



VIRGO GLOBAL MEDIA LIMITED

**13th Annual Report
2010 - 2011**

Board of Directors

Mr. P Syam Prasad

Executive Director

Mr. B V Satya Sai Prasad

Director [19.02.2011]

Mr. Hafeezuddin Shaik Imam

Director [19.02.2011]

Mr. Venkataramana Peesapati

Director

Auditors:	Bankers:
M/s. P Murali & Company, Chartered Accountants, 6-3-655/2/3, Somajiguda, Hyderabad - 500 082.	Syndicate Bank, Banjara Hills, Hyderabad UCO Bank, Abids, Hyderabad
Registered Office:	Registrar & Share Transfer Agents:
Plot no 5, Mithila Nagar, Road No. 10 Banjara Hills Hyderabad - 500 034	Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 29. Ph. No. 040-27638111/27634445 Fax. No. 040-27632184

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the mail ids by click on the following link and update their mail ids with RTA, so that all communications from the Company would be sent to them through the mail: <http://www.aarthiconsultants.com/GoGreen.php>

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Friday, the 30th day of September 2011 at 3.00 P.M at Plot No. 1 & 9, IDA, Phase II, Cherlapally, Hyderabad - 500 051 to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Balance sheet as at 31st March 2011 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 a Director in place of Mr. P. Venkat Ramana, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of Thirteenth Annual General Meeting until the conclusion of the Fourteenth Annual General Meeting and to fix their remuneration.

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

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 Mr. B V Satya Sai Prasad, who was appointed as an Additional Director by the Board of Directors on 19th February 2011 and who holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member

proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

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

"RESOLVED THAT Mr. Hafeezuddin Shaik Imam, who was appointed as an Additional Director by the Board of Directors on 19th February 2011 and who holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

6. 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, 2011 without any remuneration."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 94(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of other statutory authorities, wherever applicable, the Authorized Share Capital of the Company be and is hereby altered from Rs.6,69,74,200/- consisting of 1,05,04,300 Equity shares of Rs.4/- each and



24,95,700 Equity shares of Rs.10/- each to Rs.6,69,74,200/- consisting of 1,67,43,550 equity shares of Rs.4/- each.

"RESOLVED FURTHER that the existing Authorized Capital Clause of the Memorandum of Association of the Company be and is hereby replaced with the following clause:

"The Authorized Share Capital of the Company is Rs.6,69,74,200/- (Rupees Six Crore Sixty Nine Lakhs Seventy Four Thousand and Two Hundred only) consisting of 1,67,43,550 equity shares of Rs.4/- each with power to the company to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special right / condition or both attached thereto."

8. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED that pursuant to the provisions of Section 31(1) of the Companies Act, 1956 the existing Article 4 of the Articles of Association of the Company be and is hereby deleted and in its place the following Article be substituted therefore."

"The Authorized Share Capital of the Company is Rs.6,69,74,200/- (Rupees Six Crore Sixty Nine Lakhs Seventy Four Thousand and Two Hundred only) consisting of 1,67,43,550 equity shares of Rs.4/- each."

For and on behalf of the Board

Sd/-
P Syam Prasad
Executive Director

Place: Secunderabad
Date: 30.08.2011

Notes

- a. A Member entitled to attend and vote at the Annual General Meeting [the Meeting] is entitled to appoint a proxy to attend and vote on a poll instead of himself and proxy need not be a member of the Company. The Proxy in order to be effective must be deposited at the Registered Office not less than Forty Eight Hours before the Meeting.
- b. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
- c. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 26th, 2011 to Friday, September 30th, 2011 [both days inclusive] for the purpose of ensuing Annual General Meeting.
- d. The members are requested to-
 - i) Quote Ledger Folio/Client ID in all the correspondence.
 - ii) Bring the copy of the Annual Report and attendance slip with them to the Annual General Meeting and to deposit the same
- e. 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.
- f. 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.
- g. 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, M/s.Aarthi Consultants Private Limited, Hyderabad.

- h. As Mr. Clinton Travis Caddell has resigned with effect from 12th August, 2011, hence at the ensuing Annual General Meeting Mr.P.Venkat Ramana, shall retire by rotation and being eligible, offers himself for re-appointment. Further Mr.BV.Satya Sai Prasad and Mr. Hafeezuddin Shaik Imam, who have been appointed as the additional Directors of the Company are proposed to be appointed as the Directors of the Company liable to retire by rotation and 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, 2011 without any remuneration. Pursuant to clause 49 of the listing agreement, the particulars of Mr.P.Venkat Ramana, Mr.BV.Satya Sai Prasad, Mr.Hafeezuddin Shaik Imam and Mr.P.Syam Prasad are given hereunder:

Mr. P. Venkat Ramana

Mr. P. Venkat Ramana aged 45 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 M/s. Murty & Manyam Architects and 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 and 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. B.V.S. Sai Prasad

Mr. Balija Venkata Satya Sai Prasad, aged 48 years, has done his Bachelor's Degree in Science. He is the Promoter and Chairman and Managing Director of M/s. Sai Rayalaseema Paper Mills Limited. He took over this Company through BIFR. He has over 25 years of rich experience in the areas of forming, mining, property development, and general management, legal. He is not having any Directorships in other

companies other than M/s. Sai Rayalaseema Paper Mills Limited. He is not holding any shares of the Company.

Mr. Hafeezuddin Shaik Imam

Mr. Hafeezuddin Shaik Imam, aged 65 years, is an eminent businessman in Hyderabad and he is the first generation entrepreneur. He is having over 45 years of rich experience in construction, real estate, media, and infrastructure sectors. His directorships in other companies include M/s. Kasila Forms Limited, M/s. Nandy Energy Pvt. Ltd., M/s. Sankalp Energy Pvt. Ltd., M/s. Sankalp Infratech India Pvt. Ltd. and M/s. Sankalp Agrovet India Pvt. Ltd. He is not holding any shares of the Company.

Mr. P.Syam Prasad

Mr. P.Syam Prasad aged 45 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 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 4:

Mr. B.V.S. Sai Prasad has been appointed as an Additional Director by the Board of Directors on 19th February 2011 and holds the office upto this Annual General Meeting. His continuation on the Board will enable the Company to gain from his considerable experience and expertise in relation to the Company's business. Notice pursuant to the provisions of Sec 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing his candidature for the office of Director liable to retire by rotation. The Board recommends his appointment.

None of the Directors of the Company is in any way concerned or interested in this resolution except with Mr. B.V.S. Sai Prasad.

Item No. 5:

Mr. Hafeezudin Shaik Imam has been appointed as an Additional Director by the Board of Directors on



19th February 2011 and holds the office upto this Annual General Meeting. His continuation on the Board will enable the Company to gain from his considerable experience and expertise in relation to the Company's business. Notice pursuant to the provisions of Sec 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member proposing his candidature for the office of Director liable to retire by rotation. The Board recommends his appointment.

None of the Directors of the Company is in any way concerned or interested in this resolution except with Mr. Hafeezudin Shaik Imam.

Item No. 6:

Mr.P.Syam Prasad was appointed as Executive Director of the Company for a period of one year with effect from April 27, 2011. As the said term due to be expired, the Board of Directors, vide a circular resolution dated April 26, 2011 have, subject to the approval of shareholders in ensuing Annual General Meeting, reappointed him as Executive Director of the Company for a period of one year with effect from April 27, 2011 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.7 & 8

Members are requested to kindly note that in the eighth Annual General Meeting of the Company held on 28th September, 2006, the Company had passed the following resolution for reduction of Capital, subject to the confirmation by the Hon'ble High Court of Andhra Pradesh:

"RESOLVED that pursuant to the provisions of Section 100 of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for

the time being in force) and subject to the confirmation by the Hon'ble High Court of Andhra Pradesh, Hyderabad, the paid up capital of the Company be reduced from Rs. 10,50,43,000 (Rupees Ten Crore Fifty Lakhs Forty Three Thousand only) divided into 1,05,04,300 Equity Shares of Rs.10/- each as Rs.4,20,17,200/- (Rupees Four Crore Twenty lakhs Seventeen Thousand and Two Hundred only) (divided into 1,05,04,300 equity shares of Rs. 4/- each) as fully paid up and that such reduction be effected by cancelling the Equity Share capital of Rs.6,30,25,800/- (Rupees Six Crore Thirty Lakhs Twenty Five Thousand and Eight Hundred only) which has been lost or is unrepresented by available assets to the extent of Rs.6/- per equity share in cash and every share of the Company which have been issued."

"FURTHER RESOLVED THAT the accumulated losses of the Company be written off to the tune of Rs.6,30,25,800/- (Rupees Six Crore Thirty Lakhs Twenty Five Thousand and Eight Hundred only) by cancelling the paid up capital of the Company aggregating to Rs.6,30,25,800/- (Rupees Six Crore Thirty Lakhs Twenty Five Thousand and Eight Hundred only) of Rs.6/- per equity share."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to call for cancellation of the already issued share certificates pursuant to the Companies (Issue of Share Certificates) Rules, 1960 and to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, to give effect to this Resolution including appointment of advocates, file and verify petition, affirm, Affidavits, appear in the High Court and do all acts, deeds, matters and things, connected with or incidental to giving effect to this Resolution."

Pursuant to this, the Company had filed Petition no. 55 of 2007 with the Hon'ble High Court of Andhra Pradesh praying for the confirmation of the said capital reduction.

The Hon'ble High Court of Andhra Pradesh, Hyderabad vide its Order dated 10th April, 2007 has confirmed the Capital Reduction and passed the following order:

"The Authorized Capital of Online Media Solutions Limited is henceforth Rs. 6,69,74,200/- (Rupees Six Crore Sixty Nine Lakhs Seventy Four Thousand and Two Hundred only) divided into 24,95,700 (Twenty four lakhs Ninety five Thousand Seven Hundred) shares of Rs. 10/- (Rupees Ten) each and 1,05,04,300 (One Crore Five Lakhs Four Thousand Three Hundred) shares of Rs.4/- (Rupees Four) each reduced from Rs.13,00,00,000/- (Rupees Thirteen Crore only) divided into 1,30,00,000 shares of Rs. 10/- (Ten) each.

The Issued and paid up capital of the Company is henceforth Rs.4,20,17,200/- (Rupees Four Crore Twenty Lakhs Seventeen Thousand and Two Hundred only) divided into 1,05,04,300 equity shares of Rs.4/- each reduced from Rs. 10,50,43,000/- (Rupees Ten Crore Fifty Lakhs Forty Three Thousand only) divided into 1,05,04,300 equity shares of Rs. 10/- each. At the date of the registration of this minute, 1,05,04,300 shares of Rs.4/- each have been issued and are deemed to be fully paid up.

The name of the Company shall henceforth be "ONLINE MEDIA SOLUTIONS LIMITED (AND REDUCED)" on and until the 31st day of March, 2008."

The Members are requested to kindly note that in spite of the Hon'ble High Court order, due to oversight, the Authorized share capital of the Company has been continued in the records of the Company and even in the record of the Registrar of Companies, Andhra Pradesh as Rs.13,00,00,000 divided into 1,30,00,000 equity shares of Rs.10/- each. However, the paid up capital has been reduced from Rs.10/- per share to Rs.4/- per share and this has

been updated in the records of the Bombay Stock Exchange.

In view of two different class of equity shares (authorized share capital consisting of 24,95,700 equity shares of Rs.10/- each and the paid up capital consisting of 1,05,04,300 equity shares of Rs.4/- each), issuing and listing of further shares may create confusion and to overcome the same, it is proposed to alter the same by way of altering the authorized capital of Rs.6,69,74,200/- in terms of Section 94(1)(d) of the Companies Act, 1956, which brings unanimity in the equity shares of the Company. Consequently the authorized capital would become Rs.6,69,74,200/- consisting of 1,67,43,550 shares of Rs.4/- each.

The proposed alteration of authorized share capital and consequential alterations to the Memorandum and Articles of Association reflecting the proposed alteration requires, the approval of Shareholders and hence the resolutions are placed before you. The authorized share capital of the company as was published in Annual Reports for the years ended March 31, 2007; March 31, 2008; March 31, 2009 and March 31, 2010 shall be read as 1,05,04,300 Equity shares of Rs.4/- each and 24,95,700 Equity shares of Rs.10/- each aggregating to Rs. 6,69,74,200/- in stead of 1,30,00,000 equity shares of Rs. 10/- each aggregating to Rs. 13,00,00,000/- , which was published inadvertently.

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

Your Directors recommend the resolution for approval.

For and on behalf of the Board

Place: Secunderabad
Date: 30.08.2011

Sd/-
P. Syam Prasad
Executive Director



Directors' Report

To
The Members
Virgo Global Media Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report of your company and the Audited Financial Accounts for the year ended on 31st March 2011.

Financial Results

Rs in Lakhs

Particulars	2010-11	2009-10
Net Sales/Income from Operations	5.70	3.12
Other Income	2.73	2.07
Total Income	8.43	5.19
Financial Expenses	0.28	0.30
Depreciation and Write Offs	0.30	0.30
Other expenses	3.49	4.39
Provision for taxation	0.00	0.00
Profit/(Loss)	3.76	0.26
Equity Share Capital (1,05,04,300 Shares of Rs 4/- each)	420.17	420.17

Review of Operations

During the year your Company's total income is Rs.8.43 lakhs as against Rs.5.19 lakhs during the previous year and the net profit is Rs.3.76 lakhs as against a profit of Rs.0.26 lakhs for the corresponding period. The total income includes other income of Rs.2.73 lakhs as against Rs.2.07 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 & Company (FRN: 007257S), Chartered Accountants, Statutory Auditors of the Company holds office in accordance with the provisions of the Companies Act, 1956 upto the conclusion of this Annual General Meeting and are eligible for re-appointment.

Directors

At the ensuing Annual General Meeting Mr. P. Venkat Ramana retires by rotation and being eligible, offered himself for re-appointment. The Company has received notice under section 257 of the Act from its member, in respect of Mr. B V Satya Sai Prasad and Mr. Hafeezuddin Shaik Imam proposing their candidature as Directors liable to retire by rotation.

Further, the Board of Directors vide Circular Resolution dated April 26, 2011 have reappointed, 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, 2011 without any remuneration.

Stock Exchange Listing

Presently, the Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE). The Company confirms that it has paid Annual Listing Fees due to the Stock Exchanges for the year 2011-12.

Directors' Responsibility Statement

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

- in the preparation of the Accounts for the twelve months period ending 31st March 2011, the applicable accounting standards have been followed and there are no material departures there from.
- they have selected such accounting policies in consultation with Statutory Auditors of the

Company and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 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 31st March 2011 on a going concern basis.

Corporate Governance and Management Discussion and Analysis Report

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

Particulars of Employees

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

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

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

Acknowledgements

Your Directors gratefully acknowledge and appreciate the support extended by the Syndicate Bank, UCO Bank various departments of Central and State Government, SEBI and Stock Exchanges. Your Directors express their grateful thanks to our 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/-
B.V.S. Sai Prasad
Director

Place: Secunderabad
Date: 30.08.2011