

VINTA LABS LIMITED

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Annual Report
1990-91

Annual General Meeting on Tuesday, the 31st December, 1991
 at 11.00 AM at the Registered Office of the Company.

VIMTA LABS LIMITED

BOARD OF DIRECTORS

Managing Director

Dr. S.P. Vasireddi

Executive Director

V.V.Prasad

V.Harriman

G.P.Rao

Raghu Cidambi

Auditors

J.Venkateswarlu & Co.

Chartered Accountants

Hyderabad

Registered Office

B-302, Mayfair,

1-8-303/34,

Sardar Patel Road

Secunderabad-500 003

Laboratory

2-2-18/46

Durgabai Deshmukh Colony

Bagh Amberpet

Hyderabad-500 013

B-302, Mayfair,

1-8-303/34,

Sardar Patel Road

Secunderabad-500 003

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VIMTA LABS LIMITED

Notice to Shareholders

Notice is hereby given that the First Annual General Meeting of VIMTA LABS LIMITED will be held on Tuesday, the 31st December, 1991 at 11.00 AM at the Registered Office of the Company to transact the following business: .

1. To receive, consider and adopt the audited accounts for the period ended 31-3-1991 and the reports of the Auditors and Directors thereon.
2. To elect a Director in the place of Dr.S.P.Vasireddi, the First Director of the Company, who retires at the ensuing Annual General Meeting and is eligible for reappointment.
3. To elect a Director in the place of Sri V.V.Prasad, the First Director of the Company, who retires at the ensuing Annual General Meeting and is eligible for reappointment.
4. To elect a Director in the place of Sri V.Harriaman, the First Director of the Company, who retires at the ensuing Annual General Meeting and is eligible for reappointment.
5. To elect a Director in the place of Sri G.P.Rao, who was co-opted as an Additional Director on 7th June, 1991,

who retires at the ensuing Annual General Meeting and is eligible for reappointment.

6. To elect a Director in the place of Sri Raghu Cidambi, who was co-opted as an Additional Director on 7th June, 1991, who retires at the ensuing Annual General Meeting and is eligible for reappointment.

✓ 7. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board

SECUNDERABAD
Dt. 30-11-1991

Dr. S.P. Vasireddi
Managing Director

Notes:

1. Any Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a Member.
2. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

3. The Register of Members of the Company will remain closed during the period from 24th December, 1991 to 31st December, 1991, both days inclusive.
 4. Any change of address of the Members may please be notified to the Company quoting their register folio.
 5. Members desirous of seeking any information on Accounts to be explained at the Meeting are requested to write to the Company at an early date to facilitate compilation of the information.
 6. Members are requested to bring the copy of this Annual Report to the Meeting.
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VIMTA LABS LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present the First Annual Report and Audited Accounts of the Company for the period ended 31st March, 1991.

INCORPORATION

The Company was incorporated on 18-11-1990 under Section 565 (Part-IX) of the Companies Act, 1956, as a Private Limited Company. All property, movable and immovable, (including actionable claims), liabilities and business of the erstwhile Partnership Firm, M/S VIMTA LABS, as a going concern, were passed on and vested in the Company under Sections 575 and 576 of the Companies Act, 1956.

Pursuant to the provisions of Section 579 of the Companies Act, 1956, in the Extraordinary General Meeting held on 19-11-1990, the Company passed a Special Resolution altering the form of its constitution by substituting a Memorandum and Articles of Association for the Partnership Deed and the same was approved by the Company Law Board. Approval received from the Company Law Board for the substitution of Memorandum and Articles of Association was informed to the Registrar of Companies and the same was duly registered. On certification of registration of alteration by the Registrar of Companies, the substituted Memorandum and Articles of Association became the

Memorandum and Articles of Association of the Company in the same manner as if it were a Company registered with that Memorandum and those Articles, and the Deed of Partnership ceased to apply to the Company.

In the Extraordinary General Meeting held on 24-12-1990, the necessary special resolution was passed for conversion of the Private Limited into Public Limited and the same was effected on 1-1-1991 by the Registrar of Companies.

OPERATIONS:

Your Company performed well during the period under review. The operational results of your Company from the date of incorporation, ie., 16-11-1990 to 31-3-1991 are as follows:

	<i>Rs. Lakhs</i>
Gross Operating Profit	15.27
<u>Less:</u>	
Interest and Lease Finance Charges	9.77
Profit before Depreciation & Taxation	5.50
<u>Less:</u>	
Depreciation & Amortisation of Preliminary Expenses	1.80
Profit before taxation	3.70
Provision for Taxation	Nil
Surplus carried to Balance Sheet	3.70

EXPANSION

The Company's expansion project is nearing completion and the laboratory building will be occupied by the end of December, 1991. The Industrial Development Bank of India has released part of the Rupee Term Loan and sanction of Foreign Currency Loan is awaited. The Foreign Currency Loan will be drawn at the earliest for importing the testing equipment for which, firm orders were already placed and the equipment is kept ready by the suppliers.

With the completion of new building and addition of new testing facilities such as fatigue testing, bio-availability studies and toxicological studies, your Company would be the first of its kind in the country to offer multi-disciplinary test facilities under one roof with state of the art technology.

CORPORATE AND FINANCIAL DEVELOPMENTS

In the Extraordinary General Meeting of the Company held on 24-12-90, the Authorised Capital of the Company was increased from Rs.70.00 Lakhs to Rs.220.00 Lakhs by creation of 1,50,000 equity shares of Rs.100/- each, ranking pari passu with the existing equity shares.

At the time of incorporation, 36050 equity shares of Rs.100/- each were allotted as fully paid to the partners of the erstwhile firm, 'VIMTA LABS'. In the Board Meeting held on 7-6-91, a further 43579 equity shares were allotted as fully paid to the promoters and their friends and relatives for which, full consideration was received.

During the Financial Year 1991-92, your Company has obtained commitment from Andhra Pradesh Industrial Development Corporation Limited to subscribe to the equity of the Company, to the tune of Rs.16.00 Lakhs and received Rs.13.00 Lakhs towards full consideration for 13,000 equity shares of Rs.100/ each. Your Company also received a sum of Rs.20.00 Lakhs from the Technology Development and Information Company of India Limited towards full subscription price of 20,000 equity shares of Rs.100/- each. The Company also received sanction from IDBI, for participation in the equity by way of direct subscription, to the extent of Rs.50.00 Lakhs to meet part of the Project Cost. The promoters have brought in the stipulated contribution from their side. Shares to the above two institutions have not been allotted pending approval by the Controller of Capital Issues.

With the participation of the above three institutions in the equity of the Company and with their active association, your Directors are confident that the Company would be geared to achieve its goals.

Your Directors are also pleased to report that the Company has been accredited by the Department of Science & Technology, Ministry of Science & Technology, Government of India.

FUTURE

Your Directors are happy to report that during the first six months of the current financial year, the performance of the Company has been satisfactory and are hopeful that notwithstanding the delay in commissioning the Project, the current year's performance, barring unforeseen circumstances, would register further improvement. Your Company foresees substantial growth opportunities for test houses in the nineties and is conscious of the need to make further large investments to maintain its leadership in the growing market, and towards this end, long term plans are under development. In the meantime, Your Company will continue its thrust on increased turnover, cost reduction, quality upgradation, development of new test facilities and customer satisfaction; providing fast and dependable

service in the fields of quality assurance and Environmental Management, this being always your Company's prime concern. Your Company will try to enter into foreign market in due course, and earn valuable foreign exchange to the country.

With the latest additional test facilities and expertise, large accommodation, improved work environment and also market share, backed by young and enthusiastic technical personnel and able management, your Company is poised for faster and higher growth in the coming years.

DIRECTORS

The promoters and First Directors of the Company, Dr. S.P.Vasireddi, Sri V.Harriman and Sri V.V.Prasad, will retire at this Annual General Meeting and are eligible for reappointment.

Sri G.P.Rao and Sri Raghu Cidambi, who were co-opted as additional Directors on 7-8-1991, will also retire at this General Meeting and are eligible for reappointment.

During the period when the Company was Private Limited, in the Board Meeting held on 19-11-1990, Dr.S.P.Vasireddi, Sri V.Harriman and Sri V.V.Prasad were appointed Managing

Director, Technical Director and Executive Director respectively, on a remuneration of Rs.15,000/- per month each and they held their offices till the date of conversion of the Company as Public Limited.

Dr.S.P.Vasireddi and Sri V.V.Prasad were appointed Managing Director and Executive Director respectively, with effect from 7th June, 1991, and the shareholders have approved their appointment in the Extraordinary General Meeting held on 9th September 1991 and the approval of the Central Government for the appointments is awaited.

AUDITORS

M/S J.VENKATESWARLU & CO., Chartered Accountants, the Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept reappointment and have further confirmed their eligibility under Section 224 (1-B) of the Companies Act, 1956.

EMPLOYEES

Your Company's leadership in the industry has been primarily on account of the dedicated effort and excellent team work of employees at all levels. Your Directors hope

that during the remaining part of the year and in the coming years, employees at all levels will rededicate themselves, to the growth and well being of the Company, as they have always done in the past.

The particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, are annexed.

INFORMATION ON ENERGY CONSERVATION. & TECHNOLOGY ABSORPTION

Information on energy conservation and technology absorption required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is enclosed as an annexure.

ACKNOWLEDGEMENTS

Your Directors have pleasure in recording their appreciation of the assistance and guidance extended to the Company by various officials of the Central Government, the State Government and also of Members of IDBI, TDICI Limited and APIDC Limited.

HYDERABAD
Dt. 30-11-1991

On behalf of the Board

Dr. S. P. Vasireddi
Dr. S. P. Vasireddi
Managing Director

ANNEXURE TO DIRECTORS' REPORT - INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

The Company is a service oriented one carrying on the business of Testing and Analysis of various materials and Environmental Impact Assessment studies of industrial and other projects. Testing is undertaken for a variety of materials and different types of tests are carried out depending on the nature of material and the quality standards like IS, IP, USP, BP, ASTM, ISS, etc., to be met with. Testing is done using different Testing Equipments. It may be that a particular material needs to be tested for various parameters simultaneously as required by the customer.

Power is drawn for different equipments from a common source in the Lab; besides, Generator and UPS are used. It is not practicable to quantify the power consumption of each equipment and also for each test.

Hence, disclosure of particulars with respect to conservation of energy as prescribed in Form A is not applicable in its strict sense to this Company as the

activity of the Company is not production oriented but only of service nature.

B. TECHNOLOGY ABSORPTION:

As explained above, the Company is offering testing facilities for various materials and undertaking studies of Environmental Impact Assessment of projects. The tests/studies are carried out as per the prescribed National/International Standards. The Company has not taken up any Research and Development (R & D) activities due to the reason that it has to conduct the tests as per the prescribed procedures. In the same way, as the Technology involved in the testing is only testing of products as per the prescribed standard procedures/manuals, the disclosure of information in Form B of the Rules is not applicable.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is yet to enter in the foreign market. After completing the Company's expansion project, the Company will take initiative to enter the foreign market. During the period under review, foreign exchange used and earned by the Company, is NIL.

VINTA LABS LIMITED

AUDITOR'S REPORT

We have examined the attached Balance Sheet of VINTA LABS LIMITED as at 31st March, 1991 and the annexed Profit & Loss Account for the period ended on that date which are in agreement with the Books of Account.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 and on the basis of such checks of the books and records of the Company, as we considered appropriate and the information and explanations given to us during the course of our audit, we report that in our opinion:

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of all its fixed assets. The fixed assets of the Company were physically verified by the Management during the year and no material discrepancies were noticed on physical verification carried out during the year.
2. None of the fixed assets has been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials of the Company have been physically verified by the Management during the year at reasonable intervals.

4. The procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies were noticed on physical verification of stocks as compared to book records.
6. In our opinion and on the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and as this is the first year for the Company, following the same basis of valuation as in the earlier year does not arise.
7. The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same Management as defined under Sub-Section (1-B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956 or from the Companies under the same

Management as defined under Sub-Section (1-B) of Section 370 of the Companies Act, 1956.

9. The parties to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

10. In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods and services.

11. In our opinion, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register(s) maintained under Section 301 of the Companies Act, 1956, as aggregating during the year, to Rs.50,000 (Rupees fifty thousands only) or more in respect of each party, have been made at prices which are reasonable, having regard to prices prevailing in the market for such goods, materials and services or the prices at which transactions for similar goods or services have been made with other parties.

12. In our opinion, there were no unservicable or damaged stores, raw materials or finished goods of the Company.
13. The Company has not accepted any deposits from the public.
14. The Company is maintaining reasonable records for the sale and disposal of realisable scraps. There are no by-products resulting from the testing processes of the Company.
15. The Company has an internal audit system commensurate with the size and nature of its business.
16. Maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956, for the Company.
17. The Company is regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
18. There are no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as at 31st March, 1991 which are outstanding

for a period of more than six months from the date they became payable.

19. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.

20. The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (i) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

21. In our opinion, the Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the relative jobs, commensurate with the size of the Company and the nature of its business.

22. In our opinion, the Company has a reasonable system of allocating man-hours utilised to the relative jobs, commensurate with the size of the Company and the nature of its business.

23. In our opinion, there is a reasonable system of authorisation at proper levels and an adequate system of internal control on the issue of stores and allocation

of stores and labour to jobs commensurate with the size of the Company and the nature of its business.

Further to the above, we report that 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. In our opinion, proper books of account have been kept by the Company as required by law so far as it appears from our examination of those books. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the Schedules and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and the Balance Sheet gives a true and fair view of the state of affairs of the Company as at 31st March, 1991 and the Profit & Loss Account gives a true and fair view of the Profit for the period ended on that date.

SECUNDERABAD
Dt. 30-11-1991

for J. VENKATESWARLU & CO.
Chartered Accountants

J. Venkateswarlu
J. Venkateswarlu
Proprietor

BALANCE SHEET AS AT 31st MARCH, 1991

VINTA LABS LIMITED

	Schedule No.	Amount Rs. ps	Amount Rs. ps
I. Sources of funds:			
1. Share Capital	1		36,05,000.00
2. Share Application Money			16,57,600.00
3. Reserves & Surplus	2		3,70,100.36
4. Secured loans	3		28,36,316.40
			<u>84,69,016.76</u>

II. Application of funds:

1. Fixed Assets	4		73,78,400.74
a. Gross Block			1,36,173.74
b. Depreciation			<u>72,42,227.00</u>
c. Net Block			9,44,899.10
d. Capital Work in progress			<u>81,87,126.10</u>
2. Current Assets, Loans, & Advances	5		42,64,696.63
Less:			
Current Liabilities & Provisions	6		<u>42,03,140.97</u>
Net Current Assets			61,555.66
3. Miscellaneous expenditure	7		2,20,335.00
Notes to Accounts	11		
			<u>84,69,016.76</u>

Schedules mentioned above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to, in our Report of even date.

For J. VENKATESWARLU & CO.
Chartered Accountants
J. Venkateswarlu
J. VENKATESWARLU
Proprietor

On behalf of the Board
Dr. S.P. Vasireddi
Dr. S.P. VASIREDDI
Managing Director

V.V. Prasad
V.V. PRASAD
Executive Director

SECOND PAGERAD 500 003
30th November 1991.

SECOND PAGERAD 500 003
30th November 1991.

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 1991

	Schedule No.	Amount Rs. ps
I. Income:		
Testing & Analysis Charges		38,99,402.00
Interest earned		27,900.87
		<u>39,27,302.87</u>
II. Expenditure:		
Direct Expenses on	8	6,89,662.10
Testing & Analysis		
Administration, Selling	9	17,10,860.22
& Other Expenses		
		<u>24,00,522.32</u>
III. Gross Operating Profit		15,26,780.55
Interest & Finance Charges	10	9,76,575.10
		<u>5,50,205.45</u>
IV. Profit before Depreciation & Amortisation		
Depreciation		1,36,173.74
Preliminary Expenses		<u>43,931.35</u>
V. Surplus carried to Balance Sheet		1,80,105.09
		<u>3,70,100.36</u>
Notes to Accounts	11	

Schedules mentioned above form an integral part of Profit & Loss Account.

This is the Profit & Loss Account referred to, in our Report of even date.

For J. VENKATESWARLU & CO.

Chartered Accountants

J. Venkateswarlu
J. VENKATESWARLU

Proprietor

On behalf of the Board

Dr. S. P. Vasireddi
Dr. S. P. VASIREDDI

Managing Director

V. S. Prasad
V. S. PRASAD

Director

G. V. Prasad
G. V. PRASAD

Executive Director

SECUNDERABAD 500 003
30th November 1991.

SECUNDERABAD 500 003
30th November 1991.

Schedules to the Balance Sheet

1. SHARE CAPITAL

	Amount Rs.ps
Authorised:	
2,20,000 Equity shares of Rs.100/- each Issued:	<u>2,20,00,000.00</u>
90,000 Equity shares of Rs.100/- each Subscribed and paid up:	<u>90,00,000.00</u>
36,050 Equity shares of Rs.100/- each, fully paid up	36,05,000.00
	<u>36,05,000.00</u>

2. RESERVES AND SURPLUS

Balance in Profit and Loss Account	3,70,100.36
	<u>3,70,100.36</u>

Schedules to the Balance Sheet

3. SECURED LOANS

Amount
Rs.ps

i. Loans and Advances from banks:

a. Term loans from Canara Bank	9,99,922.40
b. Loan from Canara Bank against Company's Fixed deposit	<u>30,149.00</u>
	10,30,071.40

ii. Other loans :

Hire purchase loans

18,06,245.00
<u>28,36,316.40</u>

Note:

A. The term loans shown under item 1 (a) are secured against hypothecation of plant and machinery of the Company.

B. The loan shown under item 1 (b) is secured against lien on the Company's own deposit with the Bank, for Rs.33,100/-

C. Hire purchase loans are secured by way of lien on the respective assets acquired with the loan amounts.

Schedules to the Balance Sheet

4. FIXED ASSETS

Description	Gross Block			Depreciation			Net Block	
	Amount vested on incorporation Rs.ps	Additions Rs.ps	Deductions Rs.ps	Total Rs.ps	For the period Rs.ps	As at 31-3-91 Rs.ps		
1. Plant & Machinery	37,03,312.24	10,69,430.20	---	47,72,742.44	72,313.44	47,00,429.00		
2. Furniture & Fittings	6,17,211.54	---	---	6,17,211.54	7,730.54	6,09,481.00		
3. Office equipment	1,34,622.95	---	---	1,34,622.95	2,599.95	1,32,023.00		
4. Vehicles	19,34,736.81	---	80,913.00	18,53,823.81	53,529.81	18,00,294.00		
Total	63,89,883.54	10,69,430.20	80,913.00	73,78,400.74	1,36,173.74	72,42,227.00		

Schedules to the Balance Sheet

	Amount Rs. ps
5. CURRENT ASSETS, LOANS AND ADVANCES	
A. CURRENT ASSETS	
(i) Interest accrued on deposits	79,975.58
(ii) Stock of Chemicals & Consumables (At Cost)	45,250.00
(iii) Sundry Debtors (considered good for which the Company holds no security other than the debtors' personal guarantee.)	
(a) outstanding for a period exceeding six months	1,90,419.75
(b) others	<u>11,20,744.50</u>
(iv) Cash on hand	13,11,164.25
(v) Bank balance: With scheduled Banks	24,495.37
in current accounts	4,538.95
as Deposits	<u>1,59,667.50</u>
(vi) Tax deducted at source	1,60,929.70
	<u>17,86,021.35</u>
B. Loans and Advances (Advances recoverable in cash or kind or for value to be received; Unsecured, considered Good.)	
1. Advances for Capital Items	
a. for land	3,52,800.00
b. to building contractor	10,50,000.00
c. Others	<u>2,12,390.00</u>
2. Other advances	1,13,070.00
3. Prepaid expenses	1,02,836.00
4. Deposits	6,47,579.28
	<u>24,78,675.28</u>
Total	<u>42,64,696.63</u>

Schedules to the Balance Sheet

6. CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

1. Sundry creditors	
(i) for Capital expenditure	10,54,990.25
(ii) Others	<u>17,94,191.46</u>

28,49,181.71

2. Advances from customers

7,10,942.00

3. Other liabilities -- Bank Overdraft

3,69,737.28

39,29,860.97

B. PROVISIONS:

Taxation (of erstwhile Firm)

2,73,280.00

2,73,280.00

Total

42,03,140.97

7. Miscellaneous Expenditure (To the extent not written off or adjusted)

Amount

Rs.ps

1. Interest on HP loans (not fallen due)	1,91,670.00
2. Insurance on assets acquired with HP loans (not fallen due)	28,665.00

2,20,335.00

Schedules to the Profit & Loss Account

8. DIRECT EXPENSES ON TESTING & ANALYSIS

	Amount
	Rs. ps
1. Chemicals & Consumables consumed	3,83,665.87
2. Sample preparation & Data Generation Expenses	3,05,996.23
	<u>6,89,662.10</u>

9. ADMINISTRATION, SELLING & OTHER EXPENSES

	Amount
	Rs. ps
Salaries & Wages	6,21,301.16
Travelling and conveyance	1,47,752.77
Contribution to Provident Fund	60,996.65
ESI Contribution	7,445.50
Staff Welfare expenses	24,901.16
Bonus to staff	44,043.31
Printing & Stationery	1,17,441.43
Electricity & Water	57,842.50
Rent	87,109.00
Rates & Taxes	20,143.74
Insurance	12,775.00
Membership & Subscriptions	4,800.00
Entertainment expenses	31,255.95
Professional charges	45,218.00
Books & Periodicals	10,552.65
Bank Charges	16,569.55
Postage, telegrams, telex & telephone charges	83,321.00
Vehicle maintenance	1,46,413.42
Repairs & Maintenance -- Plant & Machinery	55,777.85
Remuneration to Auditors	20,000.00
Loss on sale of assets	20,813.00
Advertisement	19,683.00
Gifts & Novelties	22,047.05
General Expenses	32,556.53
	<u>17,10,860.22</u>

Schedules to the Profit & Loss Account

10. INTEREST & FINANCE CHARGES

Interest	
on Term Loans	50,165.45
Others	<u>1,65,539.15</u>
Equipment lease rent	
	2,15,704.60
	<u>7,60,870.50</u>
	<u>9,76,575.10</u>

11. NOTES TO ACCOUNTS

1. The Company was incorporated on 16-11-1990 under Sec. 565 (Part-IX) of the Companies Act, 1956, as a Private Limited Company and was converted as a Public Limited Company on 1-1-1991. All property, movable and immovable (including actionable claims), liabilities and business of the erstwhile Partnership Firm, M/S. VIMTA LABS, as a going concern, were passed on and vested in the Company under Sections 575 and 576 of the Companies Act, 1956. The Profit & Loss Account was prepared for the period from the date of incorporation ie., 16-11-1990 to 31-3-1991.

2. Estimated amount of contracts remaining to be executed on capital accounts not provided for, is Rs.40.00 Lakhs.

3. Capital work in progress includes:

a) Building materials	..	Rs. 8,12,251.80
b) Unallocated Preoperative Expenditure	..	Rs. 1,32,647.30
Total		Rs. 9,44,899.10

4. As the land purchased from A.P.I.I.C. Limited in Survey No. 141/2 and 142 in Phase II, IDA, Cherlapally is not registered in the name of the Company and only a sale agreement is entered into, the advance paid to A.P.I.I.C. Limited has been shown as Advance for Capital Works in the Schedule "Current Assets, Loans and Advances."

5. Depreciation has been provided on Straight Line Method on Single shift basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

6. As this is the first year of operations of the Company, furnishing of previous year figures is not applicable.
7. In respect of balances of Creditors and Debtors, confirmations are awaited.
8. Interest on Hire purchase loans not yet fallen due is provided for and shown under the head, 'Miscellaneous Expenditure.'
9. Insurance charged by Hire Purchase loan creditors (not yet fallen due) on the assets purchased under Hire Purchase is provided for and shown under the item 'Miscellaneous Expenditure.'
10. Pending submission of the bills for the work done by the building contractor, the progressive payments made to him for the construction of building were shown as 'Advance for Capital Expenditure' in the Schedule, "Current Assets, Loans and Advances."
11. Additional information pursuant to the provisions of paragraphs 3, 4(B) and 4(D) of Part-II of Schedule 6 of the Companies Act, 1956:

i) Earnings in foreign exchange during the period is Nil

ii) Value of imports calculated on C.I.F. basis during the period:

a. Raw Materials, components and spare parts	..	Nil
b. Capital Goods	..	Nil

iii) As the Company is not carrying on any manufacturing activity, value of imported and indigenous raw materials, spare parts and components consumed during the period is Nil.

iv) Expenditure in foreign currency during the period on account of royalty, know-how, professional and consultation fees, interest and other matters is Nil.

v) Amount remitted during the period in foreign currency on account of dividends is Nil.

12. The provisions of paragraph 4(C) of Part-II of Schedule VI are not applicable to the Company.

13. Break-up of expenditure incurred during the period on employees in respect of remuneration aggregating Rs.1.44 lakhs or more per annum if employed throughout the year or Rs.12,000/- per month, if employed for part of the year:

a) Employed throughout the year

No. of employees
Salaries, Wages & Bonus

Nil
Nil

b) Employed for part of the year

No. of employees
Salaries, Wages & Bonus

3
Rs.63,000/-

14. Interest earned includes interest accrued on deposits with Can Bank Financial Services Ltd., for the period ending 31-3-1991, amounting to Rs.22,089.37 from which, a sum of Rs.2,569.80 was deducted towards Income-Tax at source.

15. Directors' remuneration included in salaries and wages are the amounts paid to the Managerial personnel during the period from 19-11-1990 to 31-12-1990 when the Company was a Private Limited Company, the details of which are as follows:

Salary	
a) Managing Director	.. Rs.21,000/-
b) Executive Director	.. Rs.21,000/-
c) Technical Director	.. Rs.21,000/-
Total	<u>Rs.63,000/-</u>

16. Payment to Auditors:

a) As Auditors	.. Rs.10,000/-
b) For other services- Taxation matters	.. Rs. 5,000/-
For Company law matters and certification	.. Rs. 5,000/-
	<u>Rs.20,000/-</u>

17. Advances from customers' shown in the Schedule --
"Current Liabilities and Provisions" includes a sum of Rs.6,82,648/- received from CMPDI Ltd. towards the 10% Retention Money on the Bills raised against them. This will be taken as income in the year in which the respective reports submitted by the Company are approved by the competent authorities.

Schedules 1 to 11 form an integral part of Balance Sheet and Profit and Loss Account.

For J. VENKATESWARLU & CO.
Chartered Accountants
J. Venkateswarlu
J. VENKATESWARLU
Proprietor

On behalf of the Board
V. V. Prasada
Dr. S.P. VASIREDDI
Managing Director
V. HARRIMAN
Director
V. V. Prasada
V.V. PRASAD
Executive Director

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1936 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH, 1991.

Employed for part of the Financial Year:

Name	Age	Qualification	Designation/ Nature of duties	Date of commencement of employment	Experience in years	Remuneration received/ receivable	Previous employment
Dr.S.P.Vasireddi	45	M.Sc., Ph.D.	Managing Director	19-11-90	19	21,000	Managing Partner, VINTA LABS (1984-90)
V.Harriman	40	Diploma in Electronic Technology (Ont. Canada)	Technical Director	19-11-90	9	21,000	Partner, VINTA LABS (1984-90)
V.V.Prasad	40	B.Com.	Executive Director	19-11-90	16	21,000	Partner, VINTA LABS (1-4-90 to 15-11-90) General Manager, VINTA LABS (1987-90)