each fully paid up and whereas the EPS of ₹1.00 on a PAT of ₹47,77,01,455/- for the year ended 31 March 2012.

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 realized and accordingly Gain from Foreign Exchange fluctuation and Integral transactions of ₹8,73,48,776 /-(net) has been reflected in Profit and Loss Account for the Year.

36. 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.

37. Intra branch Transactions:

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

38. Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2013.

39. Confirmation of Closing Balances:

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

40. Contingent Liabilities & Guarantees:

Particulars	Name of the Bank/Party	Year Ending 31st March, 2013	Year Ending 31st March, 2012
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn)	Daum Global Holdings Corp, Republic of Korea	21,75,60,000	20,46,40,000
Corporate Guarantee for Foreign Currency Term Loan (FCTL) (USD 10Mn)	ICICI Bank Limited, New York Branch, USA	54,39,00,000	51,16,00,000
Bank Guarantees for Tender Participation & Performance Guarantees	Axis Bank, S.R.Nagar Branch, Hyderabad, Andhra Pradesh, India	90,00,000	3,16,19,269
Inland Letter of Credit for purchase of Software products	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	3,10,00,000	NIL
Bank Guarantee for performance guarantee	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	NIL	70,854
Foreign Letter of Credit for Purchase of Software Products (USD 0.9 Mn)	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	4,89,51,000	5,11,60,000
Corporate Guarantee given for the loan taken by Tesla Projects Private Limited	Lakshmi Vilas Bank. D No 8-3-248/1/7/7 & 8, Anjani Cement Centre Nagarjuna Hills Main Road, Panjagutta Hyderabad Andhra Pradesh, India	1,90,00,000	NIL

* Assumption: 1 USD = Rs.54.39 (Closing rate as on 31st March 2013)

41. Bad Debts written off: during the financial year 2012-13, the Company has written off an amount of Rs.59.93 Crores as bad debts

42. The figures of previous year have been regrouped wherever necessary.

43. The figures have been rounded off to the nearest rupee.

As per our report of even date

P.MURALI & CO.,
Firm Registration Number: 007257S
CHARTERED ACCOUNTANTS

Sd/-

P. MURALI MOHANA RAO
PARTNER
Membership Number: 023412

PLACE: HYDERABAD
DATE: 30-05-2013

For and on behalf of the Board of
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/-
CS Jagadeeshwara Rao M
Company Secretary

Consolidated Financial Statements

Financial Year - 2012 - 2013

Auditors Report on Consolidated Financial Statements

To the Board of Directors

Ybrant Digital Limited

(Formerly LGS GLOBAL LIMITED)

Report on Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of Ybrant Digital Limited (“the Company”) and its subsidiaries (collectively referred to as “Ybrant Group”), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financials. As there is no reporting on ‘Other Legal and Regulatory Requirements’, there is no necessity of including the heading ‘Report on the Financial Statements’ above the introductory paragraph statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We have not audited the financial statements of its below mentioned list of subsidiaries whose total revenue amounting to Rs. 101057.42 lakhs and total assets amounting to Rs. 42571.42 lakhs was considered for the purpose of financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation and our opinion in so far as it relates to the amounts included in respect of the subsidiaries are based solely on reports of the other auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The following are the details of subsidiaries whose financial statements were audited by the other Auditors.

1 TechorbitInc,	USA	Wholly owned Foreign Subsidiary
2 Global IT Inc,	USA	Wholly owned Foreign Subsidiary
3 LGS Global FZE,	UAE	Wholly owned Foreign Subsidiary
4 Frontier Data Management Inc,	USA	Wholly owned Foreign Subsidiary
5 International Expressions Inc,	USA	Wholly owned Foreign Subsidiary
6 Ybrant Digital U.S.Inc,	USA	Wholly owned Foreign Subsidiary
7 Online Media Solutions Ltd.,	ISRAEL	Wholly owned Foreign Subsidiary
8 Ybrant Media Acquisition Inc,	USA	Wholly owned Foreign Subsidiary
9 Lycos Inc	USA	Foreign step down Subsidiary
10 Dyomo Corporation,	USA	Wholly owned Foreign Subsidiary
11 Max Interactive Pty Ltd.,	Australia	Wholly owned Foreign Subsidiary
12 DreamAd, SA	Argentina	Wholly owned Foreign Subsidiary
13 DreamAd, SA	Chile	Wholly owned Foreign Subsidiary
14 Get Media SociedadAnonima de Capital Variable,	Mexico	Wholly owned Foreign Subsidiary
15 DreamAd, SA	Panama	Wholly owned Foreign Subsidiary
16 DreamAd, SA	Uruguay	Wholly owned Foreign Subsidiary
17 Ybrant Digital Servicios De PublicidadLtda,	Brasil	Wholly owned Foreign Subsidiary
18 Ybrant Digital (Brasil) Limited,	Singapore	Wholly owned Foreign Subsidiary

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the consolidated Balance Sheet, of the state of affairs of the Ybrant Group as at March 31, 2013;
- In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-

P.Murali Mohana Rao

Partner

Membership No. 023412

Place: Hyderabad

Date : 30-05-2013

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Balance Sheet

as at 31st March, 2013

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Particulars	Note No.	As on 31st March, 2013	As on 31st March, 2012
I. Equity & Liabilities			
(1) Shareholder's Funds			
(a) Share Capital	1	95,25,02,998	95,25,02,998
(b) Reserves and Surplus	2	9,42,96,19,690	7,99,87,76,848
(c) Money received against share warrant	3	-	35,58,00,000
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	51,51,25,891	60,57,83,302
(b) Deffered Tax Liabilities (Net)	5	2,86,81,956	(97,01,242)
(c) Other Long Term Liabilities	6	76,81,91,710	87,29,85,150
(d) Long Term Provisions	7	3,86,90,203	3,70,38,476
(3) Current Liabilities			
(a) Short-Term Borrowings	8	1,24,75,41,901	1,30,89,61,916
(b) Trade Payables	9	2,31,70,01,587	3,88,46,75,521
(c) Other Current Liabilities	10	31,94,67,985	53,99,87,368
(d) Short-Term Provisions	11	43,51,57,845	44,39,18,461
Total		16,05,19,81,766	16,99,07,28,798
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	64,24,56,786	72,67,07,869
(ii) Intangible assets	12	2,19,33,96,418	2,34,34,35,823
(iii) Capital work-in-progress	12	22,21,04,328	22,21,04,328
(iv) Intangible assets under development		19,49,18,402	19,49,18,402
(b) Non-current investments	13	7,84,34,610	7,84,34,610
(c) Long Term Loans and advances	14	1,00,50,31,337	97,79,42,789
(d) Other Non-Current assets	15	44,61,94,436	44,83,40,590
(2) Current assets			
(a) Trade receivables	16	6,38,01,38,047	7,22,80,47,382
(b) Cash and Bank Balances	17	94,24,25,201	1,70,68,49,297
(c) Short-Term Loans and Advances	18	2,96,19,22,949	2,95,05,00,614
(d) Other Current Assets	19	98,49,59,252	11,34,47,094
Total		16,05,19,81,766	16,99,07,28,798

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

For **P.Murali & Co.,**
Firm Registration
Number: 007257S
Chartered Accountants
Sd/-

P.Murali Mohana Rao
Partner
M.No: 23412

Place : Hyderabad
Date : 30th May, 2013

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/-
CS Jagadeeshwara Rao M
Company Secretary

Statement of Profit and Loss

For the year ended 31st March, 2013

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Particulars	Note No.	Year Ending 31st March, 2013	Year Ending 31st March, 2012
Revenue from Operations	20	16,01,05,00,165	12,63,17,68,261
Other Income	21	14,33,84,840	34,33,42,037
Total Revenue		16,15,38,85,005	12,97,51,10,298
Expenses:			
Purchase / Cost of Revenue	22	10,62,03,23,964	7,59,07,16,739
Employee Benefit expenses	23	1,12,99,97,925	1,07,37,22,373
Other Operating Expenses	24	1,59,57,66,075	12,07,81,018
Administrative Expenses	25	1,59,77,70,647	1,46,90,85,044
Financial costs	26	35,16,76,557	27,65,62,861
Depreciation and amortization expense	12	26,03,08,234	16,75,90,571
Total Expenses		15,55,58,43,402	10,69,84,58,606
Profit before Extraordinary items and tax		59,80,41,603	2,27,66,51,692
Extraordinary Items		-	-
Profit Before Tax		59,80,41,603	2,27,66,51,692
Tax expense:			
(1) Current tax		10,59,97,264	32,74,23,846
(2) Deferred tax		3,83,83,198	3,12,12,164
(3) MAT Credit Entitlement		5,62,88,350	-
Profit After Tax		50,99,49,491	1,91,80,15,682
Earning per equity share:			
(1) Basic		1.07	4.03
(2) Diluted		1.07	4.03

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

For **P.Murali & Co.,**
Firm Registration
Number: 007257S
Chartered Accountants
Sd/-

P.Murali Mohana Rao
Partner
M.No: 23412

Place : Hyderabad
Date : 30th May, 2013

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/-

CS Jagadeeshwara Rao M
Company Secretary

Cash flow statement

for the year ended 31st March,2013

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Particulars	Year ended 31st March 2013	Year ended 31st March 2012
A. Cash Flow from Operating Activities		
Net Profit Before Tax	59,80,41,603	2,27,66,51,692
Adjustment for :		
Add: Depreciation	26,03,08,234	16,75,90,571
Interest Paid	3,16,51,775	2,97,77,320
Write off	-	2,47,20,853
Operating Profit before Working Capital Changes	89,00,01,612	2,49,87,40,436
Adjustment for Working Capital Changes:		
Increase/(Decrease) in Short term Borrowings	(6,14,20,015)	37,89,81,717
Increase/(Decrease) in Trade Payables	(1,56,76,73,934)	2,52,23,48,929
Increase/(Decrease) in other Current Liabilities	(32,65,16,647)	15,82,45,682
Increase/(Decrease) in Short-Term Provisions	(87,60,616)	18,11,55,620
Decrease/(Increase) in Trade Receivables	84,79,09,335	(4,68,58,39,593)
Decrease/(Increase) in Short-Term Loans and Advances	4,48,66,015	(2,40,50,05,227)
Increase/(Decrease) in other Current Assets	(87,15,12,158)	(11,34,47,095)
A	(1,05,31,06,408)	(1,46,48,19,531)
B. Cash Flow from Investing Activities		
Sale of Fixed assets	93,95,932	-
Purchase/Increase of assets	(3,54,13,678)	(2,56,84,11,367)
Non-Current Investments	-	(5,84,34,610)
Capital Work in Progress	-	(22,21,04,328)
Intangibles under development	-	(19,49,18,402)
Net cash from investing activities	B (2,60,17,746)	(3,04,38,68,707)
C. Cash Flows from Financing Activities		
Interest Paid	(3,16,51,775)	(2,97,77,320)
Increase/(Decrease) in Long Term Loans	(9,06,57,411)	43,55,96,577
Increase/(Decrease) in share capital	-	69,82,66,328
Increase/(Decrease) in Capital Reserve	35,58,00,000	4,72,58,71,652
Increase/(Decrease) in share warrants	(35,58,00,000)	35,58,00,000
Increase/(Decrease) in Foreign Currency Fluctuation Reserve	56,50,93,351	-
Increase/(Decrease) in long term provision	16,51,727	(8,11,00,493)
Increase/(Decrease) in Other Long term Liabilities	(10,47,93,440)	67,58,58,798
Increase/(Decrease) in Long term loans and advances	(2,70,88,548)	(13,86,35,187)
Increase/(Decrease) in Other Non - Current Assets	21,46,154	(44,76,39,543)
Net cash from financing activities	C 31,47,00,058	6,19,42,40,812
Cash and cash equivalents at beginning of year	1,70,68,49,297	2,12,96,723
Net change in cash (A+B+C)	(76,44,24,096)	1,68,55,52,574
Cash and cash equivalents at period ended 31st March, 2013	94,24,25,201	1,70,68,49,297

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

For **P.Murali & Co.,**
Firm Registration
Number: 007257S
Chartered Accountants
Sd/-

P.Murali Mohana Rao
Partner
M.No: 23412
Place : Hyderabad
Date :30th May,2013

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/-
CS Jagadeeshwara Rao M
Company Secretary

Notes Significant accounting policies to Consolidated financials

Company Overview:

Ybrant Digital Limited, 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. Ybrant Digital has a global presence, with offices in over 24 countries.

Ybrant Digital Limited is also 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 customized to address the specific needs while focusing on maximizing 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. Ybrant Provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

Basis of Preparation of Consolidated Financial Statements:

The consolidated financial statements relate to YBRANT DIGITAL LIMITED (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 Publicidad Ltda, Brasil, Ybrant Digital (Brasil) Limited, Singapore and Yreach Media Pvt Limited 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 far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and 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 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 recognized 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.

Notes Significant accounting policies to Consolidated financials

- (ii) Revenue from fixed price contracts is recognized 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 recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized 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 recognized in the period in which the services are provided.
- (iv) Revenue from product sale and licensing arrangements are recognized 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 recognized 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 recognize 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 capitalized 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 Amortization :

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

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 1 : SHARE CAPITAL

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S.No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
1	Equity Share Capital		
	(a) Authorised	1,95,00,00,000	1,95,00,00,000
	(97,50,00,000 Equity Shares of ₹2/- each)		
	(b) Issued, Subscribed & Fully Paid up		
	(47,62,51,499 Equity Shares of ₹2/-	95,25,02,998	95,25,02,998
	each fully paid up in previous year)	-	-
	(Issue of Equity Shares in Current year - NIL)	-	-
	(c) Subscribed & not fully paid up		
	(Issue of Equity Shares in Current year - NIL)	-	-
	(Issue of Equity Shares in Previous year - NIL)	-	-
	(d) Par Value per share	2	2
	Total Equity Share capital	95,25,02,998	95,25,02,998
2	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	47,62,51,499	2,54,23,667
	Issued during the year - ESOP	-	90,00,000
	Conversion of CCPS	-	7,14,16,272
	Conversion of Share warrants	-	1,80,00,000
	Issued during the year	-	35,24,11,560
	At the end	47,62,51,499	47,62,51,499
3	Details of Shareholder holding more than 5% shares of the company:*	% of Share Holding	
	Equity Shares of ₹ 2/- each Held By		
		As on 31-03-2013	As on 31-03-2012
	M. Suresh Kumar Reddy	69,873,882	65,865,510 14.67%
	Vijay Kancharla	65,865,510	65,865,510 13.83%
	Everest Capital (M) Ltd	65,179,080	65,179,080 13.69%
	Redmond Investments Ltd	35,550,000	36,000,000 7.46%
	Oak India Investments	34,629,630	34,629,630 7.27%
	Sansar Capital Mauritius Ltd	33,563,430	33,563,430 7.05%

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 2 : RESERVES AND SURPLUS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	RESERVES AND SURPLUS		
	a) Capital reserve		
	As at the commencement of the year	4,72,78,71,652	20,00,000
	Add: Forfeiture of Share Warrant Money during the year	35,58,00,000	4,72,58,71,652
	Sub Total	5,08,36,71,652	4,72,78,71,652
	b) General Reserves		
	As at the commencement of the year	3,33,98,370	1,90,67,326
	Add: Additions during the year	30,45,536	1,43,31,044
	Sub Total	3,64,43,906	3,33,98,370
	c) Surplus :		
	Opening Balance - Profit and Loss Account	3,23,75,06,826	1,44,45,24,468
	Add: Transfer from Profit & Loss Account	50,99,49,491	1,91,80,15,682
	Less: Transfer To General Reserve	30,45,536	1,43,31,044
	Less: Dividend	-	9,52,50,300
	Less: Dividend distribution tax	-	15,451,980
	Sub Total	3,74,44,10,781	3,23,75,06,826
	d) Foreign Currency Translation Reserve		
	Foreign Currency Translation Reserve	56,50,93,351	-
	Total Reserves and Surplus	9,42,96,19,690	7,99,87,76,848

NOTE NO. 3 : MONEY RECEIVED AGAINST SHARE WARRANTS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Share Warrants	-	35,58,00,000

Note:

The convertible equity share warrants were due to be exercised in the last quarter of 2012-13. The same not having been exercised stand forfeited

Total Money Received Against Share Warrants	35,58,00,000
--	---------------------

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 4 : LONG TERM BORROWINGS

₹

Particulars		As on 31st March, 2013	As on 31st March, 2012
I Long Term borrowings			
a) Term Loans			
ICICI Bank	(Refere Note No. 4(a))	41,33,67,962	51,26,56,396
SBI Term Loan	(Refere Note No. 4(b))	75,00,000	1,50,00,000
Canara bank Term Loan	(Refere Note No. 4(c))	1,68,75,000	2,62,50,000
Others	(Refere Note No. 4(d))	3,00,95,909	1,75,90,674
		46,78,38,871	57,14,97,070
b) Loans and advances from related parties			
Un Secured			
Mr. Venkat Kadiyala		3,95,81,398	2,65,80,610
Mr. Rao Karusala		65,89,622	65,89,622
c) Deposits.			
Unsecured Rental Deposit		11,16,000	11,16,000
		4,72,87,020	3,42,86,232

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 Rs 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 Rs. 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

51,51,25,891

60,57,83,302

Notes to financial statements for the year ended 31st March, 2013

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

₹

S.no	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	Opening Deferred tax Liability	15,48,96,780	1,77,97,945
	Add:		
	Deferred Tax Liability (Transferred on Account of Merger)	-	10,47,25,138
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	3,93,59,441	3,23,73,697
	Gross Deferred tax Liability	19,42,56,221	15,48,96,780
	Opening Deferred tax Asset	16,45,98,022	
	Deferred Tax Asset (Transferred on Account of Merger)	-	16,34,36,490
	Provision for Gratuity, Compensated Absences and others	9,76,243	11,61,532
	Gross Deferred tax Asset	16,55,74,265	16,45,98,022
	Deferred Tax Liability/ (Asset) - Net	2,86,81,956	(97,01,242)

NOTE NO. 6 : OTHER LONG TERM LIABILITIES

₹

S.no	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Acquisition Payables	71,44,00,000	87,29,85,150
	b) Accrued Severance Pay	5,37,91,710	-
	Total Long Term Liabilities	76,81,91,710	87,29,85,150

NOTE NO. 7 : LONG TERM PROVISIONS

₹

S.no	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Provisions for employee benefits		
	- Provision for Gratuity	57,26,132	61,04,670
	- Provision for Leave Encashment	15,90,450	14,25,356
	b) Other Provisions	3,13,73,621	2,95,08,450
	Total Long Term Provisions	3,86,90,203	3,70,38,476

Notes to Consolidated financial statements for the year ended 31st March, 2013

NOTE NO. 8 : SHORT TERM BORROWINGS.

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
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))	45,00,00,000	45,00,00,000
	SBI - EPC Facility - (Refer Note No 8(b))	30,00,00,000	30,00,00,000
	Canara Bank - OD Facility - (Refer Note No 8(c))	35,00,00,000	35,00,00,000
	Others	3,85,10,794	10,43,86,461
	b) Loans and advances from other parties		
	Secured by Pledge of Promoter Shares	9,24,69,733	10,45,75,455
	Others	1,65,61,374	-

Notes:

Note No 8(a): Working Capital of ₹ 4500 lakhs and Bank Guarantee LC of ₹ 400 Lakhs, ₹ 200 Lakhs Loan Equivalent Risk(LER) from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares, immovable property and personal Guarantee of Promoter Directors.

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, immovable property and personal guarantee of Promoter Directors

Note No 8(c): Working Capital of ₹ 3500 lakhs and Bank Guarantee LC of ₹ 1000 Lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares, immovable property and personal Guarantee of Promoter Directors.

Total Short Term Borrowings

1,24,75,41,901

1,30,89,61,916

Notes to Consolidated financial statements for the year ended 31st March, 2013

NOTE NO. 9 : TRADE PAYABLES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	a) Trade Payables	2,31,70,01,587	3,88,46,75,521
	Total Trade Payables	2,31,70,01,587	3,88,46,75,521

NOTE NO. 10 : OTHER CURRENT LIABILITIES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I	a) Current maturities of long term debt	11,25,00,000	14,50,00,000
	b) Interest accrued and due on borrowings.	2,79,07,159	2,04,47,262
	c) Unpaid dividend.	9,58,95,628	7,17,328
	d) Other Payables	8,31,65,198	37,38,22,778
	Total Other Current Liabilities	31,94,67,985	53,99,87,368

NOTE NO. 11 : SHORT TERM PROVISIONS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
a)	Provisions for employee benefits		
	Employee Benefit Payable	2,63,88,232	7,77,03,868
b)	Others		
	Other Provisions	4,13,31,053	-
c)	Provision for Expenses		
	Provision for Dividend	-	9,52,50,300
	Provision for Dividend Distribution Tax	-	1,54,51,980
	Provision for Expenses	26,14,41,296	5,85,95,318
	Provision for Income Tax	10,59,97,264	19,69,16,995
	Total Short Term Provisions	43,51,57,845	44,39,18,461

Note 12

TANGIBLE & INTANGIBLE ASSETS AS AT 31st March, 2013

₹

Sl. No.	Particulars	Gross Block				Depreciation				Net Block as on 31st March, 2013	Net Block as on 31st March, 2012
		As on 1st April, 2012	Additions during the year	Sale / Deletions during the year	As on 31st March, 2013	Dep. As on 1st April, 2012	Dep. For the year 2012-13	Sale / Deletions during the year	Total Depreciation		
I	TANGIBLE ASSETS										
1	Land	21,95,210	-	-	21,95,210			-		21,95,210	21,95,210
2	Building	2,10,49,549	-	-	2,10,49,549	59,59,633		-	59,59,633	1,50,89,916	1,50,89,916
3	Electrical Equipment	2,32,86,270	-	-	2,32,86,270	69,35,432	11,06,098	-	80,41,530	1,52,44,740	1,63,50,838
4	Office Equipment	7,19,22,545	13,06,471		7,32,29,016	2,40,99,367	24,65,338	-	2,65,64,705	4,66,64,311	4,78,23,178
5	Air Conditioners	71,57,738			71,57,738	18,65,910	3,39,993	-	22,05,903	49,51,835	52,91,828
6	Computers	76,12,07,692	45,97,426	1,82,90,699	74,75,14,419	33,24,15,879	7,11,81,581	88,94,767	39,47,02,693	35,28,11,726	42,87,91,813
7	Furniture	10,26,86,704	1,58,600		10,28,45,304	3,53,08,709	92,56,131		4,45,64,840	5,82,80,464	6,73,77,995
8	Property & Equipment	5,00,28,738	3,84,956	-	5,04,13,694	1,84,74,902	1,21,12,254	-	3,05,87,156	1,98,26,538	3,15,53,836
9	Vehicles	89,15,564		-	89,15,564	79,39,502	2,47,207	-	81,86,709	7,28,855	9,76,062
10	Assets At Usa Branch	3,06,68,263	2,89,66,225	-	5,96,34,488	92,49,658	47,46,854	-	1,39,96,512	4,56,37,976	2,14,18,605
11	Asset At Subsidiary	7,45,21,807		-	7,45,21,807	1,32,51,842	69,25,723	-	2,01,77,565	5,43,44,242	6,12,69,965
12	Computer Software	3,32,72,329	-		3,32,72,329	47,03,706	18,87,650	-	65,91,356	2,66,80,973	2,85,68,623
13	Intangible Assets At Subsidiary	20,55,09,885	-		20,55,09,885	5,31,30,738	1,37,00,642	-	6,68,31,380	13,86,78,505	15,23,79,147
II	Intangible Fixed Assets										
1	Intangible Assets	24,60,69,741			24,60,69,741	4,73,43,139	7,27,05,651		12,00,48,790	12,60,20,951	19,87,26,602
2	Computer Products	33,68,09,464	-		33,68,09,464	1,03,28,720	4,41,73,130	-	5,45,01,850	28,23,07,614	32,64,80,744
3	Good Will	1,72,99,84,413	-		1,72,99,84,413	6,41,35,083	1,94,59,982	-	8,35,95,065	1,64,63,89,348	1,66,58,49,330
III	Capital Work In Progress	22,21,04,328			22,21,04,328					22,21,04,328	22,21,04,328
	Total	3,92,73,90,240	3,54,13,678	1,82,90,699	3,94,45,13,219	63,51,42,220	26,03,08,234	88,94,767	88,65,55,687	3,05,79,57,532	3,29,22,48,020
	PREVIOUS YEAR	3,07,88,01,064	84,85,89,176		3,92,73,90,240	46,75,51,649	16,75,90,571		63,51,42,220	3,29,22,48,020	66,93,22,896

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 13 : NON- CURRENT INVESTMENTS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	Non- Current Investments	-	-
	Investment in Subsidiaries		
	Equity Shares		
	Affiliates	5,84,34,610	5,84,34,610
	Unquoted		
	Lanco Net Ltd 2,000,000 shares of Rs 10/- each	2,00,00,000	2,00,00,000
	Total Non - Current Investments	7,84,34,610	7,84,34,610

NOTE NO. 14 : LONG TERM LOANS AND ADVANCES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	Capital Advances	-	-
	Secured Advances , Considered Good		
	Advance for Acquisition	2,24,35,000	2,24,35,000
	Sub Total	2,24,35,000	2,24,35,000
	Loans & Advances to Related Party		
	Secured, Considered Good		
	Unsecured, Ybrant Employee Welfare Trust	1,50,50,000	1,50,50,000
	Unsecured, LGSL Foudation Trust	60,14,873	70,64,173
	Sub Total	2,10,64,873	2,21,14,173
III	Unsecured, Considered Good		
	Security Deposit	28,77,256	24,16,976
	Other Advances	95,86,54,208	93,09,76,640
	Sub Total	96,15,31,464	93,33,93,616
	Total Long Term Loans and Advances	1,00,50,31,337	97,79,42,789

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 15 : OTHER NON-CURRENT ASSETS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	Unamortised Expenses	2,62,48,930	15,88,60,592
	Finance related expenses	8,48,24,620	16,96,49,242
	Other Assets & Receivables	33,51,20,886	11,98,30,756
	Total Other Non- Current Assets	44,61,94,436	44,83,40,590

NOTE NO. 16 : TRADE RECEIVABLES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	Outstanding for a period exceeding six months from the date they are due for payment	-	-
	Unsecured, Considered Good	1,50,27,65,977	2,70,54,53,541
II.	Other Receivables:	4,87,73,72,070	4,53,87,42,311
	Unsecured, Considered Good	6,38,01,38,047	7,24,41,95,852
	Less : Allowance for bad & doubtful debts	-	1,61,48,470
	Total Trade Receivables	6,38,01,38,047	7,22,80,47,382

NOTE NO. 17 : CASH AND BANK BALANCES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	Cash and cash equivalents :	-	-
	a) Balances with banks :		
	1) On Current Accounts	92,28,61,514	1,69,52,01,901
	2) Unpaid Dividend Account	6,98,521	7,17,328
	b) Cash on hand	- 7,19,822	4,09,068
I.	Other Bank Balances		
	On Deposit Accounts		
	1) On Margin Money Deposit Accounts	1,81,45,344	1,05,21,000
	Total Cash and Bank Balances	94,24,25,201	1,70,68,49,297

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	a) Security Deposit		
	Security Deposit for Repayment of Installments	1,20,00,000	1,20,00,000
	Rental Deposits - Unsecured	1,20,28,792	1,15,27,151
	Other Deposits - Unsecured	-	13,82,150
II.	b) Unsecured, Considered Good		
	Advances to Employees	7,60,771	73,02,306
	Other Advances	2,76,59,69,547	2,87,22,07,527
	Advance Income Tax	-	50,00,000
	TDS Receivables	11,38,340	-
	MAT Credit	5,62,88,350	-
	Other Receivables	11,37,37,149	-
	c) Loans to Related Parties Unsecured, Considered Good	-	4,10,81,480
	Total Short Term Loans and Advances	2,96,19,22,949	2,95,05,00,614

NOTE NO. 19 : OTHER CURRENT ASSETS

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
I.	(a) Other Accounts Receivables	80,81,17,529	2,80,86,840
	(b) Prepaid Expenses	12,86,72,320	72,31,517
	(c) TDS Receivables	-	14,95,150
	(d) Tax Receivables	4,81,69,403	7,66,33,587
	Total Other Current Assets	98,49,59,252	11,34,47,094

NOTE NO. 20 : REVENUE FROM OPERATIONS

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
I.	Revenue from operations		
	(a) Sale of Software Exports	4,75,60,30,788	5,99,77,07,800
	(b) Sale of Services	11,25,44,69,377	6,04,19,08,911
	(c) Other Operating Revenues	-	59,21,51,550
	Total Revenue from Operations	16,01,05,00,165	12,63,17,68,261

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 21 : OTHER INCOME

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
I.	(a) Interest income	20,45,924	59,07,748
	(b) Other non-operating income	5,39,90,140	27,66,92,500
	(c) Net gain/loss on foreign currency translation and transaction	8,73,48,776	6,07,41,789
	Total Other Income	14,33,84,840	34,33,42,037

NOTE NO. 22 : PURCHASE / COST OF REVENUE

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
I	(a) sub contract		
	(b) Purchase of Software Products / COGS	2,17,14,72,675	58,06,20,000
	(c) Cost of Revenue	5,04,01,86,549	7,01,00,96,739
	Total Trade Purchases	3,40,86,64,740	-
		10,62,03,23,964	7,59,07,16,739

NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
I	(a) Salaries & Wages	1,11,12,05,191	1,04,89,38,932
	(b) Contribution to Provident & Other Funds	63,01,765	73,75,377
	(c) Managerial/ Director's Remuneration	1,04,42,250	1,36,26,000
	(d) Staff Welfare Expenses	20,48,719	37,82,064
	Total Employee Benefit Expenses	1,12,99,97,925	1,07,37,22,373

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 24 : OTHER OPERATING EXPENSES

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
I.	(a) Power & Fuel	53,85,841	29,88,252
	(b) Rent	12,89,36,606	3,89,45,751
	(c) Repairs to Building	1,21,786	7,41,163
	(d) Repairs & Maintenance	1,04,69,508	24,36,333
	(e) Insurance	4,50,70,737	3,32,42,993
	(f) Rates & Taxes (excluding Income Tax)	1,31,87,183	1,22,10,355
	(g) Miscellaneous Expenditure	84,39,753	79,02,390
	(h) Payment to Auditors:		
	(i) As Auditor	2,24,720	84,43,144
	(ii) For Other Services	3,37,080	3,30,900
	(i) Ins Fee	90,38,660	41,26,577
	(j) Discount Expense	1,09,35,731	12,947
	(k) Prior Period Item	1,42,72,621	-
	(l) Bad Debts written off	1,34,93,45,849	94,00,213
	Total Other Expenses	1,59,57,66,075	12,07,81,018

NOTE NO. 25 : OTHER OPERATING EXPENSES

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
I.	(a) Telephone, Postage and Others (Internet)	8,47,44,236	2,99,88,156
	(b) Business Promotion Expenses	67,14,36,742	49,74,52,240
	(c) Travelling and Conveyance	9,14,18,598	9,10,60,629
	(d) Office Maintenance	20,47,65,928	2,60,53,760
	(e) Printing & Stationery Expenses	38,23,180	13,42,484
	(f) Security Charges	4,39,657	1,56,350
	(g) Rates & Taxes (excluding Income Tax)	1,32,25,467	6,02,54,916
	(h) Consultancy Charges & Commission	2,74,65,486	1,55,69,921
	(i) Event Sponsorship & Seminar Fee	1,76,87,546	50,72,793
	(j) Web Development Expenses	8,22,91,252	4,28,24,667
	(k) Professional Consultancy fee	9,75,75,287	9,11,09,192
	(l) Sales and Marketing Expenses	11,94,75,318	4,24,26,234
	(m) Donation	-	15,000
	(n) Preliminary Expenses / Written off	38,93,591	2,47,20,853
	(o) Miscellaneous Expenses	13,70,19,067	52,85,23,427
	(p) Books and Subscriptions	22,92,347	4,63,340
	(q) Other Administrative Expenses	4,02,16,945	1,20,51,082
	Total Administrative Expenses	1,59,77,70,647	1,46,90,85,044

Notes to Consolidated Financial Statements for the year ended March 31, 2013

NOTE NO. 26 : FINANCE COST

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
(a) Interest Expenses			
	- Interest on Cash Credit	16,77,89,844	14,30,31,339
	- Interest on Term Loan	3,16,51,775	2,97,77,320
	- Interest on Secured Loan and Unsecured Loan	9,32,76,510	7,44,87,037
	- Loan processing Charges & Bank Charges	5,89,58,428	2,92,67,165
	Total Finance Cost	35,16,76,557	27,65,62,861

Notes to Consolidated Financial Statements

27. Managerial Remuneration:

₹

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

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Remuneration	1,04,42,250	1,36,26,000
2	Perquisites & Allowances	NIL	NIL
3	Total	1,04,42,250	1,36,26,000

28. Auditor's Remuneration:

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Statutory Audit Fees	2,24,700	83,43,144
2	Tax Audit Fee	1,10,300	1,10,300
3	Other Services	2,26,800	2,20,600
	Total	5,61,800	86,74,044

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.

30. Related Party Transactions

During the financial year 2012-13 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.

₹

Particulars	Nature of Relationship	Nature of Transaction	Year ended 31 March	
			2013	2012
M.Suresh Kumar Reddy	Chairman & Managing Director	Remuneration	36,00,000	36,00,000
Vijay Kancharla	Executive Director	Remuneration	36,00,000	36,00,000
K Venkata Subba Rao	Executive Director	Remuneration	32,42,250	32,13,000
K Venkateswara Rao	Joint Managing Director	Remuneration	-	32,13,000
Global IT Inc	Subsidiary	Business Advance Received	3,79,204	-
Tech Orbit Inc	Subsidiary	Revenue	4,79,33,765	-
Online Media Solutions Ltd,Israel	Subsidiary	Business Advance Received	90,23,837	-
Ybrant Media Acquisition Inc,USA	Subsidiary	Business Advance Received	1,89,69,693	-

Notes to Consolidated Financial Statements

31. 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 Rs. 12,89,36,606/- and for the previous year Rs.3,89,45,751/- .

32. 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. Employee Benefits (Gratuity):		₹	
Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Present Value of Obligation as at the end of the year	84,57,464	83,52,310
2	Value of Fund as at the end of the year	23,56,344	22,47,640
3	Funded Status	(61,01,120)	(61,04,670)
4	Unrecognized Actuarial (gains) / losses	NIL	NIL
5	Net Asset / (Liability) Recognized in Balance Sheet	(61,01,120)	(61,04,670)

B. Expenses recognized in Profit & Loss Account for the year ended 31-03-2013:		₹	
Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Current Service Cost	17,51,819	17,16,106
2	Past Service cost	NIL	23,37,738
3	Interest Cost	7,26,651	2,79,749
4	Expected return on Plan Assets	(1,96,324)	(1,12,301)
5	Net actuarial (gain)/ loss recognized in the year	(22,85,695)	6,12,512
6	Expenses to be recognized in Profit & Loss Account	(3,549)	48,33,804

		₹	
Sl. No.	Changes in Present Value of Obligations	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Present Value of Obligation as at the beginning of the year	83,52,310	34,96,860
2	Interest Cost	7,26,651	2,79,749
3	Past Service Cost	NIL	23,37,738
4	Current Service Cost	17,51,819	17,16,106
5	Benefits paid	(87,621)	(90,655)
6	Actuarial (gain)/ loss on obligations	(22,85,695)	6,12,512
7	Present Value of Obligation as at the end of the year	84,57,464	83,52,310
	a. Current Liability	3,74,988	4,34,320
	b. Non-current Liability	80,82,476	79,17,990

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

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Actuarial (Gain)/Loss for the year – Obligation	(22,85,695)	6,12,512
2	Total (Gain) / Loss for the year	(22,85,695)	6,12,512
3	Actuarial (Gain) / Loss recognized in the year	(22,85,695)	6,12,512

e) Assumptions:

₹

Sl. No.	Particulars Assumptions made for the purpose of Gratuity valuation	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Discount Rate	8.20%	8.70%
2	Rate of increase in Compensation levels	6%	6%
3	Rate of Return on Plan Assets	9%	0%
4	Expected Average remaining working lives of employees (years)	27 Years	25 Years

33. Earnings Per Share:

₹

Sl. No.	Particulars	Year Ended 31st March, 2013	Year ended 31st March, 2012
1	Profits Attributable to Equity Share Holders	50,99,49,491	1,91,80,15,682
2	Weighted Average No. of Shares Outstanding for the Year ended	6%	6%
3	Basic	47,62,51,499	47,62,51,499
4	Diluted	47,62,51,499	47,62,51,499
5	Earnings per Share – Basic	1.07	4.03
6	Earnings per Share – Diluted	1.07	4.03

The EPS of Rs. 1.07 on a PAT of Rs. 50,99,49,491 /- for the year ended 31 March 2013 is for an Equity Capital i.e. Rs.95,25,02,998/- consisting of 47,62,51,499 Equity Shares of Rs. 2/- each fully paid up and whereas the EPS of Rs. 4.03 on a PAT of Rs. 1,91,80,15,682/- for the year ended 31 March 2012 and is for an Equity Capital i.e. Rs. 95,25,02,998/- consisting of 47,62,51,499 Equity Shares of Rs 2/-each fully paid up.

34. 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 realized and accordingly Gain from Foreign Exchange fluctuation and Integral transactions of Rs. 8,73,48,776/- (net) has been reflected in Profit and Loss Account for the Year.

35. 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

36. Intra branch Transactions:

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

37. Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2013.

38. Confirmation of Closing Balances:

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

39. Contingent Liabilities & Guarantees:

	Name of the Bank / Party	Year Ended 31st March, 2013	Year ended 31st March, 2012
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn)	Daum Global Holdings Corp, Republic of Korea	21,75,60,000	20,46,40,000
Corporate Guarantee for Foreign Currency Term Loan (FCTL) (USD 10Mn)	ICICI Bank Limited, New York Branch, USA	54,39,00,000	51,16,00,000
Bank Guarantees for Tender Participation & Performance Guarantees	Axis Bank, S.R.Nagar Branch, Hyderabad, Andhra Pradesh, India	90,00,000	3,16,19,269
Inland Letter of Credit for purchase of Software products	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	3,10,00,000	70,854
Foreign Letter of Credit for Purchase of Software Products (USD 0.9 Mn)	Canara Bank, Prime Corporate Branch, Secunderabad, Andhra Pradesh, India	4,89,51,000	5,11,60,000
Corporate Guarantee given for the loan taken by Tesla Projects Private Limited	Lakshmi Vilas Bank. D No 8-3-248/1/7/7 & 8, Anjani Cement Centre Nagarjuna Hills Main Road, Panjagutta Hyderabad Andhra Pradesh, India	1,90,00,000	NIL

* Assumption: 1 USD = Rs.54.39 (Closing rate as on 31st March 2013)

27. Bad Debts written off: during the financial year 2012-13, the Company has written off an amount of Rs.134.93 Crores as bad debts

28. The figures of previous year have been regrouped wherever necessary.

29. The figures have been rounded off to the nearest rupee.

As per our report of even date
P.MURALI & CO.,
Firm Registration Number: 007257S
CHARTERED ACCOUNTANTS

Sd/-

P. MURALI MOHANA RAO
PARTNER
Membership Number: 023412

PLACE: HYDERABAD
DATE: 30-05-2013

For and on behalf of the Board of
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/-
CS Jagadeeshwara Rao M
Company Secretary

Annexure A

NOTE NO.35: SEGMENT REPORTING CONSOLIDATED (in INR Lakhs)

₹

Sl. No.	Particulars	As on 31st March, 2013	As on 31st March, 2012
1.	Segment Revenue		
	(a) Digital Marketing Segment	84,929.79	60,300.64
	(b) Software Development Segment	75,175.21	66,017.04
	Total Sales/ Income from Operations	1,60,105.00	1,26,317.68
	Less: Inter Segment Revenue	-	-
	Net Sales/ Income from Operations	1,60,105.00	1,26,317.68
2.	Segment Results - Profit (+) / Loss (-) before tax and interest *		
	(a) Digital Marketing Segment	6,282.04	14,617.88
	(b) Software Development Segment	3,215.14	10,914.27
	Total Segment Results - Profit (+) / Loss (-) before tax and interest	9,497.18	25,532.15
	Less: Interest	3,516.77	2,765.63
	Total Profit (+) / Loss (-) before tax	5,980.41	22,766.52
3.	Capital Employed		
	(a) Digital Marketing Segment	84,560.18	75,394.56
	(b) Software Development Segment	31,983.60	31,952.95
	Total Capital Employed	1,16,543.78	1,07,347.51

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

₹

Sl. 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 (6)
			Number and face value (a)	Extent of holding (b)	For the financial year ended on 31st March, 2013 (a)	For the financial year ended on 31st March, 2012 (b)	For the financial year ended on 31st March, 2013 (a) (\$)	For the financial year ended on 31st March, 2012(b) (\$)		
1	Dream Ad-Argentina	31-03-2013	12000 Shares at \$1 each	100%	N.A	N.A	2,50,533	(8,06,531)	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.
2	Dream Ad-Chile	31-03-2013	1500 Shares at \$1000 each	100%	N.A	N.A	3,47,523	3,73,310	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.
3	Get Media, Mexico, S.A	31-03-2013	1500 Shares at \$1000 each	100%			4,10,273	3,29,413	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.
4	Dream Ad-Panama	31-03-2013	100 Shares at \$100 each	100%			3,79,072	6,82,779	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.
5	Dream Ad-Uruguay	31-03-2013	2100 Shares at \$1each	100%			80,024	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.
6	Dyomo Corporation, USA	31-03-2013	1500 Shares at No Par Value	100%	N.A	N.A	8,97,903	42,16,134	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.
7	Frontier Data Management Inc USA	31-03-2013	1500 Shares at No Par Value	100%	N.A	N.A	5,15,442	51,12,835	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.
8	International Expressions Inc USA	31-03-2013	1500 Shares at No Par Value	100%	N.A	N.A	3,22,795	25,34,044	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.
9	Max Interactive Pvt Ltd, Australia	31-03-2013	100 Shares at No Par Value	100%	N.A	N.A	6,33,840	1,35,214	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	Online Media Solutions Ltd, Israel	31-03-2013	14,624,541 Shares at No Par Value	100%	N.A	N.A	3,87,396	(7,93,410)	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

Sl. 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 (6)
			Number and face value (a)	Extent of holding (b)	For the financial year ended on 31st March, 2013 (a)	For the financial year ended on 31st March, 2012 (b)	For the financial year ended on 31st March, 2013 (a) (\$)	For the financial year ended on 31st March, 2012(b) (\$)		
11	Ybrant Digital Servicos De Publicidade Ltda, Brasil	31-03-2013	9,999 Shares at \$1 per share	99.99%	N.A	N.A	2,354,013	28,64,759	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	Ybrant Digital US Inc USA	31-03-2013	6,525,100 at No Par Value	100%	N.A	N.A	53,040	8,61,201	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.
13	Ybrant Media Acquisition Inc USA	31-03-2013	1500 Shares at No Par Value	100%	N.A	N.A	3,69,597	73,40,948	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.
14	Ybrant Digital (Brasil) Limited, Singapur	31-03-2013	1 Share at SGD 1 Each	100%			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.
15	Global IT Inc, USA	31-03-2013	100,000/\$0.10	100%			3,61,246	40,34,327	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.
16	Techorbit Inc, USA	31-03-2013	100,000/\$0.10	100%	N.A	N.A	1,31,841	33,61,311	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.
17	LGS Global FZE, UAE	31-03-2013	Nil	Nil	N.A	N.A	NIL	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.
18	Yreach Media Private Limited, Hyderabad, India	31-03-2013		100%	N.A	N.A	4,804	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.

Section 212 Statement pursuant to Exemption received under section 212 (8) of the Companies Act,1956 related to subsidiary companies

₹

Sl. No.	Description	Dream Ad-Argentina		Dream Ad-Chile		Get Media, Mexico	
		Amount In	Amount In	Amount In	Amount In	Amount In	Amount In
		INR	USD	INR	USD	INR	USD
a)	Share Capital	85,58,897	1,70,157	1,42,349	2,830	15,17,652	30,172
b)	Reserves and Surplus	(1,62,49,084)	(3,60,954)	11,54,23,859	21,14,601	4,57,65,375	8,23,139
c)	Total Assets	3,28,08,881	35,52,692	15,83,60,081	29,13,136	11,42,60,023	21,00,999
d)	Total Liabilities	3,28,08,881	35,52,692	15,83,60,081	29,13,136	114,260,023	21,00,999
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	69,16,74,582	1,27,02,931	24,31,50,139	44,65,567	12,67,56,456	23,27,942
g)	Profit before tax	1,53,37,557	2,81,681	2,28,03,484	4,18,797	2,69,20,953	4,94,416
h)	Provision for tax	16,94,161	31,148	38,76,592	71,274	45,76,562	84,143
i)	Profit After Tax	1,36,43,396	2,50,533	1,89,26,892	3,47,523	2,23,44,391	4,10,273
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency			USD(\$)		USD(\$)		USD(\$)

Sl. No.	Description	Dream Ad-Panama		Dream Ad.-Uruguay		Dyomo Corporation, USA	
		Amount In	Amount In	Amount In	Amount In	Amount In	Amount In
		INR	USD	INR	USD	INR	USD
a)	Share Capital	1,25,75,000	2,50,000	16,74,437	33,289	4,67,300	10,000
b)	Reserves and Surplus	12,89,65,189	24,69,646	1,13,88,877	2,06,890	44,85,38,963	81,86,334
c)	Total Assets	17,76,19,274	33,82,986	1,81,22,948	3,33,204	52,81,24,549	97,10,368
d)	Total Liabilities	17,76,19,274	33,82,986	1,81,22,948	3,33,204	52,81,24,549	97,10,368
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	4,62,81,215	8,49,976	5,04,98,734	9,27,433	33,42,16,030	61,38,035
g)	Profit before tax	2,48,73,640	4,56,816	66,36,184	1,21,877	5,89,17,937	10,82,056
h)	Provision for tax	42,28,519	77,744	22,76,388	41,853	1,00,16,049	1,84,152
i)	Profit After Tax	2,06,45,121	3,79,072	43,59,796	80,024	4,89,01,887	8,97,903
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency			USD(\$)		USD(\$)		USD(\$)

Sl. No.	Description	Frontier Data Management Inc., USA		International Expresions Inc. USA		Max Interactive Pty Ltd., Australia	
		Amount In	Amount In	Amount In	Amount In	Amount In	Amount In
		INR	USD	INR	USD	INR	USD
a)	Share Capital	17,19,51,937	38,09,303	34,29,54,805	75,20,000	139	2
b)	Reserves and Surplus	82,01,37,604	1,96,14,846	49,79,85,123	91,56,676	12,22,65,161	22,60,958
c)	Total Assets	1,00,98,66,458	2,37,50,991	85,03,08,664	1,68,48,927	15,02,96,102	27,76,326
d)	Total Liabilities	1,00,98,66,458	2,37,50,991	85,03,08,664	1,68,48,927	15,02,96,102	27,76,326
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	89,22,58,105	1,63,86,742	38,12,60,326	70,02,026	23,53,98,122	43,23,198
g)	Profit before tax	3,38,21,885	6,21,155	2,11,80,908	3,88,997	4,15,90,831	7,63,835
h)	Provision for tax	57,49,720	1,05,713	36,00,754	66,203	70,70,441	1,29,995
i)	Profit After Tax	2,80,72,165	5,15,442	1,75,80,154	3,22,795	3,45,20,390	6,33,840
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 related to subsidiary companies

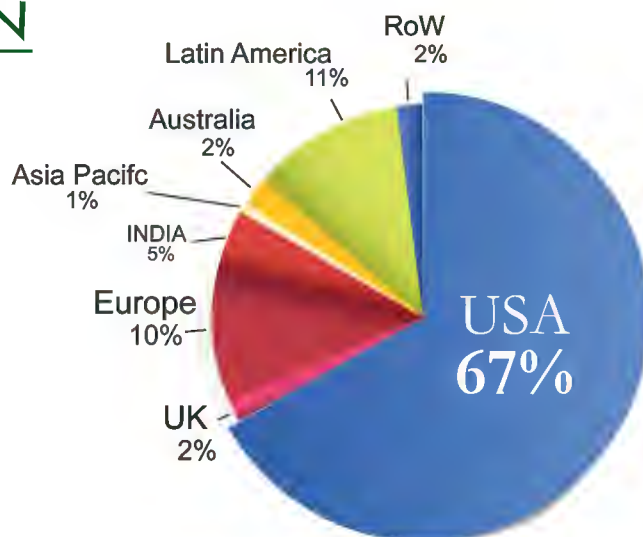
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Sl. No.	Description	Online Media Solutions Ltd, Israel		Ybrant Digital Services De Publicidade		Ybrant Digital US. Inc. USA	
		Amount In	Amount In	Amount In	Amount In	Amount In	Amount In
		INR	USD	INR	USD	INR	USD
						Amount In	Amount In
a)	Share Capital	28,74,96,660	63,69,000	2,93,925	6,426	1,12,61,19,268	2,51,10,085
b)	Reserves and Surplus	28,12,14,194	44,07,715	28,99,59,511	53,31,941	41,61,37,915	85,27,160
c)	Total Assets	77,53,60,695	1,46,23,632	33,67,85,628	61,93,896	1,55,30,86,885	3,38,36,357
d)	Total Liabilities	77,53,60,695	1,46,23,632	33,67,85,628	61,93,896	1,55,30,86,885	3,38,36,357
e)	Details of Investments	5,84,34,610	12,94,000	NIL	NIL	NIL	NIL
f)	Turnover	2,50,30,34,810	4,59,69,418	60,89,26,564	1,11,83,224	22,15,80,551	40,69,432
g)	Profit before tax	2,95,21,710	5,42,180	14,62,60,174	26,86,137	34,80,309	63,918
h)	Provision for tax	84,18,691	1,54,784	1,80,64,230	3,32,124	5,91,653	10,878
i)	Profit After Tax	2,11,03,019	3,87,396	12,81,95,945	23,54,013	28,88,656	53,040
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency			USD(\$)		USD(\$)		USD(\$)

Sl. No.	Description	Ybrant Media Acquisition Inc USA		Ybrant Digital (Brasil) Limited,Singapore		Global IT Inc USA	
		Amount In	Amount In	Amount In	Amount In	Amount In	Amount In
		INR	USD	INR	USD	INR	USD
						Amount In	Amount In
a)	Share Capital	1,21,90,40,000	2,70,00,000	45	1	65,99,79,382	1,26,57,000
b)	Reserves and Surplus	90,17,28,061	1,37,52,332	-	-	75,18,06,916	1,33,94,986
c)	Total Assets	4,42,69,65,575	8,87,04,851	45	1	1,63,04,88,847	3,00,72,992
d)	Total Liabilities	4,42,69,65,575	8,87,04,851	45	1	1,63,04,88,847	3,00,72,992
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	1,68,78,96,389	3,09,99,015	-	-	1,15,03,01,186	2,11,25,825
g)	Profit before tax	2,42,51,923	4,45,398	-	-	2,37,03,953	4,35,334
h)	Provision for tax	41,22,827	75,801	-	-	40,29,672	74,088
i)	Profit After Tax	2,01,29,096	3,69,597	-	-	1,96,74,281	3,61,246
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency			USD(\$)		USD(\$)		USD(\$)

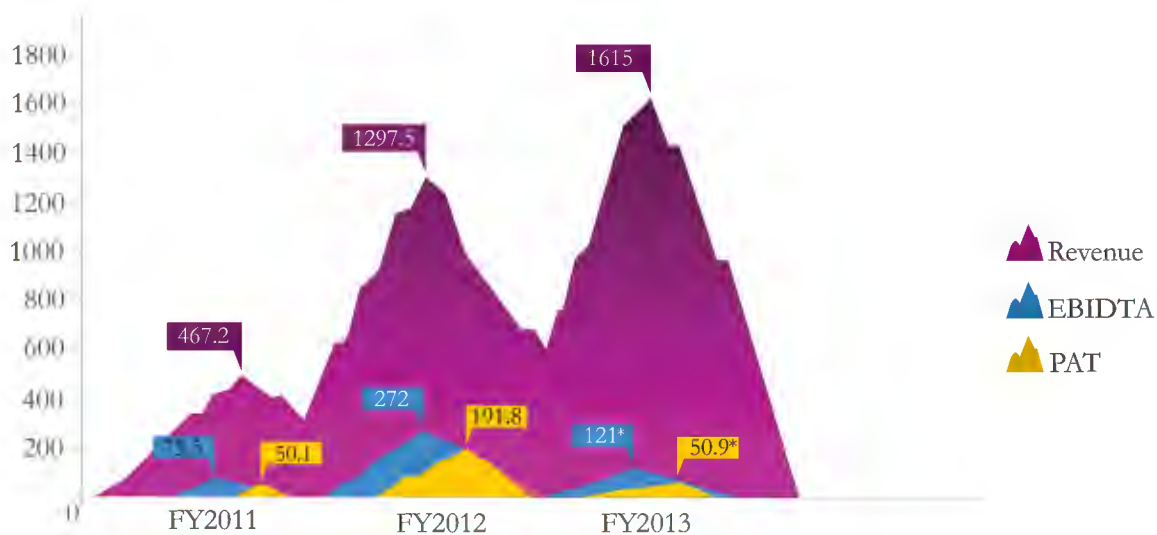
Sl. No.	Description	Tech Orbit Inc., USA		LGS Global FZE, UAE		YreacH Media Pvt ltd, Hyderabad,	
		Amount In	Amount In	Amount In	Amount In	Amount In	Amount In
		INR	USD	INR	USD	INR	USD
						Amount In	Amount In
a)	Share Capital	6,18,84,000	10,000	2,55,800	5,000	1,00,000	1,839
b)	Reserves and Surplus	57,04,95,135	1,17,53,756	-	-	2,61,581	4,804
c)	Total Assets	72,90,18,129	1,35,40,535	2,55,800	5,000	1,81,84,790	3,34,341
d)	Total Liabilities	72,90,18,129	1,35,40,535	2,55,800	5,000	1,81,84,790	3,34,341
e)	Details of Investments	NIL	NIL	NIL	NIL	NIL	NIL
f)	Turnover	1,13,08,93,077	2,07,69,386	-	-	2,75,180	5,054
g)	Profit before tax	1,27,52,845	2,34,212	-	-	2,61,581	4,804
h)	Provision for tax	55,67,984	1,02,371	-	-	-	-
i)	Profit After Tax	71,84,861	1,31,841	-	-	2,61,581	4,804
j)	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
Reporting Currency			USD(\$)		USD(\$)		USD(\$)

FINANCIAL ACUMEN



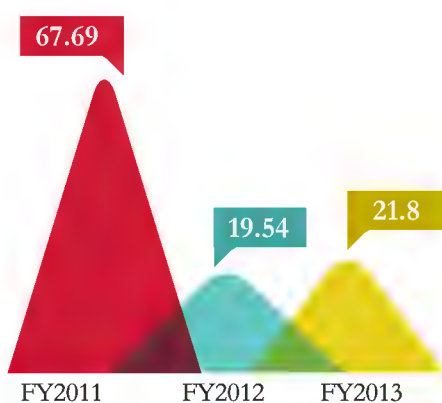
Financial Performance

in Rs Crores

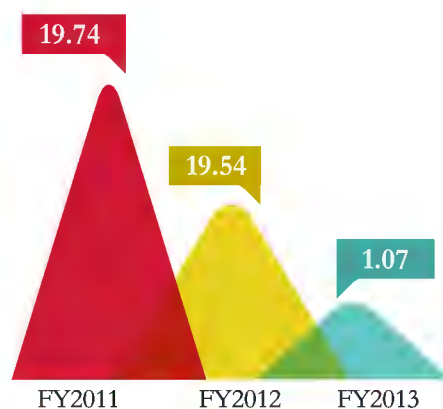


* EBIDTA and PAT After write off of Rs. 147 crores

Book Value per share in Rs



Earnings per share in Rs


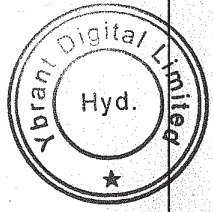

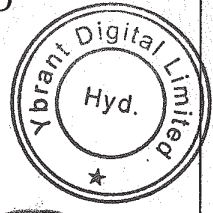



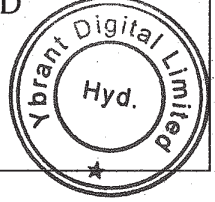




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FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	YBRANT DIGITAL LIMITED (formerly, LGS Global Limited)
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period..... - N. A. -
5.	To Be Signed By	<p>For YBRANT DIGITAL LIMITED</p> <p> M. Suresh Kumar Reddy Chairman & Managing Director</p> <p></p> <p>For YBRANT DIGITAL LIMITED</p> <p> Amreek Singh Sandhu Chief Financial Officer</p> <p></p> <p>For P. Murali & Co., Chartered Accountants</p> <p> Partner</p> <p></p> <p>For YBRANT DIGITAL LIMITED</p> <p> Y. Ramesh Reddy Audit Committee Chairman</p> <p></p>