VIMTA LABS
Determining Quality

10TH ANNUAL REPORT
1999 - 2000

Vimta Labs Limited
Regd. Office : Plot Nos. 141/2, & 142, Phase II, IDA,
Cherlapally, Hyderabad - 500 051, R.R. District.

BOARD OF DIRECTORS

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

SHRI V HARRIMAN
DIRECTOR-TECHNICAL

SHRI V V PRASAD
EXECUTIVE DIRECTOR

SHRI RAGHU CIDAMBI
DIRECTOR

SHRI S SUBRAHMANYAN
DIRECTOR

SHRI A D SINHA
DIRECTOR

Company Secretary & DGM-Finance

SHRI A VENKATA RAMANA

BANKERS

CANARA BANK
M G ROAD
SECUNDERABAD : 500 003.

AUDITORS

SARATHY & BALU
CHARTERED ACCOUNTANTS
12, MASTER SAI APARTMENTS
SOMAJIGUDA
HYDERABAD : 500 082.

LISTED WITH

THE HYDERABAD STOCK EXCHANGE LTD
3-6-275, HIMAYATNAGAR
HYDERABAD - 500 029

THE STOCK EXCHANGE
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET
MUMBAI - 400 001

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the members of VIMTA LABS LIMITED will be held at 10.00 A.M. on Saturday the 30th, September,2000 at the Registered Office of the Company i.e. Plot Nos.141/2 & 142, IDA, Phase II, Cherlapally, Rangareddy District, Hyderabad 500 051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March,2000 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Raghu Cidambi who retires by rotation and, being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass the following Resolution, with or without modifications, 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 Sarathy & Balu, Chartered Accountants, Hyderabad, the retiring Auditors of the Company, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting of the company on such remuneration as may be decided by the Board of Directors of the Company in addition to reimbursement of all out-of-pocket expenses in connection with audit of the accounts of the company."

By Order of the Board
for **Vimta Labs Limited**

A Venkata Ramana
Company Secretary
& DGM- Finance

Hyderabad
Date : 19.08.2000

NOTES :-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on poll 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 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will be closed from 16.09.2000 to 30.09.2000 (Both days inclusive).
3. Members are requested to:
   i) Intimate changes, if any, in their registered address to the Company.
   ii) bring their copy of the Annual Report and the Attendance slips with them to the Meeting.

By Order of the Board
for **Vimta Labs Limited**

A Venkata Ramana
Company Secretary
& DGM- Finance

Hyderabad.
Date : 19.08.2000

DIRECTORS' REPORT

To
The Members of
VIMTA LABS LIMITED

Your Directors hereby present the Tenth Annual Report and Audited Accounts for the Financial Year ended on 31st March, 2000.

FINANCIAL RESULTS :

Financial Results for the year under review are as follows :

		Current Year (Rs. in lakhs)		Previous Year (Rs. in lakhs)
1) Profit before interest, Depreciation & Taxes		**93.98**		(11.72)
Less:				
2) Finance Charges	**31.09**		196.39	
3) Depreciation	**42.43**		42.32	
		73.52		238.71
4) Profit/(Loss) before Amortization and Tax		**20.46**		(250.43)
5) Amortization of preliminary expenses		**13.09**		13.24
6) Prior period adjustments		-----		(0.50)
7) Profit/(Loss) before Tax		**7.37**		(264.17)
8) Provision for Taxation		---		---
9) Profit/(Loss) after tax		**7.37**		(264.17)

REVIEW OF OPERATIONS :

Your Directors are very glad to inform you that IDBI has accepted One Time Settlement (OTS) proposal and your company has successfully paid the total OTS amount of Rs. 410.42 Lakhs together with interest before the due date i.e. on August 03, 2000 and it has become free from IDBI Term Loan debt .

During the year under review your Directors are also glad to inform you that your company, after three years, has turned around and made an operating profit of Rs. 93.98 Lakhs before interest and depreciation and Rs. 7.37 Lakhs after considering the interest and depreciation against a gross turn over of Rs. 410.92.

FUTURE OUTLOOK :

The current year performance of your company is extremely good and quite encouraging. Your company has launched Franchise scheme in the state and proposes a nation wide launch in the near future. Your company has installed Laboratory Information Management Systems (LIMS) to enhance the efficiency of all operations from sample management to reporting. Franchisee network is expected to bring in more customers to your company as the distance between the company and the customer minimises.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Raghu Cidambi, Director, will retire by rotation and is eligible for reappointment.

AUDITORS :

M/s.Sarathy & Balu Chartered Accountants, Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent for reappointment and further stated that if appointed, their appointment will be within the limits specified under Section 224 (1-B) of the Companies Act, 1956. The appointment requires the special resolution under section 224A of the Companies Act, 1956 as the public financial institutions are holding more than 25% of the subscribed share capital of the Company.

PARTICULARS OF EMPLOYEES :

Disclosure of information as required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 is enclosed hereto as Annexure -I and forms part of this report.

INFORMATION ON ENERGY CONSERVATION & TECHNOLOGY ABSORPTION :

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

ACKNOWLEDGMENTS :

Your Directors take this opportunity to express their gratitude to the Business Associates, Customers, Bankers, Financial Institutions and Venture Capital Institutions for their support and guidance.

Your Directors deeply acknowledge the continued trust and confidence of the customers and shareholders on your Company. The Directors wish to place on record their deep sense of appreciation of the services rendered by all the associates of the Company.

For and on behalf of the Board

Hyderabad
Date : 19.08.2000

Dr S P Vasireddi
Chairman & Managing Director

ANNEXURE - I

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, 2000.)

Name	Qualification and Experience	Age in years	Designation/ Nature of duties	Date of commencement of employment	Gross Remuneration (Rs.)	Last Employment
Dr S P Vasireddi	M.Sc. Ph.D. 24 Years	52	Managing Director	01.01.1996	Rs.9,00,000/-	i) Mineral Exploration Corporation Limited, Nagpur, ii) Vimta Labs.
Shri V Harriman	D.Tech in Electronics Toronto, Canada 22 Years	50	Director Technical	03.09.1997	Rs.9,00,000/-	i) GB Electronics Bangalore, ii) Vimta Labs.
Shri V V Prasad	B.Com 22 Years	50	Executive Director	07.06.1996	Rs.9,00,000/-	Vimta Labs.

NOTES

1. Nature of employment of all the above directors is contractual.
2. Remuneration includes salary, house rent allowance and or perquisite for accommodation, commission, motor car perquisites/allowance, reimbursement of medical expenses, and leave travel facility as applicable.

For and on behalf of the Board

Hyderabad
Date : 19.08.2000

Dr S P Vasireddi
Chairman & Managing Director

ANNEXURE - II

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

(Forming part of the Directors' Report for the year ended 31st March, 2000.)

A. Conservation of Energy :

The Company is a service industry carrying on the business of Testing and Analysis of various materials, conducting clinical research and under taking of Environmental Impact Assessment studies of industrial and Infrastructure projects. Testing is undertaken for various materials and different types of tests are carried out depending on the nature of material and the quality standards such as IS, IP, USP, BP, ASTM, AOAC, etc. Testing is done using different Testing Equipments. It may be that a particular material needs to be tested on different instruments for various parameters simultaneously as required by the customer. Most of the test equipments are micro-processor based and draw only requisite power.

Power is drawn by different equipments from a common source in the Lab. Besides this, Generator and UPS are used as back-up sources. Hence it is not practicable to quantify the power consumption of each equipment and for each test.

a) Energy Conservation Measures Taken :

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

   ii) The Laboratory Building is designed in such a way that during day time, no artificial lighting is necessary for majority of the rooms, which is being conserved for utilisation of equipment.

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 consumption 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 it 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 :

The Company is offering testing facilities for various materials, conducting Clinical research 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. However, the Company extends support to R & D programmes of Industry in trouble shooting and product development using the state of the art instrumentation and expertise available. 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 are not applicable.

C. Foreign Exchange Earnings And Outgo :

During the financial year, the company has earned foreign exchange of Rs.4.95 Lakhs. Further the Company has incurred an amount of Rs.1.18 lakhs on import of chemicals and consumables, reference standard, travel expenditure and advertisement in foreign journals.

For and on behalf of the Board

Dr S P Vasireddi
Chairman & Managing Director

Hyderabad
Date : 19.08.2000

AUDITORS' REPORT

To
The Members of
VIMTA LABS LIMITED

We have audited the attached Balance Sheet of VIMTA LABS LTD as at 31st March,2000 and the relative Profit & Loss account for the year ended on that date, both of which we have signed under reference to this report and report that:

1. As required by the Manufacturing and other Companies (Auditors'Report) Order,1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act,1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent they are applicable to this Company.

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 accounts have been kept as required by law so far as appears from our examination of the books and the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account of the Company.

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, a true and fair view of the state of the Company's affairs as at 31st March,2000 and its Profit for the year ended on that date.

4. In our opinion, the Profit & Loss account and the Balance sheet Comply with the accounting standards referred to in Sec. 211 (3c) of the Companies Act, 1956.

for ***Sarathy & Balu***
Chartered Accountants

Hyderabad
Date : 19.08.2000

(J Venkateswarlu)
Partner

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date

1. The Company has maintained proper records showing 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.
2. The fixed assets of the Company have not been revalued during the year.
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 during the year.
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. There were no material discrepancies between the physical stocks and the book stocks.
6. In our opinion, the valuation of stocks of finished goods, stores and spares and raw materials is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in preceding year.
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 (1B) 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 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.
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.

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 and services.

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.50000/- 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.

12. The company has a regular procedure for 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.

13. The Company has not accepted any deposits from public.

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.

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

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.

17. According to the records of the company and as explained to us, the Company is not regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities. The extent of arrears as at 31.03.2000 towards Provident Fund is Rs.16.70 Lakhs and towards Employees' State Insurance is Rs.0.95 Lakhs. Out of these amounts Employees State Insurance dues were deposited on 05.06.2000 in full and an amount of Rs.7.83 Lakhs was deposted on 06.06.2000 towards Employees contribution of Provident Fund. The Balance of Rs. 8.87 Lakhs is yet to be paid

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.

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 we have been informed of any such case by the management.

20. The Company is not a sick company within the meaning of Clause (o) of sub section (1) 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 material and stores and allocating materials consumed to the relative jobs, commensurate with its size and 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 its size and 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 commensurate with its size and nature of its business, on issue of stores and allocation of stores and labour to jobs.

for ***Sarathy & Balu***
Chartered Accountants

Hyderabad
Date : 19.08.2000

(J Venkateswarlu)
Partner

BALANCE SHEET AS AT 31ST MARCH, 2000

	Schedule No.	As at 31.03.2000 Rs. Ps.	As at 31.03.1999 Rs. Ps.
I SOURCES OF FUNDS			
(1) Shareholder's Funds			
Share Capital	1	**36,071,240.00**	36,071,240.00
Reserves & Surplus	2	**30,253,203.53**	9,559,170.00
(2) Loan Funds			
Secured Loans	3	**23,179,308.40**	107,544,264.81
Unsecured Loans	4	**3,915,303.00**	121,673.00
TOTAL		**93,419,054.93**	153,296,347.81
II APPLICATION OF FUNDS			
(1) Fixed Assets	5		
(a) Gross Block		**99,693,963.75**	99,901,067.70
(b) Less:Depreciation		**27,438,662.35**	23,662,482.35
(c) Net Block		**72,255,301.40**	76,238,585.35
TOTAL		**72,255,301.40**	76,238,585.35
(2) Investments	6	**480,000.00**	480,000.00
(3) Current Assets Loans & Advances	7		
(a) Inventories		**3,856,524.00**	10,029,212.50
(b) Sundry Debtors		**11,307,362.80**	17,349,144.75
(c) Cash and Bank balances		**374,361.29**	284,480.25
(d) Other Current Assets		**1,585,607.00**	1,199,744.01
(e) Loans & Advances		**3,481,937.71**	2,919,620.14
SUB TOTAL		**20,605,792.80**	31,782,201.65
Less : Curent Liabilities & Provisions	8		
Current Liabilities		**5,855,323.36**	5,438,916.96
Net Current Assets		**14,750,469.44**	26,343,284.69
(4) (a) Miscellaneous Expenditure (to the extent not written off or adjusted)	9	**5,933,284.09**	7,351,947.28
(b) Profit and Loss account		**0.00**	42,882,530.49
TOTAL		**93,419,054.93**	153,296,347.81
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	18		

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 **Sarathy & Balu**	For and on behalf of the Board	
Chartered Accountants,	**Dr S P Vasireddi**	Managing Director
	Shri V V Prasad	Executive Director
	Shri V Harriman	Director Technical
(J. Venkateswarlu)	**Shri A D Sinha**	Director
Partner		
	Shri A Venkata Ramana	Company Secretary & DGM Finance
Hyderabad	Hyderabad	
Date : 19.08.2000	Date : 19.08.2000	

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

	Schedule No.	Year Ended 31.03.2000 Rs. Ps.	Year Ended 31.03.1999 Rs. Ps.
INCOME			
Income from operations	10	**41,092,260.85**	29,401,162.15
Increase/(Decrease) in Inventories	11	**(5,786,148.00)**	(4,947,383.00)
Other Income	12	**58,665.70**	775,045.30
TOTAL		**35,364,778.55**	25,228,824.45
EXPENDITURE			
Chemicals, Consumables and testing expenditure	13	**8,611,785.72**	8,588,422.94
Payments and Benefits to Employees	14	**6,188,831.17**	6,937,240.35
Administration Selling & General Exps.	15	**11,166,085.93**	10,875,820.46
Finance Charges and Interest	16	**3,109,109.38**	19,638,880.53
Depreciation	5	**4,243,182.00**	4,232,332.05
TOTAL		**33,318,994.20**	50,272,696.33
Profit/(Loss) before amortisation & prior period adjustments		**2,045,784.35**	(25,043,871.88)
Less/ (Add) : Amortisation of Preliminary and Deferred Revenue Expenses	17	**1,309,573.19**	(1,323,816.69)
		736,211.16	(26,367,688.57)
Less/ (Add) :Prior year adjustments		**0.00**	(50,187.00)
PROFIT BEFORE TAX		**736,211.16**	(26,417,875.57)
Provision for Taxation		**0.00**	0.00
SURPLUS / (LOSS) CARRIED TO BALANCE SHEET		**736,211.16**	(26,417,875.57)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS	18		

Schedules mentioned above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

for **Sarathy & Balu**
Chartered Accountants,

(J. Venkateswarlu)
Partner

Hyderabad
Date : 19.08.2000

For and on behalf of the Board

Dr S P Vasireddi Managing Director
Shri V V Prasad Executive Director
Shri V Harriman Director Technical
Shri A D Sinha Director

Shri A Venkata Ramana Company Secretary & DGM Finance

Hyderabad
Date : 19.08.2000

SCHEDULES FORMING PART OF THE ACCOUNTS

	As on 31.03.2000 Rs. Ps.	As on 31.03.1999 Rs. Ps.
1. SHARE CAPITAL		
Authorised:7000000 Equity Shares of Rs.10/- each(Previous year 7000000 Equity Shares of Rs.10/- each)	**70,000,000.00**	70,000,000.00
Issued, Subscribed and Paid up 3608624 equity shares of Rs.10/- each fully paid up (Previous year 3608624) shares of Rs.10/- each fully paid up)	**36,086,240.00**	36,086,240.00
Less : Allotment money due in respect of 3000 shares @ Rs.5/- each (Previous year - 3000 shares @ Rs.5/- each)	**15,000.00**	15,000.00
TOTAL	**36,071,240.00**	36,071,240.00
2. RESERVES AND SURPLUS		
(i) Share Premium Account	**9,559,170.00**	9,559,170.00
TOTAL	**9,559,170.00**	9,559,170.00
(ii) Surplus / (Deficit) in Profit & Loss A/c.		
Opening Balance	**(42,882,530.49)**	(16,464,654.92)
Add : a) Amount waived by IDBI under OTS Scheme	**62,840,352.86**	0.00
b) Profit after tax/ (Loss) for the year	**736,211.16**	(26,417,875.57)
Closing Balance :	**20,694,033.53**	(42,882,530.49)
Total : (i) + (ii) :	**30,253,203.53**	(33,323,360.49)
3. SECURED LOANS		
A) Loans & Advances from Banks		
a) Open Cash Credit from Canara Bank	**4,799,877.40**	1,615,133.81
B) Other Loans & Advances		
1. Term Loans from IDBI		
- Rupee Term Loan (RTL)	**0.00**	20,000,000.00
- Foreign Currency Loan under IBRD Line of Credit (FCL)	**0.00**	17,153,745.00
2. Interest accrued & due on Term Loans to IDBI	**0.00**	66,573,872.00
3. IDBI Term Loan under OTS Scheme	**16,416,000.00**	0.00
4. Hire Purchase Loans	**335,362.00**	784,404.00
5. Venture Capital type of loan assistance from Centre for Technology Development.	**1,628,069.00**	1,417,110.00
TOTAL	**23,179,308.40**	107,544,264.81
4. UNSECURED LOANS		
(i) Loans & Advances from other than Banks		
a) From Other than Directors (Including interest accrued thereon)	**125,963.00**	121,673.00
b) From Directors	**3,789,340.00**	0.00
TOTAL	**3,915,303.00**	121,673.00

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

5 . FIXED ASSETS

SL. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.99 Rs. Ps.	ADDITIONS Rs. Ps.	SALES/ ADJUSTMENTS Rs. Ps.	TOTAL Rs. Ps.	UPTO 31.03.99 Rs. Ps.	FOR THE YEAR Rs. Ps.	ON SALES/ ADJUSTMENTS Rs. Ps.	TOTAL Rs. Ps.	**AS ON 31.03.2000 Rs. Ps.**	AS ON 31.03.99 Rs. Ps.
1	Freehold Land & Site Development	955656.00	0.00	0.00	955,656.00	0.00	0.00	0.00	0.00	**955,656.00**	955,656.00
2	Buildings										
	- Lab Buildings	18,788,054.37	0.00	0.00	18,788,054.37	1,725,444.90	306,245.00	0.00	2,031,689.90	**16,756,364.47**	17,062,609.47
	- Staff quarters	944,264.00	0.00	0.00	944,264.00	93,628.00	15,391.00	0.00	109,019.00	**835,245.00**	850,636.00
3	Plant & Machinary	67,880040.73	814525.06	354796.00	68339769.79	18417944.66	3230786.00	51961.00	21596769.66	**46743000.13**	49462096.07
4	Electrical Installation	3,997,340.24	0.00	0.00	3,997,340.24	1,144,812.24	189,873.00	0.00	1,334,685.24	**2,662,655.00**	2,852,528.00
5	Office Equipment	1,635,767.31	0.00	0.00	1,635,767.31	483,482.09	77,699.00	0.00	561,181.09	**1,074,586.22**	1,152,285.22
6	Computers	101,700.00	90,067.00	0.00	191,767.00	7,328.00	25,908.00	0.00	33,236.00	**158,531.00**	**94,372.00**
7	Furnitures & Fixtures	2,729,229.05	17,500.00	0.00	2,746,729.05	807,155.20	173,643.00	0.00	980,798.20	**1,765,930.85**	1,922,073.85
8	Vehicles	2,869,016.00	15,905.00	790,305.01	2,094,615.99	982,687.26	223,637.00	415,041.00	791,283.26	**1,303,332.73**	1,886,328.74
	TOTAL	99,901,067.70	937,997.06	1,145,101.01	99,693,963.75	23,662,482.35	4,243,182.00	467,002.00	27,438,662.35	**72,255,301.40**	76,238,585.35
	PREVIOUS YEAR	99,003,629.86	1,119,923.00	222,485.16	99,901,067.70	19,514,653.46	4,232,332.05	84,503.16	23,662,482.35	**76,238,585.35**	79,488,976.40

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

	As on 31.03.2000 Rs. Ps.	As on 31.03.1999 Rs. Ps.
6. *INVESTMENTS*		
Equity shares- fully paidup at cost		
Unquoted- Non Trading :		
(48,000 equity shares of Rs.10/- each fully paidup in Vimta Rostest (P) Ltd.,	480,000.00	480,000.00
TOTAL	480,000.00	480,000.00
7. *CURRENT ASSETS, LOANS & ADVANCES*		
(a) Inventories		
Chemicals & Consumables (At cost)	337,943.00	335,348.00
Components, Stores & Spares (At cost)	1,013,831.00	1,402,966.50
Environmental Jobs Works-in-progress (At Cost)	2,504,750.00	8,290,898.00
TOTAL	3,856,524.00	10,029,212.50
(b) Sundry Debtors		
(Debts Considered Good, Unsecured)		
(i) Debts Outstanding For a Period Exceeding Six months	2,288,201.00	7,860,330.75
(ii) Other Debts	9,019,161.80	9,488,814.00
TOTAL	11,307,362.80	17,349,144.75
(c) Cash & Bank Balances		
(i) Cash Balance on hand	21,954.69	11,585.60
(ii) Balances with Scheduled Banks		
(a) in current Accounts	250,719.15	152,840.65
(b) in Deposit Accounts	101,687.45	120,054.00
TOTAL	374,361.29	284,480.25
(d) Other Current Assets		
(i) Advance payment of Income-tax(TDS)	1,585,607.00	1,106,700.56
(ii) Interest accrued on Deposits with Banks & APSEB	0.00	93,043.45
TOTAL	1,585,607.00	1,199,744.01
(e) Loans and Advances		
(Unsecured, considered good)		
(i) Advances recoverable in cash or in kind or for value to be received	1,575,338.21	1,029,759.04
(ii) Deposits and balances with Public Sector Bodies & Others	1,623,469.50	1,576,776.50
(iii) Prepaid Expenses	108,291.00	9,095.00
(iv) Advances for Services & Supplies	174,839.00	303,989.60
TOTAL	3,481,937.71	2,919,620.14

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

	As on 31.03.2000 Rs. Ps.	As on 31.03.1999 Rs. Ps.
8. CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
(i) Sundry Creditors		
(a) for Capital Expenditure	0.00	115,475.00
(b) for Services & Supplies	5,376,831.18	4,366,359.22
(c) Remuneration & fee payable to directors	417,715.18	844,469.74
(ii) Advances from Customers against Services	60,777.00	112,613.00
TOTAL	5,855,323.36	5,438,916.96
9. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
(i) Preliminary Expenses		
Opening Balance	0.00	14,243.50
Less : Written off during the year	0.00	14,243.50
BALANCE	0.00	0.00
(ii) Public Issue Expenditure		
Opening Balance	1,752,892.24	2,147,385.24
Less : Written off during the year	394,493.00	394,493.00
BALANCE	1,358,399.24	1,752,892.24
(iii) Deferred Revenue Expenditure		
(a) ISO Quality System Expenses	1,865,481.43	2,176,394.62
Less: Written off during the year	310,913.19	310,913.19
BALANCE	1,554,568.24	1,865,481.43
(b) GLP Expenses	3,066,987.25	3,505,128.25
Less: Written off during the year	438,141.00	438,141.00
BALANCE	2,628,846.25	3,066,987.25
(c) Expenditure on International Business promotion	498,076.00	664,102.00
Less: Written off during the year	166,026.00	166,026.00
BALANCE	332,050.00	498,076.00
(iv) Interest not accrued & due on Hire Purchase Loans	168,510.36	278,409.91
Add : Additions during the year	0.00	83,700.00
Less: Written off during the year	109,090.00	193,599.55
BALANCE	59,420.36	168,510.36
TOTAL (i) to (iv)	5,933,284.09	7,351,947.28

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

	Year Ended 31.03.2000 Rs. Ps.	Year Ended 31.03.1999 Rs. Ps.
10. INCOME FROM OPERATIONS		
(i) Income from Testing & Analysis Services		
- Domestic	40,597,080.85	29,185,643.15
- Exports	495,180.00	215,519.00
TOTAL	41,092,260.85	29,401,162.15
11. INCREASE/(DECREASE) IN INVENTORIES		
Closing Work-in-progress of Env. Jobs	2,504,750.00	8,290,898.00
Less : Opening Work-in-progress	8,290,898.00	13,238,281.00
INCREASE / (DECREASE)	(5,786,148.00)	(4,947,383.00)
12. OTHER INCOME		
i) Interest income	55,013.00	90,256.30
(Tax deducted at source - Nil)		
(Previous year Rs. Nil)		
ii) Excess provision of expenses written-in	0.00	684,789.00
iii) Miscellaneous Receipts	3,652.70	0.00
TOTAL	58,665.70	775,045.30
13. CHEMICALS,CONSUMABLES AND TESTING EXPENDITURE		
Chemicals, Consumables, Stores, Spares & Components consumed	2,101,565.91	1,825,743.56
Sample preparation, Data Generation and Testing Expenses	5,035,374.01	5,333,343.23
Water,Power & Fuel Charges	1,474,845.80	1,429,336.15
TOTAL	8,611,785.72	8,588,422.94
14. PAYMENTS & BENEFITS TO EMPLOYEES		
Salaries & wages	4,826,261.00	5,167,774.00
Bonus	71,130.00	86,171.00
Contribution to Provident Fund	512,673.00	475,244.00
ESI Contribution	93,381.00	110,078.00
Staff Welfare Expenses	340,987.17	558,006.35
Gratuity	75,662.00	38,462.00
Other Benefits	268,737.00	501,505.00
TOTAL	6,188,831.17	6,937,240.35

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

	Year Ended 31.03.2000 Rs. Ps.	Year Ended 31.03.1999 Rs. Ps.
15. ADMINISTRATION, SELLING & GENERAL EXPENSES		
Managerial Remuneration	2,700,000.00	2,700,000.00
Sitting fees to Directors	1,500.00	2,000.00
Rent	51,402.00	142,493.00
Rates & Taxes	107,869.00	502,217.50
Insurance	179,090.00	318,558.00
Travelling & Conveyance	755,657.97	1,704,411.65
Advertisement, Publicity & Sales Promotion Expenses	137,386.50	615,854.39
Postage, Telegrams, Telephone & Telex	748,065.95	966,116.56
Printing & Stationary Charges	509,217.95	592,676.00
Repairs & Miantenance to :		
Plant & Machinery	430,996.85	812,919.80
Buildings	465,501.41	715,168.00
Others	8,985.00	58,482.00
Payments to Auditors		
(a) As Auditor	20,000.00	20,000.00
(b) As advisor for :		
(i) Certification and Co. Law Matters	12,500.00	12,500.00
(ii) Taxation Matters	12,500.00	12,500.00
(c) Out of pocket expenses	1,470.00	800.00
Books & Periodicals	55,301.00	6,870.80
Bad & Doubtful debts writtenoff	2,201,648.00	0.00
Vehicle Maintenance	992,149.39	677,332.98
Professional Charges	847,488.00	269,865.70
Entertainemnt Expenses	169,015.64	84,988.31
Loss on sale of Assets	277,099.01	57,982.00
Trade discount	2,882.00	3,756.00
Membership & Subscriptions	23,393.00	53,385.00
Security Charges	159,582.00	168,087.00
Seminars, Conferences, Recruitment & Training Expenses of Personnel	43,363.00	292,291.00
Accredation & Certification charges	208,831.89	0.00
Miscelaneous Expenses	43,190.37	84,564.77
TOTAL	11,166,085.93	10,875,820.46
16. FINANCE CHARGES AND INTEREST		
(i) Interest		
(a) on fixed loans - to I D B I	2,090,483.00	18,771,437.00
- to CTD	317,427.00	227,509.00
(b) on other loans - to Canara Bank	226,757.00	254,135.00
- to Others	263,578.48	202,730.26
(ii) Bank Charges	210,863.90	183,069.27
TOTAL	3,109,109.38	19,638,880.53
17. AMORTISATION OF PRELIMINARY & DEFERRED REVENUE EXPENDITURE		
a) Preliminary Expenses	0.00	14,243.50
b) Public Issue Expenditure	394,493.00	394,493.00
c) ISO Quality System Expenses	310,913.19	310,913.19
d) GLP Expenses	438,141.00	438,141.00
e) Business Promotion	166,026.00	166,026.00
TOTAL	1,309,573.19	1,323,816.69

18. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

i) **Method of Accounting** : The accounts are prepared in accordance with the Accounting Principles generally accepted in India. The Company follows accrual method of Accounting.

ii) **Income** : The Company's Income consists of income from testing & analysis jobs of various products and other services render in the field of testing and certification

iii) **Fixed Assets** : Fixed Assets are shown at cost less depreciation. Interest on borrowings for acquiring fixed assets and revenue expenses incurred at project site for the period upto the commencement of using the asset for commercial use are capitalised as part of the asset cost.

iv) **Depreciation** : Depreciation on fixed assets has been charged under straight line method for single shift at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Depreciation on additions/deductions is calculated prorata from/to the month of additions/deductions.

v) **Foreign Currency Loan** : The repayment of foreign currency loan of IDBI was fixed in Indian rupees.Hence no provision for fluctuations in foreign currency is required.

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

a) Raw materials, Chemicals and consumables, components, stores and spares-At cost.

b) Work in progress of environmental jobs-At cost.

vii) **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."

viii) **Gratuity** : As per the practice consistently followed by the Company, the liability on account of gratuity to employees is accounted for in the year of settlement of claims and also as the amounts are not material, no provision for Gratuity is made in the Accounts. The necessary provision is made in the year of actual payment of gratuity.

ix) **Miscellaneous Expenditure** :

(a) Expenditure incurred towards Preliminary & Pre-operative, Public Issue are written off over a period of 10 years in equal instalments.

(b) Expenditure spent in connection with the implementation of quality systems and advertisement and expenses on launching of new services of the company, the benifits of which will accrue to the company over an extended period are treated as a deferred revenue expenditure. Such expenditure is amortised over a period of 5 years or 10 years respectively during which period the company expects the benefits to accrue.

x) **General** : Accounting Policies not specifically referred to are in consistent with the Generally accepted Accounting Practices.

B NOTES FORMING PART OF ACCOUNTS :

1. CONTINGENT LIABILITIES :

i) Estimated amounts of contracts to be executed on capital account and not provided for is Rs.Nil (net of advance payments) (Previous year Rs.Nil).

ii) Bank Guarantees issued by the Bank on behalf of the Company and not provided for is Rs.6.5 lakhs (Previous Year Rs.3.98 lakhs). These guarantees are secured by way of lien on the Company's Deposits of Rs.1.02 lakhs with the Bank (Previous year 0.45 lakhs).

2. SECURED LOANS :

i) The term loans from Industrial Development Bank of India 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 and by equitable mortgage of immovable property of the Company i.e. land and buildings by deposit of title deeds.

ii) The loans from Canara Bank under open Cash Credit Account are secured by hypothecation of present and future stocks of Chemicals, Consumables,spares and bookdebts of the Company and guaranteed by whole time Directors of the Company in their personal capacities.

iii) The venture capital type of loan assistance from Centre for Technology Development, Bangalore is secured by hypothecation of all tangible, movable properties of the Company such as Plant & Machinery and testing equipment acquired with this loan amount.

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

3. TREATMENT OF WAIVER BY IDBI :

During the year the Company was granted One Time Settlement (OTS) Scheme by IDBI under which the Company had to pay an amount of Rs. 410.42 Lakhs in full and final settlement of term loan availed from IDBI in five equal instalments including down payment. During the year the company has paid three instalments.

As per the scheme the Company is eligible for waiver amounting to Rs. 628.40 Lakhs.

The Company has obtained a legal opinion with respect to treatment of the waiver by IDBI, amounting to Rs. 628.40 Lakhs, and accordingly treated the same as capital receipt and taken to Reserves & Surplus Account in the Balance sheet.

4. SHARE PREMIUM :

An amount of Rs.7500/- @ Rs.2.50 per share on 3000 equity shares (previous year Rs.7500/- @ Rs.2.50 on 3000 shares)] is to be received under Share Premium A/C from the shareholders from whom allotment money is due.

5. DEFERRED REVENUE EXPENDITURE :

As per the policy and practice followed by the Company during the year under review the following preliminary and deferred revenue expenditure under various heads is written off to Profit and loss account.

Sl. No.	Description	Amount in Rs.
1.	Public Issue Expenses	3,94,493.00
2.	Deferred Revenue Expenditure	
	a) ISO Quality Systems Expenses	3,10,913.19
	b) GLP Expenses	4,38,141.00
	c) Expenditue on Internatioinal Business Promotion	1,66,026.00
		13,09,573.19

5. MANAGERIAL REMUNERATION :

A) Particulars of remuneration to the Whole time Directors are as follows :

	Managing Director Rs. Ps.	Executive Director Rs. Ps.	Director Technical Rs. Ps.	Total Rs. Ps.
a) Salary	**5,40,000.00**	**5,40,000.00**	**5,40,000.00**	**16,20,000.00**
	(5,40,000.00)	(5,40,000.00)	(5,40,000.00)	(16,20,000.00)
b) Commission	**Nil**	**Nil**	**Nil**	**Nil**
	(Nil)	(Nil)	(Nil)	(Nil)
c) Value of Perquisites	**3,60,000.00**	**3,60,000.00**	**3,60,000.00**	**10,80,000.00**
	(3,60,000.00)	(3,60,000.00)	(3,60,000.00)	(10,80,000.00)
Total	**9,00,000.00**	**9,00,000.00**	**9,00,000.00**	**27,00,000.00**
	(9,00,000.00)	(9,00,000.00)	(9,00,000.00)	(27,00,000.00)

Note :

(i) Figures in brackets relate to the previous year.

(ii) (a) The above Remuneration is paid/provided as per the terms and conditions approved by the Shareholders/Board subject to the limits specified in schedule XIII of the Companies Act, 1956.

(b) Computation of Net profit in accordance with Section 349 of the Companies Act,1956 for calculation of Commission payable to the Directors has not been done as the directors are not eligible for any commision since there is a book loss.

6. Additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956 to the extent applicable to this company is as under:

		1999 - 2000 Rs. In lakhs	1998 - 99 Rs. in lakhs
a)	Value of Imports calculated on CIF basis in respect of :		
—	raw material	**Nil**	Nil
—	Capital goods	**Nil**	Nil
—	Components & Spare parts	**Nil**	Nil
—	Reference Standards	**Nil**	Nil
—	Books	**Nil**	Nil
b)	Expenditure in foreign currency on account of royalty, know-how, professional and consultation fees, interest and other matters :		
	i) Foreign travel :	**Nil**	1.37
	ii) Expenses on International Business Promotion	**0.90**	Nil
	iii) Repairs & Maintenance	**0.18**	Nil
	iv) Membership & Subscription	**0.04**	Nil
	v) Others	**0.06**	Nil
c)	Amount remitted in foreign currency on account of dividends	**Nil**	Nil
d)	Earnings in Foreign Exchange : Income from environmental jobs	**4.95**	2.16
e)	Value of imported and indigenous raw material, spare parts & components consumed during the year and the percentage of each to the total Consumption :	The company is carrying on the business of testing and analysis of various materials and it requires only 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 Quantitative details of these chemicals &	

consumables as number of chemicals in small quantities are used in the process of testing.Hence the aggregate value of chemicals and consumables and the spares and stores consumed during the year are furnished below:

	1999-2000		1998-99	
	Rs in Lakhs	% to total consumption	Rs in Lakhs	% to total consumption
Chemicals & Consumables :				
Indigenous	**17.73**	**100.00**	11.88	99.00
Imported	**Nil**	**Nil**	0.12	1.00
TOTAL	**17.73**	**100.00**	12.00	100.00
Spares and Components :				
Indigenous	**3.28**	**100.00**	6.25	100.00
Imported	**Nil**	**Nil**	Nil	Nil
TOTAL	**3.28**	**100.00**	6.25	100.00

7. The provisions of paragraph 4-C of Part II of Schedule VI of the Companies Act, 1956 are not applicable to this Company.
8. **INCOME - TAX** : After taking the eligible deductions under Incom-Tax Act 1961, into account, no provision for income Tax is considered necessary.
9. Previous Year's figures have been regrouped wherever necessary to conform with the layout of the accounts of the current year.

C. Additional Information pursuant to the provisions of part IV of Schedule VI of the Companies Act, 1956:

I. Registration Details

Registration No. 1 1 9 7 7 — State Code 0 1

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 0 0 (Year)

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Right Issue
N I L	N I L
Bonus Issue	Private placement
N I L	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	**Total Assets**
9 3 4 1 9	9 3 4 1 9
Sources of Funds	
Paid-Up Capital	Reserves & Surplus
3 6 0 7 1	3 0 2 5 3
Secured Loans	Unsecured Loans
2 3 1 7 9	3 9 1 5
Application of Funds	
Net Fixed Assets	Investments
7 2 2 5 5	4 8 0
Net Current Assets	Misc. Expenditure
1 4 7 5 0	5 9 3 3

IV. Performance of Company (Amount in Rs. Thousands)

Turnover*	Total Expenditure
3 5 3 6 5	3 4 6 2 9

* Inclusive of decrease in work-in-progress and other income

+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
+ 7 3 6	+ 7 3 6
Earning Per Share in Rs.	Dividend rate %
NIL	NIL

V. Item Code No : Not applicable.

Product description : Quality Testing of Industrial materials, Agri Products, Pharmaceuticals and Environmental Consultancy and other testing services.

Schedules 1 to 18 above form an integral part of the Balance sheet & Profit & Loss Account.

for **Sarathy & Balu**
Chartered Accountants,

(J. Venkateswarlu)
Partner

Hyderabad
Date : 19.08.2000

For and on behalf of the Board

Dr S P Vasireddi	Managing Director
Shri V V Prasad	Executive Director
Shri V Harriman	Director Technical
Shri A D Sinha	Director
Shri A Venkata Ramana	Company Secretary & DGM Finance

Hyderabad
Date : 19.08.2000

VIMTA LABS
Determining Quality

CASH FLOW STATEMENT

(Rupees In lakhs)

	Particulars	31.03.2000		31.03.1999	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit/(Loss) before tax and Extraordinary items		7.37		-264.18
	Adjustment for :				
	Depreciation	42.43		42.32	
	Interest debited to P&L A/c	31.09		196.38	
	Amortisation of Preliminary deferred revenue expenditure	13.09		13.23	
	Loss on sale of assets	2.77		0.58	
		89.38		252.51	
	Less : Interest earned	0.59		0.90	
	Prior Period Adjustments	0.0		0.50	
			88.79		251.11
	Operating profit before working capital changes		96.16		-13.07
	Adjustments for :				
	Trade and other receivables	-50.94		-1.22	
	Inventories	-61.72		-51.67	
	Trade payables	77.60		-4.82	
			-35.06		-57.71
	Cash generated from operations		61.10		-70.78
	Interest Paid		28.95		17.16
	Cash flow before extra-ordinary items		32.15		-87.94
	NET CASH FLOW FROM OPERATING ACTIVITIES		32.15		-87.94
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed assets	11.38		11.20	
	Interest received	0.58		0.90	
	Sale of fixed assets	3.60		0.80	
	Prior period adjustments	0.00		-0.50	
NET CASH USED IN INVESTING ACTIVITIES			15.56		12.40

CASH FLOW STATEMENT

(Rupees in lakhs)

Particulars		31.03.2000		31.03.1999
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital		**0.00**		0.00
Proceeds from long term borrowings		**0.00**		0.00
Repayment of finance lease liabilities		**4.49**		-18.11
NET CASH FLOW FROM FINANCING ACTIVITIES		**-4.49**		-18.11
Total		**-12.10**		-118.45
DEFICIT IN PROFIT AND LOSS ACCOUNT		**18.64**		108.60
		-30.74		-9.82
Net increase in cash and cash equivalents				
Cash and Cash equivalents Opening Balance :				
Cash and bank balances	**2.84**		11.04	
Cash credit accounts	**-16.15**		-14.53	
		-13.31		-3.49
Cash and Cash equivalents closing balance :				
Cash and bank balances	**3.74**		2.84	
Cash credit accounts	**-47.79**		--16.15	
		-44.05		-13.31

For and on behalf of the Board

Dr. S P Vasireddi	Managing Director
Shri V V Prasad	Executive Director
Shri V Harriman	Director Technical
Shri A D Sinha	Director
Shri A Venkata Ramana	Company Secretary & DGM Finance

Hyderabad
Date : 19.08.2000

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of VIMTA LABS LIMITED for the year ended 31st March, 2000. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement entered into with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our Report of 19th August, 2000.

for **Sarathy & Balu**
Chartered Accountants

Hyderabad
Date : 19.08.2000

(J.Venkateswarlu)
Partner

VIMTA LABS LIMITED

Regd. Office : Plot No. 142, IDA, Phase II,
Cherlapally, R R Dist., Hyderabad - 500 051.

PROXY FORM

I / We ....

of ....

the district of ....

being member / members of the above named Company appoint ....

of ....

in the district of ....

as my / our Proxy to vote for me / us on my /our behalf at the 10th Annual General Body Meeting of the Company to be held on Saturday, the 30th September, 2000 at 10.00 A.M. at Plot No. 142, IDA, Phase II, Cherlapally, R R Dist., Hyderabad - 500 051 and at any adjournment thereof.

Signed this .... day of .... 2000.

Affix
1Re.
Revenue
Stamp

Signature

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.

VIMTA LABS LIMITED

Regd. Office : Plot No. 142, IDA, Phase II,
Cherlapally, R R Dist., Hyderabad - 500 051.

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) ....

Members Folio No. ....

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

No, of Shares held ....

I hereby record my presence at the 10th Annual General Body Meeting of the Company to be held on Saturday, the 30th September, 2000 at 10.00 A.M. at Plot No. 142, IDA, Phase II, Cherlapally, R R Dist., Hyderabad - 500 051.

Member's / Proxy's Signature*

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

BOOK POST
PRINTED MATTER

To

If undelivered, please return to :

Vimta Labs Limited
Plot Nos. 141/2, & 142, Phase II, IDA,
Cherlapally, R.R. District,
Hyderabad - 500 051. A.P. India.