

20th
Annual Report

2011 - 12



VJIL CONSULTING LIMITED



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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

Usha Kiran, 1-8-165
S. D. Road,
Secunderabad-500003

REGISTRAR & SHARE TRANSFER AGENT

Bigshares 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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of the company will be held on Friday 28th September, 2012 at 10.00 A.M. at Hotel Swagat Conference Hall, Ameerpet 'X' Road, Opposite Chowdary Mansion, Hyderabad – 500016 to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet of the company as at 31.03.2012 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 Sri G.Nagendra who retires by rotation and being eligible, offers himself for re-appointment
- 3) To appoint retiring auditors who are eligible for the re-appointment as per Section 224 (1B) of the Companies Act, 1956 from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fixing their remuneration.

By order of the Board

sd/-
M.Satyendra
Chairman & Managing Director

Place : Secunderabad

Date : 27.08.2012

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 **Tuesday, 25th September, 2012 to Friday, 28th September, 2012**, (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.

ADDITIONAL INFORMATION ON DIRECTORS APPOINTED AND RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.

Mr. G. Nagendra

Mr.G.Nagendra is having vast experience in retail, infrastructure, agro and international trade. He is member of various prominent trade associations. To re-appoint him as Director on the Board will help the company in expanding its business activities both national and international.

Shareholding in the Company: 10500

He is chairman of Audit Committee, Shareholders committee and investor grievance committee of the Company and is neither a member and chairman of any committee of any another company nor director of any other company



DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 20th 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 31.03.2012

1. FINANCIAL RESULTS:

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

(₹ In Lakhs)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Income from Operations	143.46	170.46
PBDIT	(324.30)	(176.85)
Depreciation	39.37	48.09
Interest	90.98	99.71
Profit Before Tax (PBT)	(449.25)	(324.65)
Provision for Tax	4.32	7.69
Profit After Tax (PAT)	(453.57)	(332.35)

2. OPERATIONS:

During the year under review, your Company made a Net income of Rs.143.46 Lakhs and incurred a Net Loss of Rs.453.57 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 Board of Directors of your Company do not recommend any dividend for the financial year 2011-12.

4. FIXED DEPOSITS:

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

5. DIRECTORS:

Sri G Nagendra, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of Annual Accounts for the year ended 31st March, 2012, 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, 31st March, 2012 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 2011-12.

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 as per Clause 49 of the Listing Agreement is enclosed as **Annexure – B** to this report.

9. AUDITORS:

M/s M. Anandam & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing AGM and being eligible for the re-appointment, offers themselves for reappointment for the financial year 2012-13. Your Company has received a certificate from the said Auditors to the effect that their re-appointment if made would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

10. PARTICULARS OF EMPLOYEES:

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, 1975.

11. SUBSIDIARY:

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts for the financial year ended 31st March, 2012 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. 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:

(₹ In lakhs)

Particulars	2011-12	2010-11
Foreign Exchange Earnings	143.45	172.56
Foreign Exchange Outgo	120.76	50.82

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

Item No. 4(a) and (b)

Due to legal disputes among the promoter directors there was a vertical split in the Company during the year 2006-2007 which were resolved in the year 2010-2011 by consistent and relentless efforts of the present management. The present management is looking into the day-to-date operations of the company found that certain records and registers relating to statutory and accounting matters were not traceable. Despite the best efforts put in by the management the said records and registers could not be traceable as on the date. In view of the above the management could not produce the same for verification of auditors. However all the observations made by the auditors in their report pertaining to the above mentioned items are relating to financial year 2006-2007 which were reported in the previous annual reports.

The Management further initiated all the steps necessary to rectify the discrepancies pointed out by the qualifications in the auditor's report and are hopeful to bring all the records in order in the coming financial year

Item No. 4 (c):

The management is proposing to disinvest of the wholly owned subsidiary shares as your Company is no longer focusing in the line of activity in which the wholly owned subsidiary is involved.

Item No. 4 (d):

The management is in discussion with the parties of the unsecured lenders for reduction of interest.

Item No. 5(f):

As explained in the item no. 4(a), (b), (c) and (d) supra, the statutory records, statutory registers etc., were not found in the office. In the absence of vital records and registers, the board is unable to provide the same to the auditors for ascertaining the consequential effect on the loss for the year and assets and liabilities of the company. The Management is in the process of locating the records. Meanwhile the company has initiated the steps for maintaining of all the statutory registers afresh.

Item No. i(a) and (b) of the Annexure to the Auditor's report:

As pointed out by the auditors the fixed assets register is not traceable for the reasons mentioned in the item no 4(a) and (b) supra and the Management is in the process of preparation and updation of fixed assets register. However the company has started maintaining Fixed Assets Register afresh.

Item No.ix:

Board of Directors of your company admits that in the year 2011-12, your company was not regular in remitting P.F, T.D.S, Professional tax, FBT and Service Tax. The company is in the process of regularization of the dues.

14. EMPLOYEE CONTRIBUTION:

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

15. CHANGE IN REGISTRAR AND SHARE TRANSFER AGENT:

The Company has changed the Share Transfer Agent from M/s Sathguru Management Consultants Private Limited to M/s Bigshare Services Private Limited



16. 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

Sd/-

M. Satyendra

Chairman and Managing Director

Place : Secunderabad

Date : 27.08.2012



MANAGEMENT DISCUSSION & ANALYSIS ANNEXURE- A

Indian economy

The Indian economy has continuously recorded high growth rates and has become an attractive destination for investments, according to Ms Pratibha Patil, the Indian President. "Today India is among the most attractive destinations globally, for investments and business and FDI had increased over the last few years," said Ms Patil.

India's economic growth is expected to remain robust in 2012 and 2013, despite likely headwind of double-dip recessions in Europe and the US, according to a United Nations' annual economic report - World Economic Situation and Prospects 2012. The Indian economy is expected to grow between 7.7 per cent and 7.9 per cent this year, as per the report.

India is the second most preferred destination for foreign investors, according to the report 'Doing Business in India' by Ernst & Young. The report explores India's key sectors, investment climate, funding scenario, laws and regulations, to aid companies that are doing, or plan to do business in India.

The wealth of high net worth individuals (HNIs) in India, is set to grow by a compounded annual growth rate (CAGR) of 23 per cent over the next four years and will touch a staggering Rs 249 trillion (US\$ 5.05 trillion), highlighted a report by Karvy Private Wealth - the wealth management arm of the financial services firm Karvy Group.

India has emerged as the world's top recipient of officially recorded remittances for the fourth straight year. India is expected to receive US\$ 58 billion this year, followed by China, and Mexico, as per the latest issue of the World Bank's Migration and Development Brief.

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.

Surging Oil Prices, Appreciation of Rupee and Global Economic Slowdown means slower growth rate as Indian IT Industry is set to grow at 23-24 percent compared to excellent growth rate of 29 percent for the last fiscal.

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

Internal Controls and Their Adequacies

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

Human Resources / Industrial Relations

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

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

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

Future Outlook

Despite 2012 ending in a difficult economic environment, some geographic regions and services are expected to circumvent the situation in 2012. Global GDP, after growing by 2.7 per cent in 2011, is expected to grow 2.5 per cent in 2012, with developing economies growing thrice as fast as the developed economies.

While the growth in IT-BPO spend is expected to be gradual over the next two-three years, global sourcing spend is seen to outpace this growth. IT outsourcing market is set to grow at a CAGR of about 8 per cent over 2011 to 2013, while BPO of shoring is expected to grow at a little over 7 per cent during the same period. While cost and talent still remain essential considerations for global sourcing, industry expertise and innovation is expected to drive future sourcing requirement.

In addition, rate of introduction of new technology is much faster now and it will continue to be even faster going forward. There is a strong correlation between technology adoption rate and investment rate. The year 2011 was the year of mobile adoption, where tablets and smart phones sales growth, by volume and by percentage, outpaced the shipment of desktop and laptop market. This mobile revolution witnessed, spending by organizations in developing both consumer apps and enterprise apps. From IT industry perspective – the market for enterprise mobility solutions alone is expected to grow to USD 17 billion by 2015, presenting a huge opportunity to increase revenue from this segment at a pace of triple-digit growth.

Clearly, the future of technology services industry is beyond services – it will be a combination of services, solutions and platforms. Indian IT organizations are investing in building platforms to drive future growth opportunities. These domain solutions and technology platforms will offer improved



revenue leverage versus talent employed in the industry and will also significantly increase the intellectual property base of the Indian IT industry. The industry can take clue from the fact that public cloud services spending is expected to outpace growth of the overall IT spend by about four times between 2012 and 2015.

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

For and on behalf of the Board

Sd/-

M. Satyendra

Chairman and Managing Director

Place : Secunderabad

Date : 27.08.2012

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 30.09.2011	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	5	5	2	Nil	Nil
2	Dr. Garima Vashistha	Non-Executive Director	YES	5	3	3	Nil	Nil
3	Mr. G.Nagendra	Non-Executive & Independent Director	YES	5	5	Nil	Nil	Nil
4	Mr. J S S Murty	Non-Executive & Independent Director	YES	5	5	Nil	Nil	Nil
5	Mr. Avinash Vashistha (upto 27.08.2011)	Non-Executive Director	NO	5	2	4	Nil	Nil

- **Board meeting and attendance**

Five 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:

14-05-2011	29-07-2011	27-08-2011	12-11-2011	14-02-2012
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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 auditor's, 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 have 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;
- **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 5 times during the financial year 2011-12 on, 14.05.2011, 29.07.2011, 27.08.2011, 12.11.2011 and 14.02.2012 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	5	5
2	Dr. Garima Vashistha	Member	5	3
3	Mr. J S S Murthy	Member	5	5
4	Mr. Avinash Vashistha (Resigned w.e.f 27.08.2011)	Member	5	2

The role of the audit committee includes recommending the appointment and removal of the internal 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

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.
- **Composition**

The Remuneration Committee 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 2011-12 on 14.05.2011 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	NA
3	Mr. J S S Murthy	Member	1	1
4	Mr. Avinash Vashistha (Resigned w.e.f 27.08.2011)	Member	1	1

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

Details of Remuneration paid to the Executive Directors during the year 2011-12 are as under:

Name of the Director	Designation	Remuneration (In ₹)
M. Satyendra	Chairman & Managing Director	24,00,000

5. **INVESTOR GRIEVANCE COMMITTEE**

- **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.

◆ Composition

The Committee 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 2011-12 on 14.05.2011, 29.07.2011, 12.11.2011 and 14.02.2012 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	2
4	Mr. Avinash Vashistha (Resigned w.e.f 27.08.2011)	Member	4	2

Name & Designation of the Compliance Officer

: Mr. M.Satyendra
Chairman & Managing Director

No. of shareholders complaints received during the Financial Year : 1
 No. of complaints solved to the satisfaction of the share holders : 1
 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
2010-2011	30.09.2011	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	10.00 A.M.
2009-2010	12.01.2011	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	12.00 P.M.
2008-2009	12.01.2011	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	11.00 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



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:

Date : 28th September, 2012
Time : 10.00 a.m.
Venue : Hotel Swagat Conference Hall,
Ameerpet 'X' Road, Opposite Chowdary Mansion,
Hyderabad – 500016

b) Financial Year : April to March

CALENDER OF EVENTS:

Event	Dates
First Quarter un-audited Financial Results	Second Week of August, 2012
Second Quarter un-audited Financial Results	Second Week of November, 2012
Third Quarter un-audited Financial Results	Second Week of February, 2013
Fourth Quarter Un audited Financial Results	Second Week of May, 2013

c) DATES OF BOOK CLOSURE

Tuesday, 25th September, 2012 to Friday, 28th September, 2012 (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, 2012 are furnished hereunder.

Month	BSE LIMITED	
	SHARE PRICE (Rs.)	
	HIGH	LOW
April, 2011	18.60	14.75
May, 2011	15.90	12.40
June, 2011	14.07	12.28
July, 2011	16.53	12.80
August, 2011	15.65	13.15
September, 2011	16.45	13.29
October, 2011	17.50	14.90
November, 2011	17.50	14.55
December, 2011	17.50	13.50
January, 2012	16.65	12.83
February, 2012	15.96	13.11
March, 2012	16.25	14.50

g) **REGISTRAR & TRANSFER AGENTS**

Bigshares 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
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i) Distribution of shareholding as on 31st March, 2012

Shares or debenture holding of nominal value of Rs.	No. of holders	%	Shares / Debentures Amount	%
1 - 5000	6472	89.93	11670650	14.85
5001 - 10000	360	5.00	3019800	3.84
10001 - 20000	163	2.26	2475900	3.15
20001 - 30000	46	0.64	1156860	1.47
30001 - 40000	22	0.31	781730	0.99
40001 - 50000	29	0.40	1337130	1.70
50001 - 100000	33	0.46	2497410	3.18
100001 - above	72	1.00	55646520	70.81
TOTAL	7197	100.00	78586000	100.00

j) Shareholding Pattern as on 31st March, 2012

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	 589683 2145622 2592374	 7.50 27.30 32.99

	Any Other (Specify) NRIs/OCBs Foreign Collaborators Clearing Members	649878	8.27
	Sub Total B2	5977457	76.07
	TOTAL OF PUBLIC SHAREHOLDING (B1+B2)	5977557	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). 88.60% of shares have been dematerialized as on 31.03.2012.

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

m) Address for correspondence:

VJIL CONSULTING LIMITED
1-8-165, Usha Kiran, S D Road
Secunderabad-500003
Telephone No. 040-27810633
Fax No : 040-27897814
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 Board 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 2011-12.

Place : Secunderabad
Date : 27.08.2012

Sd/-
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 31,2012 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, 2012 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: 27.08.2012



AUDITOR'S REPORT

To
The Members of
VJIL Consulting Limited
Secunderabad

1. We have audited the attached Balance Sheet of VJIL Consulting Ltd as at 31st March, 2012 and also the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Attention is drawn to our comments on the accounts as under:
 - a) Note No.31 regarding absence of fixed assets register and non-ascertainment of discrepancies on physical verification of fixed assets as compared to book records.
 - b) Note No. 32 regarding non-confirmation and reconciliation of certain current and non current assets and liabilities.
 - c) Note No.34 regarding non provisioning for investments and loans and advances relating to subsidiary.
 - d) Note No.35 regarding non provisioning of interest on unsecured loans.
5. Further and subject to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.

- c) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report comply with requirements of the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956 ;
- d) The Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account;
- e) As per the information and explanations given by the management, on the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes, and subject to our comments in Paragraph 4 above, the consequential effect not ascertainable on the Loss for the year, assets and liabilities of the company, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
- ii. in the case of the Statement of Profit and Loss of the “loss” for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Sd/-
S.Venkateswarlu
Partner
M.No: 22790

Place : Secunderabad
Date : 27.08.2012

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

- i. a. The Fixed assets register of the Company is not traceable and the Management is in the process of preparation and updation of the Fixed Assets register. The value of fixed assets is subject to review by the Management and reconciliation. The consequential impact on the accounts is not ascertainable at present.
- b. The records of the Fixed Assets of the Company were not available for our verification for which we were informed that the same were not traceable and efforts are being made to locate them. Management during the period has physically verified some part of the Assets. In the absence of the records we are not in a position to state whether there were any serious discrepancies between the records and physical assets.
- c. In our opinion, and according to the information and explanations given to us, the Company has not disposed off 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. 48.45 lakhs and the year-end balance of loans taken from such party was Rs. 48.45 lakhs .
- b. As per the information and explanations given to us, the loan given to company are interest bearing and no repayment terms are stipulated. Based on the above, the rate of interest on which loans have been given to party 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. There has been no receipt during the year either towards principal or interest. We have not made any comments because the terms of repayment have not been stipulated.
- 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 Six parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 70.45 lakhs and the year-end balance of loans taken from such parties was Rs. 70.45 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. There has been no payment during the year either towards principal or interest. We have not made any comments because the terms of repayment have not been stipulated.
- iv. In our opinion and in accordance to the information and explanation given to us the company 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, 2012 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, 2012 (in ₹)
Tax Deducted At Source	47,93,039
Service Tax	3,24,991
Professional Tax	7,86,734
Provident Fund	36,84,546
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 ₹	Financial year to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Income tax	60,41,474	2004-05	High Court of AP

- x. The company has accumulated losses of ₹ 10,24,59,702 as at 31st March, 2012 and the company has incurred cash losses of ₹ 4,09,88,095/- 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: 22790

Place : Secunderabad
Date : 27.08.2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

(Amount in ₹)

Particulars	Note No.	31st March, 2012	31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	78,586,000	78,586,000
(b) Reserves and Surplus	3	(40,785,969)	6,284,441
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	20,875,037	21,213,601
(b) Deferred tax liabilities (Net)	5	104,650	104,650
(c) Other Long term Liabilities	6	99,700,000	-
(d) Long term provisions	7	949,918	1,219,558
(3) Current Liabilities			
(a) Short-term borrowings	8	-	40,036,250
(c) Other current liabilities	9	67,150,604	73,631,983
(d) Short-term provisions	10	3,139,657	3,057,075
Total		<u>229,719,897</u>	<u>224,133,558</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	40,515,809	43,935,762
(ii) Capital work-in-progress		5,552,963	5,552,963
(b) Non-current investments	12	29,210,600	30,130,921
(c) Long term loans and advances	13	62,173,887	60,434,899
(d) Other Non Current Assets	14	22,647,860	19,292,693
(2) Current assets			
(a) Inventories	15	58,588,252	58,588,252
(b) Trade receivables	16	6,944,905	5,950,304
(c) Cash and cash equivalents	17	4,085,621	247,764
Total		<u>229,719,897</u>	<u>224,133,558</u>
Significant Accounting Policies	1		

As per our report of even date attached

For M. Anandam & Co.,

Chartered Accountants

Sd/-

S.VENKATESWARLU

Partner

M.No.22790

Place : Secunderabad

Date : 27-08-2012

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, 2012 (Amount in ₹)

Particulars	Note No.	31st March, 2012	31st March 2011
INCOME			
I. Revenue from operations	18	14,345,519	17,046,028
II. Other Income	19	19,252	1,651,414
Total Revenue (I +II)		14,364,772	18,697,442
EXPENDITURE			
Employee benefits expense	20	17,660,229	18,433,394
Finance Costs	21	9,097,708	9,971,280
Depreciation		3,937,643	4,809,075
Other Expenses	22	28,594,930	17,949,276
Total Expenses		59,290,510	51,163,025
Profit before tax		(44,925,738)	(32,465,583)
Tax expense:			
Current tax		-	
Tax for the earlier years		431,732	769,681
Deferred tax		-	
Profit After Tax		(45,357,470)	(33,235,264)
Earnings per equity share:	26		
(1) Basic		(5.72)	(4.13)
(2) Diluted		(5.72)	(4.13)
Significant Accounting Policies	1		

As per our report of even date attached

For M. Anandam & Co.,
Chartered Accountants

For and on behalf of the Board

 Sd/-
S.VENKATESWARLU
 Partner
 M.No.22790

 Sd/-
M.SATYENDRA
 Chairman & Managing Director

 Sd/-
G.NAGENDRA
 Director

Place : Secunderabad

Date : 27-08-2012


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Particulars	31st March, 2012		31st March, 2011	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		(44,925,738)		(33,235,264)
Adjustments for :				
Add: Other Income	(19,252)		(1,665,612)	
Add: Depreciation	3,937,643		4,809,075	
Add: Interest and Finance charges	8,825,786		3,005,446	
Add: Provisions for Doubtful debts and advances	-		1,349,842	
Add: Investments Written Off	920,321			
Decrease/ Increase in Foreign Currency Translation Reserve	(1,712,940)		1,262,898	
Provision for Gratuity and Leave encashment	200,000	12,151,557	400,000	9,161,649
Operating Profit Before Working Capital Changes		(32,774,181)		(24,073,615)
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	(4,349,768)		(8,716,911)	
(Increase)/Decrease in Other Current Assets	(1,738,988)		5,488,494	
Increase/(Decrease) in Current Liabilities	(6,985,255)	(13,074,019)	17,571,550	14,343,133
Cash Flow from Operating Activities		(45,848,191)		(9,730,482)
Taxes paid relating to earlier years		(295,662)		
Net Cash Flow from Operating Activities		(46,143,853)		
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow/(Outflow)				
Net Purchase of Fixed Assets	(517,690)		(35,144)	
Capital Expenditure	-	(517,690)	(360,000)	(395,144)
Net Cash Flow from Investing Activities		(517,690)		(395,144)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Inflow / (Outflow)				
Repayment of Long term borrowings (Secured)	(48,862,036)		2,379,069	
Repayment of Long term borrowings (Unsecured)	-		7,668,476	
Receipt of Security Deposit	9,97,00,000			
Receipt of Long term borrowings (Unsecured)	(338,564)	50,499,400	-	10,047,545
Net Cash Flow from Financing Activities		50,499,400		10,047,545
D) NET INCREASE / (DECREASE) IN				
CASH AND CASH EQUIVALENTS: (A+B+C)		3,837,857		(78,081)
Cash and Cash Equivalents at the beginning of the year		247,764		325,845
Cash and Cash Equivalents at the close of the year		4,085,621		247,764

Note: Previous year's figures have been regrouped and recast wherever necessary to conform to current year's classification.

As per our report of even date attached

For M. Anandam & Co.,
 Chartered Accountants

Sd/-

S.VENKATESWARLU

Partner

M.No.22790

Place : Secunderabad

Date : 27-08-2012

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 relating to the current year.

l. Inventories

Inventories are valued at cost

Note - 2 : Share Capital

(Amount in ₹)

Particulars	31st Mar 2012	31st Mar 2011
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		
78,58,600 Equity Shares of Rs.10 each	78,586,000	78,586,000
	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

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

Share Capital	31st March 2012		31st March 2011	
	% of share holding	Number of shares	% of share holding	Number of shares
1. Manchala Satyendra	16.93	1,330,233	16.92	1,329,651
2. M.Sunitha	5.27	414,117	5.27	414,117
3. J.Venkat Rao	-	-	7.95	624,390

Note - 3 : Reserve & Surplus

(Amount in ₹)

Particulars	31st Mar 2012	31st Mar 2011
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	(57,102,232)	(23,866,968)
Add : Loss transferred from Statement of Profit & Loss	(45,357,470)	(33,235,264)
Total	(102,459,702)	(57,102,232)
Translation Reserve	(4,867,245)	(3,154,305)
Total	(4,867,245)	(3,154,305)
Total	(40,785,969)	6,284,441

Note - 4 : Long Term Borrowings

(Amount in ₹)

Particulars	31st Mar 2012	31st Mar 2011
Vehicle Loans	-	13,564
Total	-	13,564
Unsecured Loans		-
From Related Parties	7,045,350	7,065,350
From Other Parties	13,829,687	14,134,687
	20,875,037	21,200,037
Total	20,875,037	21,213,601

Note - 5 : Deferred Tax Liabilities (Net)

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Deferred Tax Liability	104,650	104,650
Deferred Tax liabilities (Net)	104,650	104,650

**Note - 6 : Other Long term Liabilities**

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Security Deposit	99,700,000	-
Total	99,700,000	-

Note - 7 : Long Term Provisions

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Provision for Employee Benefits Gratuaty & Leave Encashment	949,918	1,219,558
Total	949,918	1,219,558

Note - 8 : Short Term Borrowings

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Secured loans - Banks		
Cash credit	-	40,036,250
Total	-	40,036,250

Note - 9 : Other Current Liabilities

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Others		
Creditors for Expenses	19,818,061	23,666,045
Statutory Dues	22,430,663	23,378,186
Duties & Taxes Payable	2,946,896	2,485,476
Interest on Borrowings	11,146,863	11,146,863
Rent Payable	7,405,652	6,102,930
Salaries Payable	3,402,468	6,852,483
Total	67,150,604	73,631,983

Note - 10 : Short Term Provisions

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Provision For Employee Benefits: Gratuaty & Leave encashment	3,139,657	3,057,075
Total	3,139,657	3,057,075

Note - 11 : Fixed Assets - Tangible Assets
Amount in ₹

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deletions	As at 31.03.202	Upto 01.04.2011	For the year	on Deletions	As at 31.03.2012	As on 31.03.2012	As on 31.03.2011
Land	25,365,802	-	-	25,365,802	-	-	-	-	25,365,802	25,365,802
Furniture & Fixtures	27,446,774	-	-	27,446,774	19,650,292	1,737,381	-	21,387,673	6,059,101	7,796,482
Electrical Installations	9,442,548	-	-	9,442,548	9,069,714	372,834	-	9,442,548	-	372,834
Office Equipment	2,325,745	311,637	-	2,637,382	676,633	157,829	-	834,462	1,802,920	1,649,112
Computer & Accessories	92,998,949	206,053	-	93,205,002	85,434,298	1,235,448	-	86,669,746	6,535,256	7,564,651
Airconditioning	2,533,185	-	-	2,533,185	1,804,107	120,326	-	1,924,433	608,752	729,078
Fire Equipment	248,461	-	-	248,461	181,988	11,802	-	193,790	54,671	66,473
Library	198,034	-	-	198,034	108,727	-	-	108,727	89,307	89,307
Vehicles	7,015,697	-	-	7,015,697	6,713,674	302,023	-	7,015,697	-	302,023
Total	167,575,195	517,690	-	168,092,885	123,639,433	3,937,643	-	127,577,076	40,515,809	43,935,762
Previous Year	167,540,051	35,144	-	167,575,195	118,830,358	4,809,075	-	123,639,433	43,935,762	48,709,693


Note - 12 : Non Current Investments

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Long term - Mutual funds and others	-	920321
Investments in Subsidiary Companies	29210600	29210600
Mercury Outsourcing Management - Fully Owned Subsidiary Company (2920360 equity shares of Rs.10 each Fully paid)		
Total	29210600	30130921

Note - 13 : Long Term Loans and Advances

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Unsecured, Considered Good :		
Deposits with Government Departments	166700	365,700
Employee Advances	3638357	3,280,612
Other Deposits	2980835	2,773,566
Other Advances	26875382	24,891,035
Advances to Subsidiary (MOM Ltd)	27911810	28,522,874
Tax Deducted at source & service tax receivable	600803	601,112
Total	62173887	60434899

Note - 14 : Other Non Current Assets

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Long Term Trade Receivables		
Unsecured Considered Good	22647860	19,292,693
Unsecured Considered Doubtful	65110272	57,899,424
Sub total	87758132	77,192,117
Less: Allowance for Bad and doubtful debtors	65110272	57,899,424
Total	22647860	19292693

Note - 15 : Inventory

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Computer Software	58481134	58481134
Course Material	107118	107118
Total	58588252	58588252

Note - 16 : Trade Receivables

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Outstanding for more than six months a) Unsecured, Considered Good :	6,944,905	5,950,304
Total	6,944,905	5,950,304

Note - 17 : Cash & Cash Equivalents

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Balances with banks in current accounts	4,085,295	222,660
Cash on hand	326	25,104
Total	4,085,621	247,764

Note - 18 : Revenue from Operations

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Consulting Income	14,345,519	17,046,028
Total	14,345,519	17,046,028

Note - 19 : Other Income

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Interest on Electricity Deposit	10,030	13,063
Exchange fluctuation	9,222	(14,198)
Other Interest	-	1,652,549
Total	19,252	1,651,414

Note - 20 : Employee benefits expenses

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Salaries	16,802,148	17,310,060
Contribution to Provident Fund & Other funds	797,235	1,067,342
Employees welfare expenses	60,846	55,992
Total	17,660,229	18,433,394

Note - 21 : Finance Costs

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Interest on Cash Credit	8,825,786	6,753,106
Interest on Unsecured Loans	-	3,005,446
Bank Charges	271,922	212,728
Total	9,097,708	9,971,280

Note - 22 : Other Expenses

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Administrative Expenses		
Fuel & Electricity Charges	1,524,424	1,163,595
Directors Remuneration	2,400,000	2,400,000
Insurance	113,726	99,839
Rent	5,838,189	5,089,805
Rates & Taxes	102,554	79,939
Foreign Tour & Traveling Expenses	1,520,160	647,852
Conveyance	87,006	43,322
Printing & Stationery	24,429	19,255
Repairs & Maintenance	816,499	126,600
Communication Expenses	625,298	639,951
Office Maintenance	692,880	648,651
Auditors Remuneration		
- Statutory Audit Fees	75,000	110,300
- Tax Audit Fees	25,000	55,150
- Other Matters	50,000	110,300
Legal & Professional Charges	5,324,487	1,318,219
AGM Expenses	274,112	644,648
Advertisement	23,463	25,555
Consulting Charges	4,360,345	1,231,831
watch and ward expenses	247,776	215,275
Penalties	87,166	914,024
Investments Written Off	920,321	-
Subscriptions	185,304	8,160
Training Expenses	246,454	77,400
Vat on sales	-	419,158
Recruitment charges	257,543	142,602
Refreshment Expenses	84,043	81,434
Interest on TDS	968,417	-

AMC charges	7,300	6,000
Misc expenses	298,669	205,349
Business Promotion	899,025	-
Marketing Exp	414,930	72,300
Licences and Renewals	96,790	
Books and periodicals	3,620	2,920
Provision for Doubt debts and Advances	-	1,349,842
Total (A) + (B) + (c)	28,594,930	17,949,276

Note - 23 : Payments to Auditors

Amount in ₹

	31st Mar 2012	31st Mar 2011
Statutory Audit Fees	75,000	110,300
Tax Audit Fees	25,000	55,150
Other Matters	50,000	110,300
Out of Pocket Expenses	650	3,540
Total	150,650	279,290

Note - 24 : Directors Remuneration

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Chairman and Managing Director	2,400,000	2,400,000
Total	2,400,000	2,400,000

Note - 25 : Expenditure in Foreign Currency

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Expenditure	12,076,880	5,082,165
Total	12,076,880	5,082,165

Note - 26 : Earnings in Foreign Currency

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Earnings	14,345,519	17,256,028
Total	14,345,519	17,256,028



Note -27 : Earning Per Share (EPS)

Amount in ₹

Particulars	31st Mar 2012	31st Mar 2011
Profit for the Year after tax	(44,925,738)	(33,235,264)
Number of Equity Shares	7858600	7858600
Earnings Per Share (Basic and Diluted)	(5.72)	(4.23)
Face Value of each Equity Share (Rs.)	10	10

Note - 28 : Related Party Disclosure :

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:
Yemmen Agro Private Limited, Tholons Knowledge Management Pvt Ltd
- d) Relatives of Key Management Personnel : M.Sunitha, Ravinder,
Shankara Kumari, RVSC Bose

B) 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		2,400,000		
Loans Given	27,911,810			
Loans Received			2,750,000	4,295,350
Investment	29,210,600			
Total	57,122,410	2,400,000	2,750,000	4,295,350

Note - 29 : Contingent 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 30.

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

Note 31.

During the year the Company has physically verified the computers and Office Equipments . The Fixed assets register of the Company is not traceable and the Management is in the process of preparation and updation of the Fixed Assets register. The value of fixed assets is subject to review by the Management and reconciliation. The consequential impact on the accounts is not ascertainable as at present.

Note 32.

Certain Sundry Debtors, Deposits, loans and advances, inoperative bank accounts, unsecured loans and Sundry creditors are subject to confirmation and reconciliation.

Note 33.

Share certificates relating to investments made by the Company are lost/misplaced and efforts are being made to locate them and/ or to obtain duplicate certificates. The Management envisages no serious difficulties in case of obtaining duplicate certificates for investments made by the Company.

Note 34.

The company has an investment of Rs.292.10 Lakhs in the share capital, loans and advances of Rs. 279.11 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 35.

The company has not provided interest on unsecured loans received from various parties due to the request for reduction of interest made by the management during the year.

Note 36:

There is a pending legal dispute against the immovable property located at Manikonda village, Rangareddy Dist. However the Company is of the hope in resolving the matter positively.

Note 37:

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, 2012			For the year ended 31st March, 2011		
	India	Outside India	Consolidated	India	Outside India	Consolidated
Revenue						
External Sales	688.51	13,657.00	14,345.52	5,190.51	11,855.51	17,046.02
Inter Segment Sales	-	-	-	-	-	-
Total Revenue	688.51	13,657.00	14,345.52	5,190.51	11,855.51	17,046.02
Segment Result	(36,138.29)	2,419.09	(33,719.20)	(28,165.83)	5,423.51	(22,742.32)
Unallocated corporate expenses			2,400.00			2,400.00
Operating Profit			(36,250.10)			(25,142.32)
Interest expense			8,825.79			9,758.55
Other income			19.25			1,665.61
Income taxes			-			-
Profit from ordinary activities			(45,056.64)			(33,235.26)
Extra ordinary loss						-
Net profit			(45,056.64)			(33,235.26)
Other information						-
Segment assets	133,519.91	(7,380.48)	126,139.43	95,805.04	(1,786.20)	94,018.84
Unallocated corporate assets						60,009.02
Total assets						154,027.86
Segment Liabilities	20,875.04	-	20,875.04	61,249.85	8,795.92	70,045.77
Unallocated Corporate Liabilities				-	-	-
Total Liabilities			20,875.04			70,045.77
Capital expenditure				-	-	-
Depreciation	3,920.71	16.94	3,937.64	4,788.23	20.84	4,809.07
Non cash expenses other than Depreciation				400.00	1,349.84	1,749.84

Note 38: 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 39 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. 40.

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.

As per our report of even date attached

For M. Anandam & Co.,
Chartered Accountants

For and on behalf of the Board

Sd/-
S.VENKATESWARLU
Partner
M.No.22790

Sd/-
M.SATYENDRA
Chairman & Managing Director

Sd/-
G.NAGENDRA
Director

Place : Secunderabad

Date : 27-08-2012



VJIL CONSULTING LIMITED

Registered Office : Usha Kiran, 1-8-165, S. D. Road, Secunderabad-500003

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

20TH ANNUAL GENERAL MEETING FRIDAY 28TH SEPTEMBER, 2012

I/We hereby record/my/our presence at the 20th Annual General Meeting of the Members of the Company will be held at Hotel Swagat Conference Hall, Ameerpet 'X' Road, Opposite Chowdary Mansion, Hyderabad – 500016 on **Friday 28th September, 2012 at 10.00 A.M.**

Full Name of the Member :
(In Block Letters)

Regd. Folio No. : No of Shares held.....
Full Name of Proxy :

Full Name of Proxy :
(In block Lettrs)

SIGNATURE(S) OF THE MEMBER(S) OR PROXY / PROXIES PRESENT

-----  -----

PROXY FORM

Regd. Folio No. : No of Shares held.....

I/We..... of.....
..... being a Member/Members of **VJIL CONSULTING LIMITED** here by
appoint.....of.....
.....failing him/her.....of.....
.....of.....as my/our
proxy to attend and vote for me/us and on my /our behalf on at Hotel Swagat Conference Hall,
Ameerpet 'X' Road, Opposite Chowdary Mansion, Hyderabad – 500016 on **Friday 28th September,**
2012 at 10.00 A.M.

As Witnessed my hand / our hands this.....day of.....2012

Signature.....

Signature across Re. 1 Revenue Stamp
--

Note : The form order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company 48 hours before the meeting.

BOOK - POST



If undelivered please return to:

VJIL CONSULTING LIMITED

Registered Office : Usha Kiran, 1-8-165, S. D. Road,
Secunderabad-500003