



# **VIRGO GLOBAL MEDIA LIMITED**

**(Formerly Online Media Solutions Limited)**

**12th Annual Report  
2009 - 2010**

## Board of Directors

Mr. P Syam Prasad	Executive Director
Mr. D P Sreenivas	Director
Mr. Clinton Travis Caddell	Director
Mr. E K Surendran	Director
Mr. Shyam Bhethanabhotla	Director

<b>Auditors:</b>	<b>Bankers:</b>
M/s. P Murali & Company, Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad - 500 082.	Syndicate Bank Allahabad Bank
<b>Registered Office:</b>	<b>Registrar &amp; Share Transfer Agents:</b>
9-1-83 & 84, Amarchand Sharma Complex, S D Road, Secunderabad - 500 003 Ph. Nos. 040 - 27807640 /0742/ 1910 Fax Nos. 040 - 39100012	Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500 029, Ph. No. 040-27638111/4445 Fax.No. 040-27632184

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**NOTICE**

Notice is hereby given that the Twelfth Annual General Meeting of the Company will be held on Wednesday, the 29th day of September 2010 at 3.00 P.M at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business :

**Ordinary Business**

1. To consider and adopt the Audited Balance sheet as at March 31, 2010 and Profit and Loss Account for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint Mr. P. Venkat Ramana as Director liable to retire by rotation in place of Mr. E. K. Surendran, who is not willing to be reappointed as Director.
3. Not to fill the resultant vacancy of the office of Director of Mr. Shyam Bhethanabhotla, who retires by rotation and who is not willing to be reappointed as Director.
4. To appoint and fix the remuneration of Auditors of the Company to hold office from the conclusion of Twelfth Annual General Meeting until the conclusion of the Thirteenth Annual General Meeting.  
M/s. P Murali & Co., Chartered Accountants, the retiring Auditors are eligible for re-appointment.

**Special Business**

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 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII (as amended from time to time) thereto, the consent of the members of the Company be and is hereby accorded for re-appointment of Mr. P Syam Prasad as Executive Director of the Company for a period of One Year with effect from April 27, 2010 without any remuneration."

6. **To increase the Borrowing Powers of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED** that the consent of the Company be and is hereby accorded, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to the Board of Directors of the Company (herein after referred to as the 'Board' which expression shall include a committee of directors duly authorized in this behalf) to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained



from the Company's Bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs. 10 crores (Rupees Ten Crores) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose)."

**"RESOLVED further** that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

## **7. Creation of charge on the Assets of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED** that consent of Company be and is hereby accorded in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), to the Board of Directors of the Company (herein after referred to as the 'Board' which expression shall include a committee of directors duly authorized in this behalf) to mortgage and/or charge, in addition to the mortgages/charges created/to be

created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s)/Trustee(s), for securing the borrowings availed/to be availed by the Company and/or any of then Company's holding / subsidiary / affiliate / associate company, by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan



Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) / Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s) and Trustee(s) / Trustee(s).

**"RESOLVED further** that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the creation of charges on the assets of the Company aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

For and on behalf of the Company

Sd/-  
P Syam Prasad  
Executive Director

Place: Secunderabad

Date: August 13, 2010

## Notes

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member of the Company. The Proxy in order to be effective must be deposited at the Registered Office not less than 48 hours before the meeting.
2. An explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 25, 2010 to Wednesday, September 29, 2010 (both days inclusive) for the purpose of ensuing Annual General Meeting.
4. The members are requested to —
  - a) Quote Ledger Folio/Client ID in all the correspondence.
  - b) Bring the copy of the Annual Report and attendance slip with them to the Annual General Meeting and to deposit the same duly filled in and signed for attending the meeting.
5. Shareholders holding shares in physical form are requested to advise any change of address immediately to company's Registrar and Share Transfer Agent, Aarthi Consultants Private Limited, Hyderabad. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository participants and not to the Company.



6. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance of the meeting to enable the management to keep the information ready.
7. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrars and Transfer Agents Aarathi Consultants Private Limited, Hyderabad.
8. At the ensuing Annual General Meeting Mr. E.K. Surendran and Mr. Shyam Bhethanabhotla shall retire by rotation and being not interested to continue, expressed their inability for re-appointment. In terms of provisions of Section 256 read with 257 of the Companies Act, 1956, the Board of Directors proposed Mr. P. Venkat Ramana as the Director of the Company liable to retire by rotation in the place of Mr. E. K. Surendran and not to fill the resultant vacancy of office of Mr. Shyam Bhethanabhotla. Further, Mr. P. Syam Prasad, subject to the approval of shareholders of the company, had been reappointed as Executive Director of the Company for a period of One Year with effect from April 27, 2010 without any remuneration. Pursuant to clause 49 of the listing agreement, the particulars of Mr. P. Venkat Ramana and Mr. P. Syam Prasad are given hereunder :

### **Mr. P. Venkat Ramana**

Mr. P. Venkat Ramana aged 44 years has done his Bachelor's Degree in Architecture and Masters in Management from University of Oklahoma City, USA. He is the Managing Partner of the M/s. Murty & Manyam Architects & Engineers, Hyderabad, which is a forty five year old firm and regarded as highly professional and enjoys the confidence of all clients over these years and has grown from strength to strength. He has been at the helm of M/s. Murty & Manyam Architects & Engineers since 1995 and has contributed to the growth of the firm. He is a member of the Council of Architects (COA) and Associate of Indian Institute of Architects (AIIA). He is not having any Directorships in other companies. He is not holding any shares of the Company.

### **Mr. P. Syam Prasad**

Mr. P. Syam Prasad aged 44 years. He holds Bachelor of Commerce. His line of expertise includes Banking, Finance and Management and has worked with various industrial sectors during his career. He is having over 21 years of experience in Industry and Business. He is not having any Directorships in other companies. He is not holding any shares of the Company.

### **Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**

#### **Item 2 and 3:**

Mr. E.K. Surendran and Mr. Shyam Bhethanabhotla, Directors of the company retire by rotation at the ensuing annual



general meeting and they are not willing to be reappointed as Directors. The company has received notice under section 257 of the Act from its members, in respect of Mr. P Venkat Ramana, proposing his candidature as Director of the Company liable to retire by rotation. In terms of provisions of Section 256 read with 257 of the Companies Act, 1956, the Board of Directors proposed Mr. P. Venkat Ramana as the Director of the Company liable to retire by rotation in the place of Mr. E.K. Surendran and not to fill the resultant vacancy of office of Mr. Shyam Bhethanabhotla. Mr. P. Venkat Ramana's office shall be liable to determination by retirement of directors by rotation in terms of section 255 of the companies Act, 1956.

None of the Directors of the Company is in any way concerned or interested in this resolution.

**Item No. 5:**

Mr. P Syam Prasad was appointed as Executive Director of the Company for a period of one year with effect from April 27, 2009. As the said term is due to be expired, the Board of Directors, vide a circular resolution dated April 26, 2010 have, subject to the approval of shareholders in ensuing Annual General Meeting, reappointed him as Executive Director of the company for period of one year with effect from April 27, 2010 without any remuneration. In terms of provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 the said reappointment requires the approval of the Shareholders and hence the same is placed

before the members. Your Directors recommend the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in this resolution except Mr. P Syam Prasad, being an appointee.

**Item No. 6 & 7:**

The Company, with a view to improve its future business possibilities, is making efforts to take up new projects in Media and Broadband internet segments. Once, the said proposals materialize, the same may necessitate the company to explore various financing options, which may include rising of funds by way of borrowings. In terms of provisions of Section 293 (1) (d) of the Companies Act, 1956, and to secure the said borrowings by suitable mortgages/charges on all or any of the movable and/or immovable properties of the Company pursuant to Section 293 (1) (a) of the Companies Act, 1956, the said financing option requires the approval of the members. The Board recommends the resolution at serial no. 6 & 7 for your approval.

None of the Directors of the Company is in any way concerned or interested in these resolutions.

For and on behalf of the Board  
Sd/-

**P. Syam Prasad**  
Executive Director

Place: Secunderabad  
Date: August 13, 2010





## VIRGO GLOBAL MEDIA LIMITED

(Formerly Online Media Solutions Ltd.)

### Directors' Report

To  
The Members  
Virgo Global Media Limited

Your Directors have pleasure in presenting the Twelfth Annual Report of your company and the Audited Financial Statements for the year ended on March 31, 2010.

### Financial Results

Rs in Lakhs

Particulars	2009-10	2008-09
Net Sales/Income from Operations	<b>3.12</b>	7.04
Other Income	<b>2.07</b>	14.68
Total Income	<b>5.19</b>	21.72
Financial Expenses	<b>0.30</b>	15.56
Depreciation and Write Offs	<b>0.30</b>	0.29
Other expenses	<b>4.39</b>	20.84
Provision for taxation	<b>(0.06)</b>	0.08
Profit/(Loss)	<b>0.26</b>	(15.19)
Equity Share Capital (1,05,04,300 Shares of Rs 4/- each)	<b>420.17</b>	420.17

### Review of Operations

During the year under review, your Company had very lean operations as it was evaluating new revenue possibilities. Thus, your company's total income is Rs. 5.19 lakhs as against Rs. 21.72 lakhs during the previous year and the net profit is Rs.0.26 lakhs as against a loss of Rs.15.19 lakhs for the corresponding period. The total income includes other income of Rs. 2.07 lakhs as against Rs.14.68 lakhs of previous year. Your company is exploring various business opportunities in Media and Broadband internet segments.

### Fixed deposits

The Company has not accepted any Fixed Deposits, falling within the purview of Section 58A of the Companies Act, 1956.

### Auditors

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company, hold office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment.

### Directors

At the ensuing Annual General Meeting Mr. E.K. Surendran and Mr. Shyam Bhethanabhotla shall retire by rotation and being not interested to continue, expressed their inability for re-appointment. The company has received notice under section 257 of the Act from its members, in respect of Mr. P Venkat Ramana, proposing his candidature as Director of the Company liable to retire by rotation. In terms of provisions of Section 256 read with 257 of the Companies Act, 1956, the Board of Directors proposed Mr. P. Venkat Ramana as the Director of the Company liable to retire by rotation in the place of Mr. E. K. Surendran and not to fill the resultant vacancy of office of Mr. Shyam Bhethanabhotla.

Further, the Board of Directors vide Circular Resolution dated April 26, 2010 have re-appointed, subject to your approval, Mr. P. Syam Prasad as Executive Director of the Company for a period of One Year with effect from April 27, 2010 without any remuneration. The Board recommends the said proposals.

### Listing

Presently, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE). The Company confirms that it has paid Annual Listing Fees to the Stock Exchange for the year 2010-11. The Board is delighted to share with its members that due to the strenuous efforts made by your management, the BSE has permitted the trading of equity shares of the company with effect from August 10, 2010 after





a period of around 6 years of suspension of the scrip for trading. Now the company's scrip is actively trading on BSE.

### **Directors' Responsibility Statement**

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

- (a) in the preparation of the Accounts for the twelve months period ending March 31, 2010; the applicable accounting standards have been followed and there are no material departures there-from.
- (b) they have selected such accounting policies in consultation with Statutory Auditors of the Company and applied consistently and 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 as at March 31, 2010 and of the profit of the Company for the financial year.
- (c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) they have prepared accounts for the year ended March 31, 2010 on a going concern basis.

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

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

### **Particulars of Employees**

None of the employees are drawing remuneration in excess of the limits prescribed under Section

217 (1) (e) read with the Companies (Particulars of Employees) Rules, 1975.

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

- A. Conservation of Energy:-** Your Company is not a manufacturing Company and hence the details in respect of the above are not applicable
- B. Technology Absorption:-** Your company is committed to use state of art technology for improving the quality of its services.
- C. Research and Development:-** Your Company has not undertaken any R&D activity in any specific area during the year under review.
- D. Disclosure of Particulars relating to Foreign Exchange Earnings and Outgo:-** Your company's operations did not result into any Foreign exchange earnings or outgo.

### **Acknowledgements**

Your Directors gratefully acknowledge and appreciate the support extended by the Banks, various departments of Central and State Government, SEBI and BSE. Your Directors express their grateful thanks to the valued shareholders for the trust and confidence reposed in the Company.

For and on behalf of the Board

Sd/-

**P Syam Prasad**  
Executive Director

Sd/-

**D P Sreenivas**  
Director

Place: Secunderabad

Date: August 13, 2010