

**15th  
ANNUAL REPORT  
2006-2007**



**VJIL Consulting Limited**

**VJIL Consulting Limited**

**BOARD OF DIRECTORS :**

Mr.M.Satyendra	:	Chairman cum Managing Director
Mr.J.Venkat Rao	:	Director
Mr.Avinash Vashistha	:	Director
Mr.Dharam Paul Ahuja	:	Director
Mr.J.S.Murthy	:	Director
Mr.G.Nagendra	:	Director

**AUDITORS**

M.Anandam & Co.  
7A, Surya Towers, S.P.Road  
SECUNDERABAD - 500 003

**BANKERS**

State Bank of Hyderabad  
Industrial Finance Branch  
Punjugutta, Hyderabad - 500 082

**REGISTERED OFFICE**

Usha Kiran, 1-8-165  
S.D.Road, Secunderabad - 500 003

**REGISTRARS & TRANSFER AGENTS:**

Sathguru Management Consultancy Private Limited  
Plot No.15, Hindi Nagar  
Punjugutta, Hyderabad - 34

**LISTING AT:**

Bombay Stock Exchange Limited

## NOTICE

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the members of the VJIL CONSULTING LIMITED will be held on Saturday the 30th day of May 2009 at 11.00 A.M. at Tyagaraya Gana Saba, Chikkadapatly, Hyderabad-500 095, to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet of the company as at 31.03.2007 and the Profit and Loss account for the year ended on that date and the report of the board of Directors' and the Auditor's report thereof
- 2) To appoint retiring auditors who are eligible for the re-appointment as per Section 224 (1B) of the Companies Act, 1956 from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fixing their remuneration

BY ORDER OF THE BOARD

Place: Secunderabad  
Date: 31<sup>st</sup> May, 2008

Sd/-  
**M.SATYENDRA**  
CHAIRMAN CUM MANAGING DIRECTOR

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before Commencement of the meeting.
3. Hon'ble High Court of Andhra Pradesh directed vide its Order dated 29<sup>th</sup> Feb, 2008 to conduct the Annual General Meeting for placing the accounts of the year 2006-07 and appointing statutory auditors for the year 2007-08.
4. Hon'ble High Court of Andhra Pradesh directed vide its Order dated 6<sup>th</sup> October, 2007 that there should not be any change in the composition of the Board of Directors of the Company, hence the item regarding retirement of directors by rotation is not included in the notice calling Annual General Meeting.
5. The Register of the members and share transfer books of the Company will remain closed from 25th May, 2009 to 29th May 2009 both days inclusive).
6. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.
7. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name/sequence of names.

**DIRECTORS REPORT**

Dear Members,

Your Directors are pleased to present the 15<sup>th</sup> Annual Report of your company together with the Audited Balance Sheet, Profit and Loss Accounts of the company for the financial year ended 31.03.2007

**1. FINANCIAL HIGHLIGHTS:**

Financial results for the year under review and as well as previous year are as follows. (Rupees in Lakhs)

Particulars	Year Ended 31.3.2007	Year Ended 31.3.2006
Income from Operations	1310.13	1545.91
PBIDT	(896.92)	108.91
Depreciation	146.88	74.76
Profit Before Tax (PBT)	(1043.80)	34.15
Provision for Tax	9.30	11.01
Profit After Tax (PAT)	(1053.10)	23.14

**2. OPERATIONS:**

During the year under review, your Company made a Net income of Rs.13.10 Crores and incurred a Net Loss of Rs.10.53 Crores after providing for depreciation and tax. The operations of the Company were affected badly due to differences in the management which ultimately got subjudiced and the matter is at present pending before Hon'ble High Court of Andhra Pradesh. The company incurred losses due to reduction in turnover, provision for doubtful debts, write off of some of the items and other amounts on changing some of the accounting procedures.

Sensing the issues which are affecting the operations of the Company badly and in the best interest of the Company, one of the promoter Directors Mr.M.Satyendra requested the Board of Directors to call for an Extraordinary General Meeting under section 169 of the Companies Act, 1956. As the Board did not act on that notice the requisitionist went ahead calling an Extraordinary General Meeting which was held on 12<sup>th</sup> February 2007. At the said E G M, Mr B.V.R.Sridhar Rao, Mr.Ch. Chidambara Rao, Mrs.J.Vani were removed as directors of the Company and inducted Mr.Avinash Vashishta, Mr.Dharam Paul Ahuja, Mr.J S S Murthy, Mr. Atikem Haile Mariam and Mr.G.Nagendra as directors of the Company. Mr.J.Venkat Rao, Chairman & Managing Director was also removed from the position of Chairman and Managing Director and in his place Mr.M.Satyendra was appointed as Chairman cum Managing Director. Mr.J.Venkat Rao continues to be director of the Company.

These removed directors filed petition before the Hon'ble Company Law Board, Southern Region bench, Chennai appealing against the above EGM. The verdict of Company Law Board has been stayed by the Hon'ble High Court of Andhra Pradesh and the matter is pending before Hon'ble High Court. Pending the matter, the Hon'ble High Court ordered to get finalized the accounts for the year 2006-07 and conduct Annual General Meeting for that year to place the accounts for the consideration of shareholders and appoint statutory auditors to hold the office till the conclusion of next Annual General Meeting.

During this time, statutory auditors of the Company resigned from the office. In their place, M/s M. Anandam & Co., Chartered Accountants has been appointed as statutory auditors at the Extraordinary General Meeting held on 06<sup>th</sup> December 2007.

**3. DIVIDEND:**

Due to losses, the directors of your company do not recommend any dividend for the financial year 2006-07

**4. FIXED DEPOSITS:**

Your Company has not accepted any deposits falling under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules 1975 during the year.

**5. DIRECTORS:**

Your company has received a requisition from a member to call for an Extraordinary General Meeting under section 169 of the Companies Act, 1956. Failure by the company to convene E G M within the stipulated time, requisitionist suo moto called for an E G M on 12<sup>th</sup> February 2007 and removed Sri J.Venkat Rao from the post

of CMD and also removed Sri B V R Sridhar Rao, Sri Ch Chidambar Rao and Smt. J.Vani from the office of directors. The company in the same meeting appointed Mr.Avinash Vashistha, Mr.Dharam Paul Ahuja, Mr.J.S.S. Murthy, Mr.Atikem Haile-Mariam and Mr.G.Negendra as the directors. Mr.M.Satyendra took charge as Chairman cum Managing Director in the same meeting.

No resolution for appointment of directors by rotation was included in the notice on account of stay granted by Hon'ble High Court of Andhra Pradesh.

## 6. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Act, 1956 the Directors of your company hereby confirm:

- (i) that in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March 2007, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31<sup>st</sup> March, 2007 and of the profit and loss of the company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a going concern basis for the financial year 2006-07.

## 7. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis report is enclosed to this report as Annexure - A

## 8. CORPORATE GOVERNANCE:

Report on Corporate Governance along with Auditors' Certificate on Compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure - B to this report.

## 9. AUDITORS:

M/s M. Anandam & Co., Chartered Accountants, retire at the conclusion of the ensuing AGM and being eligible for the re-appointment, offer themselves for reappointment for the financial year 2007-2008. Your Company has received a certificate from the said Auditors to the effect that their re-appointment if made would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

## 10. PARTICULARS OF EMPLOYEES;

Particulars as required to be furnished U/s 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975, is as follows:

Name & Age	Designation	Remuneration (Rs.)	Qualifications	Experience	Date of Joining	Particulars of last employment
M.Satyendra #	Chairman & Managing Director	24,00,000	B Com MBA	16 years	Since Incorporation	--

# Appointed as Chairman & Managing Director in the EGM. held on 12<sup>th</sup> February, 2007 but implemented the resolutions from 6<sup>th</sup> October, 2008 following the interim stay of Hon'ble high court order dated 6<sup>th</sup> October, 2007

## 11. SUBSIDIARY:

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts for the financial year ended 31<sup>st</sup> March, 2007 along with report of the Board of Directors and Auditor of the Company's Subsidiary, M/s Mercury Outsourcing Management Limited could not be furnished

## 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Your company has taken adequate internal control procedures by which the cost of electricity shall be identified with project and the company will provide an incentive for the concerned department which consumes optimum power.

No additional investments for reduction of Energy consumption were taken up during the year under review.

- b) Technology absorption: Not Applicable  
c) Foreign exchange earnings and outgo:

	(Rs. In lacs)	
	2006-07	2005-06
Foreign Exchange earnings	1241.95	1494.22
Foreign Exchange outgo	1407.79	1048.14

### 13. EXPLANATION TO THE RESERVATIONS AND QUALIFICATIONS MADE BY THE AUDITORS IN THEIR REPORT:

#### Item No.4(a):

The Company is in the business of software development and training in which attrition rate is very high. Hence retirement benefits, non-provision of gratuity on actuarial basis and leave encashment of salary are not as per Accounting Standard 15 as the same are accounted on cash basis. However the same will be reviewed in the year 2007-08 by identifying the employees who put up longer service and the provision will be made on actuarial basis to them.

#### Item No.4(b), (c), (d), (e) and (f) :

Due to legal disputes among the directors there is vertical split. The present management looking into the day-to-date operations of the company found that certain records and registers relating to statutory and accounting matters were not traceable. Despite the best efforts put in by the management the said registers and records could not be traceable as on date. In view of the above the management could not produce the same for verification of auditors. However the Management has reviewed the accounting balances from the available records and information. It has been decided by the management to further initiate all the steps necessary to rectify the discrepancies pointed out by the qualifications in the auditor's report.

#### Item No.5(e):

Mr. J Venkat Rao did not furnish the declaration under Section 274(1)(g) and hence the same could not be provided to the auditors.

#### Item No.5(f):

As explained in the Item No.4(b), (c), (d), (e) and (f) supra, the Statutory Records, Statutory Registers, etc., were not found in the office. In the absence of the vital records and registers, the Board is unable to provide the same to the auditors for ascertaining the consequential effect on the loss for the year and assets and liabilities of the Company. The management is in the process of locating the records. Meanwhile the company has initiated steps for maintaining of all the statutory registers afresh.

#### Item No.i(a) and (b) of the annexure to the Auditor's Report:

As pointed out by the auditors, the Fixed Assets Register is not traceable for the reasons mentioned in the Item No.4(b), (c), (d), (e) and (f) supra and the management is in the process of preparation and updation of Fixed Assets Register.

#### Item No.ii(a)

The course material will be sent to various training centers located in the state based on number of students enroll for the course and the training centers will give the same to the students. During the year under review, management could not physically verify the same during the year, due to disputes between the management.

#### Item No.2(b) and (c)

Management has taken steps to physically verify the inventories which will commensurate with the size of the inventory. As explained supra, the records relating to inventories has been misplaced and hence the same was not furnished to the auditors.

Item No.iii(c)

Though no specific terms and conditions are stipulated the company shall be taking all efforts for the recovery of the loans.

Item No.iv and vii:

The Board is taking necessary steps to place the system of controls and Internal Audit in place as required.

Item No.v(a) and (b)

The terms and conditions on which loans have been taken by the Company from the Companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not prejudicial to the interest of the Company. In this regard, company could not provide information to the auditor since the records are not traceable and the reasons stated in the item No.4(b), (c), (d), (e) and (f) supra.

Item No.ix:

Board of Directors of your company admits that in the year 2006-07, your company was not regular in remitting P.F, E.S.I, T.D.S and Service Tax. the company is in the process of regularisation the dues.

14. EMPLOYEE CONTRIBUTION:

The board wishes to place on record its sincere appreciation for their untiring efforts at all levels and various departments and showing good results in software development and training both in India and abroad.

15. ACKNOWLEDGEMENTS:

Your Directors also place on record their heart felt gratitude for the support extended and confidence reposed by the customers, shareholders, employees, Central and State Government agencies and suppliers and look forward for the same in future.

For and on Behalf of the Board

Place: Secunderabad  
Date: 31<sup>st</sup> May, 2008

Sd/-  
M. SATYENDRA  
CHAIRMAN CUM MANAGING DIRECTOR

**MANAGEMENT DISCUSSION AND ANALYSIS****Industry Structure and Development**

Technology, especially information technology has transformed business by creating productivity gains and new business models in the last two decades. This has resulted in the increased importance of IT to the success of companies worldwide. The ability to design, develop, implement, and maintain advanced technology platforms and solutions to address business and customer needs has become a competitive advantage and a priority for corporations worldwide.

BPO industry and Indian IT software is set to achieve \$75 billion revenues by 2010 despite economic slowdown in the US.

For the year ended 2007, revenue for the total IT industry (including domestic segment and hardware) was \$48 billion. Of this, the total revenue from software and services (exports) was \$31.3 billion and ITes-BPO revenue was \$9.5 billion for F.Y.07.

**Opportunities, Threats, Risks and Concerns:**

- 5 India has been and remains the most favoured offshore location for Technology Services. India is ranked at the top, ahead of China, Czech Republic and Philippines for offshore IT services.
- 5 USA is the biggest market for Indian Software and BPO Industry. However, due to economic slowdown, it has cut down expenditure on technology drastically.
- 5 Surging Oil Prices, Appreciation of Rupee and Global Economic Slowdown means slower growth rate as Indian IT Industry is set to grow at 23-24 percent compared to excellent growth rate of 29 percent last fiscal.

VJIL focuses on IT core activities i.e., enterprise information management, enterprise integration services, Data Ware housing services. Its clients include organizations from various sectors of the economy such as financial, healthcare, oil, and pharmaceuticals, retail, business services, education, IT and government.

**Internal Controls and Their Adequacy**

Serious internal differences in the management of the company have disrupted some of the internal control systems. The Company is endeavoring to place all the controlling systems to have proper control and accountability on the operations at each level.

**Human Resources / Industrial Relations**

The Company believes and recognises that its employees are a vital resource in its growth and to give competitive edge in the present business scenario.

Training and development have been on going areas of focus. The Management has also taken steps to recruit new blood into the system to ensure that there is good buffer available for attrition. HR processes will be strengthened further to encourage performance and development of individual potential.

The Board of Directors wishes to place on record its appreciation for the hard work and dedication of its employees at all levels.

**Outlook**

The Company's aim is to optimally utilize its resources and grabbing all the possible opportunities for achieving the end result of the organization for the year and for long run sustainability. Investment in research is needed to come up with new products and to give tough competition to competitors.

For and on Behalf of the Board

Place: Secunderabad  
Date: 31<sup>st</sup> May, 2008

Sd/-  
M. SATYENDRA  
CHAIRMAN CUM MANAGING DIRECTOR

**REPORT ON CORPORATE GOVERNANCE****1. Brief statement On Company's philosophy on code of governance.**

VJIL Consulting Limited believes that good corporate governance is a key driver of sustainable corporate growth and long-term value creation for its shareholders. Corporate Governance at VJIL Consulting Limited does not only mean ensuring the compliance with regulatory requirements, but also being responsive to aspirants of customers/clients and expectations of the society. VJIL Consulting Limited always strives for excellence in quality of goods and services with the twin objectives of enhancing customer satisfaction and shareholder value.

We are committed to upgrade our systems, processes and disclosure norms to achieve high standards of Corporate Governance.

**2. BOARD OF DIRECTORS:****A. Composition of the Board:**

There is a pending legal dispute in respect of the management, Composition of the Board among other things. Subject to the outcome of dispute on 31<sup>st</sup> March, 2007, the Board consists of 7 Directors. There is one whole-time Director. The remaining six are non-executive Directors, of whom four are independent.

An Extraordinary General Meeting u/s 169(6) was held on 12th February, 2007 financial year under review for removal of Mr. J. Venkat Rao from the position of Chairman cum Managing Director but to remain as director, Mr.B.V.R.Sridhar Rao, Mr. Ch.Chidamba Rao, Mrs. J. Vani were also removed from the directorships and in their place Mr. M.Satyendra as Chairman and Managing Director, Mr. Avinash Vashistha as Director, Mr. Dharam Paul Ahuja as Director, Mr.J S S Murty as Director and Mr. Atikem Haile-Mariam as Director, and Mr. G. Nagendra as Director was appointed

The Hon'ble Company Law Board has stayed all the decisions taken at the said Extra-ordinary General Meeting vide its order dated 9<sup>th</sup> February 2007 and ordered for status quo.

The Company has approached the Hon'ble High Court of Andhra Pradesh, which has stayed the order of Company Law Board as per the order dated 6<sup>th</sup> October, 2007

Name of Director	Category
Mr. M. Satyendra	Chairman cum Managing Director
Mr. J.Venkat Rao	Promoter Director
Mr. Avinash Vashistha	Non-Executive Non-Independent Director
Mr. Dharam Paul Ahuja	Non-Executive Independent Director
Mr. J S Murty	Non-Executive Independent Director
Mr. G. Nagendra	Non-Executive Non-Independent Director

**B. Number of Board Meetings:**

VJIL Consulting Limited has called for 4 Board Meetings during the year ended 31<sup>st</sup> March, 2007. These were held on 30.06.2006, 31.07.2006, 31.10.2006. However the meeting called on 31.01.2007 could not be held due to want of quorum. The maximum time gap between any two board meetings during the year was less than four months except for the Fourth Meeting which could not be held for want of quorum.

**3. AUDIT COMMITTEE:****a) Brief description of terms of reference**

- i. To Oversee the Company's financial reporting process and disclosure of financial information.
- ii. To recommending the appointment, re-appointment & removal of Statutory & Internal Auditors and fixation of audit fee.
- iii. To review the Internal Control Systems, the scope of audit including observations of the Auditors, adequacy of the Internal Audit Function. Major accounting policies and practices, compliance with accounting

standards and with the stock exchange and legal requirements concerning financial statements and related party transactions, if any.

- iv. To review the Company's financial and risk management policies and discuss with the internal auditors any significant findings for follow-up thereon;
- v. To review the financial statements before submission to the Board of Directors.
- vi. To ensure that adequate mechanism for prevention & detection of frauds is in place.

#### 4. REMUNERATION COMMITTEE

##### a) Brief description of terms of reference.

To determine on behalf of the Board and the shareholders, the Company's policy on specific remuneration packages for all Executive and Non-Executive Directors of the Company.

##### b) Remuneration Policy

The remuneration policy is in consonance with the existing Industry Practice and also with the provisions of the Companies Act, 1956.

Details of Remuneration paid to the Executive Directors during the year 2006-07 are as under:

Name of the Director	Designation	Remuneration (In Rs.)
J. Venkat Rao*	Chairman & Managing Director	4,00,000
M. Satyendra*	Chairman & Managing Director	24,00,000

\*The Company at the Extra-ordinary General Meeting held on 12<sup>th</sup> February, 2007 has removed Mr. J. Venkat Rao as Chairman and Managing Director and appointed Mr. M. Satyendra as Chairman and Managing Director. However the Hon'ble Company Law Board has stayed all the decisions taken at the said Extra-ordinary General Meeting vide its order dated 9<sup>th</sup> February 2008 and ordered for status quo. On appeal the Hon'ble High Court of A.P. has stayed the order of CLB.

#### 5. GENERAL BODY MEETINGS:

##### a) The last three Annual General Meetings of the Company were held as under.

Financial Year	Date	Venue	Time
2005-2006	30.09.2006	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	10.00 A.M.
2004-2005	30.09.2005	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	10.00 A.M.
2003-2004	30.09.2004	Jawahar Bal Bhavan, Public Gardens Premises, Hyderabad.	10.00 A.M.

##### b) Whether any Special Resolutions passed in the previous 3 Annual General Meetings:

Date of AGM	Whether Special Resolution passed	Summary Resolution
30-09-2005	YES	- For appointment of Mr. J Venkat Rao as Managing Director of the Company for a period of 3 years w.e.f 13th May, 2005.- For appointment of Mr. Satyendra as Joint Managing director of the company for a period of 3 years w.e.f 13th May, 2005.

##### c) Whether Special resolutions were put through postal ballot last year, if so, details of voting pattern.

No special resolutions were put through postal ballot last year.

- d) Person who conducted the postal ballot exercise.

Not Applicable

- e) Whether any Special resolutions are proposed to be passed through postal ballot.

No resolutions are proposed to be passed through postal ballot.

- f) Procedure for postal ballot.

Not Applicable

## 6. DISCLOSURES

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

Nil

- b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

NIL

- c) Whistle Blower Policy: The Company has not established a whistle blower policy.

- d) Details of Compliance with Mandatory requirements and adoption of non-mandatory requirements.

**Mandatory Requirements:** We are unable to state whether all the requirements were complied with due to disputes as regards management.

**Non-mandatory Requirements:**

### **The Board:**

The suggested tenure for Non-executive directors: Yet to be implemented.

**Remuneration Committee:** The Company has constituted a remuneration committee to periodically review and recommend to the Board the remuneration package of the whole-time directors.

**Shareholders Rights:** Not applicable.

**Audit Qualifications:** The Directors have given their explanations in the Directors Report to audit qualifications in the Auditors Report.

**Training of the Board Members:** The Company evolves a plan to train the Board members.

**Mechanism for evaluating Non-Executive Board members:** Yet to evolve

**Whistle blower Policy:** Not yet established

## 7. MEANS OF COMMUNICATION.

- a) The Quarterly and Half-yearly Results are intimated to the shareholders through press.
- b) Quarterly results are normally published in the local news papers.
- c) The results are not posted on the company's website. As required under clause 51 of the listing agreement, the company uploads the quarterly results, shareholding pattern and annual report on SEBI's website under Electronic Data Information Filing and Retrieval (EDIFAR).
- d) There were no presentations made to the Institutional Investors or Analysts during the year 2006-2007.

## 8. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting:

Date : 30th May, 2009  
 Time : 11-00 AM.  
 Venue : Tyagaraya Gana Saba, Chikkatapally, Hyderabad - 500 095.

### b) Financial Calendar

1<sup>st</sup> April to 31<sup>st</sup> March

### c) Dates of Book Closure

The dates of book closure are from 25th May, 2009 to 29th May, 2009 inclusive of both days.

### d) Dividend Date : Not Applicable

### e) Listing on Stock Exchanges

Name of the Stock Exchange	Address	Code
The Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400001	517429

### f) Stock Data:

Monthly High and Low prices of VJIL Consulting Limited at the Stock Exchange, Mumbai (BSE) and performance in comparison to broad-based indices for the year ended 31<sup>st</sup> March, 2007 are furnished hereunder.

Month	THE STOCK EXCHANGE, MUMBAI			
	SHARE PRICE (Rs.)		SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2006	23.60	18.65	12,102.00	11,008.43
May, 2006	26.65	17.65	12,671.11	9,826.91
June, 2006	17.80	12.45	10,626.84	8,799.01
July, 2006	15.50	10.30	10,940.45	9,875.35
August, 2006	18.65	9.65	11,794.43	10,645.99
September, 2006	16.90	12.50	12,485.17	11,444.18
October, 2006	14.85	12.15	13,075.85	12,178.83
November, 2006	20.37	11.41	13,799.08	12,937.30
December, 2006	40.30	21.35	14,035.30	12,801.65
January, 2007	41.90	33.05	14,325.92	13,303.22
February, 2007	47.20	35.70	14,723.88	12,800.91
March, 2007	38.85	32.00	13,386.95	12,316.10

g) Registrar & Transfer Agents

M/s. Sathguru Management Consultants Pvt. Limited acts as Registrar and Share Transfer Agent and Demat Registrar.  
 Address: M/s. Sathguru Management Consultants Pvt. Limited  
 Plot No.15, Hindi Nagar Colony, Behind Saibaba Temple,  
 Punjagutta, Hyderabad - 500 034.  
 Telephone No. 040-23356507 & 23350586.  
 Fax No : 23354042  
 E-mail : info@sathguru.com

h) Share Transfer System

The share transfers are processed and the share certificates are returned to the shareholders within 30 days, subject to the documents being complete in all respects.

i) Distribution of shareholding as on 31<sup>st</sup> March, 2007

Shares or debenture holding of nominal value of Rs.	No. of holders	%	Shares /Debentures Amount	%
1 - 500	7626	89.34	14284630	18.18
501 - 1000	479	5.61	4020920	5.12
1001 - 2000	216	2.53	3406210	4.33
2001 - 3000	71	0.83	1860920	2.37
3001 - 4000	29	0.34	1011000	1.29
4001 - 5000	33	0.39	1591170	2.02
5001 - 10000	41	0.48	2823310	3.59
10001 and above	41	0.48	49587840	63.10
<b>TOTAL</b>	<b>8536</b>		<b>78586000</b>	

j) Shareholding Pattern as on 31<sup>st</sup> March, 2007.

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares	
				As a % of (A+B)	As a % of (A+B+C)
<b>(A) Shareholding of Promoter and Promoter Group</b>					
<b>(1) Indian</b>					
Individuals / Hindu Undivided Family	8	2,804,537	2,794,037	35.69	35.69
Bodies Corporate	1	110,800	110,800	1.41	1.41
<b>Sub Total</b>	<b>9</b>	<b>2,915,337</b>	<b>2,904,837</b>	<b>37.1</b>	<b>37.1</b>
<b>(2) Foreign</b>					
Individuals (Non-Residents Individuals / Foreign Individuals)	1	50,000	50,000	0.64	0.64
<b>Sub Total</b>	<b>1</b>	<b>50,000</b>	<b>50,000</b>	<b>0.64</b>	<b>0.64</b>
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>10</b>	<b>2,965,337</b>	<b>2,954,837</b>	<b>37.73</b>	<b>37.73</b>

<b>(B) Public Shareholding</b>					
<b>(1) Institutions</b>					
Financial Institutions / Banks	1	200	200	-	-
Central Government / State Government(s)	1	100	-	-	-
<b>Sub Total</b>	<b>2</b>	<b>300</b>	<b>200</b>	<b>-</b>	<b>-</b>
<b>(2) Non-Institutions</b>					
Bodies Corporate	182	612,675	601,475	7.8	7.8
<b>Individuals</b>					
Individual shareholders holding nominal share capital up to Rs. 1 lakh	8,778	2,647,654	1,824,500	33.69	33.69
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	25	1,297,962	1,172,462	16.52	16.52
<b>Any Others (Specify)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non Resident Indians	92	334,672	303,372	4.26	4.26
<b>Sub Total</b>	<b>9,077</b>	<b>4,892,963</b>	<b>3,901,809</b>	<b>62.26</b>	<b>62.26</b>
<b>Total Public shareholding (B)</b>	<b>9,079</b>	<b>4,893,263</b>	<b>3,902,009</b>	<b>62.27</b>	<b>62.27</b>
<b>Total (A)+(B)</b>	<b>9,089</b>	<b>7,858,600</b>	<b>6,856,846</b>	<b>100</b>	<b>100</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>					
	-	-	-	-	-
<b>Total (A)+(B)+(C)</b>	<b>9,089</b>	<b>7,858,600</b>	<b>6,856,846</b>	<b>-</b>	<b>100</b>

**"Promoter and Promoter Group"**

Sl. No.	Name of the Shareholder	No. of Shares	Shares as % of Total No. of Shares
1	J Venkat Rao	630,276	8.02
2	J Varin	293,900	3.74
3	M Satyendra	1,329,651	16.92
4	M Sunitha	414,117	5.27
5	Ravindra Manchala	99,793	1.27
6	Kaladevi Katikineni	50,000	0.64
7	Manchala Mallesham	12,300	0.16
8	M Sankara Kumari	17,500	0.22
9	M Sarojini Devi	7,000	0.09
10	V J Financial Services Pvt. Ltd	110,800	1.41
	<b>Total</b>	<b>2,965,337</b>	<b>37.73</b>

**"Public" and holding more than 1% of the Total No. of Shares**

Sl. No.	Name of the Shareholder	No. of Shares	Shares as % of Total No. of Shares
1	Garima Sathi Vashistha	312,637	3.98
2	Jagannath Acharya	277,000	3.52
3	Bhagyalaxmi Gampa	85,096	1.08
4	Vipul Prem Chand Mepa Haria	213,000	2.71
5	Avinash Vashistha	200,000	2.54
6	Bhagyanagar Metals Ltd	375,000	4.77
	<b>Total</b>	<b>1,462,733</b>	<b>18.61</b>

**k) Dematerialisation of shares and liquidity**

The Company's shares are available for dematerialisation on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 87.43% of shares has been dematerialized as on 31.03.2007.

**l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.**

Not Applicable as the Company has not issued any of the above instruments.

**m) Address for correspondence:**

Investor for Correspondence:

Address: M/s. Sathguru Management Consultants Pvt. Limited

Plot No.15, Hindi Nagar Colony, Behind Saibaba Temple,

Punjagutta, Hyderabad - 500 034.

Telephone No. 040-23356507 & 23350586.

Fax No : 23354042

E-mail : info@sathguru.com

Others : investor@vjil.com

VJIL Consulting Limited,

(Address) : "Usha Kiran" 1-8-165, S.D. Road, Secunderabad - 500 003.

E-mail : \_\_\_\_\_

The above report was approved by the Board of Directors at their meeting held on 31-05-2008.

**Note: 1**

There is pending legal dispute in respect of Management, Composition of Board among other things. The Company law Board vide its order date 9<sup>th</sup> February, 2007, has stayed the resolution passed at the Extra-ordinary General Meeting held during the financial year. The Hon'ble High Court of Andhra Pradesh has stayed in total the order passed by the Hon'ble Company Law Board. The pending legal dispute has created a Management Deadlock. The Statutory Records like, the Minute Books of the Board, Committee and General meetings, Directors Attendance registers and Statutory Registers were not found in the office after the deadlock in the management. In the absence of the above registers, the Board is unable to provide the following information:

1. Directors' attendance record, directorships\*held, number of memberships in the committees and number of chairman ships held by all the directors.
2. Re-appointment/appointment of directors and their profile.
3. Composition, name of members and Chairperson of the Audit Committee.
4. Details of Audit Committee Meetings and attendance at the Meetings.
5. Composition, name of the members and chairperson of the Remuneration Committee.
6. Details of Remuneration Committee Meetings and attendance at the meetings.
7. Composition, Chairperson of the Shareholders/Investors Grievance Committee.
8. Declaration on Code of Conduct.

**Auditors Certificate on compliance of Corporate Governance**

To the members of VJIL CONSULTING LIMITED.

We have examined the compliance of conditions of Corporate Governance by VJIL CONSULTING LIMITED, for the year ended 31<sup>st</sup> March, 2007 as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Statutory Records like, the Minute Books of the Board, Committee and General meetings, Directors Attendance registers and Statutory Registers were not found in the office after the deadlock in the management due to pending legal dispute in respect of Management, Composition of Board among other things. In the absence of the above registers, the Board is unable to provide the following information:

1. Directors' attendance record, directorships held, number of memberships in the committees and number of chairman ships held by all the directors.
2. Re-appointment/appointment of directors and their profile.
3. Composition, name of members and Chairperson of the Audit Committee.
4. Details of Audit Committee Meetings and attendance at the Meetings.
5. Composition, name of the members and chairperson of the Remuneration Committee.
6. Details of Remuneration Committee Meetings and attendance at the meetings.
7. Composition, Chairperson of the Shareholders/Investors Grievance Committee.
8. Declaration on Code of Conduct.

Based on the above, we are unable to comment whether the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We are unable to state that there are no investor grievance(s) are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. ANANDAM & Co.  
Chartered Accountants

Sd/-  
(S. Venkateswarlu)  
Partner

## AUDITORS' REPORT

To,  
The Members of  
VJIL Consulting Ltd,  
Secunderabad.

1. We have audited the attached Balance Sheet of VJIL Consulting Ltd as at 31<sup>st</sup> March 2007 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Attention is drawn to our comments on the accounts as under:
  - a) Accounting policy number 'f' in Schedule number 'P' regarding non-provision of gratuity on actuarial valuation and leave encashment salary as per Accounting Standard -15.
  - b) Note No. (i) regarding absence of party wise/item wise details of the majority of the opening balances of assets and liabilities.
  - c) Note No. (ii) regarding non-confirmation and non-reconciliation of debtors.
  - d) Note No. (iii) regarding absence of fixed assets register and non-ascertainment of discrepancies on physical verification of fixed assets as compared to book records
  - e) Note No. (iv) regarding non-confirmation and reconciliation of certain current assets and current liabilities
  - f) Note No. (v) regarding misplacement of certificates relating to investments.
5. Further and subject to our comments in the annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
  - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c) In our opinion, the Balance Sheet, Profit and Loss account and Cash flow statement dealt with by this report comply with requirements of the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956 except as referred in clause 4 (a) above;
  - d) The Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
  - e) As per the information and explanations given by the management, written representations in terms of 274(1)(g) of the Companies Act, 1956 have not been received from one of the directors, Mr.J.Venkat Rao, and hence not taken on record by the Board of Directors. In the absence of this representation, we are unable to comment whether Mr. J Venkat Rao is disqualified from being appointed as a Director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. As far as other directors are concerned, on the basis of the written representations received from such directors, and taken on record by the Board of Directors, we report that none of the remaining directors is disqualified as on 31<sup>st</sup> March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes forming part of accounts (Schedule-P), and subject to our comments in Paragraph 4 above, the consequential effect not ascertainable on the Loss for the year, assets and liabilities of the company, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2007;
  - in the case of the Profit and Loss Account, of the "loss" for the year ended on that date; and
  - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M. Anandam & Co.,  
Chartered Accountants

Sd/-

S.Venkateswarlu

Partner

M.No: 22790

Place: Hyderabad

Date: 31<sup>st</sup> May, 2008

Re: VJIL Consultancy Limited

Annexure referred to in Paragraph 3 of our report of even date

- The Fixed assets register of the Company is not traceable and the Management is in the process of preparation and updation of the Fixed Assets register. The value of fixed assets is subject to review by the Management and reconciliation. The consequential impact on the accounts is not ascertainable at present.*
  - The records of the Fixed Assets of the Company were not available for our verification for which we were informed that the same were not traceable and efforts are being made to locate them. Management during the period has physically verified some part of the Assets. In the absence of the records we are not in a position to state whether there were any serious discrepancies between the records and physical assets.*
  - In our opinion, and according to the information and explanations given to us, the Company has not disposed of any substantial part of its fixed assets so as to affect its going concern status.
- The inventory consists of computer software and course material only. The computer software represents the development expenditure incurred by the company and capitalized over the years. As per the Management, this being a software product, the inventory is not physically verifiable. As regards the course material, the material is in large numbers and spread over different areas. The Management has not physically verified the course material during the year.
  - The procedures of physical verification of inventories followed by the management need to be strengthened in relation to the size of the company and the nature of its business.
  - The Company has not furnished records of its inventories and material discrepancies, if any, between the physical stocks and the book records is not ascertainable.
- According to the information and explanation given to us, the register under section 301 of the Companies Act, 1956 is not traceable. The Management has informed that the Company has granted loan to two companies covered in the register to be maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 43.79 Lakhs and the year-end balance of loans taken from such parties was Rs. 43.79 Lakhs.
  - As per the information and explanations given to us, the loan given to companies are interest bearing and no repayment terms are stipulated. Based on the above, the rate of interest on which loans have been given to parties to be listed in the register to be maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
  - There has been no receipt during the year either towards principal or interest. We have not made any comments because the terms of repayment have not been stipulated.*
  - In cases where the overdue amount is more than rupees one lakh, Management has informed that reminders have not been sent to the parties for recovery for interest and principal.*
  - As per information provided, the Company has taken loans from four parties covered in the register to be maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 37.95lakhs and the year-end balance of loans taken from such parties was Rs. 37.95 lakhs.

- f. As per the information and explanations given to us, these loans are interest bearing and no repayment terms are stipulated. Based on the above, the rate of interest and other terms and conditions on which loans have been taken from parties to be listed in the register to be maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- g. *There has been no payment during the year either towards principal or interest. We have not made any comments because the terms of repayment have not been stipulated.*
- iv. *In our opinion and in accordance to the information and explanation given to us the company does not have adequate internal Control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.*
- v. a. *According to the information and explanation given to us, the register under section 301 of the Companies Act, 1956 is not traceable. We are unable to comment on the same in the absence of such register furnished to us.*
- b. *We are unable to comment whether any transactions exceeding the value of rupees five lakhs in respect of any party during the year were made and at prices which are reasonable having regard to the prevailing market prices at the relevant time, in the absence of such register.*
- vi. The Company has not accepted any deposits from the public.
- vii. *In our opinion, the internal audit system of the company is inadequate and is required to be strengthened so as to be commensurate to the size and nature of the business.*
- viii. The Central Government has not prescribed the maintenance of cost records under Clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the company.
- ix. a. According to the information and explanation given to us and on the basis of our examination of books of accounts, the company is not regular in depositing the undisputed statutory dues of provident fund, employee state insurance, service tax, tax deducted at source with the appropriate authorities. Arrears of undisputed amount outstanding as at 31<sup>st</sup> March, 2007 for a period of more than six months from the date they became payable are as follows:

Statutory Dues	Amount outstanding as on 31 <sup>st</sup> March, 2007 Rs.
Tax Deducted At Source	2,07,139
Service Tax	3,15,311
Professional Tax	2,15,424
Provident Fund	11,66,494
Employee State Insurance	24,624

- b. The statement of disputed dues as required by the clause are as given under:

Name of the Authority	Nature of the Dues	Amount Rs.	Financial year to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Income tax	8, 22, 170	2003-04	CIT (Appeals)
Income Tax Act, 1961	Income tax	64, 41, 474	2004-05	CIT (Appeals)

- x. The company has no accumulated losses as at 31<sup>st</sup> March, 2007. However the company has incurred cash losses during the current financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.
- xii. The company has not granted loans and advances on the basis of security, pledge of shares, debentures and other securities.

- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly the provisions of clause 4(xiii) if the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanation given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
- xvii. In our opinion and according to the information and explanation to us, and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
- xviii. The Company has not made any preferential allotment of shares during the year.
- xix. The Company has not issued any debentures during the year. Accordingly the provisions of clause 4(xix) if the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xx. The Company has not raised any funds on public issue and hence disclosure on the end use of money raised by the public issue is not applicable to the Company.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For M. Anandam & Co.,  
Chartered Accountants

Sd/-  
S.Venkateswarlu

Partner

M.No: 22790

Place: Secunderabad

Date: 31<sup>st</sup> May, 2008

Schedule		As at 31.3.2007 Rs.	As at 31.3.2006 Rs.
<b>I. Sources of funds</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	A	78,586,000	78,586,000
(b) Reserves & Surplus	B	79,183,097	184,493,751
<b>(2) Loan funds</b>			
(a) Secured loans	C	47,932,115	54,335,935
(b) Unsecured loans	D	21,871,400	1,250,000
Deferred tax liability		104,650	42,000
		227,677,262	318,707,686
<b>II. Applications of funds</b>			
<b>(1) Fixed assets</b>			
(a) Gross block	E	168,758,671	162,664,115
(b) Less depreciation		104,802,291	90,113,767
(c) Net block		63,956,380	72,550,348
(d) Pre-operative expenses		2,003,148	
<b>(2) Investments</b>	F	30,130,921	63,810,815
<b>(3) Current assets, loans and advances</b>			
(a) Inventories	G	54,085,252	48,576,364
(b) Sundry Debtors	H	32,496,749	110,020,380
(c) Cash & Bank Balances	I	6,685,786	2,860,549
(d) Loans & Advances	J	76,543,759	35,269,534
<b>Less: Current liabilities and Provisions</b>	K		
(a) Liabilities		18,397,878	2,741,403
(b) Provisions		21,231,105	14,095,141
<b>Net current assets</b>		130,182,564	179,890,283
<b>(4) Miscellaneous expenditure to the extent</b>			
Not written off or adjusted	L	1,404,250	2,456,240
<b>TOTAL( 1+2+3+4)</b>		227,677,262	318,707,686

The Schedules referred to herein form an integral part of the Balance Sheet.

As per our Report of even date

for and on behalf of the Board

For M. ANANDAM & CO  
Chartered Accountants

Sd/-  
M. SATYENDRA  
CHAIRMAN CUM MANAGING DIRECTOR

Sd/-  
S. VENKATESWARLU

Sd/-  
AVINASH VASHISTA  
DIRECTOR

Date: 31<sup>st</sup> May, 2008

Place: Secunderabad

Sd/-  
G. NAGENDRA  
DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2007**

	Schedule	For the Year ended 31.3.2007 Rs.	For the Year ended 31.3.2006 Rs.
<b>Income</b>			
Sales	-	130,249,104	153,813,632
Other Income	M	764,236	777,319
		131,013,340	154,590,951
<b>Expenditure</b>			
Employees Cost	N	55,803,890	54,625,306
Administrative & Selling Expenses	O	164,901,340	89,073,651
Depreciation	E	14,688,524	7,476,471
		235,393,754	151,175,428
<b>Profit/(loss) before tax</b>		(104,380,414)	3,415,523
Provision For Tax-Current			708,000
-Deferred Tax		62,650	42,000
-Fringe Benefit		867,591	350,774
<b>Profit/(loss) after tax</b>		(105,310,655)	2,314,749
Balance brought forward from previous year		117,952,773	115,638,024
Profit carried to balance sheet		12,642,118	117,952,773

The Schedules referred to herein form an integral part of the Profit and Loss Account.

As per our Report of even date

for and on behalf of the Board

For M. ANANDAM & CO

Chartered Accountants

Sd/-

S.VENKATESWARLU

Date: 31<sup>st</sup> May, 2008

Place: Secunderabad

Sd/-

M.SATYENDRA

CHAIRMAN CUM MANAGING DIRECTOR

Sd/-

AVINASH VASHISTA

DIRECTOR

Sd/-

G. NAGENDRA

DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR 2006-07

(In Rs.)

	For the Year ended 31.3.2007 Rs.	For the Year ended 31.3.2006 Rs.
<b>A. Cash Flow from Operating Activities</b>		
Net profit before Tax and Extraordinary Items	(104,380,414)	3,415,523
Adjustments for the income/ expenses not generated from operations:		
Investment income	(764,236)	777,319
Interest paid	6,858,998	6210,784
<b>Adjustments for non cash items:</b>		
Depreciation	14,688,524	7,343,190
Deferred Revenue Expenses Written off	1,051,990	-
Provision for Diminution in value of investments	512,999	-
Advances written off	912,241	-
Provision for deposits	5,000,000	-
Provision for Doubtful debts	66,105,519	-
<b>Operating Profit before working capital changes</b>	<b>(10,014,379)</b>	<b>16,192,178</b>
<b>Adjustments for working capital changes</b>		
Decrease in Sundry Debtors	11,418,112	(1,623,369)
Increase in Inventories	(5,508,888)	(14,600,000)
Increase in Other Current Assets	(13838850)	-
Increase in Trade Payables	15,656,475	(611,780)
Increase in provision for expenses	6,268,373	-
<b>Cash generated from operations</b>	<b>3,980,842</b>	<b>(642,971)</b>
Income tax	-	1,100,774
Miscellaneous expenses	-	1,694,236
<b>Net Cash Flow from Operating Activities</b> A	<b>3,980,842</b>	<b>(49,509)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(6,094,556)	(5,711,629)
Capital Expenditure	(2,003,148)	-
Sale of / Realisation from Investments	(180,721)	(1,144,700)
Interest / Dividend Received	764,236	777,319
<b>Net Cash used for Investing Activities</b> B	<b>(7,514,189)</b>	<b>(6,079,010)</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of long term borrowings (Secured)	(6,403,820)	-
Proceeds from long term borrowings (Unsecured)	20,621,400	8,819,031
Interest paid	(6,858,998)	62,107,84
<b>Net Cash Flow from Financing Activities</b> C	<b>7,358,582</b>	<b>26,082,47</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>3,825,237</b>	<b>(3,520,272)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>2,860,549</b>	<b>6,380,821</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6,685,786</b>	<b>2,860,549</b>
for and on behalf of the Board		
DATE: 31 <sup>st</sup> May,2008		Sd/-
PLACE: SECUNDERABAD		M. SATYENDRA
		CHAIRMAN CUM MANAGING DIRECTOR
		Sd/-
		G. NAGENDRA
		DIRECTOR

**AUDITORS CERTIFICATE**

We have verified the above cash flow statement of VJIL Consulting Limited derived from the audited annual financial statements for the year ended March 31, 2007 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with the stock exchanges.

for M. ANANDAM & CO.  
Chartered Accountants

Sd/-  
S. VENKATESWARLU  
PARTNER  
M.NO: 22790

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

Amount in Rs

PARTICULARS	As at 31.3.2007	As at 31.3.2006
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
Authorised 90,00,000 Equity Shares of Rs. 10/- Each.	90,000,000	90,000,000
Issued, Subscribed and Paid up 78,58,600 Equity Shares of Rs. 10/- Each.	78,586,000	78,586,000
	78,586,000	78,586,000
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Balance as per Profit and Loss account	12,642,118	117,952,773
Capital Reserve		
As at the commencement of the year	9,662	9,662
Add: Transferred from the Profit and Loss account	-	-
	9,662	9,662
Share Premium		
As at the commencement of the year	66,531,316	66,531,316
Add: Additions during the year	-	-
	66,531,316	66,531,316
	79,183,096	184,493,751
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Loans from Bank		
Cash Credit	39,413,544	35,970,390
Medium Term Loan:	2,077,000	7,583,077
Short Term Loan:	6,108,000	10,000,000
Others		
Vehicle Loans	333,571	782,468
	47,932,115	54,335,935

<b>SCHEDULE -D</b>		
<b>UNSECURED LOANS</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Banks	9,131,963	-
Director's & Others	12,739,437	1,250,000
	21,871,400	1,250,000
<b>SCHEDULE 'F'</b>		
<b>INVESTMENTS</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
<i>Quoted/Unquoted:</i>		
Investment in Mutual Funds & Others	920,321	34,600,215
Investment in Mercury Outsourcing Management Limited -Fully owned subsidiary company. (2920360 equity shares of Rs.10 each fully paid)	29,210,600	29,210,600
	30,130,921	63,810,815
<b>SCHEDULE 'G'</b>		
<b>INVENTORIES</b>		
(as taken, valued and certified by Management)	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Stationery & Course materials	607,118	907,118
Computer Software	53,478,134	47,669,246
	54,085,252	48,576,364
<b>SCHEDULE 'H'</b>		
<b>SUNDRY DEBTORS</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Unsecured considered good		
Debts outstanding more than six months	19,226,907	15,410,751
Other debtors	13,269,842	94,609,629
	32,496,749	110,020,380
Unsecured-considered doubtful		
Debts outstanding more than six months	61,746,519	-
	94,243,268	110,020,380
Less: provision for doubtful debts	61,746,519	-
	32,496,749	110,020,380
Sundry debtors include Rs.45,00,000 recoverable from the subsidiary company.Previous year figures for Debtors-unsecured and considered doubtful are not available.		

<b>SCHEDULE 'I'</b>		
<b>CASH &amp; BANK BALANCE</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Cash on Hand	92,277	1,735,867
Balances with scheduled Banks	6,593,509	1,124,682
	6,685,786	2,860,549
<b>SCHEDULE 'J'</b>		
<b>LOANS &amp; ADVANCES</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
(Unsecured, considered good, recoverable in cash or in kind or for value to be received)		
Deposits & Other advances	39,577,225	26,036,073
Employee Advances	3,468,900	9,233,461
Tax Deducted At Source	150,019	
Advances to subsidiary	33,347,616	
	76,543,759	35,269,534
<b>SCHEDULE 'K'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
<b>Current Liabilities</b>		
1. Sundry Creditors	18,265,413	1,131,403
2. Advances	132,465	1,610,000
	18,397,878	2,741,403
<b>Provisions</b>		
1. Provision for Expenses	19,319,740	13,051,367
2. Fringe benefit tax	1,203,365	335,774
3. Provision for taxation	708,000	708,000
	21,231,105	14,095,141
	39,628,983	16,836,544
<b>SCHEDULE 'L'</b>		
<b>MISCELLANEOUS EXPENSES</b>		
	As at 31.03.2007	As at 31.03.2006
	Rs.	Rs.
Deferred Revenue Expenditure	1,051,990	
Written off during the year	(1,051,990)	1,051,990
Research & Development	1,404,250	1,404,250
	1,404,250	2,456,240

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2007**

<b>SCHEDULE 'M'</b>		
<b>OTHER INCOME</b>		
	For the year ended 31.03.2007	For the year ended 31.03.2006
	Rs.	Rs.
Dividend	434,330	458,832
Interest	329,906	318,487
	764,236	777,319
<b>SCHEDULE 'N'</b>		
<b>EMPLOYEE'S COST</b>		
	For the year ended 31.03.2007	For the year ended 31.03.2006
	Rs.	Rs.
Salaries ,Wages & benefits to employees	55,265,178	54,111,544
Staff Welfare Expenses	363,570	513,762
Training Expenses	175,142	-
	55,803,890	54,625,306
<b>SCHEDULE 'O'</b>		
<b>ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
	For the year ended 31.03.2007	For the year ended 31.03.2006
	Rs.	Rs.
Advertisement	21,110	913,079
Statutory Audit fees	500,000	120,000
Tax Audit	200,000	-
Other Matters	100,000	-
Out of pocket expenses	69,440	-
Bank charges	273,662	362,468
Books and periodicals	128,590	111,033
Business Promotion Expenses	267,853	162,822
Communication & Satellite Link Charges	3,737,556	3,128,665
Conveyance	113,333	64,224
Consulting expenses	36,255,483	35,151,969
Deferred Revenue Expenses Written off	1,051,990	1,694,236
Director's Remuneration	2,800,000	4,200,000
Foreign Tour & Travelling Expenses	3,499,010	2,987,299
Fuel and Electricity charges	2,089,968	1,897,152
Training Division Expenses	107,600	64,673
Taxes & Penalties	694,199	780,725
Insurance	1,383,420	1,752,201
Interest	6,858,998	6,210,784

Legal & Professional Charges	1,102,179	1,862,026
Mis. Expenses	440,123	750,264
Office Maintenance	858,894	1,342,531
Postage, Courier & Telegrams	257,725	279,273
Printing & Stationery(Consumed)	720,062	246,087
Rates & Taxes and licences	100,242	143,098
Vat on Sales	15,475,858	12,662,843
Recruitment Charges	2,108,237	682,257
Rent	6,323,104	5,899,824
Repairs & Maintenance- Equipments	33,294	271,430
Repairs and Maintenance- Other Assets	264,755	598,675
Telephones & Faxes	1,408,654	1,680,615
Security charges	207,200	197,427
Exchange fluctuation	2,918,042	2,855,971
Provision for Diminution in value of investments	512,999	-
Advances written off	912,241	-
Provision for deposits	5,000,000	-
Provision for Doubtful debts & advances	66,105,519	-
	164,901,340	89,073,651

**SCHEDULE 'E'**  
**FIXED ASSETS**

9

ASSET DESCRIPTION	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01-04-2006	Additions During the Year	Deletions During the Year	As at 31-03-2007	Up to 01-04-2006	For the Year 2006 - 2007	Deletions During the Year	Up to 31-03-2007	As at 01-04-2006	As at 31-03-2007
Land	19,978,163	5,387,639	-	25,365,802	-	-	-	-	25,365,802	25,365,802
Computers & Accessories	91,490,310	662,717	-	92,153,027	67,029,403	11,002,687	-	78,032,090	24,460,907	14,120,937
Furniture & Fixtures	27,446,774	-	-	27,446,774	10,963,388	1,737,381	-	12,700,769	16,483,386	14,746,005
Electrical Installations	9,442,548	-	-	9,442,548	5,731,773	667,588	-	6,399,361	3,710,775	3,043,187
Air Conditioning	2,533,185	-	-	2,533,185	1,202,476	120,326	-	1,322,802	1,330,709	1,210,383
Office Equipments	3,898,160	44,200	-	3,942,360	1,393,718	249,551	-	1,643,269	2,504,442	2,299,091
Vehicles	7,015,697	-	-	7,015,697	3,381,218	666,491	-	4,047,709	3,634,479	2,967,988
Library	198,034	-	-	198,034	108,727	-	-	108,727	89,307	89,307
Fire Equipments	248,461	-	-	248,461	122,978	11,802	-	134,780	125,483	113,681
Satellite Link *	412,783	-	-	412,783	180,086	232,697	-	412,783	232,697	-
<b>TOTAL</b>	<b>162,664,115</b>	<b>6,094,556</b>	<b>-</b>	<b>168,758,671</b>	<b>90,113,767</b>	<b>14,688,524</b>	<b>-</b>	<b>104,802,291</b>	<b>72,550,348</b>	<b>63,956,380</b>
<b>PREVIOUS YEAR</b>	<b>156,952,486</b>	<b>6,940,874</b>	<b>1,229,245</b>	<b>162,664,115</b>	<b>82,770,577</b>	<b>7,476,471</b>	<b>133,281</b>	<b>90,113,767</b>	<b>74,181,909</b>	<b>72,550,348</b>

28

**SCHEDULE 'P' - Notes forming part of the Accounts****1. Significant Accounting Policies**

The accompanying Financial Statements include the accounts of Head Office in India and overseas branches in USA and UK.

**a. Basis of preparation of financial statements**

The financial statements of VJIL Consulting Limited have been prepared on a historical cost basis and is in compliance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI) as referred to in section 211(3C) of the Companies Act, 1956 (the Act). All items of income and expenditure having a material bearing on the financial statements have been recognised on accrual basis.

The accounting policies applied by the Company are consistent with those used in the previous period.

**b. Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Examples of such estimates are useful lives of fixed assets, percentage of completion on uncompleted contracts, income taxes, post-sales customer support and provisions for doubtful debts. Actual results could differ from those estimates.

**c. Revenue recognition**

Income is recognized on the signing of the agreement for sale in case of domestic sales. In the case of exports, revenue is recognized on completion of the delivery as per terms of relevant agreement or on completion basis whichever is earlier.

**d. Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Cost includes all direct expenses incurred to bring an asset to working condition for its intended use. Cost also includes financing costs relating to specific borrowing(s) attributable to the acquisition or construction of fixed assets.

**e. Depreciation**

Depreciation is provided using the straight line method based on Schedule XIV of the Companies Act, 1956, which approximates the useful lives of the assets as estimated by management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the period.

**f. Employee benefit plans**

Contributions to Provident fund are charged to revenue. The provisions of Payment of Gratuity Act, 1972 are applicable to the Company and no provision has been made since the retirement benefits are accounted on cash basis.

**g. Investments****Long term**

Securities intended to be held for a period exceeding one year are classified as long term investments and are carried at cost. Adjustments are made for any diminution in values that is, other than temporary.

**Investments in subsidiaries**

Investment in the Company's wholly owned subsidiary Mercury Outsourcing Management Limited is carried at cost.

**h. Provision for current and deferred tax**

Taxation is provided for under the tax payable method, whereby all income taxes devolving upon the Company are provided for after considering all eligible allowances and rebates. Any claims by the Revenue Authorities against the Company are evaluated as regards the likelihood of their crystallizing into a liability. Accordingly, the claims are quantified to the extent accurately determinable and the provision recorded or disclosure made depending on the assessment of such likelihood.

Deferred Tax is recognized for all the timing differences. Deferred tax assets are recognised when considered prudent.

**i. Foreign currency transactions**

The expenses and sales denominated in foreign currency are converted in to rupees by applying the average yearly exchange rate. Current assets and liabilities denominated in foreign currencies are re-measured as of Balance

Sheet date at the prevailing exchange rates of the reporting currency and any differences recognized in the profit and loss account.

Exchange differences attributable to the acquisition of fixed assets are adjusted to the cost of the asset.

**j. Miscellaneous expenditure**

Major non-recurring expenditure is amortized over a period during which the benefits are expected to accrue.

**k. Borrowing cost**

Borrowing cost attributed to the acquisition of fixed assets is capitalized as part of the cost of those fixed assets till the date it is put to use. Other borrowing cost is recognized as expenditure in the period in which they accrue.

**l. Prior year adjustments**

Significant items of income and expenditure, which relate to prior accounting years, are accounted in the Profit & Loss Account under the head "Prior year adjustments" other than those occasioned by events occurring during or after the close of the year and which are treated as relating to the current year.

**m. Inventories**

Inventories are valued at cost.

**2. NOTES TO THE ACCOUNTS**

- i. Detailed break up of party wise/item wise balances with regard to opening balances in respect of majority of the assets and liabilities are not available with the Company. The Management is in the process of identification and review of these balances from the available records and information. Pending such identification and review, the impact if any, on the accounts is not ascertained.
- ii. The management is in the process of confirmation and reconciliation of balances of Sundry Debtors as at the end of the year. The Management has provided Rs. 6,17,46,519 towards provision for bad and doubtful debts based on the age and recoverability of the debtors. Pending confirmation and reconciliation of the debtors the impact on the Profits/Losses is not ascertained.
- iii. During the year the Company has physically verified the computers and Office Equipments at the Head Office only. The Fixed assets register of the Company is not traceable and the Management is in the process of preparation and updation of the Fixed Assets register. The value of fixed assets is subject to review by the Management and reconciliation. The consequential impact on the accounts is not ascertainable as at present.
- iv. Deposits, loans and advances, inoperative bank accounts, unsecured loans and Sundry creditors are subject to confirmation and reconciliation.
- v. Share certificates relating to investments made by the Company are lost/misplaced and efforts are being made to locate them and/ or to obtain duplicate certificates. The Management envisages no serious difficulties in case of obtaining duplicate certificates for investments made by the Company.
- vi. Loans include an amount of Rs.94,23,344. During the year the Company has received notice from US Company claiming a loan liability from the Company for an amount of 2,43,207.24 Dollars (Principal 1,82,147.08 Dollars and interest and other charges of 61,060.16 Dollars) as of 1st October 2007.

**3. Dues to small-scale industrial undertakings**

There are no dues to the Small Scale Industrial Undertaking exceeding rupees one lakh which is outstanding for more than 30 days as per the information available with the Company as on date.

**4. Directors' remuneration**

	Year ended 31 <sup>st</sup> March, 2007 Rs.	Year ended 31 <sup>st</sup> March, 2006 Rs.
Chairman & Managing Director	4,00,000	25,29,600
Joint Managing Director	24,00,000	19,29,600

The above amount includes Salary and company's contribution to Provident Fund

**5. Auditors' remuneration**

	Year ended 31 <sup>st</sup> March, 2007 Rs.	Year ended 31 <sup>st</sup> March, 2006 Rs.
Statutory Audit	5,00,000	1,20,000
Tax Audit	2,00,000	
Other matters	1,00,000	
Out-of pocket expenses	69,440	

**6. Provisions for Taxation**

Income tax demand of Rs. 695.35 lakhs for earlier Assessment Years is disputed in Appeal. The Company has been advised of a fair chance of the appeal being allowed.

**7. Deferred Tax**

The provision for deferred tax assets (net) for the year ended March 31, 2006 has been recognized in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

**8. Contingent Liabilities not provided for**

The statement of disputed dues is as under:

Name of the Authority	Nature of the Dues	Amount Rs.	Financial year to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Income tax	8, 22, 170	2003-04	CIT (Appeals)
Income Tax Act, 1961	Income tax.	64, 41, 474	2004-05	CIT (Appeals)

**9. Quantitative information as per the Act**

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

**10. Expenditure in foreign currency  
(Rs. In lakhs)**

	Year ended 31 <sup>st</sup> March, 2007	Year ended 31 <sup>st</sup> March, 2006
Expenditure	1,407.79	1048.14

**11. Earnings in foreign currency  
(Rs. In lakhs)**

	Year ended 31 <sup>st</sup> March, 2007	Year ended 31 <sup>st</sup> March, 2006
Earnings	1,241.95	1494.22

**12. Earnings Per Share**

The components of basic earnings per share were as follows:

	Year ended 31 <sup>st</sup> March, 2007	Year ended 31 <sup>st</sup> March, 2006
Profit and Taxation after Extra-ordinary items	(10,53,10,655)	23,14,749
Number of shares outstanding	78,58,600	78,58,600
Basic/ Diluted Earnings Per share	(13.40)	0.29

**13. Related Party transactions**

The Company has transactions with the following related parties:

- a) Wholly Owned Subsidiary: Mercury Outsourcing Management Limited.
- b) Key Management Personnel: J.Venkat Rao; M. Satyendra, G. Nagendra
- c) Associate Entity in which Directors have Substantial Interest: Yemmen Agro Limited,  
VJ Financial Services Private Limited
- d) Relatives of Director: M.Sunitha, Ravinder, Shankara Kumari

Name of transaction	Name of relationship	2006-07 Rs.
Purchase or Sale of goods	Related Entities	4,500,000
Receiving of Services	Key Management personnel / Personnel having significant influence	2,800,000
Loans Given	Related Entities	4,379,121
Loans Given	Wholly Owned Subsidiary	33,180,833
Loans Received	Key Management personnel and relatives of directors	3,795,350
Investment	Wholly Owned Subsidiary	29,210,600
		<b>77,865,904</b>

14. Previous year figures have been regrouped and reclassified, wherever necessary, and to the extent possible to facilitate comparison to the current year's figures.

15. Segment reporting

The Company is in the business of Software Consulting and Development, Education Training. The Company's primary reporting segment is geographical as revenues in non-software related area is not more than 10% of the gross revenues.

**Information about the Geographical Segments**

(Rs. In lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2007
<b>Revenue</b>	
Export Sales	1241.80
Domestic Sales	60.68
Total revenue	1302.48
Other income	3.30
Interest	0.17
Total other income	3.47
<b>Other information</b>	
Segment assets	
Unallocated Corporate assets	
Outside India	1.19
India	584.50
Total Assets	585.69
Segment liabilities	
Outside India	172.46
India	151.54
<b>Total</b>	<b>324.00</b>

As per our Report of even date

Sd/-

For M. ANANDAM &amp; CO

Chartered Accountants

Sd/-

S.VENKATESWARLU

PARTNER

M.No-22790

 Date: 31<sup>st</sup> May, 2008

Place: Secunderabad

for and on behalf of the Board

Sd/-

M.SATYENDRA

CHAIRMAN CUM MANAGING DIRECTOR

Sd/-

G. NAGENDRA

DIRECTOR

## PART IV

## 1. Registration Details

Registration No.	14182	State Code :	01
Balance Sheet Date :	31.3.2007		

## 2. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	N.A.	Right Issue	N.A.
Bonus Issue	N.A.	Private Placement	N.A.

3. Position of Mobilisation and Development of Funds  
(Amount in Rs. Thousands)

Total Liabilities	227677	Total Assets	227677
Source of Funds			
Paid Up Capital	78586	Reserves & Surplus	79183
Secured Loans	47932	Unsecured Loans	21976

## 4. Application of Funds

Net Fixed Assets	63956	Investments	30131
Net Current Assets	130183	Misc. Expenditure	3407
Accumulated Losses	NIL		

## Performance of Company (Amount in Rs. Thousands)

Turnover	131013	Total Expenditure	235394
Profit/Loss Before Tax	(104380)	Profit/Loss After Tax	(105311)
Earning Per Share in Rs.	-	Dividend Rate	NIL

## 5. Generic Names of Three Principal Services of Company

Item Code No. (ITC Code)	85249009
Product Description	DEVELOPMENT OF APPLICATIONS AND SYSTEMS SOFTWARE & STUDENT TRAINING

**VJIL CONSULTING LIMITED**

Registered Office : 1-8-165, "Usha Kiran", Sarojini Devi Road, Secunderabad-500 003.

**ATTENDANCE SLIP**

I hereby record my presence at the **15th ANNUAL GENERAL MEETING** of the Company to be held at Thyagaraya Gana Sabha, Chikkadapally, Hyderabad on \_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_ Signature  
Full Name of the Shareholder

\_\_\_\_\_ No. of Shares held  
Folio No./DP ID No.

\_\_\_\_\_ Signature  
Full Name of the Proxy (In block letters)  
(To be filled if the Proxy attends instead of the Member)

.....

**VJIL CONSULTING LIMITED**

Registered Office : 1-8-165, "Usha Kiran", Sarojini Devi Road, Secunderabad - 500 003.

**PROXY FORM**

\_\_\_\_\_ Client ID: \_\_\_\_\_ DP ID: \_\_\_\_\_ Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member / members of the above named company, hereby appoint Mr/Ms/Kum \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to attend and vote for me/us on my/our behalf at the **15th Annual General Meeting** of the company to be held at Thyagaraya Gana Sabha, Chikkadapally, Hyderabad on \_\_\_\_\_ at \_\_\_\_\_ AM and at any adjournment thereof.

\_\_\_\_\_ day of \_\_\_\_\_ Signed this

\_\_\_\_\_ Address

Affix  
Re. 1  
Revenue  
Stamp

\_\_\_\_\_ Signature

Note : The Proxy form duly completed must be deposited at the **Registered Office at 1-8-165, "Usha Kiran" S.D. Road, Secunderabad - 500 003, AP, India**, note less than 48 hours before the time for holding the meeting. A proxy need not be a member.

## **BOOK POST**

If undelivered please return to

**M/s. SATHGURU MANAGEMENT CONSULTANTS PVT. LTD.,**

Unit: VJIL CONSULTING LIMITED

Plot No. 15, Hindi Nagar, Panjagutta,

HYDERABAD - 500 034, INDIA.