FORM NO B

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH STOCK EXCHANGE

1	Name of the Company	VJIL CONSULTING LIMITED
2.	Annual Financial statement for the year ended	31st March, 2014
3.	Type of Audit Qualification	1. Non-provisioning for investments of Rs.638.78 lakhs including advance against (Rs.346.67 lakhs), the impact on the accounts is not ascertained. (Note no.32 to the financial statements) 2. The Company has not provided interest in respect of outstanding long term borrowings of Rs 307.60 lakhs as at March 31, 2014. As stated in Note no.28 to the financial statements the management is in the discussion with the parties of the unsecured loans for reduction/waiver of interest in respect of the above referred amount. The impact on the accounts is not ascertained.
4.	Frequency of Qualification	Since 2006-2007 (point no. 1) Since 2011-2012 (point no. 2)
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the director report	1. Note no.32 of the financial statements. 2. Note no.28 of the financial statement. ***Board of director reply*** *Auditors have made Qualified opinion in the Auditors Report for which a proper explanation has given in Note No. 28 to 32 in notes to financial statement.*
6.	Additional comments from the Board/Audit committee chairman	--

S. Venkatesam

M. Anandam & Co. Secunderabad Chartered Accountants

VJIL CONSULTING LIMITED Hyderabad

VJIL CONSULTING LIMITED Hyderabad

7.	Signatures: 1.Mr.M.Satyendra – Chairman & Managing Director 2.M/s.M.Anandam & Co., Chartered Accountants , Statutory Auditors of the Company Mr. S.Venkateswarlu, Parter 3.Mr.G.Nagendra Audit Committee Chairman	

22ND
ANNUAL REPORT
2013 - 14

VJIL CONSULTING LIMITED

22ND ANNUAL GENERAL MEETING
Saturday, 27th Day of September, 2014
At 10:00 AM
Tyagaraya Gana Sabha,
Chikkadpalli, Hyderabad - 500095

Index Page

1.	Notice	03
2.	Director's Report	11
3.	Management Discussion & Analysis	15
4.	Corporate Governance	18
5.	Auditor's Report	32
6.	Balance Sheet	39
7.	Statement of Profit & Loss	40
8.	Cash Flow Statement	41
9	Notes	42
10.	E-Voting Process	57
11.	Attendance Slip	59
12.	Proxy Slip	61

BOARD OF DIRECTORS

Mr.M.Satyendra	Chairman and Managing Director
Dr Garima Vashistha	Director
Mr.J S S Murthy	Director
Mr.G Nagendra	Director

STATUTORY AUDITORS

M Anandam & Co.,
Chartered Accountants
7A, Surya Towers, S P Road
Secunderabad-500003

BANKERS

State Bank of Hyderabad
Industrial Finance Branch
Punjagutta, Hyderabad-82

REGISTERED OFFICE

3rd Floor Western Wing, NCC House,
Survey No-64, Madhapur,
Hyderabad-500 081.

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited
Flat No. 306, Right Wing, 3rd floor,
Amrutha Ville Apt., Opp.Yashodha Hospital,
Raj Bhavan Road,Somajiguda,
Hyderabad-500082

LISTED AT:

BSE Limited

BOARD COMMITTEES					
AUDIT COMMITTEE		**REMUNERATION COMMITTEE**		**INVESTOR GRIEVANCE COMMITTEE**	
Mr.G.Nagendra	: Chairman	Mr.G.Nagendra	: Chairman	Mr.G.Nagendra	: Chairman
Mr.J S S Murthy	: Member	Mr.J S S Murthy	: Member	Mr.J S S Murthy	: Member
Dr.Garima Vashistha	: Member	Dr.Garima Vashistha	: Member	Dr.Garima Vashistha	: Member

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of the company will be held on Saturday, 27th September, 2014 at 10.00 A.M. at Tyagaraya Gana Sabha, Chikkadpalli, Hyderabad - 500095 to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Balance Sheet of the company as at 31.03.2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors' and the Auditor's report thereon.

2) To appoint a director in place of Mr. Manchala Satyendra who retires by rotation and being eligible, offers himself for re-appointment

3) To appoint Statutory Auditors of the Company.

"RESOLVED THAT pursuant to the provisions of Sections 139,141,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s M. Anandam & Co., Chartered Accountants, (Registration No. 000125S) be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Meeting for a period of 3 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2015.".

SPECIAL BUSINESS

4) To consider and if thought fit, to pass with or without modification(s), the following resolution as an "**Ordinary Resolution"**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Nagendra Ganpaa (DIN:01838209), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years."

5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **"Ordinary Resolution"**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Siva Subrahmanya Murty Jonnalagedda (DIN :05211183), a non-executive

independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of five (5) years."

6) RE-APPOINTMENT OF SRI M SATYENDRA AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **"SPECIAL RESOLUTION"**

"RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the appointment of Sri M Satyendra, as Chairman & Managing Director of the Company for a period of 3 (three) years with effect from 14th May, 2014, at a remuneration of Rs 2,00,000/- per month on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto".

"RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed there under Sri M Satyendra, as Chairman & Managing Director, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Whole time Director, in accordance with the provisions of Schedule V to the Companies Act, 2013".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions".

By order of the Board
VJIL CONSULTING LIMITED

Sd/-
M.Satyendra
Chairman & Managing Director

Place : Hyderabad
Date : 14.08.2014

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 HIM 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. The Register of the members and share transfer books of the Company will close from Monday September 22, 2014 to Saturday September 27, 2014 (Both days inclusive)

4. Members are requested to quote ledger folio number in all their correspondence to avoid delay in communication.

5. Members are advised to consolidate their ledger folios where they are holding shares in different folios in the same name/sequence of names.

6. Electronic copy of the Annual report will be sent to all the members whose email IDs are registered with the Company/Depository Participants(s) unless any member has requested for hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.

7. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.

8. We would like to draw your attention to Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 ("Circular") issued by Securities and Exchange Board of India (SEBI), to all listed companies to update bank details of their shareholders holding shares in demat mode and / or physical form, to enable usage of the electronic mode of remittance i.e. ECS, NEFT etc., for distributing dividends and other cash benefits to the shareholders. The circular further states that in cases where either the Bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc., that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the Bank, Companies or their Registrars and Transfer Agents (RTA) may use physical payment instructions for making cash payments to the investors. Companies shall mandatorily print the Bank account details of the investors on such payment instruments.

9. Voting through electronic means

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide

members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Service (India) Limited (CDSL):

b. Commencement of e - voting: From 10.00 A.M. on Wednesday 17th September, 2014 to 06.00 P.M. on Friday 19th September, 2014

c. E-voting shall not be allowed beyond 06.00 P.M. on Friday 19th September, 2014. During the e-voting period, shareholders of the Company, holding shares either in physical form may cast their vote electronically.

d. The login ID and password for e-voting along with process, manner and instructions for e-voting is being attached at the end of the Annual Report.

e. The Company has appointed Mr. Yellareddy Vootkuri, Practicing Chartered Accountant, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner

By order of the Board
VJIL CONSULTING LIMITED

Sd/-
M.Satyendra
Chairman & Managing Director

Place : Hyderabad
Date : 14.08.2014

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

Item no. 4

The provisions of the companies act, 2013 with respect to appointment and tenure of the independent directors have come into effect. as per the said provisions, the independent directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Mr. Nagendra Ganpaa,(DIN 01838209) is a Non-Executive Independent Director of the company. Mr. Nagendra Ganpaa is a Chairman of Audit Committee, Remuneration Committee, and Investor's & Share Holders Grievances Committee of the Board of directors of the Company.

In terms of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013, Mr. Nagendra Ganpaa,being eligible, offer himself for appointment as Independent Director on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Nagendra Ganpaa, as Independent Director on the Board of the Company for a term upto five (5) consecutive years, from ensuing Annual General Meeting. A brief profile of proposed Independent Director, including nature of their expertise, is provided in the Annual Report.

Notices have been received from Members proposing candidate of the above Director for the office of Independent Director of the Company. In the opinion of the Board, Mr. Nagendra Ganpaa, fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in this Resolution. The Board commends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

Item no. 5

The provisions of the companies act, 2013 with respect to appointment and tenure of the independent directors have come into effect as per the said provisions, the independent directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Mr. Siva Subrahmanya Murty Jonnalagedda,(DIN 05211183) is a Non-Executive Independent Director of the company. Mr. Siva Subrahmanya Murty Jonnalagedda is a member of Audit Committee, Remuneration Committee, and Investor's & Share Holders Grievances Committee of the Board of directors of the Company.

In terms of Section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013, Mr. Siva Subrahmanya Murty Jonnalagedda, being eligible, offer himself for appointment as Independent Director on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Siva Subrahmanya Murty Jonnalagedda, as Independent Directors on the Board of the Company for a term upto five (5) consecutive years, from ensuing Annual General Meeting. A brief profile of proposed Independent Director, including nature of their expertise, is provided in the Annual Report

Notices have been received from Members proposing candidate of the above Director for the office of Independent Director of the Company. In the opinion of the Board, Mr. Siva Subrahmanya Murty Jonnalagedda, fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in this Resolution. The Board commends the Ordinary Resolution as set out at item no. 5 for approval of the Members

Item no. 6

Mr. M Satyendra was appointed as Chairman & Managing Director of the Company by the Board of Directors w.e.f 14th May 2014 at a monthly remuneration of Rs. 2,00,000 per month pursuant to the provisions of the Companies Act, 2013 and Schedule V of the Companies Act, 2013 subject to the approval of the members in their General Meeting

Pursuant to the provisions of Part II section II of Schedule V of the Companies Act, 2013, any such appointment of Director on Whole-time basis carrying the aforesaid remuneration, (in the context of your company), needs to be approved by the members by passing a Special Resolution.

Hence the resolution is proposed for your approval.

Statement as per Part II Section II of Schedule V

I.	**Genaral Information**		
1	Nature of Industry	SOFTWARE DEVELOPMENT & CONSULTING	
2	Date or expected date of commencement of commercial production	14.02.1995	
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4	Financial performance based on given indicators	Financial Year 2013-14 (Rs. in Lakhs)	Financial Year 2012-13 (Rs. in Lakhs)
	Total Income	643.25	312.01
	Profit/loss before tax	(552.47)	(180.07)
	Net Profit After Taxation	(552.47)	(180.07)
5	Export performance and net foreign exchange collaborations	642.10 Lakhs, No F.E.C.	
6	Foreign investments or collaborations, if any	No	

II.	**Information about the appointees**	
1	Background details	Sri M Satyendra is a management graduate, associated with the Company since its inception in the managerial position and play key role in success of the company. He has experience of more than 2 decades in the industry, presently he is involved in day to day and international operations of the Company
2	Past remuneration	Rs. 2,00,000 per month
3	Recognition or awards	-
4	Job profile and his suitability	He is involved in the day to day operations of the Company and more focused in international business of the Company
5	Remuneration proposed	Rs. 2,00,000 per month
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The Proposed remuneration is commensurate with size and nature of business of the Company and the huge responsibility the appointee who is promoter too of the Company are carrying. The remuneration do differ from Company to Company in the industry depending on the respective operations.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Apart from drawing remuneration as managing director there are no Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any
III.	Other Information	
1	Reasons of loss or inadequate profits	Past management disputes effected the operations of the Company
2	Steps taken or proposed to be taken for improvement	Established sales operations in the USA and UK markets, which has started giving positive results
3	Expected increase in productivity and profits in measurable terms	The Company's business is increased compare to last fiscal and expected profits in this fiscal.

By order of the Board
VJIL CONSULTING LIMITED

Sd/-
M.Satyendra
Chairman & Managing Director

Place : Hyderabad
Date : 14.08.2014

Information in respect of Directors seeking appointment / re-appointment as required under Clause 49 IV (G) of the Listing Agreement

Name of the Directors	Mr Manchala Satyendra	Mr Nagendra Ganpaa	Mr Siva Subrahmanya Murty Jonnalagedda	Dr. Garima Vashistha
Date of first	06/05/1992	12/02/2007	12/02/2007	27/08/2011
Date of birth/age	15/07/1969	25/05/1950	08/09/1968	14/11/1967
Expertise in specific functional areas	Software	Finance	Marketing	Consulting
Educational qualification	MBA	B.Com.,	MBA. from IIM	P.hd.,(Life sciences)
Chairman/member of the committee of board of directors of the company	Investor and Shareholder Grievance Committee Member	Audit committee Chairman Remuneration committee Chairman Investor and shareholder Grievance Committee Chairman	Audit committee Member Remuneration committee Member	Audit committee Member Remuneration committee Member Investor and shareholder Grievance Committee Member
List of Directorships, Committee Chairmanship, Membership held in other companies as on	Mercury Outsourcing Management Ltd Vishwashree Enterprises Pvt Ltd	Nil	Nil	Altered Black Creative Pvt Ltd Tholons Knowledge Management Pvt Ltd Vaishnavkripa Realty Pvt Ltd

DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 22nd Annual Report of your company together with the Audited Balance Sheet and Statement of Profit and Loss of the company for the financial year ended 31.03.2014.

1. FINANCIAL RESULTS:

Financial results for the year under review and as well as previous year are as follows.

(₹ In Lakhs)

Particulars	Year Ended 31.3.2014	Year Ended 31.3.2013
Income from Operations	642.07	310.03
PBDIT	(530.47)	(148.10)
Depreciation	22.00	31.97
Interest	--	--
Profit Before Tax (PBT)	(552.47)	(180.07)
Provision for Tax	--	--
Profit After Tax (PAT)	(552.47)	(180.07)

2. OPERATIONS:

During the year under review, your Company made a Net income of Rs. 642.07 Lakhs and incurred a Net Loss of Rs.(552.47) Lakhs after providing for depreciation and tax. The operations of the Company were affected badly in the recent years due to differences in the management, which ultimately has resolved. Your company has incurred losses in this fiscal due to reduction in turnover, fixed overheads and other expenditure for getting new business.

3. DIVIDEND:

Due to absences of profit, the directors of your Company do not recommend any dividend for the financial year 2013-14.

4. FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 from the its member and public during the Financial Year.

5. DIRECTORS:

Mr. M. Satyendra, Chairman and Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

M. Satyendra was appointed as Chairman and Managing Director of the Company in the meeting of the Board of Directors held on 14th May 2014 for a period of 3 years subject to the approval of the members in the General meeting, the proposed resolution for his appointment is placed before the Members in the ensuing Annual General meeting.

6. DIRECTORS RESPONSIBILITIES 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 31st March, 2014, 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 end, 31st March, 2014 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 2013-14.

7. MANAGEMENT'S DISCUSSION ANALYSIS:

Management's Discussion and Analysis report is enclosed to this report as **Annexure – A**

8. CORPORATE GOVERNANCE:

Report on Corporate Governance along with Practicing Company secretary 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:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, based on the recommendation of the Audit Committee, M/s. M Anandam & Co, Chartered Accountants, Hyderabad, appointed as the

Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting for a period of 3 years in accordance with the Act, subject to the ratification of shareholders at every Annual General Meeting. M/s. M Anandam & Co, Chartered Accountants, Hyderabad, have confirmed that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s. M Anandam & Co, Chartered Accountants, Hyderabad, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

10. PARTICULARS OF EMPLOYEES:

None of the Employees of the Company is drawing remuneration exceeding limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2011.

11. SUBSIDIARY:

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts for the financial year ended 31st March, 2014 along with report of the Board of Director's and Auditor of the Company's Subsidiary, M/s Mercury Outsourcing Management Limited could not be furnished.

12. AUDITORS OBSERVATIONS, QUALIFICATIONS AND EXPLANATIONS

Auditors have made Qualified opinion in the Auditors Report for which a proper explanation has given in Note No. 28 and 32 in notes to financial statement.

13. 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

Foreign exchange earnings and outgo: (Rs.In lakhs)

Particulars	2013-14	2012-13
Foreign Exchange Earnings	642.07	310.03
Foreign Exchange Outgo	200.11	160.51

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 heartfelt 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
VJIL CONSULTING LIMITED

Sd/-
M. Satyendra
Chairman and Managing Director

Place : Hyderabad
Date : 14.08.2014

MANAGEMENT DISCUSSION & ANALYSIS

Indian economy

"When the global economy is challenged, the Indian economy will also face challenges. It is the challenges that should bring out the best in the people. Finance Secretary Arvind Mayaram said that India's economy is on course to grow by around 5.8 percent in the fiscal year. Finance Secretary Arvind Mayaram told an industry event that industrial production data suggested that corporate order books are building up. India's economy grew by 4.7 percent in the 2013/14 fiscal year, marking the second full year of growth below 5 percent.

The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by purchasing power parity (PPP). India was the 19th-largest merchandise and the 6th largest services exporter in the world in 2013; it imported a total of $616.7 billion worth of merchandise and services in 2013, as the 12th-largest merchandise and 7th largest services importer. India's economic growth slowed to 4.7% for the 2013–14 fiscal year, in contrast to higher economic growth rates in 2000s. IMF projects India's GDP to grow at 5.4% over 2014-15. Agriculture sector is the largest employer in India's economy but contributes a declining share of its GDP (13.7% in 2012-13). Its manufacturing industry has held a constant share of its economic contribution, while the fastest-growing part of the economy has been its services sector - which includes construction, telecom, software and information technologies, infrastructure, tourism, education, health care, travel, trade, banking and others components of its economy.

The growth and performance of the Indian economy in the world market is explained in terms of statistical information provided by the various economic parameters. For example, Gross National Product (GNP), Gross Domestic product (GDP), Net National Product (NNP), per capita income, Gross Domestic Capital Formation (GDCF), etc. is the various indicators relating to the national income sector of the economy. They provide a wide view of the economy including its productive power for satisfaction of human wants. In the industrial sector, the Index of Industrial Production (IIP) is a single representative figure to measure the general level of industrial activity in the economy. It measures the absolute level and percentage growth of industrial production.
Growth in Domestic Market:-

India's information technology (IT) lobby made its most optimistic forecast for software exports in three years, estimating a 13-15% increase in the next fiscal year with top clients such as General Electric Co. (GE) and Citigroup Inc. expected to spend more on farming out back-office software As was widely expected, Nasscom said software exports in 2014-15 would rise to as much as $99 billion, from about $86 billion estimated for this fiscal year ending March. Including the domestic market, the Indian IT industry is currently pegged at $118 billion. Nasscom said the Indian IT industry would add incremental revenues of $13-14 billion in 2014-15. Incremental revenue is a measure of market share growth that has evolved as the new benchmark for the IT sector. For the current fiscal year ending March, Nasscom said the country's software exports will grow at about 13%. It had earlier forecast a 12-14% range for exports in fiscal 2013-14

Opportunities, Threats, Risks and Concerns:

India has been and remains the most favored offshore location for Technology Services. India is ranked at the top, ahead of China, Czech Republic and Philippines for offshore IT services.

USA is the biggest market for Indian Software and BPO Industry. However, due to economic slowdown, it has cut down expenditure on technology drastically. According to the PwC Global 100 Software Leaders report, India ranks fifth among the emerging markets based on revenues. The IT / ITeS sector has led to employment opportunities, both direct and indirect, of nearly 2.8 million and around 8.9 million respectively. This growth is expected to increase to more than 14 million (direct and indirect) by 2015 and to around 30 million by 2030.

Risk management is an important aspect of our lives. We are exposed to risks, both in terms of threats to service provision and from the potential of lost opportunities. It is essential that of late, businesses should continue to demonstrate their unswerving commitment to consider implications arising out of the potential risks to meet client requirements and maintain their faith in the Operational Excellence of their teams and service providers. The International Monetary fund had projected slow growth in the advanced economies between 2012-2017.

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 Adequacies

VJIL has deployed adequate Internal Control Systems (ICS) inplace to ensure a smooth functioning of its business. The ControlSystems provide a reasonable assurance of recording thetransactions of its operations in all material aspects and of providingprotection against misuse or loss of company's assets.The existing internal control systems and their adequacy arefrequently reviewed and improved upon to meet the changingbusiness environment

Human Resources / Industrial Relations

Among the available resources human resources plays a vital role in strengthening the future of the company and the company is fully aware of the same. A major shift in top line of the management along with the strong and trained employee base at all levels provided a fresh congenial working atmosphere with creative thinking resulting in professionalism across the company. As your company feels that human resource is very vital, as part of its continuous man power development, various trainings have been organized for employees wherever necessary.

Future Outlook

IT industry is one of the fastest growing industries among whole world. Indian IT industry has placed itself in the third position due to domestic as well as international market demand. Though 'IT', a

small word but it converts the entire world into a global village. The intensification of IT still lies in phenomenon and fantasy. From the last decade India has became one of the most important offshore destinations amongst the Asia-Pacific region. During 4 to 5 years it increases up to 3 fold and captured the leadership position in the world market. Indian IT sector acquires 3% of the total global market and it is expected to increase its volume in the next few years.Increase in global technology spending and opportunities created through adoption of disruptive technologies are expected to propel growth in FY2014. NASSCOM expects the industry to clock export revenues of USD 84-87 bn maintaining a growth rate of 12-14 per cent. Domestic revenues will also grow at a rate of 13-15 per cent and are expected to reach INR 1180-1200 bn

Mr. N. Chandrasekaran, Chairman, NASSCOM, said, "The Indian IT-BPM industry has demonstrated resilience and agility in the past year. Technology has today become an integral enabler for growth across all sectors and the industry is continuously evolving and innovating to emerge as a strategic partner to its customers. He further added that, "The thrust is IP led solutions served over multiple platforms that has the customer at the centre of every module, and is transformative in nature.

India is the only country that offers the depth and breadth of offerings across different segment of this industry – IT Services, BPM, Engineering & R&D, Internet & Mobility and Software Products. IT Services is a USD 50 billion sector, BPM is a USD 20 billion sector, Engineering crossed USD 10 billion and Software products, Internet & Mobility are emerging opportunities. Today, existing and new companies are expanding their offerings to build India as the hub for analytics, mobility, cloud, social collaboration and emerging verticals like healthcare and medical devices.

The Company has good prospectus in the Comings financial year and management is confident of getting new projects.

For and on behalf of the Board
VJIL CONSULTING LIMITED

Sd/-
M. Satyendra
Chairman and Managing Director

Place : Hyderabad
Date : 14.08.2014

ANNEXURE –B

CORPORATE GOVERNANCE REPORT

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:

- **Composition of the Board:**

At present, the strength of the Board is Four Directors. The Board comprises of 1 Executive and 1 Non-Executive Director and 2 Non Executive & Independent Directors.

S. No	Director	Category	Attendance at AGM held on 19.09.2013	Attendance in Board Meeting		Other Boards		
				Held	Attend-ance	Director ship	Committee Chairman ship	Committee member ship
1	Mr. M. Satyendra	Chairman and Managing Director	YES	4	4	2	Nil	Nil
2	Dr. Garima Vashistha	Non-Executive Director	YES	4	4	3	Nil	Nil
3	Mr. G.Nagendra	Non-Executive & Independent Director	YES	4	4	Nil	Nil	Nil
4	Mr. J S S Murty	Non-Executive & Independent Director	NO	4	4	Nil	Nil	Nil

- **Board meeting and attendance**

Four Board Meetings were held during the Financial Year and the gap between two board meetings did not exceed four months.

The dates on which meeting were held are as follows:

30.05.2013	14.08.2013	14.11.2013	14.02.2014

3. AUDIT COMMITTEE:

a) **Brief description of terms of reference**

- Review the un-audited quarterly results, half yearly and annual accounts of the company.
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment of any other services.
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:

(i) Any changes in accounting policies and practices
(ii) Major accounting entries based on exercise of judgment by management
(iii) Qualifications in draft audit reports
(iv) Significant adjustments arising out of the audit
(v) The going concern assumption
(vi) Compliance with accounting standards

- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relative etc.; that may have potential conflict with the interests of the company at large.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected of fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- Discussion with external auditors before the audit commences, on the nature and scope of audit as well as has post- audit discussion to ascertain any areas of concern.
- Reviewing the company's financial and risk management policies.
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

b) COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company consists of the Following members:

Name of the Director	Designation
Mr G. Nagendra	Chairman
Mr. J S S Murthy	Member
Dr. Garima Vashistha	Member

The committee met 4 times during the financial year 2013-14 on, 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014 attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings attended
1	Mr. G.Nagendra	Chairman	4	4
2	Dr. Garima Vashistha	Member	4	4
3	Mr. J S S Murthy	Member	4	4

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, and fixation of audit fee and also approval of payment of fees for any other services.

4. REMUNERATION COMMITTEE

a) The terms of reference of the Remuneration Committee are as follows:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.

- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

b) **Composition**

The Remuneration Committee consists of the following members

S.No.	Name of the Member	Designation
1	Mr G. Nagendra	Chairman
2	Mr. J S S Murthy	Member
3	Dr. Garima Vashistha	Member

The committee met 1 time during the financial year 2013-14 on 14.08.2013 attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings attended
1	Mr. G.Nagendra	Chairman	1	1
2	Dr. Garima Vashistha	Member	1	1
3	Mr. J S S Murthy	Member	1	1

✦ **Remuneration paid to Directors during the Financial Year**

Details of Remuneration paid to the Executive Directors during the year 2013-14 are as under:

Name of the Director	Designation	Remuneration (In ₹)
M. Satyendra	Chairman & Managing Director	13,99,492

No sitting fees is paid to the other directors of the Company

5. INVESTOR GRIEVANCE COMMITTEE

a) **Terms of Reference:**

The terms of reference of the Investor Grievance & Share Transfer Committee are as follows:

To supervise and ensure:

(i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

(ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;

(iii) Issue of duplicate / split / consolidated share certificates;

(iv) Allotment and listing of shares;

(v) Review of cases for refusal of transfer / transmission of shares and debentures;

(vi) Reference to statutory and regulatory authorities regarding investor grievances;

(vii) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

b) Composition of Investor Grievance Committee:

The Committee consists of the following members

S.No.	Name of the Member	Designation
1	Sri. G. Nagendra	Chairman
2	Sri. M Satyendra	Member
3	Dr. Garima Vashistha	Member

The committee met 4 times during the financial year 2013-14 on 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014 attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings attended
1	Mr. G.Nagendra	Chairman	4	4
2	M Satyendra	Member	4	4
3	Dr. Garima Vashistha	Member	4	4

Name & Designation of the Compliance Officer : Mr. M.Satyendra
Chairman & Managing Director

No. of complaints pending at the begining of the year : 2
No. of shareholders complaints received during the Financial Year : 2
No. of complaints solved to the satisfaction of the share holders : 4
No. of pending complaints : Nil

6. GENERAL BODY MEETINGS:

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

Financial Year	Date	Venue	Time
2012-2013	19.09.2013	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad – 95	10.00 A.M.
2011-2012	28.09.2012	Hotel Swagath Conference Hall, Ameerpet 'X' Road, Opposite Chowdary Mansion, Hyderabad - 16.	10.00 A.M.
2010-2011	30.09.2011	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	10.00 A.M.

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

In the AGM held on 30th September, 2011 members vide special resolution Appointed Sri M Satyendra as Chairman & Managing Director for a period of 3 years

POSTAL BALLOT:

NO special resolution is passed under Postal ballot during the financial year under review.

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

7. 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 structures 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

8. MEANS OF COMMUNICATION.

Quarterly Results and Annual Results of the Company are normally published in Financial Chronicle and Andhra Bhoomi / Praja Shakti

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis report is a part of the Annual Report.

Web Site: www.vjil.com

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting:

Day & Date : Saturday, 27th September, 2014

Time : 10.00 a.m.

Venue : Tyagaraya Gana Sabha,
Chikkadapalli, Hyderabad - 500095

b) Financial Year : 1st April to 31st March

CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited Financial Results	Second Week of August, 2014
Second Quarter un-audited Financial Results	Second Week of November, 2014
Third Quarter un-audited Financial Results	Second Week of February, 2015
Fourth Quarter Audited Financial Results	Last Week of May, 2015

c) DATES OF BOOK CLOSURE

Monday, 22nd September, 2014 to Saturday, 27th September, 2014 (Both days Inclusive)

d) Dividend Date: Within 30 days from the date of declaration at Annual General Meeting.

e) LISTING ON STOCK EXCHANGES

Name of the Stock Exchange	Address	Scrip Code
BSE 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 31st March, 2014 are furnished hereunder.

Month	BSE LIMITED	
	SHARE PRICE (Rs.)	
	HIGH	LOW
April, 2013	9.99	6.65
May, 2013	12.52	10.48
June, 2013	12.50	10.36
July, 2013	13.12	11.17
August, 2013	12.58	9.31
September, 2013	11.28	9.77
October, 2013	11.75	11.25
November, 2013	12.50	11.75
December, 2013	12.50	11.80
January, 2014	13.70	10.85
February, 2014	13.95	11.88
March, 2014	11.86	9.75

g) REGISTRAR & TRANSFER AGENTS

Bigshare Services Private Limited

Flat No. 306, Right Wing, 3rd floor,
Amrutha Ville Apt., Opp.Yashodha Hospital,
Raj Bhavan Road,Somajiguda,
Hyderabad-500082
Telephone No. 040-23374967
Fax No : 040-23370295
E-mail : bsshyd@bigshareonline.com

h) SHARE TRANSFER SYSTEM:

All the physical share transfers received are processed by the Share Transfer Agents M/s. Bigshares Services Private Limited, Hyderabad. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the Company's shares to be transferred electronically through Depositories System

- **DEMAT ISIN NUMBER**

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL	INE576B01019

i) Distribution of shareholding as on 31st March, 2014

Shares or debenture holding of nominal value of Rs.	**No. of holders**	%	**Shares / Debentures Amount**	%
1 - 5000	6356	90.12	11396970	14.50
5001 - 10000	346	4.91	2898980	3.69
10001 - 20000	156	2.21	2350810	2.99
20001 - 30000	43	0.61	1101890	1.40
30001 - 40000	21	0.30	750640	0.96
40001 - 50000	24	0.34	1107350	1.41
50001 - 100000	39	0.55	2816590	3.58
100001 - above	68	0.96	56162770	71.47
TOTAL	**7053**	**100.00**	**78586000**	**100.00**

j) Shareholding Pattern as on 31st March, 2014

Sl no	Category	No. of Shares Held	% of Shareholding
A 1	**INDIAN PROMOTERS & PROMOTER GROUP** Individuals/Hindu Undivided Family Central Government /State Governments Bodies Corporate Financial Institutions/Banks	**1880943**	**23.93**
	Sub Total of A1	**1880943**	**23.93**
A 2	**FOREIGN** Individuals (Non-Residents) Individuals (Foreign Individuals) Bodies Corporate Institutions Any Other (Specify)		
	Sub Total of A2	**-**	**-**
	TOTAL OF A1 +A2	**1880943**	**23.93**
B 1.	**Public Shareholdings** Institutions Mutual Funds and UTI Banks/Financial Institutions Central Government/State Government Venture Capital Funds Insurance Companies Foreign Institution Investor Foreign Venture Capital Investors Any Other (Specify)	100	-
	Sub Total B1	**100**	**-**
B 2	**Non Institutions** Bodies Corporate **Individuals** Individuals share holders holdings nominal share capital upto Rs. 1 Lakhs Individual Shareholding holding nominal share capital in excess of Rs. 1 Lakhs	 399909 2100255 2595525	 5.09 26.73 33.03

	Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	 876706 5162	 11.16 0.07
	Sub Total B2	**5977557**	**76.07**
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	**5977657**	**76.07**
C	Shares held by Custodian and against which Depository Receipts have been issue	**Nil**	**-**
	TOTAL A+B+C	**7858600**	**100**

The Company's shares are available for dematerialization on both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 88.66% of shares have been dematerialized as on 31.03.2014.

k) DEMATERIALIZATION OF SHARES AND LIQUIDITY: Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any Depository Participant.

l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: Not Issued

m) Address for correspondence:

VJIL CONSULTING LIMITED
3rd Floor Western Wing, NCC House,
Survey No-64, Madhapur,
Hyderabad-500081
Telephone No. 040-23119633, 040-23119634
Fax No : 040-23119614
E-mail : ramakrishna@vjil.com

CEO & CFO CERTIFICATION:

The Chairman & Managing Director of the Company gave annual certificates on financial reporting and internal controls to the Boards in terms of Clause 49 copy enclosed as annexure to this report.

DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS

VJIL CONSULTING LIMITED has adopted Code of Business Conduct and Ethics ("the code") which applied to all the employees and Director of the Company. Under the Code, it is responsibility of all employees and Directors to familiarize themselves with the Code and comply with its Standards.

I, M satyendra, Chairman & Managing Director of the Company hereby certify that the Board members and senior management personnel of VJIL CONSULTING LIMITED have affirmed compliance with the Code of conduct for the Financial Year 2013-14.

Sd/-

Place : Hyderabad
Date : 14.08.2014

M. Satyendra
Chairman and Managing Director

REPORT ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To
The Members of VJIL Consulting Limited

We have examined the compliance of the conditions of Corporate Governance by VJIL Consulting Limited (the Company) for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for insuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2014 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

Sd/-
N Vanitha
Company secretary
CP No. 10573

Place: Hyderabad
Date: 14.08.2014

Chief Executive Officer and Chief Finance Officer (CEO&CFO) Certificate:

I, M.Satyendra, Chairman & Managing Director of VJIL Consulting Limited, to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2014.

2. To the best of our knowledge and belief:

   a. These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.

   b. the financial statements and other financial information included in this report present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.

3. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

5.

   a) There has not been any significant change in internal control over financial reporting during the year under reference;

   b) There has not been any significant changes in accounting policies during the year under reference; and

   c) We are not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
M. Satyendra
Chairman & Managing Director

Place: Hyderabad
Date: 14.08.2014

AUDITOR'S REPORT

To
The Members of
VJIL Consulting Limited
Hyderabad

Report on the Financial Statements

We have audited the accompanying financial statements of VJIL Consulting Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 8/2014 dated 4th April, 2014 issued by Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Non-provisioning for investments of Rs.638.78 lakhs including advance against share capital (Rs.346.67 lakhs), the impact on the accounts is not ascertained. (Note no. 32 to the financial statements)

2. The Company has not provided interest in respect of outstanding long term borrowings of Rs 307.60 lakhs as at March 31, 2014. As stated in Note no.28 to the financial statements the management is in the discussion with the parties of the unsecured loans for reduction / waiver of interest in respect of the above referred amount. The impact on the accounts is not ascertained.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 227(3) of the Act, we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief werenecessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are inagreement with the books of account;

d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with theAccounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April, 2014 issued by Ministry of Corporate Affairs.

e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **M.Anandam & Co.,**
Chartered Accountants
(Firm Regn No. 000125S)

Sd/-
S.Venkateswarlu
Partner
M.No: 022790

Place : Secunderabad
Date : 30.05.2014

Annexure

Re: VJIL Consulting Limited
Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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. No material discrepancies were noticed on such physical verification.

c. 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.

ii. a. 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. The Management has physically verified the course material during the year.

b. The procedures of physical verification of course material followed by the management is adequate in relation to the volume and value of the course material.

c. The Company has furnished records of its course material and as per the management no material discrepancies were observed.

iii. a. According to the information and explanation given to us, the Company has granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 7.25 lakhs and the year-end balance of loans given to such parties was Rs. 2.25 lakhs .

b. 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 listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.

c. We have not made any comments because the terms of repayment have not been stipulated.

d. 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 of interest and principal.

e. As per information provided, the Company has taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 63.50 lakhs and the year-end balance of loans taken from such parties was Rs. 59.50 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 listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.

g. 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 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. During the year the Company has not made any transactions with respect of parties covered in the register maintained u/s 301 of the Companies Act, 1956.

vi. The Company has not accepted any deposits from the public.

vii. In our opinion, the internal audit system of the company is strengthened so as to be commensurate with 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, service tax, tax deducted at source, professional tax and fringe benefit tax with the appropriate authorities. Arrears of undisputed amount outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable are as follows:

Statutory Dues	Amount outstanding as on 31st March, 2014 (Rs.)
Tax Deducted At Source	61,83,027
Service Tax	3,24,991
Professional Tax	10,25,214
Provident Fund	50,07,900
Fringe benefit Tax	13,45,137

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

Name of the Statute	Nature of the Dues	Amount Rs.	Financial year o which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Income tax	60,41,474	2004-05	High Court of AP

x. The company has accumulated losses of Rs.1757.14 Lakhs as at 31st March, 2014 and the company has not incurred cash loss 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 institutions 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) of 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
(Regn No. 000125S)

Sd/-
S.Venkateswarlu
Partner
M.No: 022790

Place : Secunderabad
Date : 30.05.2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	31st March, 2014	31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	78,586,000	78,586,000
(b) Reserves and Surplus	3	(121,208,874)	(62,506,295)
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	30,760,000	21,629,687
(b) Deferred tax liabilities (Net)	5	104,650	104,650
(c) Other Long term Liabilities	6	119,700,000	118,700,000
(d) Long term provisions	7	1,420,551	1,320,551
(3) Current Liabilities			
(c) Other current liabilities	8	82,566,192	69,217,013
(d) Short-term provisions	9	3,069,024	3,069,024
Total		**194,997,543**	**230,120,630**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	29,668,434	39,448,416
(ii) Capital work-in-progress		5,552,963	5,552,963
(b) Non-current investments	11	63,877,974	29,210,600
(c) Long term loans and advances	12	13,045,566	64,279,732
(d) Other Non Current Assets	13	-	22,129,163
(2) Current assets			
(a) Inventories	14	58,588,252	58,588,252
(b)Trade receivables	15	22,277,844	8,590,727
(c) Cash and cash equivalents	16	1,986,509	2,320,777
Total		**194,997,543**	**230,120,630**
Significant Accounting Policies	1		

The accompnying notes are an integral part of the financial statements

As per our report of even date attached

For M. Anandam & Co.,
Chartered Accountants
Sd/-
S.VENKATESWARLU
Partner
M.No.022790
Place : Hyderabad
Date : 30.05.2014

For and on behalf of the Board

Sd/-
M.SATYENDRA
Chairman & Managing Director

Sd/-
G.NAGENDRA
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	31st March, 2014	31st March2013
INCOME			
I. Revenue from operations	17	64,206,760	31,002,715
II. Other Income	18	115,000	197,832
Total Revenue (I +II)		**64,321,760**	**31,200,547**
EXPENDITURE			
Employee benefits expense	19	25,256,167	21,126,111
Depreciation	10	2,200,075	3,197,022
Other Expenses	20	92,112,711	24,884,817
Total Expenses		119,568,953	49,207,950
Profit before tax		**(55,247,193)**	**(18,007,403)**
Tax expense:			
Current tax		-	-
Tax for the earlier years			-
Deferred tax		-	-
Profit After Tax		(55,247,193)	(18,007,403)
Earnings per equity share:	25		
(1) Basic		(7.03)	(2.29)
(2) Diluted		(7.03)	(2.29)
Significant Accounting Policies	1		

The accompnying notes are an integral part of the financial statements

As per our report of even date attached

For M. Anandam & Co.,
Chartered Accountants

Sd/-
S.VENKATESWARLU
Partner
M.No.022790

Place : Hyderabad
Date : 30.05.2014

For and on behalf of the Board

Sd/-
M.SATYENDRA
Chairman & Managing Director

Sd/-
G.NAGENDRA
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

	Particulars	31st March, 2014		31st March, 2013	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax		**(55,247,193)**		**(18,007,403)**
	Adjustments for :				
	Add: Other Income	(14,297)		(197,832)	
	Add:Depreciation	2,200,075		3,197,022	
	Add:Interest and Finance charges	-			
	Add: Provision for Doubtful Debts, Loans and Advances, Deposits, Accelerated Depreciation	54,967,922			
	Decreasee/Increase in Foreign Currency Translation Reserve	(3,455,387)	53,698,313	(3,712,923)	(413,733)
	Provision for Gratuity and Leave encashment	100,000		300,000	
	Operating Profit Before Working Capital Changes		(1,548,880)		(18,421,136)
	Changes in Working Capital				
	(Increase)/Decrease in Trade Receivables	(8,139,557)		(1,127,125)	
	(Increase)/Decrease in Other Current Assets	22,572,394		(2,105,846)	
	Increase/(Decrease) in Current Liabilities	13,349,179	27,882,016	2,066,410	(1,166,561)
	Cash Flow from Operating Activities		26,333,137		(19,587,697)
	Other Income		14,297		197,832
			-		
	Net Cash Flow from Operating Activities		**26,347,434**		**(19,389,865)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES: Inflow/(Outflow)**				
	Net Purchase of Fixed Assets	(2,144,642)		(2,129,629)	
	Decrease/Increase in non current Investment	(34,667,374)			
		-	(36,812,016)	-	(2,129,629)
	Net Cash Flow from Investing Activities		**(36,812,016)**		**(2,129,629)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES: Inflow / (Outflow)**				
	Receipt of Security Deposit	1,000,000		19,000,000	
	Receipt of Long term borrowings (Unsecured)	9,130,313	10,130,313	754,650	19,754,650
	Net Cash Flow from Financing Activities		**10,130,313**		**19,754,650**
D)	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS: (A+B+C)**		**(334,269)**		**(1,764,844)**
	Cash and Cash Equivalents at the beginning of the year		**2,320,777**		**4,085,621**
	Cash and Cash Equivalents at the close of the year		**1,986,509**		**2,320,777**

Note: The accompnying notes are an integral part of the financial statements

As per our report of even date attached

For M. Anandam & Co.,
Chartered Accountants

Sd/-
S.VENKATESWARLU
Partner
M.No.022790
Place : Hyderabad
Date : 30.05.2014

For and on behalf of the Board

Sd/-
M.SATYENDRA
Chairman & Managing Director

Sd/-
G.NAGENDRA
Director

Note 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 recognized 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. The differences between actual results and estimates are recognized in the year in which the results are known / materialized.

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 provision has been made in the current year on accrual 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.

h. Provisions for current and deferred tax

a. 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.

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

i. Foreign currency transactions

The expenditure and income 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 at the prevailing exchange rates of the reporting currency and any differences are accumulated under "Foreign Currency Translation Reserve" classified under Reserves and Surplus.

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

The operations of the branches at USA and UK are treated as Non integral foreign operations and hence the exchange fluctuation on restatement of foreign currency items is accumulated in Foreign Currency Translation Reserve as per AS-11."

j. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to revenue.

k. Prior year adjustments

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

l. Inventories

Inventories are valued at cost

Note - 2 : Share Capital (Amount in ₹)

Particulars	31st Mar 2014	31st Mar 2013
1) AUTHORIZED CAPITAL		
90,00,000 Equity Shares of Rs.10 each	90,000,000	90,000,000
	90,000,000	90,000,000
2) ISSUED CAPITAL	78,586,000	78,586,000
78,58,600 Equity Shares of Rs.10 each		
	78,586,000	78,586,000
SUBSCRIBED & PAID UP CAPITAL		
78,58,600 Equity Shares of Rs.10 each	78,586,000	78,586,000
Total	**78,586,000**	**78,586,000**

2.1.The details of shareholders holding more than 5% shares in the company

Name of the Share holder	31st March 2014		31st March 2013	
	% of share holding	Number of shares	% of share holding	Number of shares
1. Manchala Satyendra	16.93	1,330,233	16.93	1,330,233
2. M.Sunitha	5.27	414,117	5.27	414,117

2.2 Terms / rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees .

In the event of liquidation of the company, the equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the share holders.

Note - 3 : Reserves & Surplus (Amount in ₹)

Particulars	31st Mar 2014	31st Mar 2013
Capital Reserve	9,662	9,662
Total	**9,662**	**9,662**
Securities Premium	**66,531,316**	**66,531,316**
Total	**66,531,316**	**66,531,316**
Surplus/Deficit		
Opening balance	**(120,467,105)**	**(102,459,702)**
Add : Loss transferred from Statement of Profit & Loss	(55,247,193)	(18,007,403)
Total	**(175,714,298)**	**(120,467,105)**
Translation Reserve	**(12,035,554)**	**(8,580,168)**
Total	**(12,035,554)**	**(8,580,168)**
Total	**(121,208,874)**	**(62,506,295)**

Note - 4 : Long Term Borrowings (Amount in ₹)

Particulars	31st Mar 2014	31st Mar 2013
Unsecured Loans		
From Related Parties	5,950,000	6,350,000
From Other Parties	24,810,000	15,279,687
	30,760,000	**21,629,687**

Note - 5 : Deferred Tax Liabilities (Net) Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Deferred Tax Liability	104,650	104,650
Deferred Tax liabilties (Net)	**104,650**	**104,650**

Note - 6 : Other Long term Liabilities Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Security Deposit	119,700,000	118,700,000
Total	**119,700,000**	**118,700,000**

Note - 7 : Long Term Provisions Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Provision for Employee Benefits		
Gratuaty & Leave Encashment	1,420,551	1,320,551
Total	**1,420,551**	**1,320,551**

Note - 8 : Other Current Liabilities Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Others		
Creditors for Expenses	29,149,325	22,353,060
Statutory Dues	26,509,237	22,537,453
Duties & Taxes Payable	2,951,280	2,896,896
Interest on Borrowings	11,146,863	11,146,863
Rent Payable	5,425,234	5,494,202
Salaries Payable	7,384,254	4,788,539
Total	**82,566,192**	**69,217,013**

Note - 9 : Short Term Provisions Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Provision For Employee Benefits:		
Gratuity & Leave encashment	3,069,024	3,069,024
Total	**3,069,024**	**3,069,024**

Note - 10 : Fixed Assets - Tangible Assets

Amount in ₹

GROSS BLOCK						DEPRECIATION					NET BLOCK	
ASSET	%of Deprec-iation	As at 01.04.2013	Additions During the year	Deletions During the year	As at 31.03.2014	Upto 01.04.2013	for the year	Assets w/o During the year	Deletions During the year	As at 31.03.2014	As on 31.03.2013	As on 31.03.2014
Land	-	25,365,802	-	-	25,365,802	-	-	-	-	-	25,365,802	25,365,802
Computers & Accessories	0.1621	93,840,091	876,078	-	94,716,169	87,817,872	927,208	4,696,517	-	93,441,597	6,022,219	1,274,572
Furniture & Fixtures	0.0633	27,446,774	-	-	27,446,774	23,125,054	871,070	3,450,650	-	27,446,774	4,321,720	-
Furniture & Fixtures	0.0633	681,347	831,714	-	1,513,061	2,419	69,392	-	-	71,811	678,928	1,441,250
Electrical Installations	0.0707	431,124	198,220	-	629,344	6,036	39,408	-	-	45,444	425,088	583,900
Electrical Installations	0.0707	9,442,548	-	-	9,442,548	9,442,548	-	-	-	9,442,548	-	-
Air Conditioning	0.0475	2,533,185	-	-	2,533,185	2,044,759	90,327	398,099	-	2,533,185	488,426	(0)
Office Equipments	0.0633	3,019,451	238,630	-	3,258,081	1,005,394	193,810	1,055,967	-	2,255,171	2,014,057	1,002,910
Vehicles	0.095	7,015,697	-	-	7,015,697	7,015,697	-	-	-	7,015,697	-	-
Library	-	198,034	-	-	198,034	108,727	-	89,307	-	198,034	89,307	-
Fire Equipments	0.0475	248,461	-	-	248,461	205,592	8,860	34,009	-	248,461	42,869	-
TOTAL		170,222,514	2,144,642	-	172,367,156	130,774,098	2,200,075	9,724,549	-	142,698,722	39,448,416	29,668,434
PREVIOUS YEAR		168,3092,885	2,129,629	-	170,222,514	127,577,076	3,197,022	-	-	130,774,098	40,515,809	39,448,416

Note - 11 : Non Current Investments Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Investments in Subsidiary Companies		
Mercury Outsourcing Management -		
Fully Owned Subsidiary Company		
(2921060 equity shares of Rs.10 each Fully paid)	29,210,600	29,210,600
Share Application money - pending allotment	34,667,374	-
Total	**63,877,974**	**29,210,600**

Note - 12 : Long Term Loans and Advances Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Unsecured, Considered Good :		
Deposits with Governement Departments	289,447	215,800
Employee Advances	264,089	2,986,988
Advance to Subsidiary	-	27,609,892
Other Deposits	3,603,239	4,995,758
Other Advances	8,287,988	27,870,491
Tax Deducted at source & service tax receivable	600,803	600,803
Total	**13,045,566**	**64,279,732**

During the year advance to Subsidiary of Rs.276.10 lakhs is converted in to share application pending allotment.

Note - 13 : Other Non Current Assets **Amount in ₹**

Particulars	31st Mar 2014	31st Mar 2013
Long Term Trade Receivables		
Unsecured Considered Good	-	22,129,163
Unsecured Considered Doubtful	91,997,562	68,295,419
Sub total	91,997,562	90,424,582
Less: Allowance for Bad and doubtful debtors	91,997,562	68,295,419
Total	**-**	**22,129,163**

During the year Subsidiary(Debtor balance) of Rs.70.51 lakhs is converted in to share application pending allotment.

Note - 14 : Inventory Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Computer Software	58,481,134	58,481,134
Course Material	107,118	107,118
Total	**58,588,252**	**58,588,252**

Note - 15 :Trade Receivables Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Outstanding for less than six months a) Unsecured, Considered Good :	22,277,844	8,590,727
Total	**22,277,844**	**8,590,727**

Note - 16 : Cash & Cash Equivalents Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Balances with banks in current accounts	819,905	917,007
Cash on Hand	286,604	103,770
Cash - Imprest	880,000	1,300,000
Total	**1,986,511**	**2,320,777**

Note - 17 : Revenue from Operations Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Consulting Income	64,206,760	31,002,715
Total	**64,206,760**	**31,002,715**

Note - 18 : Other Income Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Other Income	115,000	131,210
Exchange fluctuation	-	66,622
Total	**115,000**	**197,832**

Note - 19 : Employee benefits expenses Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Salaries	24,077,346	22,276,423
Contribution to Provident Fund & Other funds	1,017,167	1,187,178
Employees welfare expenses	161,654	65,510
Total	**25,256,167**	**23,529,111**

Note - 20 : Other Expenses Amount in ₹

Particulars	31st Mar 2014	31st Mar 2013
Administrative Expenses		
Fuel & Electricity Charges	1,102,866	1,553,185
Insurance	352,544	318,083
Rent	7,427,550	1,169,468
Rates & Taxes	125,917	125,745
Exchange fluctuation	100,703	-
Foreign Tour & Traveling Expenses	3,974,988	975,608
Bank Charges	207,852	270,882
Conveyance	221,667	59,661
Printing & Stationery	19,504	28,273
Repairs & Maintenance	702,096	713,255
Provision for Doubtful Advances	26,760,416	-
Provision for Debtors Considered Doubtful - 13-14	16,581,603	-
Provision for Deposits	1,901,354	-
Communication Expenses	844,076	585,170
Fixed Assets written off	9,724,549	-
Office Maintenance	705,155	811,031
Maintenance Charges	1,300,650	-
Auditors Remuneration		
- Statutory Audit Fees	75,000	75,000
- Tax Audit Fees	25,000	25,000
- Other Matters	50,000	50,000
Legal & Professional Charges	1,915,084	3,195,411
AGM Expenses	261,236	254,400
Advertisement	42,601	43,663
Consulting Charges	10,111,129	8,188,531
watch and ward expenses	286,084	264,064
Penalties	73,492	123,086
Subcriptions	990,958	370,758
Training Expenses	268,216	56,300
Interest on PF Contribution	-	949,454
Recruiment charges	146,064	264,275
Refreshment Expenses	347,848	91,989
Interest on TDS	562,087	-
AMC charges	6,112	6,112
Misc expenses	542,400	164,300
Business Promotion	3,721,982	975,143
Marketing Expenses	568,630	567,975
Licences and Renewals	63,682	203,134
Books and periodicals	1,614	5,860
Total (A) + (B) + (c)	**92,112,711**	**22,484,817**

Note - 21 : Payments to Auditors Amount in ₹

	31st Mar 2014	31st Mar 2013
Statutory Audit Fees	75,000	75,000
Tax Audit Fees	25,000	25,000
Other Matters	50,000	50,000
Out of Pocket Expenses	1,200	1,000
Total	**151,200**	**151,000**

Note - 22 : Directors Remuneration Amount in ₹

Particulars	**31st Mar 2014**	**31st Mar 2013**
Chairman and Managing Director	1,399,492	2,400,000
Total	**1,399,492**	**2,400,000**

Note - 23 : Expenditure in Foreign Currency Amount in ₹

Particulars	**31st Mar 2014**	**31st Mar 2013**
Expenditure	20,011,304	16,051,109
Total	**20,011,304**	**16,051,109**

Note - 24 : Earnings in Foreign Currency Amount in ₹

Particulars	**31st Mar 2014**	**31st Mar 2013**
Earnings - Software Development and consulting Services	64,206,760	31,002,715
Total	**64,206,760**	**31,002,715**

Note -25 : Earning Per Share (EPS) Amount in ₹

Particulars	**31st Mar 2014**	**31st Mar 2013**
Profit / loss for the Year after tax	(55,247,193)	(18,007,403)
Number of Equity Shares	7,858,600	7,858,600
Earnings Per Share (Basic and Diluted)	(7.03)	(2.29)
Face Value of each Equity Share (Rs.)	10	10

Note - 26 : Related Party Transactions-AS 18 :
The Company has transactions with the following related parties:

a) Wholly owned Subsidiary: Mercury Outsourcing Management Ltd

b) Key Management Personnel:
Chairman & Managing Director:- M.Satyendra

c) Associate Entity in which Directors have Substantial Interest:
Tholons Knowledge Management Pvt Ltd, Vishwashree Enterprises Pvt. Ltd.

d) Relatives of Key Management Personnel : M. Ravinder,
Shankara Kumari, RVSC Bose

The following transactions are carried out with related parties in the course of business

Amount in ₹

Particulars	Subsidiary Companies	Key managerial Persons	Associate Entities in which Directors have Substantial Interest	Relatives of Key managerial Persons
Rendering of Services	-	1,399,492	-	-
Loans Given:		-	725,000	-
Balnce outstanding at end of the year	34,667,374		225,000	
Loans Received	-	-		
Balnce outstanding at end of the year			2,350,000	3,600,000
Investment	29,210,600	-	-	-

Note - 27 : Contingenet Liabilities not provided for
Claims against the Company not acknowledged as debt:

Particulars	Amount in ₹
Disputed Liability in respect of Income Tax demands related to F.Y.2004-05 pending at High Court of A.P.	6,041,474

Note 28.

During the year the Company has not provided interest on unsecured loans received from various parties, as the Company has made request for reduction/waiver of interest due to financial position of the Company and the Company is hopefull of obataining the reduction/waiver of intrest

Note 29.

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. On the basis of review made by the management necessary provision has already been made in the books of accounts

Note 30.

During the year the Company has physically verified the fixed assets . The old fixed assets register of the Company is not traceable. The current fixed assets register has been prepared and updated as on date.

Note 31.

Certain long term borrowings of Rs.307.60 Lakhs, other current liabilities Rs.62.46 lakhs are subject to confirmation and reconciliation.

Note 32.

The company has an investment of Rs.638.78 Lakhs in Mercury Outsourcing Management Ltd, subsidiary company. In view of the long term involvement of the company in the said company no provision has been made in the accounts for the probable loss that may arise on the same.

Note 33:

There is a pendig legal dispute against the immovable property located at Manikonda villiage, Ranga Reddy District. However the Company is of the hope in resolving the matter positively.

Note 34:

Dues to Micro Small and Medium Enterprises: 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.

Note 35

The company has made relevant disclosures which are applicable as per revised schedule VI and the figures for the previous year are reclassified /regrouped and rearranged wherever necessary.

Note 36:

The company is in the business of Software Consulting and Development. The Company's primary reporting segment is geographical as revenue segment.

Information about the Geographical Segments Amount in '000

	For the year ended 31st March, 2014			For the year ended 31st March, 2013		
	India	Outside India	Consolidated	India	Outside India	Consolidated
Revenue						
External Sales	13,350.92	50,855.84	64,206.76	6,584.20	24,418.52	31,002.72
Inter Segment Sales	-	-	-	-	-	-
Total Revenue	13,350.92	50,855.84	64,206.76	6,584.20	24,418.52	31,002.72
Segment Result	(86,206.73)	32,244.03	(53,962.70)	(23,223.18)	8,367.41	(14,855.78)
Unallocated corporate expenses			1,399.49			3,349.45
Operating Profit			(55,362.19)			(18,205.23)
Interest expense			-			-
Other income			115.00			197.83
Income taxes			-			-
Profit from ordinary activities			(55,247.19)			(18,007.40)
Extra ordinary loss						
Net profit			(55,247.19)			(18,007.40)
Other information						
Segment assets	105,327.63	(7,642.86)	97,684.77	121,866.24	(16,982.69)	104,883.55
Unallocated corporate assets			97,312.77			59,984.17
Total assets			**194,997.54**			**164,867.72**
Segment Liabilities	192,309.14	-	192,309.14		-	140,329.69
Unallocated Corporate Liabilities			-			
Total Liabilities			**192,309.14**			**140,329.69**
Capital expenditure	-	-	-			
Depreciation	2,200.08	-	2,200.08	3,183.38	13.64	3,197.02
Non cash expenses other than Depreciation	-	-		-	-	-

The accompnying notes are an integral part of the financial statements

As per our report of even date attached

For M. Anandam & Co.,
Chartered Accountants

Sd/-
S.VENKATESWARLU
Partner
M.No.022790

Place : Hyderabad
Date : 30.05.2014

For and on behalf of the Board

Sd/-
M.SATYENDRA
Chairman & Managing Director

Sd/-
G.NAGENDRA
Director

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E-VOTING PROCESS

Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

(i) The voting period begins on Wednesday 17th September, 2014 at 10.00 A.M and ends on Friday 19th September, 2014 at 06.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period

(iii) Click on "Shareholders" tab.

(iv) Now, select the "VJIL CONSULTING LIMITED" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

14. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.

15. The Company has appointed Mr. Yellareddy Vootkuri, Practicing Chartered Accountant, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Vjil Consulting Limited.

I hereby record my presence at the 22nd Annual General Meeting of the shareholders of Vjil Consulting Limited on Saturday 27th September, 2014 at 10.00 A.M. at Tyagaraya Gana Sabha, Chikkadpalli, Hyderabad - 500095

DP ID*	Reg. Folio No.
Client ID*	No of Shares

*Applicable if shares are held in electronic form

Name and Address of Member

_____

Signature of Shareholder/ Proxy/
Representative (Please Specify)

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	**L74140TG1992PLC014182**		
Name of the Company	:	**VJIL CONSULTING LIMITED**		
Registered Office	:	3rd Floor Western Wing, NCC House, Survey No-64, Madhapur, Hyderabad-500081.		
Name of the Member	:			
Registered Address	:			
Email ID	:			
Folio No/ Client ID	:		DP ID.:	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1.	Name:	
	Address	
	Email ID	Signature
	Or failing him	
2.	Name:	
	Address	
	Email ID	Signature
	Or failing him	
3.	Name:	
	Address	
	Email ID	Signature
	Or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the …… day of……. At……. a.m. / p.m. at…… (Place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl no	Resolutions	For	Against
1	Consider and adopt Audited financial statements as at 31.03.2014 and statement of profit and loss accounts for the year ended and the reports of the board of Directors and Auditors		
2	Re-appointment of Sri.M Satyendra as Director who retires by rotation		
3	Appointment of statutory auditor and fix their remuneration for the financial year 2014-2015		
4	Appointment of Sri. Nagendra Ganpaa as independent Director		
5	Appointment of Sri. Siva Subrahmanya Murty Jonnalagedda as independent Director		
6	Re-appointment of Sri M Satyendra, as Chairman & Managing Director of the Company for a period of 3 years		

Signed this ……. day of ……. 2014.

Signature of shareholder: Signature of Proxy holder(s):

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

If undelivered please return to:

VJIL CONSULTING LIMITED

Registered Office : 3rd Floor Western Wing, NCC House,
Survey No-64, Madhapur, Hyderabad-500081.