









FORM-A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	VIRGO GLOBAL MEDIA LIMITED
2.	Annual Financial Statements for the year ended	March 31, 2014
3.	Type of Audit observation	NIL
4.	Frequency of observation	Not Applicable
5.	To be Signed by	
	P.Syam Prasad Director	 
	Ch.Chanikya AGM (Accounts)	 
	P. Murali Mohana Rao Partner Membership No : 023412 For P. Murali & Co., Chartered Accountants FRN: 007257S Statutory Auditors	 
B.V.S.Sai Prasad Chairman of the Audit Committee	 	



**VIRGO GLOBAL MEDIA LIMITED**

**16th Annual Report  
2013-2014**



VIRGO GLOBAL MEDIA LIMITED

### **Board of Directors**

Mr. P Syam Prasad	Director
Mr. B V Satya Sai Prasad	Director
Mr. Hafeezuddin Shaik Imam	Director

### **Registered Office**

Plot No.5  
Mithila Nagar, Road No. 10  
Banjara Hills  
Hyderabad – 500 034  
Email : csvirgo@yahoo.in  
Tel.No.: 040 23351212/2335  
Fax. :040 23351214  
CIN : L74910TG1999PLC031187

### **Bankers**

Syndicate Bank, Banjara Hills, Hyderabad  
UCO Bank M.G.Road Hyderabad

### **Registrar & Share Transfer Agents**

Aarthi Consultants Private Limited,  
1-2-285, Domalguda,  
Hyderabad – 500 029,  
Ph. No. 040-27638111/27634445;  
Fax. No. 040-27632184



## CONTENTS

Notice	.....	4
Directors' Report	.....	13
Management Discussion and Analysis	.....	16
Report on Corporate Governance	.....	18
Auditors' Report	.....	27
Balance Sheet	.....	32
Profit & Loss Account	.....	33
Schedules	.....	34
Notes to the Accounts	.....	40
Cash Flow Statement	.....	42
Attendance Slip	.....	43
Proxy Form	.....	45
Ballot Paper	.....	47



## NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Tuesday, the 30<sup>th</sup> day of December 2014, at 11.30 a.m. at Plot No. 21, Saptaparni Building, Road No. 8, Banjara Hills, Hyderabad - 34. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2014 and Statement of Profit and Loss for the year ended on that date together with the reports of the Director's and Auditors' thereon.
2. To appoint a Director in place of Mr. P.Syam Prasad, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of Sixteenth Annual General Meeting until the conclusion of the Twenty One Annual General Meeting and to fix their remuneration.

"RESOLVED THAT M/s. M.M. Reddy & Co., Chartered Accountants, FRN No. 0103715 Hyderabad be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2019 subject to ratification at every annual general meeting and on such remuneration as may be fixed by the Board of Directors of the Company.

### SPECIAL BUSINESS :

4. **Appointment of Mr. Hafeezuddin Shaik Imam (DIN; 01601903) as an Independent Director of the Company.**

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that Pursuant to Section 149, 150, 152 and other applicable provisions

of the Companies Act, 2013, if any, and the rules made there under read with Schedule-IV to the Companies Act, 2013, (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Hafeezuddin Shaik Imam, Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act and is eligible to act as Independent Director of the company for one more term be and is hereby appointed as an Independent Director of the Company for a term of five years from 30<sup>th</sup> December 2014 up to 29<sup>th</sup> December 2019. not liable to retire by rotation."

"RESOLVED further that the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. **Appointment of Mr. Balija Venkata Satya Sai Prasad (DIN; 01646183) as an Independent Director of the Company.**

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED that Pursuant to Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under read with Schedule-IV to the Companies Act, 2013, (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Balija Venkata Satya Sai Prasad, Independent Director of the Company who has submitted a declaration that he meets the criteria for Independence as provided in Section 149



**VIRGO GLOBAL MEDIA LIMITED**

---

(6) of the Act and is eligible to act as Independent Director of the company for one more term, be and is hereby appointed as an Independent Director of the Company for a term of five years 30<sup>th</sup> December 2014 up to 29<sup>th</sup> December 2019. not liable to retire by rotation.”

“**RESOLVED** further that the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things

as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

By order of the Board  
For **VIRGO GLOBAL MEDIA LIMITED**

**Sd/-**  
**P SYAM PRASAD**  
Director

Place : Hyderabad  
Date: 03.12.2014



## NOTES

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 4 and 5 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No.2 and 4 to 5 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) 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.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the AGM is enclosed.
3. 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.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company shall remain *closed from, December 26<sup>th</sup> 2014 to, December 30<sup>th</sup> 2014* (both days inclusive) for the purpose of ensuing Annual General Meeting.
8. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
9. The Annual Report of the Company for the year 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the e-mail address through the following link; <http://www.aarthiconsultants.com/GoGreen.php>. Please note that as a Member of the Company, you are entitled



to receive all such communication in physical form, upon request.

11. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and as per Clause 35 B of the Listing Agreement the Company is extending e-voting facility for its Members to enable them to cast their vote electronically instead of participating and voting physically in the Annual General Meeting. In this regard, the Company has appointed Mr. Ch.Veeranjaneyulu, partner of VCSR & Associates, Practicing Company Secretaries, (Membership No. F6121) Hyderabad, having their office situated at **8-3-945, 3<sup>rd</sup> Floor, F.No.305 D, Pancom Business Centre, Ameerpet, Hyderabad-500073** who in the opinion of the Board is a duly qualified person, as a Scrutinizer to collate the electronic voting process in a fair and transparent manner.
12. The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. The procedure and instructions for e-voting are as follows :

- I) The voting period begins on Monday, December 22nd, 2014 (10.30 a.m. IST) and ends on Wednesday, December 24th, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the 28th November 2014 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II) If you are a first time user follow the steps given below: The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- III) Click on Shareholders.
- IV) Now Enter your User ID
  - a) CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below :

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>





DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- Viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.



- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

**Other Instructions:**

- i) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Ch.Veeranjaneyulu, partner of VCSR & Associates, Practicing Company Secretaries, (Membership No.F6121), at the Corporate Office of the Company not later than Wednesday, December 24<sup>th</sup>, 2014 (6.00 p.m. IST).
- ii) Members have the option to request for physical copy of the Ballot Form by sending

an e-mail to [csvirgo@yahoo.in](mailto:csvirgo@yahoo.in) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than Wednesday, December 24<sup>th</sup>, 2014 (6.00 p.m. IST).

Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- iii) The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and RTA <http://aarthiconsultants.com> within two days of the passing of the resolutions at the Sixteenth AGM of the Company on December 30, 2014 and communicated to the Bombay Stock Exchange Limited, where the shares of the Company are listed.

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.**

Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad are Independent Directors of the Company. The Securities and Exchange of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company.

It is proposed to appoint Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term 30<sup>th</sup> December 2014 up to 29<sup>th</sup> December 2019. The Nomination and Remuneration Committee has recommended the appointment of each of Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad as



Independent Directors from 30<sup>th</sup> December 2014 up to 29<sup>th</sup> December 2019.

The Company has received from each of Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, each of these two directors fulfils the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

Brief resume of Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships

between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad as Independent Directors setting out the terms and conditions are available for inspection by members at the registered office of the Company during normal business hours on any working day, excluding Saturday up to the date of AGM.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad as an Independent Directors.

No director, key managerial personnel or their relatives, except Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad for their appointments respectively as set out in Item No.4 & 5, is interested or concerned financial or otherwise in the resolution.

The Board recommends the resolution set forth in Item no. 4 & 5 for the approval of the members.



**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/  
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	<b>Mr. P.Syam Prasad</b>
Date of Birth	15th August, 1964
Date of Appointment	13th April, 2009
Qualifications	Bachelor of Commerce
Expertise in specific functional areas	He has over 18 years of rich experience in the areas of Banking, finance, and general management, and worked with various Industrial sectors during his career.
List of other companies in which directorship held	Nil
List of the Committees of other Companies in which chairmanship/Membership held	Nil
Chairman/Member of the Committees of the Company	Member of Audit Committee, Nomination & Remunation Committee and Stakeholders Relationship Committee
Shareholding in the Company	NIL

Name of Director	<b>Mr. Hafeezuddin Shaik Imam</b>
Date of Birth	12 <sup>th</sup> January 1946
Date of Appointment	19 <sup>th</sup> February, 2011
Expertise in specific functional areas	He has over 45 years of rich experience in the areas of construction, real estate, media, infrastructure and IT Sectors.
List of other companies in which directorship held	1. Kasila Farms Ltd 2.Nemix Farms Limited 3. SEL Resources Limited 4.Nandi Energy Private Limited 5.Sankalp Infratech (India) Pvt Ltd 6. Paigah Energy Pvt Ltd
List of the Committees of other Companies in which chairmanship/Membership held	NIL
Chairman/Member of the Committees of the Company	Member of Audit Committee, Nomination & Remunation Committee and Stakeholders Relationship Committee
Shareholding in the Company	NIL



**VIRGO GLOBAL MEDIA LIMITED**

---

Name of Director	<b>Mr. B.V. Satya Sai Prasad</b>
Date of Birth	29 <sup>th</sup> August 1961
Date of Appointment	19 <sup>th</sup> February, 2011
Qualifications	Bachelor of Science
Expertise in specific functional areas	He has over 25 years of rich experience in the areas of forming, mining, property development, and general management, legal.
List of other companies in which directorship held	Sai Rayalaseema Paper Mills Limited
List of the Committees of other Companies in which chairmanship/Membership held	NIL
Chairman/Member of the Committees of the Company	Member of Audit Committee, Nomination & Remunation Committee and Stakeholders Relationship Committee
Shareholding in the Company	NIL



## DIRECTORS' REPORT

To  
The Members  
VIRGO GLOBAL MEDIA LIMITED

Your Directors have pleasure in presenting the Sixteenth Annual Report of your company and the Audited Financial Accounts for the year ended on March 31, 2014.

### Financial Results

Rs. In Lakhs

Particulars	2013-14	2012-13
Net Sales/Income from Operations	7.01	6.75
Other Income	2.63	2.23
Total Income	9.64	8.97
Financial Expenses	0.29	0.27
Depreciation and Write Offs	0.02	0.23
Other Expenses		
Provision for taxation	1.00	0.94
Profit/(Loss)	1.98	1.91
Equity Share Capital (1,05,04,300 Shares of Rs 4/- each)	420.17	420.17

### Review of Operations:

During the year under review, your Company had earned a total income of Rs 9.64 Lakhs as against Rs 8.97 Lakhs during the previous year and the Net Profit for the current year was Rs. 1.98 lakhs as against a Net Profit of Rs. 1.91 Lakhs for the corresponding period. The Total income includes other income of Rs. 2.63 Lakhs. Despite the serious efforts that have been put by the Management, Your Company could not succeed in getting new business opportunities in Media and Broadband Internet Segments, due to global economic slowdown and lack of adequate resources at the disposal of the Company. Your Company is considering various other options, details of which would be communicated to the Members in due course.

### Fixed deposits:

The Company has not accepted any fixed deposits from the public, and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### Auditors:

M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 up to the conclusion of forth-coming Annual General Meeting. The company has received a letter from existing auditors expressing their unwillingness to continue as auditors. Hence the company has obtained willingness and eligibility letter from M/s. M.M. Reddy & Co. (FRN No. 01371S) Chartered Accountants, Hyderabad to act as auditor of the company. Pursuant to the provisions of the Section 139 (2) of the Companies Act, 2013 They have furnished a certificate stating that their appointment, if made, will be within the limits laid down under Section 141 (3) (g) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

The Audit Committee of your Company meets periodically with Statutory Auditors and Internal Auditors to review the performance of the Internal Audit, to discuss the nature and scope of statutory auditors functions, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the statutory auditor and the internal auditor have full access to the Members of the Audit Committee to discuss any matter of substance.

### Directors:

At the ensuing Annual General Meeting Mr. P.Syam Prasad retires by rotation and being eligible, offered himself for re-appointment.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the



Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation and the tenure of the Independent Directors on the date of commencement of the Companies Act, 2013 (ie., 01.04.2014) shall not be counted as term for aforesaid period of 5 years. Accordingly, it is proposed to appoint Mr. Hafeezuddin Shaik Imam and Mr. B.V.Satya Sai Prasad as Independent Directors of your Company from 30<sup>th</sup> December 2014 up to 29<sup>th</sup> December 2019.

Appropriate resolutions for the appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. Your Directors recommend their reappointment as Directors of your Company.

**Stock Exchange Listing:**

Presently, the Equity Shares of the Company are listed on Bombay Stock Exchange Limited [BSE]. The Company confirms that it has paid Annual Listing Fees due to BSE for the financial year 2014-15.

**Director's Responsibility Statement:**

In accordance with the Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirms that:

- a) In the preparation of the Accounts for the twelve months period ending March 31, 2014; the applicable accounting standards have been followed and there are no material departures there from.
- b) They have selected such accounting policies in consultation with Statutory Auditors of the Company and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the financial year.

- c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) They have prepared accounts for the year ended March 31, 2014 on a going concern basis.

**Corporate Governance and Management Discussion and Analysis Report:**

A separate report on Corporate Governance along with Auditors' Certificate on its compliance and Management Discussion and Analysis forming part of this report are annexed hereto.

**Particulars of Employees:**

None of the employees are drawing remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**Particulars in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Companies (Disclosure of particulars in the Directors Report) Rules 1988:**

- A. Conservation of Energy:- **The Company is not a manufacturing Company and hence the details in respect of the above are not applicable.**
- B. **Technology Absorption:-** Your Company is committed to use state of Art technology for improving the quality of its services.
- C. **Research and Development:-** Your Company has not undertaken any R&D activity in any specific area during the year under review.



**D. Disclosure of Particulars relating to Foreign Exchange Earnings and Outgo:-**

Your Company's Operation did not result into any Foreign Exchange earnings or outgo.

**Acknowledgements**

Your Directors gratefully acknowledge and appreciate the support extended by the

Syndicate Bank,UCO Bank various departments of Central and State Governments, SEBI and Stock Exchanges. Your Directors express their grateful thanks to our valued shareholders for the trust and confidence reposed in the Company.

By order of the Board  
For **VIRGO GLOBAL MEDIA LIMITED**

Place: Hyderabad  
Date: 03.12.2014

**Sd/-**  
**P Syam Prasad**  
Director

**Sd/-**  
**B V S Sai Prasad**  
Director





## MANAGEMENT DISCUSSION ANALYSIS AND BUSINESS OUTLOOK

*(This review contains Management's discussion of the Company's operational results and financial condition, and should be read in conjunction with the accompanying audited financial statements and associated notes).*

### INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK:-

Increasing urbanization rising income levels and a large youth population India Presents a robust growth opportunities, driven by economic growth, The Indian telecommunication sector has registered a phenomenal growth during the past few years and has emerged as the second largest network in the world. On back of ongoing investments into infrastructure, the country is projected to witness high penetration of Internet, broadband, and mobile subscribers in the near future, as per an RNCOS report.

The Internet Industry consists of companies that provide a wide variety of products and services primarily online through their Web sites. Operations include, but are not limited to, search engines, retailers, travel services, as well as dial-up and broadband access services. The industry is not particularly capital intensive, although some participants must continually invest in their operations to remain competitive.

Companies in the Internet Industry operate in a highly competitive environment, subject to rapid technological change. Barriers to entry vary, depending upon the particular markets served. Internet companies operate on the global stage, and results often depend upon the performance of overseas markets and currency exchange rates. Moreover, weakness in the retail economy or lower online advertising expenditures can hinder the performance of many participants. Still, long-term prospects for the industry are fairly encouraging. Trends such as increasing worldwide Internet usage, overseas expansion, and the continued

popularity of online advertising ought to further benefit companies in this industry. As a result, many industry participants seem well-positioned in attractive markets. Given the dynamic nature of the Internet industry, companies must innovate to remain competitive. This can simply mean offering customers new products and services. However, industry participants must also position themselves to benefit from technological developments, and the creation or expansion of markets.

### Opportunities, Threats, Risks and Concerns:

The global economy presents its own set of opportunities and threats for businesses in a range of industries. IBIS World's Global Internet Service Providers global market research report provides the latest industry statistics and industry trends, allowing you to identify the products and customers driving revenue growth and profitability. The industry report focuses on industry performance in key regions around the world and identifies the leading companies globally.

Industry operators provide internet access via wired networks. Some internet service providers (ISPs) offer extra services such as web hosting, web page designing and connectivity consulting. ISPs may provide local or national coverage to retail clients or deliver backbone services, except telecommunications carriers, to other ISPs. Over the five years to 2014, rapid advancements in internet-related infrastructure and services led to explosive growth for the industry. Going forward, growth will remain strong, as the internet will become an even greater part of the daily lives of businesses and consumers.

The Global Internet Service Providers industry is expanding rapidly because it has been able to maintain double-digit growth in the number of internet subscribers. The continued expansion in subscriber numbers is being propelled by demand for broadband internet



access, particularly from developing regions such as China and India. There is scope for even further rapid broadband growth as China has an internet penetration rate below 30.0%, which is much less than the majority of developed economies.

The major driving forces for Internet Service Provider Companies include growing use of the internet and emerging new internet technology applications; increasing globalization of the industry; changes in the long term industry growth rate; technological change and manufacturing process innovation; marketing innovation; changes in cost and efficiency; regulatory influences and government policy changes.

The key factors for success of a Private ISP will be a technical edge, financial capability to sustain losses over at least few years, high marketing and promotional budgets, strategic alliances with ancillary service providers, and lobbying power with the central and state governments.

On the other hand, rivalry within the industry; threat of Substitute Products; threat of New Entrants; bargaining power of Suppliers; bargaining Power of Buyers are some of the risks that the Industry is facing. Because of these risks, some companies are even opting out of this Industry by changing their line of business.

And, broadly speaking, ISPs face threats/ challenges in four inter-related areas:

1. Customer Relations;
2. Technology;
3. Regulatory Framework; and
4. Resources

#### **Analysis of financial performance of the company**

In continuation to the previous annual report, even during the year under report, the Company had very lean operations as most of the Company's new business opportunities could

not materialize. Thus, your company's total income was Rs. 9.64 lakhs as against Rs. 8.97 lakhs during the previous year and the net profit was Rs.1.98 lakhs as against a net profit of Rs. 1.91 lakhs for the corresponding period.

#### **Liquidity and capital resources:**

There are no significant changes in Shareholders' funds and loan funds during the financial year 2013-14.

#### **Internal control systems and their adequacy**

The internal audit and other internal controls and internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing all transactions and its recording and reporting properly and timely. The Audit Committee constituted by the Board of Directors reviews regularly the financial and other related aspects as per the requirements of the Corporate Governance.

#### **Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results would differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand, supply and price conditions in the domestic/overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



**CORPORATE GOVERNANCE**

**Company’s Philosophy:**

The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company’s goal of maximizing value for all its stake holders.

The board considers itself as a trustee of its shareholders and acknowledges its responsibilities to the Shareholders for creating and safeguarding shareholders wealth, while upholding the core values of transparency, integrity, honesty and accountability.

The Company’s code of conduct serves as a guide to the employees on the values, ethics and business principles expected of them.

The Company is committed to the best governance norms. It strongly believes in setting the high standards in all its endeavors.

**Board of Directors**

The Board of Virgo Global Media comprised of three directors as on December 03<sup>rd</sup>, 2014 and out of these three Non Executive Directors, two are Independent. Accordingly, the composition

of the Board is in conformity with Clause 49 of the listing agreement entered with Stock Exchange.

The Directors bring with them rich and varied experience in different fields of corporate functioning. The Board meets at regular intervals for planning, assessing and evaluating all important business activities.

None of the Directors on the Board is a member on 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 have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and Committee memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited Companies and companies incorporated outside India. Chairmanship / membership of Board committees include membership of Audit and Stake Holders Relationship Committee.

Name	Category	No. of Board Meetings attended during the year 2013-14	Whether Attended AGM held on 28.09.2013	No. of Directorships in other public Companies	No. of committee positions held in other public Companies	
					Chairman	Member
Mr. P Syam Prasad	Non Independent, Non - Executive Director	4	Yes		-	-
Mr. B V S Sai Prasad	Independent Non-Executive Director	4	No	1	-	-
Mr. Hafeezuddin Shaik Imam	Independent Non-Executive Director	4	Yes	3	-	-



Four Board meetings were held during the year ended March 31, 2014 and the gap between any two successive meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

May 27, 2013; August 12, 2013; November 09, 2013 and February 11, 2014.

None of the Non-Executive Directors have any material pecuniary relationship with the Company.

Necessary information as mentioned clause 49 of the listing agreement has been placed before the Board for their consideration.

#### **Audit Committee**

The terms of reference stipulated by the Board of Directors to the Audit Committee as contained in Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, are as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient & credible;
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, fixation of audit fees and also approval for payment for any other services;
- c. Reviewing with management, the quarterly and annual financial statements before submission to the Board, focusing primarily on:
  - i. Matters required to be included in the Directors responsibility statement to be included in the Directors Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
- iv. Qualifications in draft audit report;
- v. Significant adjustments made in the financial statements arising out of audit findings;
- vi. The going concern assumption;
- vii. Compliance with accounting standards;
- viii. Compliance with stock exchange and legal requirements concerning financial statements; and,
- ix. Disclosure of any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- d. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- e. Reviewing with the management, performance of statutory and internal auditors, the adequacy and compliance of internal control systems;
- f. Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- g. Discussion with internal auditors any significant findings and follow up thereon;
- h. Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;



- i. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- j. Reviewing the Company's financial and risk management policies;
- k. Review of information by Audit Committee:
  - i. Management Discussion & Analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions submitted by the management;
  - iii. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses;
  - v. The appointment, removal and terms of remuneration of the chief internal auditor.
- l. Examine the reasons for substantial defaults in the payment to the depositors, Members (in case of non-payment of declared dividends) and creditors.
- m. Reviewing the functioning of whistle blower mechanism, in case the same exists.
- n. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate.
- o. Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purpose other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

The Audit Committee of the Company consists of 3 directors, out of whom 2 are independent Directors including the Chairman, who has related financial management expertise. All the Members of the committee are financially literate. Accordingly, the composition of the committee is in conformity with Clause 49 of the listing agreement entered with Stock Exchange. The last Annual General Meeting of the Company was held on September 28, 2013 and the Chairman of the Audit Committee has attended the same. The composition of the Audit Committee and particulars of meetings attended by the members are as follows:

Name of the Director	Category	No. of Meetings during the year 2013-14	
		Held	Attend
Mr. B V S Sai Prasad	Independent Non-Executive	4	4
Mr. P Syam Prasad	Non Independent Non-Executive	4	4
Mr. Mr. Hafezuddin Shaik Imam	Independent non-executive	4	4



Four Committee meetings were held during the year ended March 31, 2014 i.e. on May 27, 2014; August 12, 2014; November 09, 2014 and February 11, 2014.

The necessary quorum was present at all meetings.

**Nomination and Remuneration Committee;**

The Nomination and Remuneration Committee was constituted by the Board at its meeting held on 29<sup>th</sup> May 2014. The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee as contained in Clause 49 of the Listing Agreement and Sub Section (1) of Section 178 of the Companies Act 2013, are as follows;

- Formulate the criteria for determining qualifications, attributes, and independence of a director.
- Identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down, recommend to the Board their appointment and removal.
- Recommend to the Board appointment and removal of directors and senior management and carryout evaluation of every director’s performance.
- Review the remuneration policy of the company, relating to the remuneration for the directors, Key Managerial Persons and other employees from time to time.

● **Meetings and Attendance during the Year**

During the year under review for the period ended 31<sup>st</sup> March, 2014, the Company does not have any Remuneration Committee and hence no meeting was held.

As on March 31, 2014, no Director of the Company holds any shares of the Company to report.

No remuneration or sitting fee is paid to any Director and there are no pecuniary relationships or transactions entered with the non-executive directors’ vis-à-vis the company.

**Stakeholders Relationship Committee**

The Board had at its meeting held on May 29, 2014, rechristened the Share Transfer and Investors’ / Shareholders’ Grievance Committee as “Stakeholders Relationship Committee.”

The Stakeholders Relationship Committee is to perform all the functions relating to handling of all sorts of shareholders’ grievances like non-transfer of shares, loss of share certificates, non-receipt of notices/annual reports etc., and to look after share transfers/transmissions periodically. The Committee inter-alia also approves issue of duplicate share certificates and oversees and reviews all matters connected with the securities transfers.

The Composition of the Stakeholders Relationship Committee and the number of meetings attended by its members is given below.

Name of the Director	Category	No. of Meetings during the year 2013-14	
		Held	Attend
Mr. B V S Sai Prasad	Independent Non-Executive	4	4
Mr. P Syam Prasad	Non Independent Non-Executive	4	4
Mr. Mr. Hafezuddin Shaik Imam	Independent non-executive	4	4



Four Committee meetings were held during the year ended March 31, 2014 i.e. on May 27, 2014; August 12, 2014; November 09, 2014 and February 11, 2014.

There were no complaints at the beginning of the year and the company has not received any complaints from its members during the year.

**General Body Meetings**

General Body Meetings : The last three annual general meetings were held at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051 as detailed below:

Location, date and time of last three Annual General Meetings:

Year	No. of Meeting	Day, Date and Time of the Meeting
2012-13	15 <sup>th</sup> AGM	Saturday, the September 28, 2013 at 2.30 P.M.
2011-12	14 <sup>th</sup> AGM	Saturday, the September 29, 2012 at 3.00 P.M.
2010-11	13 <sup>th</sup> AGM	Friday, the September 30, 2011 at 5.00 P.M.

During the last three Annual General Meetings of the Company, the members have passed the following Special resolutions:

No. of AGM	Item on which special resolution passed
15 <sup>th</sup> AGM	Nil
14 <sup>th</sup> AGM	Nil
13 <sup>th</sup> AGM	1. Alteration of Authorized Shares capital of the company under section 94(1) (d). 2. Alteration of Articles of Association of the Company under Section 31 (1)

All the above resolutions were passed with requisite majority

No Special Resolution, which requires approval through postal ballot, is proposed to be conducted at the ensuing Annual General Meeting.

**Disclosures**

- i. There are no materially significant related party transactions of the Company with Promoters, directors or the Management or their relatives which have potential conflict with the interest of Company at large.
- ii. There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years ended March 31, 2014.

- iii. The Company is in compliance with all the mandatory requirements and yet to fulfill the non-mandatory requirements as prescribed in Annexure 1 D to Clause 49 of the Listing Agreement of the Stock Exchange.
- iv. **Whistle Blower Policy;** As per the provisions of the Section 177 (9) & (10) of the Companies Act 2013, read with amended Clause 49 of the Listing Agreement, the Board had its meeting held on 29<sup>th</sup> May 2014, adopted a Vigil Mechanism called 'Whistle Blower Policy' for directors and employees to report the



- management /Audit Committee instances of unethical behavior, actual or suspected, fraud or violation of company's code of conduct or ethics policy. The Vigil Mechanism also provided adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit committee in exceptional cases.
- v. **Code of conduct:** The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees in above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The company is under process of developing its website and once the same is done it undertakes to place the same in the website.
- vi. **Compliance:** At every Board meeting, a statement of Compliance with all laws and regulations as certified by the Executive Director is placed before the Board for its review. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.
- vii. **Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.
- viii. **Preferential Issue Proceeds:** The Company did not raise any funds during the year under preferential issue mode.
- ix. **CEO & CFO Certificate:** The certificate as contemplated in Clause 49 of the listing agreement was placed before the Board for its noting, in its meeting held for approval of audited financial statements of the Company.
- x. **Secretarial Audit:** A firm of practicing Company Secretaries carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### Means of Communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include, the The Financial Express (National newspaper) and Surya (regional newspaper).

#### General Shareholder's information

##### i) Annual General Meeting

- Date : December 30, 2014  
Time : 11.30 A.M  
Venue : Plot No.21, Saptaparni Building , Road No.8, Banjara Hills, Hyderabad - 34.

As required under Clause 49 particulars of Directors seeking re-appointment are given in the notes to the notice calling the Annual General Meeting to be held on December 30, 2014.

##### ii) Financial Calendar :

- Year ending : March 31, 2014





**VIRGO GLOBAL MEDIA LIMITED**

---

- AGM : December 30, 2014
- iii) Date of Book Closure : 26<sup>th</sup> Dec 2014 to 30<sup>st</sup> Dec 2014  
(Both days inclusive)
- iv) Listing on Stock Exchange : The Bombay Stock Exchange Limited
- v) Stock Code / Symbol : BSE : 532354
- vi) International Securities Identification Number (ISIN) allotted to the Company's Shares : INE400B01020
- vii) Market Price Data: High, Low ( Based on the closing prices)and number of shares traded during each month in the last financial year on the Bombay Stock Exchange Limited :
- viii) Registrar and Transfer Agents :

Month	BSE		
	High	Low	Volume
April 2013	0.77	0.77	770
May 2013	0.77	0.71	774
June 2013	0.74	0.44	682
July 2013	0.50	0.42	2,597
August 2013	0.44	0.37	455
September 2013	0.37	0.32	3,664
October 2013	0.32	0.28	1,303
November 2013	0.30	0.27	2,288
December 2013	0.32	0.27	1,323
January 2014	0.33	0.31	2,374
February 2014	0.34	0.33	203
March 2014	0.39	0.35	1,279

Name & Address : Aarthi Consultants Private Limited,  
1-2-285, Domalguda, Hyderabad – 500 029,  
Tel: 91 - 40-27638111/ 4445;  
Fax: 91 - 40-27632184  
E-mail: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)  
Contract Person: Mr. Bhaskara Murthy

- ix) Share Transfer System :

The Company's shares are traded in the stock exchanges compulsorily in Demat form. The Company's Registrar and Transfer agent is the common agency to look after physical and Demat share work. The shares lodged for transfer at the registrar are processed and returned to shareholders within the stipulated time.



x) Shareholding (as on March 31,2014) :

- a) Distribution of shareholding
- b) Categories of Shareholders as on March 31, 2014

Category	No. of Shares Holders		No. of Shares	
	Total	%	Total	%
1 – 5000	4900	87.00	1560838	14.86
5001 – 10000	368	6.53	743667	7.08
10000 – 20000	177	3.14	688971	6.56
20000 – 30000	50	0.89	309697	2.95
30001 – 40000	46	0.82	427573	4.07
40001 – 50000	10	0.18	118888	1.13
50001 – 100000	41	0.73	735612	7.00
100001 and above	40	0.71	5919054	56.35
TOTAL	5632	100.00	10504300	100.00

xi) Dematerialization of shares and liquidity :

S.No.	Category of Shareholders	No of shares	% to Share Capital
1	Promoters	3353750	31.93
2	Private Corporate Bodies	187215	1.78
3	Indian Public	6946518	66.13
4	NRIs / OCBs	16817	0.16
	<b>Grand Total</b>	10504300	100.00

The company's shares are compulsorily traded in dematerialization form. Equity shares of the Company representing 90.14% of the company's share capital are dematerialized as on March 31, 2014.

The Company's shares are regularly traded on Bombay Stock Exchange Limited.

xii) As on March 31, 2014, the company did not have any outstanding GDRs / ADRs / Warrants or any convertible instruments

xiii) Address of Correspondence : Virgo Global Media Limited  
Plot No. 5 Mithila Nagar Road No. 10  
Banjara Hills, Hyderabad – 500 034.



VIRGO GLOBAL MEDIA LIMITED

---

**Declaration as required under Clause 49 of the Listing Agreement:**

I hereby declare that all the Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2014.

By order of the Board  
For **VIRGO GLOBAL MEDIA LIMITED**

**Sd/-**  
**P Syam Prasad**  
Director

Place: Hyderabad  
Date: 03.12.2014

---

**Certificate on compliance of Corporate Governance**

**To**  
**The Members of**  
**Virgo Global Media Limited**

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Virgo Global Media Limited ("the Company") for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with 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 the 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 based on our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further certify 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.

**P. Murali & Co.**  
Chartered Accountants  
**Sd/-**  
**Mukund Vijayrao Joshi**  
Partner  
**Membership No. 024784**

Place: Hyderabad  
Date: 04.08.2014



## AUDITORS' REPORT

To  
The Members of  
**VIRGO GLOBAL MEDIA LIMITED**

### Report on the Financial Statements:

We have audited the accompanying financial statements of **M/S VIRGO GLOBAL MEDIA LIMITED** which comprise the Balance Sheet as at March 31, 2014, 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's Responsibility for the Financial Statements:

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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

### Auditor's Responsibility:

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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

### 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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.**  
Firm Regn. No. 007257S  
Chartered Accountants

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

Place: Hyderabad  
Date : 29.05.2014



**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 has no inventory. Hence this clause is not applicable.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/ s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (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. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.



- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard 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 regular in depositing statutory dues including Income Tax, Cess, and any other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X.** The Company has been registered for a period of not less than 5 years, and the company has 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 not given any guarantee for loans taken by others from Banks or Financial



Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .

- XVI.** According to the information and explanations given to us, the company has not obtained any Term Loans, hence this clause is not applicable.
- 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 used for Long term investment do 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 is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

**For P. MURALI & CO.**  
Firm Regn. No. 007257S  
Chartered Accountants

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

Place: Hyderabad  
Date : 29.05.2014



**BALANCE SHEET AS AT 31st MARCH, 2014**

Particulars	Note No.	As on	As on
		31/03/2014	31/03/2013
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	<b>42,017,200</b>	42,017,200
(b) Reserves and Surplus	2	<b>(35,920,987)</b>	(36,118,981)
(c) Money received against share warrants		-	-
<b>(2) Non-Current Liabilities</b>			
(a) Defferred tax liabilities (Net)	3	<b>16,846</b>	16,663
(b) Other Long term liabilities	4	<b>16,146,830</b>	15,595,751
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	5	<b>826,665</b>	747,076
(b) Short-term provisions	6	<b>104,265</b>	149,008
<b>Total</b>		<b>23,190,819</b>	<b>22,406,717</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	<b>21,831</b>	23,783
(b) Long term loans and advances	8	<b>181,515</b>	181,515
(c) Other non-current assets	9	<b>3,295,060</b>	3,295,060
<b>(2) Current assets</b>			
(a) Trade receivables	10	<b>1,139,248</b>	858,248
(b) Cash and cash equivalents	11	<b>3,447,003</b>	3,184,114
(c) Short-term loans and advances	12	<b>12,353,368</b>	12,043,049
(d) Other current assets	13	<b>2,752,794</b>	2,820,948
<b>Total</b>		<b>23,190,819</b>	<b>22,406,717</b>

Significant Accounting Policies and Notes on Financial Statements 1 to 28 are an integral part of these financial statements

As per our report of even date

For **P. MURALI & CO.**

Firm Regn. No. 0072575

Chartered Accountants

For **Virgo Global Media Limited**

Sd/-

**P. Murali Mohana Rao**

Partner

M.No. : 23412

Sd/-

**P.Syam Prasad**

Director

Sd/-

**B.V.S.S. Prasad**

Director

Place: Hyderabad

Date : 29.05.2014

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

Particulars	Note No.	As on	As on
		31/03/2014	31/03/2013
		Rs.	Rs.
I. Revenue from operations	14	<b>701,000</b>	675,000
II. Other Income	15	<b>263,144</b>	222,390
III. Total Revenue (I +II)		<b>964,144</b>	<b>897,390</b>
IV. Expenses :			
Employee benefit expenses	16	<b>24,000</b>	75,000
Administrative Expenses	17	<b>509,758</b>	487,389
Financial costs	18	<b>28,813</b>	27,009
Depreciation and amortization expenses	7	<b>1,952</b>	22,716
<b>Total Expenses</b>		<b>564,523</b>	<b>612,114</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		<b>399,621</b>	285,276
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		<b>399,621</b>	285,276
VIII. Extraordinary Items		<b>(101,444)</b>	-
IX. Profit before tax (VII - VIII)		<b>298,177</b>	<b>285,276</b>
X. Tax expense :			
(1) Current tax		<b>100,000</b>	100,000
(2) Deferred tax		<b>183</b>	(5,938)
XI. Profit/(Loss) for the period from continuing operations ( IX - X)		<b>197,994</b>	191,214
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>197,994</b>	<b>191,214</b>
XVI. Earning per equity share:			
(1) Basic		<b>0.02</b>	0.02
(2) Diluted		<b>0.02</b>	0.01

Significant Accounting Policies and Notes on Financial Statements 1 to 28 are an integral part of these financial statements

As per our report of even date

**For P. MURALI & CO.**

Firm Regn. No. 007257S

Chartered Accountants

Sd/-

**P. Murali Mohana Rao**

Partner

M.No. : 23412

**Place: Hyderabad**

**Date : 29.05.2014**

For Virgo Global Media Limited

Sd/-

**P.Syam Prasad**

Director

Sd/-

**B.V.S.S. Prasad**

Director



**NOTE TO FINANCIAL STATEMENTS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
<b>Note No. 1 : SHARE CAPITAL</b>		
<b>a) SHARE CAPITAL (for each class of capital)</b>		
(a) Authorised : 1,67,43,550 No. of Equity Shares @ Rs. 4/- each	<b>66,974,200</b>	66,974,200
(b) Issued : 1,05,04,300 No. of Equity Shares @ Rs. 4/- each	<b>42,017,200</b>	<b>42,017,200</b>
(c) Subscribed & fully paid up : 1,05,04,300 @ Rs. 4/- each fully paid up	<b>42,017,200</b>	42,017,200
(d) Subscribed & not fully paid up	-	-
(e) Par value per share Rs. 4/-		
<b>Total Equity Share capital</b>	<b>42,017,200</b>	<b>42,017,200</b>
<b>b) A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :</b>		
<b>Equity Shares of Rs.4Each, Fully paid up :</b>		
At the Beginning	<b>10,504,300</b>	10,504,300
Issued during the year - Bonus Issue	-	-
Issued during the year - Cash Issue	-	-
Issued during the year - ESOP	-	-
Forfeited / Bought Back during the year	-	-
At the end	<b>10,504,300</b>	<b>10,504,300</b>
<b>c) Details of Shareholder holding more than 5% shares of the Company:</b>		
<b>Equity Shares of Rs. 4 each Held By</b>		
Savera Constructions Pvt Ltd - 33,53,750 Nos. (33,53,750 Nos. Previous Year)	<b>31.93%</b>	31.93%
<b>Note No. 2 : RESERVES AND SURPLUS</b>		
<b>I RESERVES AND SURPLUS</b>		
a) Surplus :		
i) Opening Balance - Profit and Loss Account	<b>312,198</b>	120,984
Add : Transfer from Profit & Loss Account	<b>197,994</b>	191,214
	<b>510,192</b>	<b>312,198</b>
<b>II</b> A Reserve specifically represented by earmarked investments	-	-
<b>III</b> Negative balance of reserves and surplus account ( Loss )	<b>(36,431,179)</b>	<b>(36,431,179)</b>
<b>Total Reserves and Surplus</b>	<b>(35,920,987)</b>	<b>(36,118,981)</b>

**NOTE TO FINANCIAL STATEMENTS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
<b>Note No. 3 : DEFERRED TAX LIABILITY ( NET )</b>		
I Opening Deferred tax Liability	<b>16,663</b>	22,601
Add : Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	<b>183</b>	(5,938)
Deferred Tax Liability for the year ( Due to Others )		
<b>Gross Deferred tax Liability</b>	<b>16,846</b>	<b>16,663</b>
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful debte	-	-
<b>Gross Deferred tax Asset</b>	-	-
<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>16,846</b>	<b>16,663</b>
<b>Note No. 4 : OTHER LONG TERM LIABILITIES</b>		
a) Trade Payables & Others		
- Advance from Customers	-	-
- Other Liabilities	<b>16,146,830</b>	15,595,751
<b>Total other long term liabilities</b>	<b>16,146,830</b>	<b>15,595,751</b>
<b>Note No. 5 : OTHER CURRENT LIABILITIES</b>		
a) Other liabilities	<b>826,665</b>	747,076
<b>Total other current liabilities</b>	<b>826,665</b>	<b>747,076</b>
<b>Note No. 6 : SHORT TERM PROVISIONS</b>		
a) Others ( Specify the nature )		
Statutory Liabilities	<b>4,265</b>	7,020
b) Income Tax	<b>100,000</b>	141,988
<b>Total short term provisions</b>	<b>104,265</b>	<b>149,008</b>



(Amount in Rs.)

**Note Number : 7**  
**Fixed Assets as on 31st March, 2014**

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2014	Net Block as on 31.03.2013
		As at 01.04.2013	Additions during the year	Sale / Deletions during the year	As on 31.03.2014	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Dep Reserve on Deletions	Total Depreciation		
1	OFFICE EQUIPMENT	41,104	-	-	41,104	17,321	1,952	-	19,273	21,831	23,783
2	COMPUTERS	174,800	-	-	174,800	174,800	-	-	174,800	-	-
	TOTAL	215,904	-	-	215,904	192,121	1,952	-	194,073	21,831	23,783
	Previous Year	215,904	-	-	215,904	169,405	22,716	-	192,121	23,783	46,499



**NOTE TO FINANCIAL STATEMENTS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
<b>Note No. 8 : LONG TERM LOANS AND ADVANCES</b>		
I Long - term loans and advances :		
a) Security Deposit		
Secured	181,515	181,515
Unsecured	-	-
<b>Total Long term loans &amp; advances( net )</b>	<b>181,515</b>	<b>181,515</b>
<b>Note No. 9 : OTHER NON - CURRENT ASSETS</b>		
I Unamortised Expenses	3,295,060	3,295,060
Interest Accrued on Deposits	-	-
Total other non current assets	3,295,060	3,295,060
Less : Provision for Bad and Doubtful debts	-	-
<b>Total non - current assets( net )</b>	<b>3,295,060</b>	<b>3,295,060</b>
<b>Note No. 10 : TRADE RECEIVABLES</b>		
I <b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, Considered Good	1,139,248	858,248
Unsecured, Considered Good	-	-
<b>Total trade recivables</b>	<b>1,139,248</b>	<b>858,248</b>
Less : Allowance for bad & doubtful debts	-	-
<b>Total Trade Receivables(net)</b>	<b>1,139,248</b>	<b>858,248</b>
<b>Note No. 11 : CASH AND BANK BALANCES</b>		
I Cash and cash equivalents :		
a) Balances with banks :		
1) On Current Accounts	51,569	17,487
2) Margin Money against Bank Guarantees	3,392,641	3,158,392
b) Cash on hand	2,793	8,235
<b>Total Cash and Cash Equivalentts</b>	<b>3,447,003</b>	<b>3,184,114</b>

**NOTE TO FINANCIAL STATEMENTS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
<b>Note No. 12 : SHORT TERM LOANS AND ADVANCES</b>		
I Short - term loans and advances :		
a) Other loans And advances ( Specify the nature )		
Secured - Others	<b>12,353,368</b>	12,043,049
Secured - for Staff Advances	-	-
<b>Total short term loans &amp; advances</b>	<b>12,353,368</b>	<b>12,043,049</b>
Less : Provision for Doubtfull Debts	-	-
<b>Total short term loans &amp; advances( net )</b>	<b>12,353,368</b>	<b>12,043,049</b>
<b>Note No. 13 : OTHER CURRENT ASSETS</b>		
I TDS Receivable & Advance Taxes	<b>252,794</b>	320,948
Balances with Government Departments	<b>2,500,000</b>	2,500,000
<b>Total</b>	<b>2,752,794</b>	<b>2,820,948</b>



**NOTE TO FINANCIAL STATEMENTS**

Particulars	As on 31/03/2014	As on 31/03/2013
	Rs.	Rs.
<b>Note No. 14 : REVENUE FROM OPERATIONS</b>		
I Revenue from operations in respect of non-finance company		
(a) Sale of Services	<b>701,000</b>	<b>675,000</b>
(b) Other Operating Revenues	-	-
<b>Total Revenue from Operations</b>	<b>701,000</b>	<b>675,000</b>
<b>Note No. 15 : OTHER INCOME</b>		
I a) Interest income	<b>263,144</b>	222,390
b) Other non-operating income	-	-
<b>Total Other Income</b>	<b>263,144</b>	<b>222,390</b>
<b>Note No. 16 : EMPLOYEE BENEFIT EXPENSES</b>		
I (a) Salaries & Wages	<b>24,000</b>	75,000
(b) Contribution to Provident & Other Funds	-	-
(c) Staff Welfare Expenses	-	-
<b>Total Employee Benefit Expenses</b>	<b>24,000</b>	<b>75,000</b>
<b>Note No. 17 : ADMINISTRATIVE EXPENSES</b>		
(a) Telephone, Postage and Others	<b>98,117</b>	151,939
(b) Conveyance	<b>7,386</b>	1,526
(c) Printing & Stationery Expenses	<b>44,510</b>	23,240
(d) Rates & Taxes	<b>107,445</b>	39,442
(e) Consultancy Charges	<b>10,000</b>	17,500
(f) Advertisement expenses	<b>27,066</b>	15,972
(g) Listing Fees	<b>48,537</b>	48,971
(h) Miscellaneous Expenses	<b>110,517</b>	132,619
(i) Auditors Remuneration	<b>56,180</b>	56,180
<b>Total Administrative Expenses</b>	<b>509,758</b>	<b>487,389</b>
<b>Note No. 18 : FINANCE COST</b>		
I (a) Interest Expenses :		
- Bank charges and Commission	<b>28,813</b>	27,009
<b>Total Finance Cost</b>	<b>28,813</b>	<b>27,009</b>





## A. SIGNIFICANT ACCOUNTING POLICIES

### General:

- (i) These accounts are prepared on the historical cost basis and on the accounting principles of a going concern
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

### Revenue Recognition:

- (i) Revenue from Internet is recognised on accrual basis.
- (ii) Other income comprises of Interest earned on Banks Deposit.

### Fixed Assets :

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

### Depreciation and Amortisation :

- (i) 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.
- (ii) Preliminary Expenses are amortised over the period of 10 years.
- (iii) Public Issue Expenses are amortised over the period of 10 years.

### 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.

### Earning Per Share:

The earning considered in ascertaining the company's earning per share comprises net profit after tax. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year

### Gratuity:

No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

## B. NOTES ON ACCOUNTS

19. Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975. NIL
20. Auditor's Remuneration :  
Audit Fee  
Current Year (Rs.) 56,180/-  
Previous Year (Rs.) 56,180/-
21. The Company is engaged in the provision of Internet services. The production and sales in quantitative terms are not possible, as required under paragraphs 3 & 4C of part -II of Schedule VI to the Companies Act, 1956.
22. There are no dues to SSI Units outstanding for more than 30 days.
23. No confirmations were obtained from debtors/creditors as to the balances receivable from/payable to them as at year end.
24. In accordance with Accounting Standard 22 (AS 22) issued by the ICAI,



- the Company has accounted for deferred income tax during the year. The deferred income tax assets provision for the current year amounts to Rs. 183/- towards deferred income tax liability . (Previous year Rs 5,938/- towards deferred income tax Asset).
25. The company is contingently liable for Rs. 22.00 lacs towards bank guarantees issued in favour of DoT,ISP.
26. The Company got the approval from High Court of Andhra Pradesh towards
- reduction of paid-up capital and reduction of Authorized capital vide order number.55 of 2007 dated 24-07-2007. As per the High Court of Andhra Pradesh direction the Authorised capital of the Company has been reduced to 6,69,74,200/- consisting of 1,67,43,550 equity shares of Rupees 4/- each.
- 27 Previous years figures have been regrouped wherever necessary.
- 28 The figures have been rounded off to the nearest rupee.

#### SIGNATURES TO SCHEDULES 1 To 28

As per our report of even date

**For P. MURALI & CO.**

Firm Regn. No.007257S

Chartered Accountants

Sd/-

**P. Murali Mohana Rao**

Partner

M.No. : 23412

**Place: Hyderabad**

**Date : 29.05.2014**

For **Virgo Global Media Limited**

Sd/-

**P.Syam Prasad**

Director

Sd/-

**B.V.S.S. Prasad**

Director

**Statement of Cash Flows for the year ended 31.03.2014**

Rs. In Lakhs

	Particulars	As on 31/03/2014	As on 31/03/2013
<b>A</b>	<b>Cash Flow from operating activity</b>		
	Net Profit before tax	2.98	2.85
	<b>Adjustments for :</b>		
	Depreciation	0.02	0.23
	Miscellaneous expenditure written off	0.00	0.00
	Provision for Gratuity & Earned Leave & others	0.00	0.00
	Loss on sale of Assets/ Investments	0.00	0.00
	Other Income	(2.63)	(2.22)
	Operating Profit before working capital changes	0.37	0.86
	<b>Adjustments for :</b>		
	Trade and other receivables	(2.81)	(3.15)
	<b>Inventories</b>	0.00	0.00
	Trade advances	(3.10)	(2.57)
	Trade Payable	0.80	1.88
	<b>Cash generated from operations</b>	(4.75)	(2.98)
	Direct Taxes paid (net)	(0.77)	(0.30)
	Cashflow before extraordinary items	(5.52)	(3.29)
	Extraordinary items	0.00	0.00
	<b>Net Cash flow from operating activity</b>	(5.52)	(3.29)
<b>B.</b>	<b>Cash Flow from Investing Activity</b>		
	Disposal of Fixed assets	0.00	0.00
	Un Secured Loans	5.51	2.75
	Investments	0.00	0.00
	Miscellaneous Expenditure	0.00	0.00
	Other income	2.63	2.22
	Loss on Sale of Assets/ Investments	0.00	0.00
	<b>Net Cash used for investing activity</b>	8.14	4.97
<b>C.</b>	<b>Cash Flow from financing activities</b>		
	Repayment of Working Capital loan	0.00	0.00
	Deferred sales tax loan payment	0.00	0.00
	Dividend paid	0.00	0.00
	<b>Net cash generated from financing activity</b>	0.00	0.00
	Cash and cash equivalents (Opening Balance)	31.84	30.16
	Net increase in Cash & Cash equivalents (A+B+C)	2.63	1.68
	Cash and cash equivalents (Closing Balance)	34.47	31.84

As per our report of even date

For **P. MURALI & CO.**

Firm Regn. No. 007257S

Chartered Accountants

Sd/-

**P. Murali Mohana Rao**

Partner

M.No. : 23412

Place: Hyderabad

Date : 29.05.2014

For Virgo Global Media Limited

Sd/-

**P.Syam Prasad**

Director

Sd/-

**B.V.S.S. Prasad**

Director



	<p style="text-align: center;"><b>VIRGO GLOBAL MEDIA LIMITED</b></p> <p style="text-align: center;">CIN; L74910TG1999PLC031187</p> <p><b>Regd. Office:</b> Plot No. 5, Mithila Nagar, Road No. 10, Banjara Hills, Hyderabad – 500 034 Phone No. 91-40-23351212/2335, Fax. 040-23351214, E-mail id: <a href="mailto:csvirgo@yahoo.in">csvirgo@yahoo.in</a></p>
--	---

**ATTENDANCE SLIP**  
(To be present at the entrance)

Regd. Folio/ : \_\_\_\_\_ Shares held: \_\_\_\_\_

Client ID/ DPID: \_\_\_\_\_

I hereby certify that I am registered shareholder/proxy/representatives of the registered shareholder (s) of Virgo Global Media Limited.

I hereby record my presence at the 16<sup>th</sup> Annual General Meeting to be held on Tuesday, the December 30<sup>th</sup>, 2014 at 11.30 a.m. at Plot No. 21, Saptaparni Building , Road No. 8, Banjara Hills, Hyderabad - 34.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

- Note :
- 1) To be signed at the time of handing over this slip.
  - 2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.



BLANK



	<b>VIRGO GLOBAL MEDIA LIMITED</b>
	CIN; L74910TG1999PLC031187 <b>Regd. Office:</b> Plot No.5, Mithila Nagar, Road No. 10, Banjara Hills, Hyderabad – 500 034 Phone No. 91-40-23351212/2335, Fax. 040-23351214, E-mail id: csvirgo@yahoo.in

**FORM-No-MGT-11  
Proxy Form**

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):	
Registered Address:	
E-Mail Id:	
Folio No/Client Id:	
DP Id:	

I/We, being the member(s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint

1.	Name	
	Address	
	Email Id or failing him	Signature
2.	Name	
	Address	
	Email Id or failing him	Signature
3.	Name	
	Address	
	Email Id	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held Tuesday, the December 30<sup>th</sup>, 2014 at 11.30 a.m. Plot No.21, Saptaparni Building, Road No.8, Banjara Hills, Hyderabad - 34, and at any adjournment thereof in respect of such resolutions as are indicated below :

S.No	Resolutions	For	Against
1.	Consider and Adopt Audited Financial Statements, Reports of the Board of Directors and Auditors.		
2.	Re-Appointment of Mr.P.Syam Prasad as a Director, who retires by rotation.		
3.	Appointment of Auditors and fixing of their remuneration.		
4.	Appointment of Mr. Hafeezuddin Shaik Imam as an Independent Director.		
5.	Appointment of Mr. Baliya Venkata Satya Sai Prasad as an Independent Director.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of shareholder; \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix Revenue Stamp
---------------------------

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before commencement of the Meeting.



BLANK



	<p style="text-align: center;"><b>VIRGO GLOBAL MEDIA LIMITED</b> CIN; L74910TG1999PLC031187 <b>Regd. Office:</b> Plot No. 5, Mithila Nagar, Road No. 10, Banjara Hills, Hyderabad – 500 034 Phone No. 91-40-23351212/2335, Fax. 040-23351214, E-mail id: <a href="mailto:csvirgo@yahoo.in">csvirgo@yahoo.in</a></p>
--	---

**FORM-No-MGT-12****Polling Paper**

(Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014).

Name of the Company	VIRGO GLOBAL MEDIA LIMITED
Registered Address:	Plot No. 5, Mithila Nagar, Road No. 10, Banjara Hills, Hyderabad – 500 034
<b>BALLOT PAPER</b>	
Name of the first named Shareholder :	
Postal Address:	
Folio No/Client Id & DP Id:	
Class of Share	

I hereby exercise my vote in respect of Ordinary resolution enumerated to be considered in Sixteenth Annual General Meeting of the Company to be held on Tuesday, the December 30<sup>th</sup>, 2014 at 11.30 a.m. Plot No. 21, Saptaparni Building, Road No. 8, Banjara Hills, Hyderabad - 34, by recording my assent or dissent to the said resolutions in the following manner.

No	Item No.	No. of Shares held by me	I Assent to the Resolution	I dissent to the Resolution
1.	Consider and Adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.			
2.	Re-Appointment of Mr.P.Syam Prasad as a Director who retires by rotation.			
3.	Appointment of Auditors and fixing of their remuneration.			
4.	Appointment of Mr. Hafeezuddin Shaik Imam as an Independent Director.			
5.	Appointment of Mr. Baliya Venkata Satya Sai Prasad as an Independent Director.			

Place :

Date :

(Signature of the shareholder)





VIRGO GLOBAL MEDIA LIMITED

---

**PRINTED MATTER**

*If Undelivered please return to :*



**VIRGO GLOBAL MEDIA LTD.**

Plot No. 5, Mithila Nagar, Road No. 10

Banjara Hills, Hyderabad.

CIN : L7910TG1999PLC031187

Ph. : 91-40-23551212/2335, Fax : 91-40-2335 1214

E-mail : csvirgo@yahoo.in