VIMTA LABS LTD.

3RD ANNUAL REPORT

1992-93

Board of Directors

DR.S P VASIREDDI
Chairman & Managing Director

SHRI V HARRIMAN
Director - Technical
(w.e.f.03.09.92)

SHRI V V PRASAD
Executive Director

SHRI RAGHU CIDAMBI

SHRI G P RAO

SHRI VIJAYKUMAR ANGADI
(TDICI Nominee Director)
(w.e.f.17.09.1992)

Shri G Ramachandra Murthy
Company Secretary

Bankers
CANARA BANK
S.D.Road
Secunderabad

Auditors
J.VENKATESWARLU & CO
Chartered Accountants
12, Master Sai Apartments
Sangeeth Nagar, Somajiguda,
Hyderabad - 500 482

Registered Office & Laboratory
Plots No.141/2 & 142
Phase II, IDA
Cherlapally, R.R. District
Hyderabad - 500 051

NOTICE

Notice is hereby given that the Third Annual General Meeting of VIMTA LABS LIMITED will be held at the Registered Office of the Company i.e. Plots No. 141/2 & 142, Phase II, IDA Cherlapally, Rangareddy District, Hyderabad - 500 051 on Thursday, 30th day of September 1993 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1993 and Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors.
2. To appoint a Director in place of Shri Raghu Cidambi, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company. In this connection to consider and if thought fit to pass with or without modifications, the following resolution, as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s J. Venkateswarlu & Co., Chartered Accountants, Hyderabad, the retiring Auditors of the Company be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors of the Company in addition to reimbursement of all out of pocket expenses in connection with the Audit of the Accounts of the Company."

SPECIAL BUSINESS

4. To appoint Shri S. Subrahmanyan as Director and in this connection to consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

   "RESOLVED pursuant to section 255 and other applicable provisions of the Companies Act, 1956 that Shri S. Subrahmanyan who has filed his consent to act as Director if appointed with the Company, be and is hereby appointed as Director whose period of Office shall be subject to retirement by rotation."
5. To consider, and if thought fit, to pass, with our without modifications, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the Board of Directors be and is hereby authorised to Borrow moneys, where the moneys to be borrowed, together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose provided however, that such borrowing together with the total amount already borrowed and outstanding at any time shall not exceed Rs.7,50,00,000 (Rupees seven crores fifty lacs only)"
6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

   "RESOLVED that the Articles of the Company be and are hereby amended as follows:

   a) In Article 11(e) the words "the Company shall within 2 months after the allotment" appearing in the 4th line be deleted and the words "the Company shall within ten weeks of closure of subscription list" be inserted, and the words "and be ready for delivery of" be deleted and the words "and deliver" be inserted.

   b) In Article 12(a)(ii) the words "fourteen days" be deleted and words "thirty days" be inserted in their place.

   c) In Article 12(a)(iv) the words "not less than 15% per annum" be added after the words "may carry interest".

   d) In Article 14(a) the words "and all expenses that may have been incurred by the Company" be deleted.

   e) In Article 14(h) the words "expenses" be deleted.

   f) In Article 16(c) the words "subject to the Provisions of Section 22A of Securities Contract (Regulation) Act, 1956 and" be added after the words "The Board may".

   g) In Article 19 the words "of the option to right to call for allotment of shares" be deleted

   h) In Article 84 the following sentence be added at the beginning:

   "No unclaimed dividend shall be forfeited by the Board"

By Order of The Board
for ***VIMTA LABS LIMITED***

Hyderabad
Date : 23-8-93

G. RAMACHANDRA MURTHY
COMPANY SECRETARY

NOTES :-

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items No.4 to 6 set out above is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself. Such a proxy need not be a member of the Company. Proxies in order to be valid and effective must be delivered at the Registered Office of the Company not later than Forty Eight hours before the commencement of the meeting.
3. The Members are requested to :
   i) Intimate changes, if any, in their registered addresses to the Company, and
   ii) bring their copies of the Annual Report and the Attendance slips with them to the Annual General Meeting.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT 1956.

Item No.3 :

Section 224 A of the Companies Act, 1956 provides that in the case of a company in which not less than 25% of the subscribed share capital is held whether singly or in any combination, by:

a) a public financial institution or a Government Company or Central Government or any State Government or

b) any financial or other institution established by any Provincial or State Act in which a State Government holds not less than 51% of the subscribed share capital, or

c) a nationalised bank or an insurance company carrying on general insurance business,

the appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution.

The total share capital held by Public Financial Institutions is over 25% of the subscribed share capital of the Company. It is therefore necessary that the re-appointment of Auditors should be made by a Special Resolution.

The Directors recommend the resolution for approval of the shareholders.

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

Item No.4 :

One of the requirements of term loan agreements executed with IDBI is to broad base the Board. A notice from a member proposing the candidature of Shri S. Subrahmanyan for appointment as Director together with a fee of Rs.500 has been received pursuant to Section 257 of the Act. IDBI vide its letter No.7950/PFD.533 dated 26.02.93 approved the proposal to appoint Shri S. Subrahmanyan as Director.

Shri S. Subrahmanyan is a retired Addl. Director General of Bureau of Indian Standards. Board is of the opinion that the expertise and experience of Shri S. Subrahmanyan would be a great asset to the Company.

Shri S. Subrahmanyan has filed his consent to act as Director, with the Company pursuant to Section 264 (1) of the Companies Act, 1956.

The Directors recommend the passing of the proposed Resolution.

None of the Directors is either directly or indirectly interested in the Resolution.

Item No.5:

At present the limit on the power of the Board to borrow money in terms of Special Resolution passed by the members in the Extraordinary General Meeting held on 06.06.1991 under section 293(1)(d) is Rupees Six Crores. The Company has initiated expansion plan with a cost of Rs. 322 lacs. The present limit of Rupees Six Crores is inadequate to meet the requirements of finance. After the Public Issue, the paid up capital of the Company will be increased to Rs.3.6 crores. The Directors are of the of the opinion that it is essential to raise the limits of borrowing at least up to Rs.7.5 crores.

The Directors therefore recommend the resolution for approval of shareholders.

None of the Directors is either directly or indirectly interested in passing of the resolution.

Item No.6:

The Company has embarked on an expansion programme and the same has been appraised and approved by TDICI Ltd. In accordance with the Means of Finance for the above expansion programme the Company proposes to issue 18 lakh Equity Shares of Rs.10/- each for cash at a premium of Rs.5/- per share aggregating to Rs. 270 lacs through Prospectus and the Company proposes to list the shares at Hyderabad Stock Exchange and Bombay Stock Exchange. The regional Stock Exchange at Hyderabad has vide their letter No.REF:HSE:LIST:93:4681 dated 05.03.1993 and The Bombay Stock Exchange has vide their letter dated 03.08.93 suggested/ proposed some alterations to be made in the Articles of the Association of the Company to bring them in line with the listing requirements. Section 31 of the Companies Act, 1956 requires approval of shareholders by way of Special Resolution for altering the Articles of Association., A Special Resolution is therefore proposed for carrying out the alterations as suggested by the Hyderabad Stock Exchange and Bombay Stock Exchange.

A cómparative statement of existing Articles, and Articles after the proposed amendment is as follows:

Article No.		Existing	Proposed
11	(e)	...<u>The Company shall within 2 months after the allotment</u> of any of its shares or debentures and within 1 month after the application for the Registration of Transfer of any shares or debentures, complete <u>and be ready for delivery of</u> the Certificates of all shares and debentures unless otherwise provided and the Company shall otherwise comply with requirements of Section 113 or any statutory modification thereof and other applicable provisions (if any) of the Act.	*<u>The Company shall within ten weeks of closure of subscrption list</u>* of any of its shares or debentures and within 1 month after the application for the Registration of Transfer of any shares or debentures, complete *<u>and deliver</u>* the Certificates of all shares and debentures unless otherwise provided and the Company shall otherwise comply with requirements of Section 113 or any statutory modification thereof and other applicable provisions (if any) of the Act.
12	(a)(ii)	Each member shall, subject to receiving atleast <u>fourteen days</u> notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Each member shall, subject to receiving atleast *<u>thirty days</u>* notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
12	(a)(iv)	Provided that any amount be paid in advance of calls on any shares such amount may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.	Provided that any amount be paid in advance of calls on any shares such amount may carry interest *<u>not less than 15% per annum</u>* but shall not in respect thereof confer a right to dividend or participate in profits.
14	(a)	If any member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued <u>and all expenses that may have been incurred by the Company</u> by reason of such non-payment.	If any member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued by reason of such non-payment.
14	(h)	Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay the company all calls, instalments, interest, <u>expenses</u>, or other moneys owing upon or in respect of such shares on the date of forfeiture together with interest thereon from the date of forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Directors may determine.	Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay the company all calls, instalments, interest, or other moneys owing upon or in respect of such shares on the date of forfeiture together with interest thereon from the date of forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Directors may determine.

Article No.	Existing	Proposed
16	(c) The Board may, subject to the right of appeal conferred by Section 111 of the Act, decline to register i) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii) Any transfer of shares on which the Company has a lien ...	The Board may, <u>*subject to the Provisions of Section 22A of the Securities Contracts (Regulation) Act, 1956*</u> and subject to the right of appeal conferred by Section 111 of the Act. i) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii) Any transfer of shares on which the Company has a lien ....
19.	The Company shall have power to issue debentures but in exercising this power the provisions of Section 56,64,67,70 to 74,108 to 113,117 to 123, 128, 129, 133, 134, 152, 154, 170(2)(a) and (b), 187 and 292 or any statutory modifications thereof shall be complied with. Debentures, debenture stock, bonds or other securities conferring the right to allotment or conversion into shares <u>of the option to right to call for allotment of shares</u> shall not be issued except with the sanction of the Company in General Meeting.	The Company shall have power to issue debentures but in exercising this power the provisions of Section 56, 64, 67, 70 to 74, 108 to 113, 117 to 123, 128, 129, 133, 134, 152, 154, 170,(2)(a) and (b), 187 and 292 or any statutory modifications thereof shall be complied with. Debentures, debenture stock, bonds or other securities conferring the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
84.	The Board shall transfer the unpaid or unclaimed dividends within 7 days of the expiry of 42 days from the date of declaration of the dividend to a special account with a scheduled Bank, to be known as "Unpaid Dividend Account"....	<u>*No unclaimed dividend shall be forfeited by the Board.*</u> The Board shall transfer the unpaid or unclaimed dividends within 7 days of the expiry of 42 days from the date of declaration of the dividend to a special account with a scheduled Bank, to be known as "Unpaid Dividend Account" .....

Letter No.REF:HSE:LIST:93:4681 dated 05.03.1993 of Hyderabad Stock Exchange Ltd and letter dated 03.08.93 of the Bombay Stock Exchange are open for inspection at the Registered Office of the Company on all working days during business hours including the day of Annual General Meeting.

None of the Directors is directly or indirectly interested in passing the above Resolution.

The Board recommends passing of the above Resolution.

By Order of The Board
for ***VIMTA LABS LIMITED***

Hyderabad
Date : 23-8-93

G. RAMACHANDRA MURTHY
COMPANY SECRETARY

Directors' Report

To
The Members
VIMTA LABS LIMITED

Your Directors have pleasure in presenting the Third Annual Report and Audited Accounts for the Financial Year ended 31st March 1993. As you might have already noticed the results for the year 1992-93 were quite encouraging.

FINANCIAL RESULTS

		Current Year (Rs. lacs)		Previous Year (Rs. lacs)
1) Profit before interest, Depreciation & Taxes		**90.51**		38.30
2) Finance Charges	**43.34**		23.03	
3) Depreciation	**11.42**	**54.76**	4.88	27.91
4) Profit before Tax		**35.64**		10.38
5) Provision for Tax		– –		– –
6) Profit after Tax		**35.64**		10.38
Add : Surplus brought forward from earlier year		**14.08**		3.70
Total carried over to Balance Sheet		**49.72**		14.08

The capacity utilisation in terms of revenue from testing and analysis during the year under review has been 85%. For the Year 1993-94, the Company has set a target of Rs.424 lacs gross income and Net Profit of Rs.139 lacs assuming 80% capacity utilisation on expanded capacity.

LABORATORY COMPLEX

The Laboratory building with fully centralised A.C. facility is completed. All the indigenous equipments were installed and are fully operational. Two imported equipment viz., XRF Spectrometer and Particle Size Determinator were installed. The other two imported equipments viz., Fatigue Testing Machine and Scanning Electron Microscope were cleared from Custom port only during March 1993.

OPERATIONS

The testing and analysis operations are in full swing. Presently the Company's Service areas are as under.

Testing Services

DRUGS DIVISION : Analysis of drugs and formulations. Bio-availability and biodegradation studies, microbiological studies.

CHEMICALS DIVISION : Analysis for purity, physical properties, thermodynamic parameters, chemical composition and trace elements of chemicals, ores, minerals, metals, alloys, foods, edible oils, farm products, pesticides, fuels, petroleum products, building materials and industrial and consumer products.

MATERIALS TESTING DIVISION : Physical testing of metals, alloys, building materials, rubber and plastics, Metallography, Corrosion, Failure Investigation, Fatigue/ simulated testing and Non-destructive testing.

BIOSCIENCES DIVISION : Toxicological studies for oral, dermal and inhalation toxicity; mutagenecity and residue analysis of pesticides in foods. Plant studies involving plant chemistry, plant ecology and tissue culture.

ENVIRONMENTAL DIVISION : Analysis of ambient air, stack gases, effluents, waste water, industrial water, drinking water and hazardous wastes.

Consultancy Services

ENVIRONMENTAL MANAGEMENT : Monitoring, auditing, impact assessment, management plan and siting of industries.

POLLUTION ABATEMENT : Source analysis, reduction at source, modelling, treatment, design and pest control technology evaluation.

ENVIRONMENTAL AND OCCUPATIONAL SAFETY : Hazardous waste analysis, safety audit, HAZAN, HAZOP, MCA and disaster management plan.

ENERGY MANAGEMENT PLAN : Energy audit, waste-heat, utilisation, process and energy integration and waste to energy schemes.

TRAINING AND EDUCATION : Training in quantitative analysis. Training in instrumentation techniques, Continuing education programs, State-of-the art seminars.

Besides, Nagpur and Madras offices are undertaking Environmental consultancy works apart from collection of samples and marketing activities.

There is growing demand for the kind of services rendered by the Laboratory and all the divisions are fully geared to meet the spurt in the demand.

FINANCE

Loan

IDBI disbursed final instalment of Rupee term loan of Rs.15 lacs in June 1992 and an amount of Rs.5 lacs was adjusted towards interest on account of FC loan. The Company has also availed of Foreign Currency Loan in

Rupee Equivalent amounting to Rs.171.53 lacs and imported four equipments viz., XRF Spectrometer, Particle Size Determinator, Fatigue Testing Machine, and Scanning Electron Microscope.

The above loans were secured by Hypothecation of movable property and by mortgage of immovable property by deposit of title deeds.

Equity Participation by T D I C I Ltd.

TDICI Ltd a premier venture capital financial institution agreed to further subscribe for 60 lacs Equity out of which Rs.50 lacs had been disbursed in August '92 and remaining Rs.9,99,990 had been disbursed in March 1993. With this the total amount of Equity held by TDICI Ltd stands at Rs.79,99,990, (Rs.9,99,990 pending allotment of Equity Shares). The Company had entered into Equity Subscription Agreements and allotted to UTI Jointly with TDICI, 5,00,000 Equity Shares for cash at par in November 1992.

The Private Promoters were allotted 59,000 Equity Shares of Rs.10/- each at par. The paid up capital thus increased from Rs.1,13,62,900 to Rs.1,69,52,900 .

EXPANSION PROJECT

The Company has embarked on an expansion programme to increase its capacity by inducting new equipment at an estimated cost of Rs.322 lacs. The Cost of the Expansion Plan and Means of Finance were appraised by TDICI Ltd and are as under:

Cost of the Project

Particulars	Amount (Rs. lacs)
1. Land & Site Development	–
2. Building	9.70
3. Plant & Machinery	
a) Imported	73.70
b) Indigenous	33.60
4. Misc. Fixed assets	31.00
5. Preliminary & Pre-operative Expenses	36.00
6. Creation of Marketing facilities in different Regions	21.00
7. Public Issue Expenses	42.00
8. Working Capital	60.00
9. Contingency	15.00
TOTAL:	322.00

Means of Finance

Particulars	Amount (Rs. lacs)
I. EQUITY	
Subscription by existing shareholders	17.00
Public Issue	270.00
II. INTERNAL ACCRUALS	35.00
TOTAL	322.00

According to the Means of Finance the Company proposes to raise Rs.270 lacs by way of Equity by issue to public through Prospectus of 18,00,000 Equity Shares of Rs.10/- each at a premium of Rs.5/- per share. In the EGM held on 22.03.1993 shareholders approved the Public Issue and increase in subscribed capital. As a part of the Means of Finance, TDICI has already disbursed an amount of Rs.9,99,990 for allotment of 66,666 Equity Shares of Rs.10/- each at a premium of Rs.5/- per share aggregating to Rs.9,99,990/- In pursuance of this expansion plan steps have been taken to finalise the Public Issue programme and tentatively the Public Issue is slated to open on 13-9-93. The expansion will not only help the Company in sustaining its leadership in testing facilities but also greatly improves its profitability.

It is also proposed to list the shares on Hyderabad Stock Exchange and Bombay Stock Exchange, after the Issue.

DIRECTORS

With effect from 17.09.1992 TDICI nominated Shri Vijaykumar Angadi as Director in place of Shri S V Kamath. The Central Government has vide its letter No.1/267/92-CLVIII dated 19.02.1993 approved the appointment of Shri V Harriman as Director-Technical for a period of five years, on a remuneration of Rs.13,000 per month. Shri Raghu Cidambi will retire by rotation and being eligible offered himself for his re-appointment vide letter dated 23-8-93 . It is also proposed to broadbase the Board by appointing Shri S. Subrahmanyan as Director. Shri S. Subrahmanyan is a retired Addl. Director General of Bureau of Indian Standards, New Delhi; an M. Tech in Chemical Engineering; he had to his credit, vast expertise in the area of implementation of quality standards and certification and introduction of quality systems and consultancy. Services of Shri S. Subrahmanyan would be of great value to the Board.

AUDITORS

M/s J Venkateswarlu & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of the Annual General Meeting and being eligible, are proposed to be re-appointed as Auditors to hold office upto the conclusion of next Annual General Meeting. They have given their consent for reappointment and further stated that if appointed, their appointment will be within limits specified under section 224 (1-B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

As required by Sec.217 (2A) of the Companies Act, 1956, read with the rules framed thereunder, a statement showing particulars of employees is annexed hereto as Annexure A and forms part of this Report.

INFORMATION ON ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

Pursuant to the provisions of Sec.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, the relevant information pertaining to Energy Conservation, Technology Absorption, Foreign exchange earnings and outgo is enclosed hereto as Annexure B and forms part of this report.

ACKNOWLEDGMENT

The Directors take this opportunity to express their gratitude to IDBI, TDICI, APIDC and Bankers for their valued and timely support. The Directors also place on record their deep appreciation of the contribution made by the employees at all levels to the success which the Company has achieved. The Directors also thank the customers and clients for their continued confidence in the facilities offered by the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

Hyderabad
Date : 23-08-93

DR S P VASIREDDI
CHAIRMAN &
MANAGING DIRECTOR

ANNEXURE - A

Statement pursuant to Sec.217 (2A) of the Companies Act, 1956 and
Companies (Particulars of Employees) Rules, 1975.

(Forming part of the Directors' Report for the year ended 31st March, 1993.)

Name	Qualification and Experience	Age in years	Designation/ Nature of duties	Date of commencement of employment	Remuneration (Rs)	Last Employment
A. Employed throughout the year						
Dr. S. P. Vasireddi	M.Sc. Ph.D. 20 Years	43	Managing Director	07-06-1991	2,50,593	Mineral Exploration Corporation Limited, Nagpur/ Vimta Labs.
B. Employed for part of the year						
Shri V Harriman (Relative of M.D.)	Dip. Technology Toronto, Canada	42	Director-Technical	03-09-1992	1,57,393	G.B. Electronics Bangalore/ Vimta Labs.

NOTES:

1. Nature of employment of Dr. S. P. Vasireddi and Sri V Harriman is contractual.
2. Remuneration includes salary, house rent allowance or perquisite for accommodation, commission, Company's contribution to Provident Fund, motor car perquisites/allowance, reimbursement of medical expenses, other allowances and leave travel facility as applicable.

ON BEHALF OF THE BOARD OF DIRECTORS

Hyderabad
Date : 23-08-93

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE - B

Information on Energy Conservation, Technology Absorption, Foreign Exchange earnings and outgo.

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.

Most of the test equipment are micro-processor based and draw only requisite power.

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.

a) Energy Conservation Measures Taken:-

Designed and installed the power distribution system perfectly which will utilise the power at optimum level of requirement.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:-

At present no additional investments and proposals are required to be implemented for reduction of consumption of energy.

c) Impact of the measures at (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods:-

As a result of the measures at (a) above, the energy consum-ption is reduced to the barest minimum requirement.

d) Total energy consumption and energy consumption per unit of production as per form A of the Annexure:-

Furnishing of these particulars are not applicable to this Company, as this Company is not carrying on any business which is listed in the Schedule to the Annexure to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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 into 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 by the Company for import of capital items is Rs.171.53 lacs and Foreign exchange earned is NIL.

ON BEHALF OF THE BOARD OF DIRECTORS

Hyderabad
Date : 23-08-93

DR S P VASIREDDI
CHAIRMAN &
MANAGING DIRECTOR

AUDITORS' REPORT

To

The Members of VIMTA LABS LIMITED

1. We report that we have audited the attached Balance Sheet of VIMTA LABS LIMITED as at 31st March, 1993 and the relative Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report.

2. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith.

3. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively, subject to our comments in paragraph 4 and 5 below, a true and fair view of the state of the Company's affairs as at 31st March, 1993 and its profit for the year ended on that date.

4. Regarding treatment of balance amounts of some of its bills received from some of its customers in earlier years amounting to Rs.14.07 lacs as the income of the Current year. (Please see note No.6 of Schedule-17).

5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 dated 7th September, 1988 issued by the Company Law Board and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

5.1 The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets. The fixed assets of the Company have been physically verified at reasonable intervals during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.

5.2 The fixed assets of the Company have not been revalued during the year.

5.3 The stocks of finished goods, stores and spares and raw materials of the company at all its locations have been physically verified by the management at reasonable intervals.

5.4 In our opinion, 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.

5.5 There were no material discrepancies between the physical stocks and the book stocks.

5.6 In our opinion, the valuation of stocks of finished goods, stores and spares and raw materials has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in preceding year.

5.7 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 and / or from the Companies under the same management as defined under sub-section (1 B) of Section 370 of the Companies Act, 1956.

5.8 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register(s) maintained under section 301 and / or to the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.

5.9 Interest free loans or advances in the nature of loans have been given to employees only who are repaying the principal amounts as stipulated.

5.10 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 and spares, raw materials, including components, plant and machinery, equipment and other assets, and for the sale of goods.

5.11 In our opinion and according to the information and explanations given to us, 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 maintained under section 301 of the Companies Act, 1956 and aggregating to Rs.50,000/- or more, during the year in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.

5.12 The Company has a system of determining unserviceable or damaged stores, raw materials, or finished goods, on the basis of technical evaluation and on such basis, in our opinion, adequate amounts have been written off of such stocks in the accounts.

5.13 The Company has not accepted any deposits from public.

5.14 In our opinion, reasonable records have been maintained by the company for the sale and disposal of scrap where applicable and significant. The company has no by-products.

5.15 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

5.16 In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.

5.17 According to the records of the company and as explained to us, there are some delays in depositing the Provident Fund and Employees State Insurance dues with the appropriate authorities. However, as on the date of this report there are no dues to the appropriate authorities.

5.18 There were no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty outstanding as at the last day of the accounting period for a period of more than six months from the date they become payable.

5.19 During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to profit and loss account, nor have we been informed of any such case by the management.

5.20 The Company is not a sick company within the meaning of Clause (O) of sub section (i) of Sec.3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

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

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

5.23 In our opinion, there is a reasonable system of authorisation at proper levels, and an adequate system of internal control commensurate with the size of the company and the nature of its business, on issue of stores and allocation of stores and labour to jobs.

for ***J. Venkateswarlu & CO.***
Chartered Accountants

HYDERABAD.
23rd August, 1993.

J. VENKATESWARLU
PROPRIETOR

Balance Sheet as at 31st March, 1993.

	Schedule No	As at 31.03.1993 Rs. Ps	As at 31.03.1992 Rs. Ps
I. SOURCES OF FUNDS			
(1) Shareholders' funds:			
Share Capital	1	**16952900.00**	11362900.00
Share Application Money		**1652040.00**	361050.00
Reserves & Surplus	2	**4972516.93**	1408548.13
(2) Loan Funds:			
Secured Loans	3	**44829139.50**	19846178.50
Unsecured Loans	4	**4111655.50**	---
TOTAL		**72518251.93**	32978676.63
II. APPLICATION OF FUNDS			
(1) Fixed Assets	5		
(a) Gross Block		**48500314.42**	18066691.83
(b) Less: Depreciation		**1700320.42**	575280.64
(c) Net Block		**46799994.00**	17491411.19
(d) Capital Work-in-progress (including Capital advances & pre-operative expenses)	6	**21971141.73**	14576505.24
		68771135.73	32067916.43
(2) Current Assets, Loans & Advances	7		
(a) Inventories		**1959484.90**	1190135.00
(b) Sundry Debtors		**4497317.17**	2806565.15
(c) Cash & Bank Balances		**124409.95**	315406.83
(d) Other Current Assets		**139309.11**	327563.17
(e) Loans & Advances		**940980.31**	1025390.88
		7661501.44	5665061.03
Less: Current Liabilities & Provisions	8		
(a) Liabilities		**4173020.24**	4754300.83
(b) Provisions		--	---
Net Current Assets		**3488481.20**	910760.20
(3) (a) Miscellaneous Expenditure to the extent not written off or adjusted	9	**258635.00**	---
TOTAL		**72518251.93**	32978676.63
Notes on Accounts	17		

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),
Proprietor.

G. Ramachandra Murthy
Company Secretary

For and on behalf of the Board.

Dr. S. P. Vasireddi Managing Director

V.V. Prasad Executive Director

V. Harriman Director - Technical

Hyderabad.
Dated 23rd August, 1993.

Profit & Loss Account for the year ended 31st March, 1993.

	Schedule No.	Year Ended 31.03.1993 Rs. Ps	Year Ended 31.03.1992 Rs. Ps
INCOME			
Testing & Analysis charges earned	10	**15933430.50**	8760764.50
Increase / (Decrease) in work-in-progress	11	**850000.00**	975000.00
Other income	12	**219161.35**	88820.64
		17002591.85	9824585.14
EXPENDITURE			
Chemicals and Consumables consumed and testing expenditure	13	**2579647.59**	1981932.48
Payments and benefits to employees	14	**2746376.69**	1921118.45
Administrative, selling & general expenses	15	**2625093.21**	2091329.74
Finance Charges	16	**4333923.23**	2303510.80
Depreciation	5	**1141655.78**	488245.90
		13426696.50	8786137.37
Profit before amortisation & prior period adjustments		**3575895.35**	1038447.77
Less: Prior Year Adjustments		**11926.55**	- -
Net Profit		**3563968.80**	1038447.77
Add: Balance Profit brought forward from previous year		**1408548.13**	370100.36
Balance Carried to Balance Sheet		**4972516.93**	1408548.13
Notes on Accounts	17		

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),
Proprietor.

G. Ramachandra Murthy
Company Secretary

For and on behalf of the Board.

Dr. S. P. Vasireddi Managing Director

V.V. Prasad Executive Director

V. Harriman Director - Technical

Hyderabad.
Dated 23rd August, 1993.

Schedules forming part of the Balance Sheet

	As at 31.03.1993 Rs. Ps	As at 31.03.1992 Rs. Ps
1. *SHARE CAPITAL*		
Authorised: 7000000 Equity Shares of Rs.10/- each (Previous Year 2,20,000 Equity Shares of Rs.100/- each)	**70000000.00**	22000000.00
Issued: 1695290 Equity Shares of Rs.10/- each (Previous year 145000 Equity Shares of Rs.100/- each)	**16952900.00**	14500000.00
Subscribed and paid up:		
1695290 Equity Shares of Rs.10/- each fully paid up (Previous Year 113629 Equity Shares of Rs.100/- each fully paid up)	**16952900.00**	11362900.00
	16952900.00	11362900.00
2. *RESERVES AND SURPLUS*		
Opening Balance in Profit & Loss Account	**1408548.13**	370100.36
Add: Profit for the year	**3563968.80**	1038447.77
	4972516.93	1408548.13
3. *SECURED LOANS*		
1. Term Loans from IDBI		
Rupee Term Loan	**20000000.00**	18000000.00
Foreign Currency Loan under IBRD Line of Credit	**17153745.00**	- - -
2. Term Loans from Canara Bank SD Road Branch	**682275.50**	1096423.50
3. Hire Purchase Loans	**318395.00**	653769.00
4. Interest accrued & due on Term Loans to IDBI	**6674724.00**	95986.00
	44829139.50	19846178.50
4. *UNSECURED LOANS*		
Loan from Technology Development & Information Company of India Ltd.	**4000000.00**	- - -
Interest accrued and due on the above loan upto 31-03-93	**111655.50**	- - -
	4111655.50	NIL

5. FIXED ASSETS

	GROSSBLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-92	Additions	Sales/ Adjustments	Total	Upto 31-03-92	for the year	On Sales/ Adjustments	Total	As at 31-03-93	As at 31-03-92
	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
1. Land & Site Development	---	955656.00	---	955656.00	---	---	---	---	955656.00	---
2. Buildings										
- Lab Building	2865000.00	6921115.00	---	9786115.00	15950.00	134218.00	---	150168.00	9635947.00	2849050.00
- Staff Quarters	---	944264.00	---	944264.00	---	1282.00	---	1282.00	942982.00	---
3. Plant & Machinery	12183755.04	19219300.93	---	31403055.97	391016.04	813148.93	---	1204164.97	30198891.00	11792739.00
4. Electrical Installation	288000.00	1537397.00	---	1825397.00	2472.00	28028.00	---	30500.00	1794897.00	285528.00
5. Office Equipment	---	615018.56	---	615018.56	---	6946.56	---	6946.56	608072.00	---
6. Furniture & Fittings	947015.01	77083.10	---	1024098.11	29900.01	32273.10	---	62173.11	961925.00	917115.00
7. Vehicles	1782921.78	263095.00	99307.00	1946709.78	135942.59	125759.19	16616.00	245085.78	1701624.00	1646979.19
TOTAL	18066691.83	30532929.59	99307.00	48500314.42	575280.64	1141655.78	16616.00	1700320.42	46799994.00	17491411.19
PREVIOUS YEAR	7378400.74	11337961.84	649670.75	18066691.83	136173.74	488245.90	49139.00	575280.64	17491411.19	7242227.00

Schedules forming part of the Balance Sheet

	As at 31.03.1993 Rs. Ps	As at 31.03.1992 Rs. Ps
6. CAPITAL WORK-IN-PROGRESS INCLUDING ADVANCES AND EXPENDITURE PENDING ALLOCATION - LABORATORY COMPLEX UNDER EXECUTION		
Work-in-progress		
Land and Site Development	–	913026.00*
Civil Works	**2876561.04**	7476012.85
Plant & Machinery	**14764203.97**	3797648.32
Electrical Installation	**536749.55**	750000.00
Advances	**1346298.35**	--
Amount of proportionate pre-operative expenses (including interest during construction period) allocable to Capital Works in progress	**2447328.82**	1639818.07
	21971141.73	14576505.24

* Pending Registration of land in the name of the Company, the Advance paid for land and stamp duty paid on purchase agreement is shown here.

	As at 31.03.1993 Rs. Ps	As at 31.03.1992 Rs. Ps
7. CURRENT ASSETS, LOANS & ADVANCES		
(a) Inventories:		
Chemicals and Consumables (At Cost)	**134484.90**	215135.00
Environmental jobs works-in-progress (At cost)	**1825000.00**	975000.00
	1959484.90	1190135.00
(b) Sundry Debtors: (Unsecured, considered good)		
Debts outstanding for a period exceeding 6 months	**492862.65**	315861.65
Other Debts	**4004454.52**	2490703.50
	4497317.17	2806565.15
(c) Cash & Bank Balances:		
Cash Balance on hand	**12788.79**	176966.95
Balances with Scheduled Banks		
in Current Accounts	**59844.16**	126359.88
in Fixed Deposits	**51777.00**	12080.00
	124409.95	315406.83
(d) Other Current Assets:		
Income-tax Deducted at Source (Refund to be received)	**136659.11**	210713.81
Interest accrued on Deposits	**2650.00**	116849.36
	139309.11	327563.17
(e) Loans and Advances:		
(Unsecured, considered good) Advances recoverable in cash or in kind or for value to be received	**237321.81**	131617.48
Deposits and balances with Public Sector bodies and others	**675529.50**	889903.50
Prepaid expenses	**28129.00**	3869.90
	940980.31	1025390.88

Schedules forming part of the Balance Sheet

	As at 31.03.1993 Rs. Ps	As at 31.03.1992 Rs. Ps
8. CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities:		
(i) Sundry Creditors -		
(a) for Capital expenditure	1552353.38	691550.97
(b) for services & supplies	2418276.09	1578589.04
(ii) Advances from customers	88538.00	1481684.00
(iii) Other Liabilities	113852.77	1002476.82
	4173020.24	4754300.83
9. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
(i) Preliminary expenses	210635.00	- -
(ii) Interest not accrued & due on Hire Purchase Loans	48000.00	-
	258635.00	NIL

Schedules forming part of the Profit & Loss Account

	For the Year Ended 31.03.1993	For the Year Ended 31.03.1992
10. TESTING & ANALYSIS CHARGES EARNED		
(i) Income from Testing & Analysis Services	14526617.50	8760764.50
(ii) Amounts received from some of the customers in earlier years towards final payment of our Bills pending approval of reports submitted, now taken as income of the current year	1406813.00	- -
	15933430.50	8760764.50
11. INCREASE / (DECREASE) IN WORK-IN-PROGRESS		
Closing work-in-progress of Environmental jobs	1825000.00	975000.00
Less: Opening work-in-progress	975000.00	- -
Increase	850000.00	975000.00
12. OTHER INCOME		
Interest earned on Deposits (Tax deducted at source Rs.5523.20) (Previous Year Rs.7563.11)	74083.35	52444.39
Profit on sale of assets	-	34468.25
Income Tax provision (of erstwhile Firm) written back	111573.00	- -
Miscellaneous Receipts	530.00	1908.00
Insurance Claim received	32975.00	- -
	219161.35	88820.64

Schedules forming part of the Profit & Loss Account

	For the Year Ended 31.03.1993 Rs. Ps	For the Year Ended 31.03.1992 Rs. Ps
13. CHEMICALS & CONSUMABLES CONSUMED AND TESTING EXPENDITURE		
Chemicals & Consumables consumed	**1315930.31**	1140648.82
Sample preparation, Data generation and Testing expenses	**928995.68**	698464.71
Water, power & fuel	**334721.60**	142818.95
	2579647.59	1981932.48
14. PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries & Wages	**2198780.91**	1613837.67
Bonus	**168340.65**	114479.80
Contribution to Provident Fund	**226581.60**	121039.85
ESI Contribution	**45807.10**	20119.35
Staff Welfare Expenses	**106866.43**	51641.78
	2746376.69	1921118.45
15. ADMINISTRATION, SELLING & GENERAL EXPENSES		
Managerial remuneration	**231832.00**	135950.00
Rent	**118832.00**	166195.00
Rates & Taxes	**28880.76**	17927.61
Insurance	**38232.25**	107579.75
Travelling & Conveyance	**521301.91**	319097.74
Advertisement, Publicity & Sales Promotion	**32874.00**	123361.00
Postage, Telegrams, Telephones & Telex	**282185.00**	204863.95
Printing & Stationery	**211782.03**	191545.36
Repairs & Maintenance		
Plant & Machinery	**227079.28**	201628.07
Payment to Auditors		
Audit fees	**15000.00**	10000.00
Certification & Company Law matters	**10000.00**	–
Taxation matters	**10000.00**	5000.00
Out of pocket expenses	**655.50**	753.80
Books and periodicals	**20956.60**	26218.55
Vehicle Maintenance	**464763.63**	298844.92
Professional Charges	**117450.00**	97751.00
Entertainment expenses	**50473.03**	61082.19
Miscellaneous expenses	**86998.25**	80350.05
Loss on sale of assets	**32691.00**	–
Trade Discount	**4130.00**	43180.75
Membership & Subscription	**20881.00**	- -
Security Charges	**98094.97**	- -
	2625093.21	2091329.74

Schedules forming part of the Profit & Loss Account

		For the Year Ended 31.03.1993 Rs. Ps	For the Year Ended 31.03.1992 Rs. Ps
16. FINANCE CHARGES			
(i) Interest:			
(a) on fixed loans			
to Canara Bank	244502.00		173938.20
to IDBI	1880143.00		--
		2124645.00	
(b) on other loans:			
to Canara Bank	2559.00		2721.20
to others	237132.25		253618.00
		239691.25	
(ii) Bank Charges		43341.00	27402.28
(iii) Equipment Lease Charges		1926245.98	1845831.12
		4333923.23	2303510.80

SCHEDULE-17

NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

i) **Method of Accounting:-** The Company maintains its accounts on accrual basis.

ii) **Sales:-** Sales and services include income from testing and analysis charges of various types of services rendered.

iii) **Fixed Assets:-** Fixed Assets are carried at cost less depreciation.

Interest on borrowings for fixed assets acquisition and revenue expenses incurred at project site for the period prior to the commencement of using the asset for commercial use are capitalised as part of the asset cost.

Proportionate amount of pre-operative expenditure with reference to the value of the assets which were put to commercial usage are capitalised by allocating to the respective assets.

iv) **Depreciation:-** Depreciation on the assets is calculated on the straight line basis for single shift at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956.
Depreciation on additions / deductions is calculated prorata from / to the month of additions / deductions.

v) **Inventories:-** Inventories are valued as under after providing for the obsolescence.

a) Chemicals and consumables, components, stores and spares at cost.
b) Work in progress of environmental jobs at cost.

vi) **Prior period expenses/income:-** The Company follows the practice of making adjustments through "expenses / income under / over provided in previous years in respect of material transactions pertaining to that period prior to the current accounting year."

2. Contingent Liabilities:-

i) Estimated amounts of contracts to be executed on capital account and not provided for Rs.30.00 lacs (net of advance payments) (Previous Year Rs.50.00 lacs).

ii) Bank Guarantees issued by the Bank on behalf of the Company and not provided for is Rs. 2.72 lacs (Previous Year Rs.-Nil-).

3. i) The term loans from Industrial Development Bank of India and Canara Bank are secured by hypothecation of all tangible, movable properties of the Company such as plant and machinery, testing equipment and capital works in progress, furniture and fittings, book debts, etc. and also by joint mortgage of immovable property of the Company i.e. land and buildings by deposit of title deeds.

ii) The Foreign Currency Loan (FCL) US $ 5,79,000 sanctioned by IDBI was disbursed in foreign currency to the tune of US $ 5,61,246.48 for import of capital equipment, equivalent to Indian rupees 1,71,53,745/- and the repayment schedule of the term loan was fixed in Indian rupees based on the actual amount of loan disbursed. Since the repayment is fixed in Indian currency, the Company need not provide for any difference on account of fluctuations in foreign exchange rate for repayment of instalments of the Foreign Currency Loan.

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

4. During the year under review, the Technology Development and Information Company of India Limited (TDICI Ltd.) sanctioned and disbursed a loan of Rs.40.00 lacs to the Company to meet part of the capital expenditure pending mobilisation of funds through public issue by the Company. As per the agreement entered by the Company with TDICI Limited, the loan is repayable on demand but not later than 31st August, 1993, failing which the TDICI Limited has a right to ask for creation of charge on the assets of the Company in its favour. Further the TDICI Limited also has an option to seek conversion of the said loan into fully paid equity shares of the Company in future.

5. i) "Advances recoverable in cash or in kind or for value to be received" under the item "Loans & Advances" include Rs.0.57 lacs (Previous Year Rs.0.70 lacs) due by a Company in which some of the Directors of the Company are interested. The maximum balance outstanding at any time during the year was Rs.0.70 lacs (Previous Year Rs.1.63 lacs).

ii) "Advances recoverable in cash or in kind or for value to be received" under the head "Loans & Advances" include Rs. 1.13 lacs (Previous Year -NIL-) due by the Managing Director of the Company and the maximum balance outstanding at any time during the year was Rs. 1.13 lacs (Previous Year -NIL-).

6. During the current financial year, the company has treated a sum of Rs.14.07 lacs as income of the current year which was received in earlier years from some of its customers towards final payments of invoices pending approval of the reports submitted by the Company. The Company with its past experience and taking into account the stage of approval of reports, decided that the final balance amounts received from the parties can be taken as income and no more provision is required for any contingency.

As a result of this, the Company's income and profits are higher by Rs.14.07 lacs which otherwise should have been lower by the same.

7. No provision for income-tax was considered in view of there being no taxable income after considering depreciation on fixed assets as per the provisions of Income-tax Act, 1961.

8. Interest is net of amounts capitalised as under:

	1992-93 Rs. Ps.	1991-92 Rs. Ps.
i) On Term Loan to IDBI	**59,03,958=00**	11,33,397=00
ii) On unsecured loan to TDICI Limited	**1,11,655=50**	- -

9. Managerial Remuneration:-

i) Details of payments and provisions made for the remuneration to the Managing Director, Executive Director and Director- Technical are as follows:

	Managing Director Rs.	Executive Director Rs.	Director-Technical Rs.	Total Rs.
a) Salary	1,62,000=00 (1,47,000=00)	81,000=00 (73,500=00)	81,120=00 (-)	3,24,120=00 (2,20,500=00)
b) Commission	18,386=00 (2,390=00)	18,386=00 (2,390=00)	9,193=00 (-)	45,965=00 (4,780=00)
c) Value of perquisites	70,207=00 (59,212=00)	40,777=45 (37,350=00)	67,080=00 (-)	1,78,064=45 (96,562=00)
Total	2,50,593=00 (2,08,602=00)	1,40,163=45 (1,13,240=00)	1,57,393=00 (-)	5,48,149=45 (3,21,842=00)

Note: Figures in brackets relate to the previous year.

ii) Part of the above remuneration has been capitalised to fixed assets considering the time spent by the whole-time Directors on the project implementation.

iii) The above Managerial Remuneration is paid / provided as per the terms and conditions approved by the Central Government for the appointment and remuneration fixed for the Directors read with the resolutions passed by the shareholders.

iv) The Director-Technical was appointed in the current financial year i.e. 1992-93 while the Managing Director and Executive Director were appointed in the previous Financial Year i.e. 1991-92.

v) Calculation of Commission payable to the Directors is as follows:

	Current year Rs. Ps.	Previous year Rs. Ps.
Net Profit as per Profit & Loss Account	**35,63,968=80**	10,38,447=77
Add: Loss on sale of assets	**32,691=00**	- -
	35,96,659=80	10,38,447=77

	Current year	Previous year
	Rs. Ps.	Rs. Ps.
Add:		
i) Directors Remuneration charged to P & L A/c.	**1,85,867=00**	1,33,681=00
ii) Commission to Directors	**45,965=00**	2,269=00
iii) Depreciation	**11,41,655=78**	4,88,245=90
	49,70,147=58	16,62,643=67
Less: Profit on sale of Assets	**–**	34,468=25
	49,70,147=58	16,28,175=42
Less: Depreciation as per the provisions of Sec.350 of the Companies Act, 1956.	**31,31,587=75**	13,89,173=84
Net Profit	**18,38,559=83**	2,39,001=58
Commission to the whole-time Directors @ 1% to -		
Managing Director	**18,386=00**	2,390=00
Executive Director	**18,386=00**	2,390=00
Director-Technical	**9,193=00** (*)	–

(*) Proportionate amount to the period of appointment.

10. Additional information pursuant to the provisions of paragraphs 3, 4B and 4D of Part II of Schedule VI of the Companies Act, 1956 is as follows:

	Year ended 31/03/1993	Previous Year
a) Earnings in foreign currency	**Nil**	Nil
b) Value of imports of raw-material, components, spareparts and capital goods calculated on CIF basis- Capital goods	**Rs. 171.53 lacs**	Nil
c) Expenditure in foreign currency on account of royalty, know-how, professional and consultation fees, interest and other matters	**Nil**	Nil
d) Amount remitted in foreign currency on account of dividends	**Nil**	Nil

e) Value of imported and indigenous raw material, spare parts and components consumed during the year.

The Company is carrying on the business of testing and analysis of various materials and as such it requires a variety of chemicals and consumables for its testing activities and does not require any raw material or components as no manufacturing activity is involved. Further it is not practicable to furnish the Quatitative details of these chemicals & consumables as number of chemicals in less quantities are used in the process of testing. Hence the value of chemicals and consumables and the spares and stores consumed during the year are furnished below:

Indigenous	**Rs. 13.16 lacs**	Rs. 11.41 lacs
Imported	**Nil**	Nil

11. The provisions of paragraph 4-C of the Part II of Schedule VI to the Companies Act, 1956, are not applicable to this Company.

12. Previous Year figures have been regrouped wherever necessary to conform to the classification adopted in the current financial year.

The above schedules 1 to 17 form an integral part of the Balance Sheet and Profit & Loss Account.
Per our report of even date attached.

For and on behalf of the Board.

for **J. Venkateswarlu & CO.,**
Chartered Accountants,

Dr. S. P. Vasireddi Managing Director

V.V. Prasad Executive Director

(J. Venkateswarlu),
Proprietor.

G. Ramachandra Murthy
Company Secretary

V. Harriman Director - Technical

Hyderabad.
Dated 23rd August, 1993.

VIMTA LABS LIMITED

Regd.Office:Plot Nos.141/2 & 142,Phase II,IDA
Cherlapally, (Rangareddy District),Hyderabad - 500 051,Andhra Pradesh

PROXY FORM

I/We ....

of .... in

the district of .... being a member/members

of the above named Company hereby appoint ....

.... of ....

.... in the district of ....

as my/our Proxy to vote for me/us on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on Wednesday the 30th day of September, 1993 at 3.30 P.M. at Plot Nos.141/2 & 142, IDA Phase II, Cherlapally, Hyderabad : 500 051 and at any adjournment thereof.

Signed this .... day of .... 1993.

Affix
30 Paise
Revenue
Stamp

NOTE: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

....
Signature

VIMTA LABS LIMITED

Regd.Office:Plot Nos.141/2 & 142,Phase II,IDA
Cherlapally, (Rangareddy District),Hyderabad - 500 051,Andhra Pradesh

ATTENDANCE SLIP

THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED
OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending member (in Block Letters) ....

Member's Folio Number ....

Name of Proxy (in Block Letters, to be filled in if the Proxy attends instead of the Member) ....

....

No. of Shared held ....

I hereby record my presence at the Eleventh Annual General Meeting to be held on Wednesday, the 29th day of September, 1993 at 3.30 P.M. at Plot Nos.141/2 & 142, IDA Phase II, Cherlapally, Hyderabad-500 051.

....
Member's/Proxy's Signature*

*To be signed at the time of handing over this slip

BOOK POST
PRINTED MATTER

TO

If undelivered, please return to:

M/s. VIMTA LABS Limited

Plots No. 141/2 &142
Phase II, IDA
Cherlapally, R. R. District
Hyderabad-500 051. A.P. India