



VIRGO GLOBAL MEDIA LIMITED

**14th Annual Report
2011-2012**



VIRGO GLOBAL MEDIA LIMITED

BOARD OF DIRECTORS

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

Auditors:	Bankers:
M/s. P. Murali & Company, Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad – 500 082.	Syndicate Bank, Banjara Hills, Hyderabad UCO Bank, M.G.Road, Hyderabad
Registered Office:	Registrar & Share Transfer Agents:
Plot No. 5, Mithila Nagar, Road No. 10, Banjara Hills, Hyderabad – 500 034	Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad – 500 029, Ph. No. 040-27638111/27634445; Fax.No. 040-27632184

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As the members are already aware, the Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in Corporate Governance" by allowing the companies to service the documents to its members through electronic mode. Recognizing the spirit of the circulars issued by the MCA, we are now sending this Annual Report comprising of Notice, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditors' Report, etc. to the email addresses of the members made available to the Company by the Depositories (CDSL / NSDL) or registered by the members directly with the Company's RTA. For those members who have not yet registered their email, we are sending the Annual Report in physical mode. In case you wish to receive future communication in electronic mode, kindly register your email 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.



NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Saturday, the 29th day of September 2012 at 3.00 p.m. at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

Ordinary Business :

1. To consider and adopt the Audited Balance sheet as at 31st March 2012 and Statement of Profit and Loss for the year ended on that date together with the reports of the Directors' 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 Fourteenth Annual General Meeting until the conclusion of the Fifteenth Annual General Meeting and to fix their remuneration.

"RESOLVED THAT P. Murali & Company (FRN: 007257S), Chartered Accountants, Hyderabad be and ore hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

For and on behalf of the Board

Sd/-
P Syam Prasad
Director

Place: Secunderabad
Date: 14.08.2012

Notes:-

- A. A Member entitled to attend and vote at the Annual General Meeting [the Meeting] is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member of the Company. The Proxy in order to be effective must be deposited at the Registered Office not less than Forty Eight Hours before the Meeting.
- B. The Register of Members and Share Transfer Books of the Company shall remain **closed from Monday, September 24th 2012 to Saturday, September 29th 2012 (both days inclusive)** for the purpose of ensuing Annual General Meeting.
- C. The members are requested to –
 - i) Quote Ledger Folio/Client ID in all the correspondence.
 - ii) Bring the copy of the Annual Report and attendance slip with them to the Annual General Meeting and to deposit the same duly filled in and signed for attending the meeting.
- D. Shareholders holding shares in physical form are requested to advise any change of address immediately to company's Registrar and Share Transfer Agent, Aarshi Consultants Private Limited, Hyderabad. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.
- E. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance of the meeting to enable the management to keep the information ready.
- F. Under Section 109A of the Companies Act, 1956 shareholders ore entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are

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requested to send their requests in Form 2B (which will be made available on request) to the Registrars and Transfer Agents, M/s. Aarthi Consultants Private Limited, Hyderabad.

G. At the ensuing Annual General Meeting Mr. P Syam Prasad shall retire by rotation and being eligible, offers himself for re-appointment. Pursuant to clause 49 of the listing agreement, the particulars of Mr. P. Syam Prasad are given hereunder:

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING:
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	:	Mr. P. Syam Prasad
Date of Birth	:	15 th August, 1964
Date of Appointment	:	13 th April, 2009
Qualifications	:	Bachelor of Commerce
Expertise in specific functional areas	:	Over 15 years of experience in 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 the Audit Committee; and Share holdres/Investors Grievance Committee
Shareholding in the Company	:	NIL
Relationship between Directors inter-se	:	No

**Directors' Report**

To
The Members
Virgo Global Media Limited

Your Directors have pleasure in presenting the Fourteenth Annual Report of your company and the Audited Financial Accounts for the year ended on March 31, 2012.

Financial Results :

Particulars	Rs in Lakhs	
	2011-12	2010-11
Net Sales/Income from Operations	7.35	5.70
Other Income	2.58	2.73
Total Income	9.93	8.43
Financial Expenses	0.32	0.28
Depreciation and Write Offs	0.30	0.30
Other Expenses	6.02	4.22
Provision for taxation	0.42	0.00
Profit/(Loss)	1.21	3.76
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 9.93 Lakhs as against Rs 8.43 Lakhs during the previous year and the Net Profit for the current year was Rs. 1.21 lakhs as against a Net Profit of Rs. 3.76 Lakhs for the Corresponding period. The Total income includes other income of Rs. 2.58 Lakhs. Despite the serious efforts that have been put in by the Management, Your Company could not succeed in getting 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, falling within the purview of Section 58A of the Companies Act, 1956.

Auditors:

M/s. P. Murali & Company (FRN: 007257S), Chartered Accountants, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of this Annual General Meeting and are eligible for re-appointment.

Directors:

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



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Mr. P. Syam Prasad ceased to be the Executive Director of the company with effect from 27th April, 2012 consequent to the expiry of his terms as Executive Director. Mr. P Venkata Ramana had resigned from the board with effect from 21st December 2011.

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 the Stock Exchanges where the Company's securities are listed for the year 2012-13.

Directors' Responsibility Statement:

In accordance with 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 ended March 31, 2012; 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 judgements 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, 2012 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, 2012 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 and various departments of Central and State Governments, SEBI and Stock Exchanges. Your Directors express their grateful thanks to the valued shareholders for the trust and confidence reposed in the Company.

For and on behalf of the Board

Sd/-

P Syam Prasad
Director

Sd/-

BVSS Prasad
Director

Place: Secunderabad

Date: 14.08.2012



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:

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 having healthy cash flow, which can be used for capital expenditures, to make acquisitions, and to repurchase shares.

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:

There are very good opportunities in this industry for all companies. For large ISPs, relationships with telcos are becoming manifold. Telcos want to enter the market, and ISPs do not want to run the risk of losing out to the telcos, so many partnerships arise. Mergers with content providers are also occurring. This is the easiest way for both types of company to make their way into the other's market.

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 two 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 offering 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.9.93 lakhs as against Rs. 8.43 lakhs during the previous year and the net profit was Rs.1.21 lakhs as against a net profit of Rs.3.76 lakhs for the corresponding period.

Liquidity and capital resources:

There are no significant changes in Shareholders' funds and loan funds during the financial year 2011-12.

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 may 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 may operate, 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 shareholder's 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 Limited comprised of three directors as on August 14, 2012 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 Shareholders/ Investor Grievance Committee.

Name	Category	No. of Board Meetings attended during the year 2011-12	Whether Attended AGM held on 30.09.2011	No. of Directorships in other public Companies		No. of committee positions held in other public Companies	
				Chairman	Member	Chairman	Member
Mr. P Syam Prasad*	Non-independent non-Executive Director	5	Yes	-	-	-	-
Mr. B V S Sai Prasad	Independent Director	5	No	-	-	-	-
Mr. Hafeezuddin Shaik Imam	Independent Director	5	No	-	-	-	-
Mr. P Venkata Ramana**	Independent Director	4	No	-	-	-	-



*Mr. P.Syam Prasad ceased to be the Executive Director of the company with effect from 27th April, 2012 consequent to the expiry of his term as Executive Director.

** Mr. P Venkata Ramana resigned with effect from 21st December 2011.

Five Board meetings were held during the year ended March 31, 2012 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 12, 2011; August 10, 2011; August 30, 2011; November 14, 2011 and February 14, 2012.

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

Necessary information as mentioned in Annexure 1A to clause 49 of the listing agreement has been placed before the Board for their consideration.

Audit Committee

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 Audit Committee of the Board is responsible for oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible; and reviewing with management the annual financial statements before submission to the Board. The Committee periodically reviews with the management the adequacy of internal control systems. The Committee periodically interacts with the internal auditors to review the manner in which they are performing their responsibilities. The Committee holds discussion with external auditors before the commencement of statutory audit on the nature and scope of audit and ascertains any areas of concern and reviews their written comments. The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the company's staff. The Committee also reviews the quarterly financial statements before they are submitted to the Board. Related party transactions entered into by the company, if any are placed before the Audit committee for its review on a quarterly basis. The last Annual General Meeting of the Company was held on September 30, 2011 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	Category	No. of Meetings during the year 2011-12	
		Held	Attended
Mr. B V S Sai Prasad, Chairman	Independent	5	5
Mr. P Syam Prasad	Non-Executive Non-Independent	5	5
Mr. Hafezuddin Shaik Imam	Independent	5	5



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Five Committee meetings were held during the year ended March 31, 2012 i.e. on May 12, 2011; August 10, 2011; August 30, 2011; November 11, 2011; and February 14, 2012.

The necessary quorum was present at all meetings.

Remuneration Committee

The Company does not have a 'Remuneration Committee'. The Board of Directors of the Company recommended that all such items that may be required to be discussed at a meeting of Remuneration Committee could be considered at a meeting of the Board of Directors.

As on March 31, 2012, 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.

Shareholders'/Investors' Grievance Committee

The Company has a Shareholders'/Investors' Grievance Committee 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 shareholders'/Investors Grievance Committee of the Company consists of three directors, two of which are independent Directors.

The Composition of the shareholder/ investors Grievance Committee is given below.

Name	Category
Mr. B V S Sai Prasad, Chairman	Independent
Mr. P Syam Prasad	Non-Independent Non-Executive
Mr. Hafeezuddin Shaik Imam.	Independent

Five Committee Meetings were held during the year ended March 31, 2012, i.e., on May 12, 2011; August 10, 2011; August 30, 2011; November 11, 2011 & February 14, 2012 and all the members attended all the meetings.

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
2010-11	13 th AGM	Friday, the September 30, 2011 at 3.00 P.M.
2009-10	12 th AGM	Wednesday, the September 29, 2010 at 3.00 P.M.
2008-09	11 th AGM	Wednesday, the September 30, 2009 at 3.00 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
13 th AGM	1. Alteration of Authorised share capital of the company under section 94 (1)(d) 2. Alteration of Articles of Association of the company under section 31(1)
12 th AGM	Nil
11 th AGM	Nil

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, 2012.
- iii. The Company is in compliance with all the mandatory requirements and yet to fulfill the non-mandatory requirements including Whistle Blower Policy as prescribed in Annexure 1 D to Clause 49 of the Listing Agreement of the Stock Exchange.
- iv. **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.

- v. **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.
- vi. **Risk Management:** The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.
- vii. **Preferential Issue Proceeds:** The Company did not raise any funds during the year under preferential issue mode.
- viii. **CEO & CFO Certificate:** The certificate as contemplated in Clause 49 of the listing agreement was given by the Executive Director of the company and the same was placed before the Board for its noting, in its meeting held for approval of audited financial statements of the Company.



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- ix. **Secretarial Audit:** A practicing Company Secretary 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 Financial Express, Business standard, Andhrabhoomi and Andhrajyothi.

General Shareholder's information

- i) Annual General Meeting

Date	:	September, 29 2012
Time	:	3.00 P.M
Venue	:	Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad – 500 051.

As required under Clause 49 VI(A), particulars of Directors seeking re-appointment are given in the notes to the notice calling the Annual General Meeting to be held on September 29, 2012.

- ii) Financial Calendar

Year ending	:	March 31, 2012
AGM	:	September 29, 2012

- iii) Date of Book Closure : 24.09.2012 to 29.09.2012
(Both days inclusive)

- iv) Listing on Stock Exchange: The Bombay Stock Exchange Limited

- v) Stock Code / Symbol : 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:



Month	High	Low	Volume
April 2011	3.35	2.78	32589
May 2011	2.90	2.61	17177
June 2011	3.15	2.52	18389
July 2011	3.64	2.64	23614
August 2011	4.01	2.63	98879
September 2011	4.23	2.70	26399
October 2011	2.65	2.41	11119
November 2011	2.63	1.99	6670
December 2011	1.92	1.44	4833
January 2012	1.55	1.37	6820
February 2012	1.63	1.32	8201
March 2012	1.36	1.17	2661

viii) Registrar and Transfer Agents:

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@aarthiconsultants.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, 2012):

a) Distribution of shareholding

Category	No. of Shareholders		No. of Shares	
	Total	%	Total	%
1 – 5000	5025	87.21	1603870	15.27
5001 – 10000	376	6.53	760307	7.24
10000 – 20000	178	3.09	695814	6.62
20000 – 30000	52	0.9	319694	3.04
30001 – 40000	42	0.73	395694	3.77
40001 – 50000	9	0.16	107400	1.02
50001 – 100000	39	0.68	681533	6.49
100001 and above	41	0.71	5939988	56.55
TOTAL	5762	100	10504300	100

**b) Categories of Shareholders as on March 31, 2012**

Category	No. of shares	% to share capital
Promoters	3353750	31.93
Private Corporate Bodies	391894	3.73
Indian Public	6756431	64.32
NRIs / OCBs	1000	0.01
Clearing Members	1225	0.01
Grand Total	10504300	100

- xi) **Dematerialization of shares and liquidity:**
The company's shares are compulsorily traded in dematerialization form. Equity shares of the Company representing 90.12% of the company's share capital are dematerialized as on March 31, 2012.
The Company's shares are regularly traded on Bombay Stock Exchange Limited.
- xii) As on March 31, 2012, 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

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, 2012

For and on behalf of the Board

Sd/-

P Syam Prasad

Director

Place: Secunderabad

Date: 14.08.2012

Certificate on Compliance of Corporate Governance

To
The Members
Virgo Global Media Limited
Hyderabad

We have read the report of the Board Directors on Corporate Governance and have examined the relevant records relating to compliance of condition of corporate governance of M/s Virgo Global Media Limited ("the company") for the year ended 31st March, 2012 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

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

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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

Place: Hyderabad
Date : 14.08.2012

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



AUDITORS' REPORT

To

The Members,

VIRGO GLOBAL MEDIA LIMITED

We have audited the attached Balance Sheet of **Virgo Global Media Limited** as at 31st March, 2012 and also the Profit & Loss Statement for the period ended on that date annexed thereto and the cash flow statement for the period ended on that date. 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.

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 statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and as amended by the Companies (Auditors' Report) (Amendment) Order 2004, issued by the Central Government of India in terms of the sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (ii) 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;
- (iii) The balance sheet dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of section 211 of Companies Act, 1956;
- (v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in terms of clause(g) of sub-section(1) of section 274 of Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information 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:
- (a) In the case the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- (b) In the case of the Profit & Loss Statement, of the Profit for the period ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For P. Murali & Co.,
Chartered Accountants
FRN : 007257S
P. Murali Mohana Rao
Partner
Membership No. 23412

Place : Hyderabad
Date : 28.05.2012

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 U/s.301 of 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 is prejudicial to the interest of the 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 & other parties listed in the register U/s. 301 of the Companies Act, 1956, hence overdue amount of more than rupees one lakh 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 & 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 company and the nature of its business with regard to purchase of fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation give 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 give 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 last of the 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 its accumulated losses at the end of the financial year is more than fifty percent of its networth 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 taken any loans from Banks or Financial Institutions. Hence this clause of repayment of dues to Financial Institutions or Banks or debenture holders and the defaulted payment therein is not applicable to the Company.
- XII. According to the information and explanations given to us, the company has not granted any loans or advance 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 this company is not covered by the provisions of special status 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 does not arise.
- 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 does not arise.
- XVIII. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation or 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.,
Chartered Accountants
FRN : 007257S

Sd/:-

P. Murali Mohana Rao
Partner
Membership No. 23412

Place : Hyderabad
Date : 28.05.2012


Balance Sheet as at 31st March, 2012

Particulars	Note No	As on 31/03/2012	As on 31/03/2011
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	42,017,200	42,017,200
(b) Reserves and Surplus	2	(36,310,194)	(36,431,178)
(c) Money received against share warrants			
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	22,601	29,589
(b) Other Long term liabilities	4	15,320,751	15,099,751
(3) Current Liabilities			
(a) Other current liabilities	5	562,966	559,740
(b) Short-term provisions	6	45,539	90,722
Total		21,658,863	21,365,824
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	46,499	76,786
(b) Long term loans and advances	8	181,515	181,515
(c) Other non-current assets	9	3,295,060	3,295,060
(2) Current assets			
(a) Trade receivables	10	543,248	225,000
(b) Cash and cash equivalents	11	3,016,042	2,828,234
(c) Short-term loans and advances	12	14,576,499	14,759,229
Total		21,658,863	21,365,824

Significant Accounting Policies
Notes On Financial Statements
As per our Report Attached
For P.Murali & Co.,
Firm Regn. No: 007257S
Chartered Accountants

1 to 26

For Virgo Global Media Limited

Sd/-

P Syam Prasad
Director

Sd/-

BVSS Prasad
Director

Sd/-

P.Murali Mohana Rao
Partner M.No. 023412

Place : Secunderabad
Date : 28th May 2012



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

Particulars	Note No	As on	As on 31/03/2011
		31/03/2012	
		Rs.	Rs.
I. Revenue from operations	13	735,248	570,000
II. Other Income	14	258,174	273,136
III. Total Revenue (I + II)		993,422	843,136
IV. Expenses:			
Employee benefit expense	15	72,000	134,000
Administrative Expenses	16	529,978	288,068
Financial costs	17	31,512	27,682
Depreciation and amortization expense	7	30,287	30,287
Total Expenses		663,777	480,037
V. Profit before exceptional and extraordinary items and tax (III - IV)		329,645	363,099
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		329,645	363,099
VIII. Extraordinary Items		173,661	7,245
IX. Profit before tax (VII - VIII)		155,984	370,344
X. Tax expense:			
(1) Current tax		41,988	-
(2) Deferred tax		(6,988)	6,210
XI. Profit/(Loss) from the period from continuing operations (IX - X)		120,984	376,554
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		120,984	376,554
XVI. Earning per equity share:			
(1) Basic		0.01	0.036
(2) Diluted		0.01	0.036

Significant Accounting Policies
Notes On Financial Statements

1 to 26

As per our Report Attached

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-

P.Murali Mohana Rao

Partner M.No. 23412

Place : Secunderabad

Date : 28th May, 2012

For Virgo Global Media Limited

Sd/-

P Syam Prasad

Director

Sd/-

BVSS Prasad

Director



VIRGO GLOBAL MEDIA LIMITED

NOTES TO FINANCIAL STATEMENTS

NOTE NO. 1 : SHARE CAPITAL

S.NO.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
a	Share Capital (For each class of capital)		
	(a) Authorised : 1,67,43,550 No. of Equity Shares @ Rs. 4/- each	66,974,200	66,974,200
	(b) Issued : 1,05,04,300 No. of Equity Shares @ Rs. 4/- each	42,017,200	42,017,200
	(c) Subscribed & fully paid up : 1,05,04,300 @ Rs. 4/- each fully paid up	42,017,200	42,017,200
	(d) Subscribed & not fully paid up	-	-
	(e) Par value per share Rs. 4/-		
	Total Equity Share capital	42,017,200	42,017,200
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares	
	Equity Shares of Rs.4 each, Fully paid up :		
	At the Beginning	10,504,300	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	10,504,300	10,504,300
c	Details of Shareholder holding more than 5% shares of the Company:	% of Share Holding	
	Equity Shares of Rs. 4 each Held By Savera Constructions Pvt Ltd - 33,53,750 Nos. (33,53,750 Nos. Previous Year)	31.93%	31.93%

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
I	RESERVES AND SURPLUS		
	a) Surplus :		
	i) Opening Balance - Profit and Loss Account	-	-
	Add: Transfer from Profit & Loss Account	120,984	376,554
		120,984	376,554
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account (Loss)	(36,431,178)	(36,807,732)
	Total Reserves and Surplus	(36,310,194)	(36,431,178)



NOTE NO. 3 : DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
I	Opening Deferred tax Liability	29,589	35,799
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(6,988)	(6,210)
	Deferred Tax Liability for the year (Due to Others)		
	Gross Deferred tax Liability	22,601	29,589
	Opening Deferred tax Asset	-	-
	Provision for Gratuity and Compensated Absences and doubtful debts	-	-
	Gross Deferred tax Asset	-	-
	Deferred Tax Liability/ (Asset) - Net	22,601	29,589

NOTE NO. 4 : OTHER LONG TERM LIABILITIES

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
	a) Trade Payables & Others		
	- Advance from Customers	-	-
	- Other Liabilities	15,320,751	15,099,751
	Total other long term liabilities	15,320,751	15,099,751

NOTE NO. 5 : OTHER CURRENT LIABILITIES

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
I	a) Other liabilities	562,966	559,740
	Total other current liabilities	562,966	559,740

NOTE NO. 6 : SHORT TERM PROVISIONS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
I	a) Others (Specify the nature)	3,551	90,722
	Statutory Liabilities		
	b) Income Tax	41,988	-
	Total short term provisions	45,539	90,722



NOTE NO : 7

FIXED ASSETS AS ON 31st MARCH, 2012

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2012	Net Block as on 31.03.2011
		As on 01.04.2011	Additions during the year	Sale / Deletions during the year	As on 31.03.2012	Dep. As on 01.04.2011	Dep. For the year 2011-2012	Dep Reserve on Deletions	Total Depreciation		
1	OFFICE EQUIPMENT	41,104	-	-	41,104	6,511	1,952	-	8,463	32,641	34,593
2	COMPUTERS	174,800	-	-	174,800	132,607	28,335	-	160,942	13,858	42,193
	TOTAL	215,904	-	-	215,904	139,118	30,287	-	169,405	46,499	76,786
	Previous Year	215,904	-	-	215,904	108,831	30,287	-	139,118	76,786	107,073

**NOTE NO. 8 : LONG TERM LOANS AND ADVANCES**

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	181,515	181,515
	Unsecured	-	-
	Total Long term loans & advances(net)	181,515	181,515

NOTE NO.9 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
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	-	-
	Total non - current assets(net)	3,295,060	3,295,060

NOTE NO. 10 : TRADE RECEIVABLES

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		Rs.	Rs.
I	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	543,248	225,000
	Unsecured, Considered Good	-	-
	Total trade recivable	543,248	225,000
	Less : Allowance for bad & doubtful debts	-	-
	Total Trade Receivables(net)	543,248	225,000

**VIRGO GLOBAL MEDIA LIMITED****NOTE NO. 11 : CASH AND BANK BALANCES**

S. No.	Particulars	As on 31.03.2012 Rs.	As on 31.03.2011 Rs.
I	Cash and cash equivalents :		
	a) Balances with banks :		
	i) On Current Accounts	53,933	62,601
	ii) Margin Money	2,960,697	2,765,512
	b) Cash on hand	1,412	121
	Total Cash and Cash Equivalents	3,016,042	2,828,234

NOTE NO. 12 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As on 31.03.2012 Rs.	As on 31.03.2011 Rs.
I	Short - term loans and advances:		
	a) Other loans And advances (Specify the nature)		
	Secured - Others	11,785,916	11,529,919
	Secured - for Staff Advances	-	6,000
	Prepaid Taxes	290,583	642,624
	Balances with Government Departments	2,500,000	2,580,686
	Total short term loans & advances	14,576,499	14,759,229
	Less : Provision for Doubtfull Debts	-	-
	Total short term loans & advances(net)	14,576,499	14,759,229

NOTE NO. 13 : REVENUE FROM OPERATIONS

S. No.	Particulars	As on 31/03/2012 Rs.	As on 31/03/2011 Rs.
I	Revenue from operations in respect of non-finance company		
	(a) Sale of Services	735,248	570,000
	(b) Other Operating Revenues	-	-
	Total Revenue from Operations	735,248	570,000

NOTE NO. 14 : OTHER INCOME

S. No.	Particulars	As on 31/03/2012	As on 31/03/2011
		Rs.	Rs.
I	(a) Interest income	219,240	213,136
	(b) Other non-operating income	38,934	60,000
	Total Other Income	258,174	273,136

NOTE NO. 15 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	As on 31/03/2012	As on 31/03/2011
		Rs.	Rs.
I	(a) Salaries & Wages	72,000	134,000
	(b) Contribution to Provident & Other Funds	-	-
	(c) Staff Welfare Expenses	-	-
	Total Employee Benefit Expenses	72,000	134,000

NOTE NO. 16 : ADMINISTRATIVE EXPENSES

S. No.	Particulars	As on 31/03/2012	As on 31/03/2011
		Rs.	Rs.
I	(a) Telephone, Postage and Others	161,970	33,697
	(b) Conveyance	5,158	5,173
	(c) Printing & Stationery Expenses	49,660	50,210
	(d) Rates & Taxes	61,322	28,034
	(e) Consultancy Charges	57,204	13,328
	(f) Advertisement expenses	2,702	9,450
	(g) Listing Fees	57,435	11,474
	(h) Miscellaneous Expenses	78,347	81,552
	(i) Auditors Remuneration	56,180	55,150
	Total Administrative Expenses	529,978	288,068

NOTE NO. 17 : FINANCE COST

S. No.	Particulars	As on 31/03/2012	As on 31/03/2011
		Rs.	Rs.
I	(a) Interest Expenses :		
	- Bank charges and Commission	31,512	27,682
	Total Finance Cost	31,512	27,682



SIGNIFICANT ACCOUNTING POLICIES:

(a). 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.

(b). Revenue Recognition:

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

(c). 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.

(d). 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.

(e). 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.

(f). Earnings 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.

(g). Gratuity:

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

NOTES TO FINANCIAL STATEMENTS

18. 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

19. Auditors' Remuneration:

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee	56,180/-	55,150/-

20. 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.

21. There are no dues to SSI Units outstanding for more than 30 days.



22. No confirmations were obtained from debtors/creditors as to the balances receivable from/ payable to them as at year end.
23. 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. 6,988/- towards deferred income tax Asset. (Previous year Rs. 6,210/- towards deferred income tax Asset).
24. The company is contingently liable for Rs. 22.00 lacs towards bank guarantees issued in favour of DoT, ISP.
25. Previous years figures have been regrouped wherever necessary.
26. The figures have been rounded off to the nearest rupee.

As per our report attached

For and on behalf of the Board

For **P. MURALI & CO.,**
Chartered Accountants
FRN: 007257S

VIRGO GLOBAL MEDIA LIMITED

Sd/-

P. Murali Mohana Rao
Partner
M.No. 023412

Sd/-

P. Syam Prasad
Director

Sd/-

BVSS Prasad
Director

Place : Secunderabad
Date : 28 May, 2012

**VIRGO GLOBAL MEDIA LIMITED****Statement of Cash Flows for the year ended 31.03.2012**

Rs. In lakhs

	31.03.2012	31.03.2011
A Cash Flow from operating activity		
Net Profit before tax	3.30	3.63
Adjustments for:		
Depreciation	0.00	0.30
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	(2.58)	(2.73)
Operating Profit before working capital changes	0.72	1.20
Adjustments for:		
Trade and other receivables	(3.18)	(0.60)
Inventories	0.00	0.00
Trade advances	1.83	(8.22)
Trade Payable	(0.42)	0.77
Cash generated from operations	(1.05)	(6.85)
Direct Taxes paid (net)	(0.12)	(0.43)
Cashflow before extraordinary items	(1.17)	(7.28)
Extraordinary items	(1.74)	0.07
	0.00	0.00
Net Cash flow from operating activity	(2.91)	(7.21)
B. Cash Flow from Investing Activity		
Disposal of Fixed assets	0.00	0.00
Un Secured Loans	2.21	3.49
Investments	0.00	0.00
Miscellaneous Expenditure	0.00	0.00
Other income	2.58	2.73
Loss on Sale of Assets/ Investments	0.00	0.00
Net Cash used for investing activity	4.79	6.22
C. Cash Flow from financing activities		
Repayment of Working Capital loan	0.00	0.00
Deferred sales tax loan payment	0.00	0.00
Dividend paid	0.00	0.00



Net cash generated from financing activity	0.00	0.00
Cash and cash equivalents (Opening Balance)	28.28	29.26
Net increase in Cash & Cash equivalents (A+B+C)	1.88	(0.99)
Cash and cash equivalents (Closing Balance)	30.16	28.27

For P. Murali & Co.
Chartered Accountants
FRN : 007257S

For and on behalf of the Board

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

Sd/-
P Syam Prasad
Director

Sd/-
BVSS Prasad
Director

Place: Secunderabad
Date : 28th May, 2012



VIRGO GLOBAL MEDIA LIMITED

VIRGO GLOBAL MEDIA LIMITED

(Plot no.5, Mithila Nagar, Road no.10, Banjara Hills, Hyderabad – 500 034)

PROXY FORM

I/We.....of.....being a member/
members of the above named company hereby appoint
.....
of.....as my/our proxy
to vote for me/us on my/our behalf at the 14th Annual General Meeting of the company to be held on
Saturday, September 29, 2012 at 3.00 p.m. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad
– 500 051 and at any adjournment thereof.

Please
Affix Re.1
Revenue
Stamp

Signed this..... day of _____ 2012.

NOTE:

- A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
- Proxy need not be a member.
- The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.

.....cut

VIRGO GLOBAL MEDIA LIMITED

(Plot no 5 , Mithila Nagar, Road no.10, Banjara Hills, Hyderabad – 500 034)

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio/ : _____

Shares held: _____

Client ID/ DPID : _____

I hereby record my presence at the 14th Annual General Meeting to be held on Saturday, September 29, 2012 at 3.00 p.m. at Plot No. 1 & 9 IDA Phase II, Cherlapally, Hyderabad – 500 051.

Name of the Shareholder : _____

Name of the Proxy : _____

Signature of member/proxy : _____

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

BOOK - POST
PRINTED MATTER

If Undelivered please return to :



VIRGO GLOBAL MEDIA LIMITED
Plot No.5, Mithila Nagar,
Road No. 10, Banjara Hills,
Hyderabad - 500 034