VIMTA LABS
Determining Quality

12TH ANNUAL REPORT
2001 - 2002

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

SHRI T S AJAI
ADDITIONAL 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 Twelfth Annual General Meeting of the members of VIMTA LABS LIMITED will be held at 10.00 A.M. on Friday, the May 31, 2002 at the Registered Office of the Company at 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 March 31,2002 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.

2. To declare Dividend on Equity Shares.

3. To appoint a Director in place of Shri A D Sinha, Director, who retires by rotation and being eligible, offers himself for reappointment.

4. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

   "RESOLVED that 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 until 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."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION.

   "RESOLVED THAT Shri T S Ajai who was appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act,1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To Consider and, if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act,1956 and subject to such other approvals as may be necessary under the provisions of the Act, consent of the Company be and is hereby accorded for the increase in the remuneration of Dr S P Vasireddi, Managing Director w.e.f. 01.04.2002 for a period of 3 years or upto the last day of his tenure, whichever is earlier, as detailed below :

I. Remuneration :

A. Salary

Rs.2,40,000/- (Rupees two lakh forty thousand only) per month.

B. Allowances

Allowances as follows will be paid and /or provided in addition to salary, subject however that the amount of allowances and the salary shall be restricted to total remuneration as per Part II of Schedule XIII to the Companies Act,1956, as applicable from time to time.

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family, including dependent mother and father, subject to a ceiling of Rs.20000/- per year.

b) Leave Travel Concession

For self and family, including dependent mother and father, to and fro to any place in India, once in a year subject to a ceiling of Rs.100000/- per year in accordance with the rules of the Company.

II. Perquisites

The following perquisites shall not be included in computation of the ceiling on remuneration specified at (I) above.

a) Pension / Superannuation Fund

Company's contribution to Provident fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

b) Gratuity

Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

c) Leave encashment

Encashment of leave at the end of the tenure as per rules of the Company.

"Resolved that excepting the change in the remuneration as stated above, the other terms and conditions of his appointment as approved by the members in the Annual General Meeting held on 28.09.2001 remains unaltered."

"Resolved further that the Company hereby accords its consent to Board of Directors for revision in the remuneration and perquisites payable to Dr S P Vasireddi, Managing Director without further reference to the Company in General Meeting,in such manner and to such extent as the Board of Directors of the Company may determine and accepted by Dr S P Vasireddi subject to the condition that such revised remuneration and perquisite shall always be within the limits prescribed/to be prescribed by the Companies Act, 1956 or any statutory amendment and re-enactment thereof."

"Resolved further that Shri A Venkata Ramana, Company Secretary & DGM-Finance of the Company be and is hereby authorised to do such acts, deeds and things as may be necessary to give effect to the above said resolutions."

7. 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 Sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary under the provisions of the Act, consent of the Company be and is hereby accorded for the increase in the remuneration of Shri V V Prasad, Executive Director w.e.f. 01.04.2002 for a period of 3 years or upto the last day of his tenure, whichever is earlier, as detailed below :

I. Remuneration :

A. Salary

Rs.1,90,000/- (Rupees one lakh ninety thousand only) per month.

B. Allowances

Allowances as follows will be paid and /or provided in addition to salary, subject however that the amount of allowances and the salary shall be restricted to total remuneration as per Part II of Schedule XIII to the Companies Act, 1956 as applicable from time to time.

a) *Medical Reimbursement*

Reimbursement of medical expenses actually incurred for self and family , including dependent mother and father, subject to a ceiling of Rs.20000/- per year.

b) Leave Travel Concession

For self and family, including dependent mother and father, to and fro to any place in India, once in a year subject to a ceiling of Rs.1,00,000/- per year or in accordance with the rules of the Company.

II. Perquisites

The following perquisites shall not be included in computation of the ceiling on remuneration specified at (I) above.

a) Pension / Superannuation Fund

Company's contribution to Provident fund,Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.

b) Gratuity

Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

c) Leave encashment

Encashment of leave at the end of the tenure as per rules of the Company.

"Resolved that excepting the change in the remuneration as stated above, the other terms and conditions of his appointment as approved by the members in the Annual General Meeting held on 28.09.2001 remains unaltered."

"Resolved further that the Company hereby accords its consent to Board of Directors for revision in the remuneration and perquisites payable to Shri. V V Prasad, Executive Director without further reference to the Company in General Meeting,in such manner and to such extent as the Board of Directors of the Company may determine and accepted by Shri V V Prasad, Executive Director subject to the condition that such revised remuneration and perquisite shall always be within the limits prescribed/to be prescribed by the Companies Act, 1956 or any statutory amendment and re-enactment thereof."

"Resolved further that Shri A Venkata Ramana, Company Secretary & DGM-Finance of the Company be and is hereby authorised to do such acts, deeds and things as may be necessary to give effect to the above said resolutions."

8. 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 Sections 198,269,309,310 and 311 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 and subject to such other approvals as may be necessary under the provisions of the Act, consent of the Company be and is hereby accorded for the increase in the remuneration of Shri V Harriman, Director Technical w.e.f. 01.04.2002 for a period of 3 years or upto the last day of tenure, whichever is earlier, as detailed below :

I. Remuneration :

A. Salary

Rs.1,90,000/- (Rupees one lakh ninety thousand only) per month.

B. Allowances

Allowances as follows will be paid and /or provided in addition to salary, subject however that the amount of allowances and the salary shall be restricted to total remuneration as per Part II of Schedule XIII to the Companies Act, 1956 as applicable from time to time.

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a ceiling of Rs.20000/- per year.

b) Leave Travel Concession

For self and family, including dependent mother and father, to and fro to any place in India, once in a year subject to a ceiling of Rs.1,00,000/- per year or in accordance with the rules of the Company.

II. Perquisites

The following perquisites shall not be included in computation of the ceiling on remuneration specified at (I) above.

a) Pension / Superannuation Fund

Company's contribution to Provident fund, Superannuation Fund or annuity fund *in accordance with the Scheme of the Company to the extent these either singly* or put together are not taxable under Income Tax Act,1961.

b) Gratuity

Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

c) Leave encashment

Encashment of leave at the end of the tenure as per rules of the Company.

"Resolved that excepting the change in the remuneration as stated above, the other terms and conditions of his appointment as approved by the members in the Annual General Meeting held on 29.09.1998 remains unaltered."

"Resolved further that the Company hereby accords its consent to Board of Directors for revision in the remuneration and perquisites payable to Shri V Harriman, Director-Technical without further reference to the Company in General Meeting,in such manner and to such extent as the Board of Directors of the Company may determine and accepted by Shri V Harriman subject to the condition that such revised remuneration and perquisite shall always be within the limits prescribed/to be prescribed by the Companies Act,1956 or any statutory amendment and re-enactment thereof."

"RESOLVED FURTHER THAT Shri A Venkata Ramana, Company Secretary & DGM-Finance of the Company be and is hereby authorised to do such acts, deeds and things as may be necessary to give effect to the above said resolutions."

By Order of the Board

Hyderabad
Date : 12.04.2002

A. Venkata Ramana
Company Secretary & DGM-Finance

NOTES :-

1. A member entitled to attend and vote at the meeting 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 received by 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 remain closed from **22.05.2002 to 31.05.2002 (Both days inclusive).**

3. The dividend of 11% for the year ended March 31, 2002 as recommended by the Board, if declared at this Meeting, will be payable to those members whose names appear on the Company's Register of Members as on 31.05.2002.

4. 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.

5. The relevant explanatory statement pursuant to section 173(2) of the Companies Act,1956 in respect of business under item Nos. 5 to 8 above is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956

Item No.5 :

Shri T S Ajai was appointed as an Additional Director of the Company w.e.f. April 12,2002 and will hold office until the conclusion of the ensuing Annual General Meeting of the Company and is eligible for reappointment.

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a member signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Shri T S Ajai as a Director of the Company and for that purpose to move a resolution as mentioned in the notice.

Shri T S Ajai is a practicing Chartered Accountant and has wide range of experience in Finance, Accounts and Taxation matters. The Board considered that it is benificial for the Company to avail his services as a Director and recommend this resolution for your approval.

Except Shri T S Ajai, none of the Directors of the Company is concerned or interested in the Resolution.

Item No. 6 :

Dr S P Vasireddi the Managing Director of the Company is one of the promoters and Managing Director of the Company eversince inception. His last appointment was approved by the shareholders in the Annual General Meeting held on 28.09.2001 appointing him as Managing Director for a period of 5 years w.e.f. 01.01.2001 as per the terms and conditions set out in the resolution passed in the said Annual General Meeting. Considering the contributions made by Dr S P Vasireddi and the financial results of the Company, the Remuneration committee, constituted in terms of the Companies Act,1956 and regulations of the Stock Exchanges, has recommended and approved increase in the remuneration of Dr S P Vasireddi. The said increase is within the limits specified in Schedule XIII to the Companies Act, 1956 as amended from time to time. The revised remuneration, as set out in the resolution, is for a period of 3 years w.e.f. 01.04.2002 or upto the last day of his tenure, whichever is earlier.

Considering the managerial and scientific experience and the contributions made by Dr S P Vasireddi for the success of the Company, the Board considered that it is reasonable and in the interest of the Company to increase the remuneration of Dr S P Vasireddi as stated in the resolution. The Board therefore, commends the resolution for your approval.

Excepting Dr S P Vasireddi, Managing Director, Shri V V Prasad, Executive Director and Shri V Harriman, Director-Technical, none of the other Directors of the Company is in any way concerned or interested in this resolution.

Item No. 7 :

Shri V V Prasad, the Executive Director of the Company is one of the promoters and Executive Director of the Company eversince inception. His last appointment was approved by the shareholders in the Annual General Meeting held on 28.09.2001 appointing him as Executive Director for a period of 5 years w.e.f. 07.06.2001 as per the terms and conditions set out in the resolution passed in the said Annual General Meeting. Considering the contributions made by Shri V V Prasad and the financial results of the Company, the Remuneration committee, constituted in terms of the Companies Act,1956 and regulations of the Stock Exchanges, has recommended and approved increase in the remuneration of Shri V V Prasad. The said increase is within the limits specified in Schedule XIII to the Companies Act, 1956 as amended from time to time. The revised remuneration, as set out in the resolution, is for a period of 3 years w.e.f. 01.04.2002 or upto the last day of his tenure, whichever is earlier.

Considering the managerial and administrative experience and the contributions made by Shri V V Prasad for the success of the Company, the Board considered it that it is reasonable and in the interest of the Company to increase the remuneration of Shri V V Prasad as stated in the resolution. The Board therefore, commends the resolution for your approval.

Excepting Shri V V Prasad, Executive Director, Dr S P Vasireddi, Managing Director and Shri V Harriman, Director-Technical, none of the other Directors of the Company is in any way concerned or interested in this resolution.

Item No. 8 :

Shri V Harriman, the Director Technical of the Company is one of the promoters and Director Technical of the Company eversince inception. His last appointment was approved by the shareholders in the Annual General Meeting held on 29.09.1998 appointing him as Director Technical for a period of 5 years w.e.f. 03.09.1997 as per the terms and conditions set out in the resolution passed in the said Annual General Meeting. Considering the contributions made by Shri V Harriman and the financial results of the Company, the Remuneration committee, constituted in terms of the Companies Act, 1956 and regulations of the Stock Exchanges, has recommended and approved increase in the rémuneration of Shri V Harriman. The said increase is within the limits specified in Schedule XIII to the Companies Act,1956, as amended from time to time. The revised remuneration, as set out in the resolution, is for a period of 3 years w.e.f. 01.04.2002 or upto the last day of his tenure, whichever is earlier.

Considering the managerial and technical experience and the contributions made by Shri V Harriman for the success of the Company, the Board considered it that it is reasonable and in the interest of the Company to increase the remuneration of Shri V Harriman as stated in the resolution. The Board therefore, commends the resolution for your approval.

Excepting Shri V Harriman, Director Technical, Dr S P Vasireddi, Managing Director and Shri V V Prasad, Executive Director, none of the other Directors of the Company is in any way concerned or interested in this resolution.

A statement, pursuant to the requirements of Schedule XIII to the Companies Act,1956 relating to the increase in the remuneration of above wholetime directors is enclosed as Annexure to this notice.

By Order of the Board

Hyderabad
Date : 12.04.2002

A. Venkata Ramana
Company Secretary & DGM-Finance

ANNEXURE

Statement, pursuant to the requirements of Schedule XIII to the Companies Act, 1956, relating to the increase in the remuneration of wholetime Directors.

I. GENERAL INFORMATION :

1. Nature of Industry :

Testing and Research Organisation having state of the art facilities for a wide range of Testing and Research services and other tests.

2. Date or expected date of commencement commercial production

The Company is in existence since 1990 and carrying on the same business

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospects.

- Not applicable -

4. The financial performance of the Company in the last three years has been as under :

Particulars	2001-02	2000-01	1999-00 (Rs. in Lakhs)
Total Income	1116.23	619.38	353.65
Profit before non cash charges	309.26	115.44	62.33
Non cash charges	124.54	68.19	55.52
Profit before Tax	184.72	47.24	7.36
Profit after Tax	121.72	43.23	7.36
Equity	360.86	360.86	360.86
Proposed dividend (%)	11	0	0

5. Export performance and foreign exchange collaborations

The export earnings during the last three financial years are as under :

Year	Export Earnings (Rs. in Lakhs)
2001-2002	143.89
2000-2001	22.89
1999-2000	4.95

6. **Foreign investments or collaborators, if any**

Nil

II. **INFORMATION ABOUT THE APPOINTEE**

1. **Dr S P Vasireddi, Managing Director**

i. **Background :**

Dr S P Vasireddi is a post graduate in Science and a Doctorate in Chemistry with over 30 years of experience. He is one of the promoter Director of the Company and has been its Chairman & Managing Director since inception. Prior to starting this Company he was in service with Mineral Exploration Corporation Ltd , a Government of India undertaking. He is a member on the Governing Boards of several scientific bodies.

ii. **Past remuneration :**

Particulars	2001-02	2000-01	1999-00 (Amount in Rs.)
Salary & Allowances	1415000	1059344	900000

iii. **Recognition or awards :**

He is the :

a) Area Co-ordinator of National Conference of Standards Laboratories (NCSL), USA

b) Member, World Association of Industrial and Technological Research Organisation. (WAITRO).

c) Former member, Research Council, National Physical laboratory, New Delhi, India

d) Honorary Secretary, The MARCH (The Medically Aware & Responsible Citizens of Hyderabad)

iv. **Job profile and his suitability :**

The profile of job includes overall planning of business and implementation of Board decisions. The job requires expert knowledge in the testing field and related matters for guiding the Scientists and experts of the Company. Dr S P Vasireddi with his expert knowledge and rich experience in analytical testing and research fields, is the right person for the job.

v. **Remuneration proposed :**

The remuneration proposed is recommended by the "Remuneration Committee" and is within the limits specified in Schedule XIII to the Companies Act,1956 as amended from time to time.

a) Remuneration and allowances	- Rs.250000/- p.m.
b) Perquisites	- Pension/Superannuation Fund - Gratuity - Leave encashment

vi. **Comparative remuneration profile :**

The Company is a unique industry offering different types of testing and reserach services under one roof. There are no industry norms available for comparison. Since there are no Private Sector companies offering all types of services under one roof like Vimta Labs, providing comparitive information on remuneration profile is not possible.

vii. **Pecuniary relationship with the Company and among the Managerial personnel.**

- He is the Chief promoter and Chairman & Managing Director of the Company
- Shri V V Prasad, Executive Director and Shri V Harriman, Director-Technical of the Company are his relatives.

2. **Shri V V Prasad, Executive Director**

i. **Background :**

Shr V V Prasad is graduate in commerce with over 25 years experience. He is one of the Promoter Director of the company and has been its Executive Director since inception. Prior to starting this company he was in service with A P State Government.

ii. **Past remuneration :**

Particulars	2001-02	2000-01	1999-00 (Amount in Rs.)
Salary & Allowances	1147606	900000	900000

iii. **Recognition or awards :**

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iv. **Job profile and his suitability :**

The profile of the job includes heading Finance & Accounts and Administration Divisions. Shri V V Prasad with his rich experience in Finance & Accounts and Administration, is the right person for the job.

v. ***Remuneration proposed*** :

The remuneration proposed is recommended by the "Remuneration Committee" and is within the limits specified in Schedule XIII to the Companies Act,1956, as amended from time to time.

a) Remuneration and allowances	- Rs.200000/- p.m.
b) Perquisites	- Pension/Superannuation Fund - Gratuity - Leave encashment

vi. **Comparative remuneration profile :**

The Company is a unique industry offering different types of testing and research services under one roof. There are no industry norms available for comparison. Since there are no Private Sector companies offering all types of services under one roof like Vimta Labs, providing comparitive information on *remuneration profile is not possible.*

vii. **Pecuniary relationship with the Company and among the Managerial personnel.**

- He is one of the promoters and Executive Director of the Company
- *Dr S P Vasireddi, Managing Director and Shri V Harriman, Director-*Technical of the Company are his relatives.

1. **Shri V Harriman, Director-Technical**

i. **Background :**

Shri V Harriman holds a Diploma in Technology from Toronto, Canada with over 25 years experience. He is one of the Promoter Director of the Company and has been its Director-Technical since inception.

ii. **Past remuneration :**

Particulars	2001-02	2000-01	1999-00 (Amount in Rs.)
Salary & Allowances	900000	900000	900000

iii. **Recognition or awards :**

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iv. **Job profile and his suitability :**

The profile of job includes overall supervision of testing division. The job requires export knowledge in technical field and related matters. Shri V Harriman with his expert knowledge and wide experience in technical field, is the right person for the job.

v. **Remuneration proposed :**

The remuneration proposed is recommended by the "Remuneration Committee" and is within the limits specified in Schedule XIII to the Companies Act,1956, as amended from time to time.

a) Remuneration and allowances	- Rs.200000/- p.m.
b) Perquisites	- Pension/Superannuation Fund - Gratuity - Leave encashment

i. **Comparative remuneration profile :**

This is a unique industry offering different types of testing services under one roof. There are no industry norms available for comparison. There are no Companies offering all types of services under one roof like this Company. Hence providing the comparative information on remuneration profile with respect to industry, size of the company and profile of the position and person is not possible.

vii. **Pecuniary relationship with the Company and among the Managerial personnel.**

- He is one of the promoters and Director-Technical of the Company
- Dr S P Vasireddi, Managing Director and Shri V V Prasad, Executive Director of the Company are his relatives..

III. **OTHER INFORMATION :**

1. **Reasons for inadequate profits :**

The Company is running in profits ever since inception excepting for a short period of 3 years during 1996-97 to 1998-99. In the last 3 years the growth in profits is encouraging as can be seen in the financial indicators given above. However, the amount of profits available for paying the remuneration to managerial personnel as per the provisions of the Companies act,1956 is inadequate to cover the minimum remuneration allowed under Schedule XIII to the Act.

Since the profits are inadequate, the minimum remuneration allowed under Schedule XIII are proposed to be paid to the managerial personnel.

2. Steps taken or proposed to be taken for improvement.

The management is constantly working for improving the performance of the company by introducing various new testing services and as a result, the performance of the company is increasing (refer finincial indicators under 1 (4) above). The company will continue to work for the improvement of its business.

3. Expected increase in productivity and profits in measurable terms.

As in the past, it is expected that there will be an all-round increase in the productivity and profits of the Company in the coming years. It is unpredictable to quantify the increase in productivity in measurable terms.

IV. DISCLOSURES :

1. The shareholders of the Company are informed of the remuneration package of the managerial personnel for approval.
2. The information on remuneration package and other details are disclosed in the directors report to the shareholders.

By Order of the Board

Hyderabad
Date : 12.04.2002

A. Venkata Ramana
Company Secretary & DGM-Finance

DIRECTORS' REPORT

To
The Members of
VIMTA LABS LIMITED

Your Directors have pleasure in presenting their Report and Audited Accounts for the year ended March 31, 2002.

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		348.79		163.37
	Less: Finance Charges	39.54		47.94	
	Depreciation	73.36	112.90	55.08	103.02
2.	Profit before Amortization, Prior Year adjuestments & Taxes		235.89		60.34
	Less : Amortization of Preliminary Expenses	39.95		13.09	
	Prior year adjustements	11.22	51.17	0.00	13.09
3.	Profit before Tax		184.72		47.25
4.	Less : Provision for Tax (regular)		63.00		4.02
5.	Profit after Tax		121.72		43.23
	Add : i) Deferred tax credit	9.57		0.00	206.94
	ii) Surplus brought forward from previous years	93.63		206.94	
			103.20		206.94
	Amount available for appropriations		224.92		250.17

APPROPRIATIONS :

	Current Year	Previous Year
Transfer to General Reserve	7.00	---
Proposed Dividend	39.70	---
Surplus Carried to Balance Sheet	178.22	250.17
	224.92	250.17

DIVIDENDS

Your Directors have pleasure in recommending payment of maiden dividend at the rate of 11% on the equity shares (i.e.Rs.1.10 per equity share) for the year ended March 31, 2002.

OPERATIONS

During the year under review your company has excelled in performance with an increase of 75% in gross revenues over the previous year. It has achieved a turnover of Rs. 1115.84 lakhs during the year as against Rs. 637.27 lakhs in the previous year with a net profit after tax of Rs.121.72 (Previous year Rs. 43.23 lakhs). Your company has also achieved an all time record export turnover of Rs.143.89 lakhs (Previous year Rs.22.89 lakhs). Your company has replaced and refurbished some of the equipments with the help of term loan from Canara Bank, grant from APEDA and from the internal accruals.

FUTURE OUT LOOK

Your company has earned a good reputation in the international market and is taking all efforts to strengthen the infrastructure facilities to meet the business targets. Approvals/acceptance of your company's data / reports by the international regulatory bodies and customers are increasing. In the domestic front, your company has launched nation wide Franchise scheme and is successful in appointing franchisees across the country and they will be in operation from June 2002.

You company is going to start Clinical Laboratory (Biochemistry and Pathology) Services in the second quarter of 2002-03 to cater to the speciality test requirements of hospitals, small and medium path labs and clinical trial samples from pharma industry.

DIRECTORS

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

Shri T.S.Ajai who was appointed as an Additional Director with effect from April 12, 2002, will hold office till the conclusion of ensuing Annual General Meeting. Notice has been received from a shareholder proposing Shri T S Ajai as a director, liable to retire by rotation.

Both the above directors have given their consent for reappointment. Your directors recommend their reappointments.

The remuneration of Wholetime Directors Dr S P Vasireddi; Shri V V Prasad and Shri V Harriman was increased w.e.f.01.04.2002 for a period of 3 years or till the last day of their tenure, whichever is earlier. Necessary items are proposed in the notice for your approval in this regard. Disclosures as required under Schedule XIII to the Companies Act,1956 is enclosed to the notice.

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.

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.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors state that :

i) The applicable accounting standards have been followed in preparation of the annual accounts and there are no material departures during the year under review.

ii) They had selected the accounting standards and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company at the end of the financial year and of the profits of the Company for the period.

iii) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 to safeguard the assets of your company and for preventing and detecting fraud and other irregularities.

iv) They had prepared the annual accounts as a going concern basis.

AUDITORS REPORT : With reference to the remarks of auditors in their report, your directors submit that :

i) During the year, the Company has changed the accounting policy relating to accounting of gratuity from payment basis to accrual method. This is changed to follow the accounting standards in this regard. On account of this change, the arrears of gratuity relating to earlier years is charged to 'prior period expenses a/c'. To this extent, the current year profits are understated.

ii) The Company has provided for the Deferred tax in accordance with the recommendations of Accounting Standard 22 (AS-22) issued by the Institute of Chartered Accountants of India. The deferred tax relating to earlier years is charged to the brought forward 'revenue reserves' and the deferred tax/asset for the current year is charged/recognized in the P & L A/C as recommended in the standard.

ACKNOWLEDGMENTS

The Board take this opportunity to express their gratitude to the Business Associates, Customers, Bankers and in particular to APEDA for their support and guidance.

The Directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by every employee of the Company. The Directors wish to acknowledge the confidence and faith reposed by the members of the Company in them.

For and on behalf of the Board

Hyderabad
Date : 12.04.2002

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 March 31, 2002.)

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. 30 Years	54	Managing Director	01.01.2001	Rs.14,15,000/-	i) Mineral Exploration Corporation Limited, Nagpur, ii) Vimta Labs.
Shri V V Prasad	B.Com 25 Years	51	Executive Director	07.06.2001	Rs.11,47,606/-	Vimta Labs.
Shri V Harriman	D.Tech in Electronics Toronto, Canada 25 Years	51	Director Technical	03.09.1997	Rs.9,00,000/-	i) GB Electronics Bangalore, ii) Vimta Labs.

NOTES

1. Nature of employment of all the above directors is contractual.
2. Remuneration includes salary, house rent allowance and provision of unfurnished accommodation, reimbursement of medical expenses, and leave travel facility as applicable.

For and on behalf of the Board

Hyderabad
Date : 12.04.2002

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 March 31, 2002.)

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 undertaking 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.

   iii) Power saver equipment has been installed during the year where by the company has saved the power to a reasonable extent.

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

   At present no additional investments and proposals are contemplated 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 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 and regulations. The Company has not taken up any Research and Development (R& D) activities of its own 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, 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.143.89 lakhs (Previous year Rs.22.89 lakhs). The Company has incurred an amount of Rs.133.82 lakhs (Previous year Rs.60.60 lakhs) on import of capital goods, chemicals, consumables & reference standards and travel expenditure.

For and on behalf of the Board

Hyderabad
Date : 12.04.2002

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' REPORT

To
The Members of
VIMTA LABS LIMITED

1. We have audited the attached Balance Sheet of VIMTA LABS LTD as at March 31,2002 and also the Profit & Loss account for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Manufacturing and Other Companies (Auditor's Report) Order,1988, issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act,1956, we enclose in the annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to this Company.

4. Further to our comments in the Annexure referred to above, we report that :

   i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   iii) the Balance Sheet and Profit and Loss Account dealt by this report are in agreement with the books of account of the Company.

   iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of Sec.211 of the Companies Act,1956.

   v) On the basis of written representations received from the directors, as on March 31, 2002, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2002 from being appointed as a Director of the Company in terms of clause (g) of subsection (1) of Section 274 of the Companies Act,1956.

   vi) In our opninon and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to points 5 and 6 below, give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31 2002; and

b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

5. ***During the year, the Company has changed its accounting policy relating to accounting of gratuity from payment basis to accrual method. On account of this change, the arrears of gratuity relating to earlier years, amounting to Rs.11.34 lakhs is provided for and charged to "prior period expenses a/c". To this extent, the current year profits are understated. (Refer Note No.7 of "Notes forming part of accounts).***

6. ***The Company has provided for the Deferred tax in accordance with the recommendations of Accounting Standard 22 (AS-22) issued by the Institute of Chartered Accountants of India. The deferred tax relating to earlier years is charged to the brought forward "revenue reserves" and the deferred tax liability / asset for the current year is charged/ recognised in the P & L A/c as recommended in the standard, with reference to which, we have relied on the management perceptions.*** (Refer note No.9 of "notes forming part of the accounts.)

for SARATHY & BALU
CHARTERED ACCOUNTANTS

Hyderabad
Date : 12.04.2002

J VENKATESWARLU
PARTNER

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 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 by the management at reasonable intervals during the year 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,spare parts 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 No material discrepancies were noticed on physical verification of stocks as compared to book records.

6 On the basis of our examination of stock records we are of the opinion that the valuation of stocks followed is fair and proper, in accordance with the normally accepted accounting principles and the valuation is on the same basis as in preceding years.

7 In respect of the loans, secured or unsecured, taken 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 the erstwhile sub-section (1B) of section 370 of the Companies Act,1956 the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

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 the erstwhile sub-section (1B) of section 370 of the Companies Act,1956.

9 The Company has not given any loans or advances in the nature of loans to anybody except salary advances and advance for expenses in the normal course of business to employees who are repaying the principal amounts as stipulated.

10 In our opinion and according to the information and explanations given to us, 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 as aggregating during the year to Rs.50000/- or more 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 As explained to us, the company has a regular procedure for determination of unserviceable or damaged stores, raw materials, and finished goods on the basis of technical evaluation and on such basis, in our opinion adequate amounts have been provided for the loss, if any, of such stocks in the accounts.

13 The Company has not accepted any deposits from public and therefore, the provisions of Section 58A of the Companies Act,1956 and Rules thereunder are not applicable to the Company.

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 As per the records of the company and as explained to us, during the year there were some delays in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities. However, all the dues have been paid by the year end and as on 31.03.2002 there are no overdues.

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

19 During the course of our examination of the books of account 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 industrial 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 : 12.04.2002

J VENKATESWARLU
PARTNER

BALANCE SHEET AS AT MARCH 31, 2002

		Schedule No.	As at 31.03.2002 Rs. Ps.	As at 31.03.2001 Rs. Ps.
I	**SOURCES OF FUNDS**			
	1) Shareholders' Funds			
	a) Capital	1	36,086,240.00	36,071,240.00
	b) Reserves & surplus	2	28,089,125.25	34,576,152.51
	2) Loan funds			
	a) Secured loans	3	15,854,279.60	10,275,066.00
	b) Unsecured loans	4	0.00	10,352,715.00
	3) Deferred Tax	5	14,697,298.00	0.00
	TOTAL		94,726,942.85	91,275,173.51
II	**APPLICATION OF FUNDS**			
	1) Fixed Assets	6		
	a) Gross Block		123,679,398.42	108,011,843.42
	b) Less:Depreciation		37,215,180.35	32,947,550.35
	c) Net Block.		86,464,218.07	75,064,293.07
	Add : Capital Work-in-progress		806,009.00	0.00
			87,270,227.07	75,064,293.07
	2) Investments	7	480,000.00	480,000.00
	3) Current Assets Loans & Advances	8		
	(a) Inventories		3,450,000.00	2,521,445.00
	(b) Sundry debtors		14,305,062.45	10,845,561.20
	(c) Cash & bank balances		1,171,607.67	688,888.82
	(d) Other current assets		6,142,484.31	2,536,716.91
	(e) Loans & advances		5,719,146.32	4,683,367.53
	SUB TOTAL		30,788,300.75	21,275,979.46
	Less : Curent liabilities & provisions	9	25,231,787.57	11,395,616.92
	Net Current assets		5,556,513.18	9,880,362.54
	4) Miscellaneous Expenditure (to the extent not written off or adjusted)	10	1,420,202.60	5,850,517.90
	TOTAL		94,726,942.85	91,275,173.51
	SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	20		

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
Chartered Accountants

J. Venkateswarlu
Partner

Hyderabad
Date : 12.04.2002

For and on behalf of the Board

Dr S P Vasireddi	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
Shri A Venkata Ramana	Company Secretary & DGM Finance

Hyderabad
Date :12.04.2002

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2002

	Schedule No.	Year Ended 31.03.2002 Rs. Ps.	Year Ended 31.03.2001 Rs. Ps.
INCOME			
Income from operations	11	**111,584,428.36**	63,727,295.22
Increase/(Decrease) in Inventories	12	**(375,550.00)**	(2,129,200.00)
Other Income	13	**413,979.03**	339,936.90
TOTAL		**111,622,857.39**	61,938,032.12
EXPENDITURE			
Testing and analysis expenditure	14	**28,105,510.84**	14,221,995.73
Payments and benefits to employees	15	**16,770,898.08**	11,491,206.10
Administration, selling & General expenses	16	**31,866,489.78**	19,887,310.21
Finance charges and Interest	17	**3,954,015.65**	4,794,109.91
Depreciation	6	**7,336,163.00**	5,508,888.00
TOTAL		**88,033,077.35**	55,903,509.95
Profit before amortisation & Prior year adjustments		**23,589,780.04**	6,034,522.17
Less : a) Amortisation of Preliminary & deferred revenue expenses	18	**3,994,877.30**	1,309,573.19
b) Prior year adjustments	19	**1,122,646.00**	0.00
Profit before tax		**18,472,256.74**	4,724,948.98
Less : Provision for tax (regular)		**6,300,000.00**	402,000.00
Profit after tax		**12,172,256.74**	4,322,948.98
Add : Deferred tax credit (current year)		**956,831.00**	0.00
Balance		**13,129,087.74**	4,322,948.98
Add : Surplus in P&L A/c. b/f. from prev. year 25016982.51			
Less : Provision for deferred tax for earlier years 15654129.00		**9,362,853.51**	20,694,033.53
Amount available for appropriation		**22,491,941.25**	25,016,982.51
APPROPRIATIONS:			
Transfer to General Reserve		**700,000.00**	0.00
Proposed dividend @ 11%		**3,969,486.00**	0.00
Surplus carried to balance sheet		**17,822,455.25**	25,016,982.51
		22,491,941.25	25,016,982.51
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS	20		

COMPUTATION OF EARNINGS PER SHARE :

		2002	2001
a)	Net profit for the year	**Rs.13,129,088**	Rs. 4,322,949
b)	weighted average number of shares outstanding during the year	**3,608,624**	3,608,624
c)	Basic and diluted earnings per share (a ÷ b)	**Rs. 3.64**	Rs. 1.20
d)	Nominal value of shares (fully paid up)	**Rs. 10/- each**	Rs. 10/- each

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

This is the Profit and Loss Account referred to in our report of even date.

for **Sarathy & Balu**
Chartered Accountants

J. Venkateswarlu
Partner

Hyderabad
Date : 12.04.2002

For and on behalf of the Board

Dr S P Vasireddi	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
Shri A Venkata Ramana	*Company Secretary* & DGM Finance

Hyderabad
Date :12.04.2002

SCHEDULES FORMING PART OF THE ACCOUNTS

		As on 31.03.2002 Rs. Ps.	As on 31.03.2001 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 (Previous year - 3000 shares @ Rs.5/- each)	0.00	15,000.00
	TOTAL	36,086,240.00	36,071,240.00
2.	**RESERVES AND SURPLUS**		
	i) Share Premium Account	9,566,670.00	9,559,170.00
	ii) General Reserve	700,000.00	0.00
	iii) Surplus in Profit & Loss Account	17,822,455.25	25,016,982.51
	TOTAL	28,089,125.25	34,576,152.51
3.	**SECURED LOANS**		
	A) Loans & Advances from Banks		
	a) *Cash Credit from Canara Bank*	2,453,596.60	4,307,025.00
	b) Term loan from Canara bank	6,985,531.00	0.00
	SUB TOTAL	9,439,127.60	4,307,025.00
	B) Other Loans & Advances		
	a) Hire Purchase Loans	6,415,152.00	5,878,866.00
	b) Venture Capital type of loan assistance from Centre for Technology Development.	0.00	89,175.00
	SUB TOTAL	6,415,152.00	5,968,041.00
	TOTAL	15,854,279.60	10,275,066.00
4.	**UNSECURED LOANS**		
	i) Short Term Loans & Advances from other than Banks		
	a) From Directors	0.00	10,222,495.00
	b) From Others	0.00	130,220.00
	TOTAL	0.00	10,352,715.00
5.	**DEFERRED TAX**		
	For earlier years	15654129.00	0.00
	Less : Deferred tax asset for current year	956831.00	0.00
	TOTAL	14,697,298.00	0.00

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

6 . FIXED ASSETS

SL. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2001 Rs. Ps.	ADDITIONS Rs. Ps.	SALES/ ADJUSTMENTS Rs. Ps.	TOTAL Rs. Ps.	UPTO 31.03.2001 Rs. Ps.	FOR THE YEAR Rs. Ps.	ON SALES/ ADJUSTMENTS Rs. Ps.	TOTAL Rs. Ps.	**AS AT 31.03.2002 Rs. Ps.**	AS AT 31.03.2001 Rs. Ps.
1	Freehold Land & Site Development	955,656.00	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	2,337,934.90	306,245.00	0.00	2,644,179.90	**16,143,874.47**	16,450,119.47
	- Staff quarters	944,264.00	0.00	0.00	944,264.00	124,410.00	15,391.00	0.00	139,801.00	**804,463.00**	819,854.00
3	Plant & Machinary	75,814,204.46	17,592,464.00	6,613,439.00*	86,793,229.46	25,970,324.66	5,984,398.00	2,729,793.00	29,224,929.66	**57,568,299.80**	49,843,879.80
4	Electrical Installation	3,997,340.24	0.00	0.00	3,997,340.24	1,577,923.24	189,874.00	0.00	1,767,797.24	**2,229,543.00**	2,419,417.00
5	Office Equipment	1,635,767.31	0.00	0.00	1,635,767.31	660,718.09	77,699.00	0.00	738,417.09	**897,350.22**	975,049.22
6	Computers	1,035,212.00	1,448,490.00	0.00	2,483,702.00	131,300.00	314,115.00	0.00	445,415.00	**2,038,287.00**	903,912.00
7	Furnitures & Fixtures	2,746,729.05	361,116.00	0.00	3,107,845.05	1,154,666.20	177,893.00	0.00	1,332,559.20	**1,775,285.85**	1,592,062.85
8	Vehicles	2,094,615.99	3306782.00	427,858.00	4,973,539.99	990,273.26	270,548.00	338,740.00	922,081.26	**4,051,458.73**	1,104,342.73
	TOTAL	**108,011,843.42**	**22,708,852.00**	**7,041,297.00**	**123,679,398.42**	**32,947,550.35**	**7,336,163.00**	**3,068,533.00**	**37,215,180.35**	**86,464,218.07**	**75,064,293.07**
	PREVIOUS YEAR	99,693,963.75	8,317,879.67	0.00	108,011,843.42	27,438,662.35	5,508,888.00	0.00	32,947,550.35	**75,064,293.07**	72,255,301.40

*Represents the Gross Block of fixed assets which are eliminated from the block as they have become obsolete and redundant and no further benefit is expected from its use and disposal. (See note No. 4 (ii) of notes forming part of accounts.)

SCHEDULES FORMING PART OF THE ACCOUNTS

	As on 31.03.2002 Rs. Ps.	As on 31.03.2001 Rs. Ps.
7. INVESTMENTS		
Equity *shares - fully paidup - at cost -*		
Unquoted - Non trading :		
48,000 Equity Shares of Rs.10/- each		
in Vimta Rostest (P) Ltd	480,000.00	480,000.00
TOTAL	480,000.00	480,000.00
8. CURRENT ASSETS, LOANS & ADVANCES		
a) Inventories (At cost)		
Chemicals & Consumables	1,207,500.00	734,466.00
Components, Stores & Spares	2,242,500.00	1,411,429.00
Environmental Jobs Works-in-progress	0.00	375,550.00
TOTAL	3,450,000.00	2,521,445.00
b) Sundry Debtors		
(Debts considered good for which the company holds no security other than the debtors' personal security)		
i) Debts outstanding for a Period Exceeding Six months	1,191,891.00	3,710,082.73
ii) Other debts	13,113,171.45	7,135,478.47
TOTAL	14,305,062.45	10,845,561.20
c) Cash & Bank Balances		
i) Cash Balance on hand	429,900.97	150,069.81
ii) Balances with Scheduled banks		
a) in current Accounts	48,249.25	65,161.56
b) In Deposit Accounts	693,457.45	473,657.45
TOTAL	1,171,607.67	688,888.82
d) Other Current Assets		
i) Advance payment of Income-tax(TDS)	4,025,981.31	2,440,896.91
ii) Income-tax refund to be received	1,988,210.00	0.00
iii) Retention Money with customers	128,293.00	95,820.00
TOTAL	6,142,484.31	2,536,716.91
e) Loans and Advances		
(Advances considered good for which the company holds *no security other than the personal security of parties)*		
i) Advances recoverable in cash or in kind or for value to be received	2,027,057.22	1,286,599.77
ii) Deposits and balances with Public Sector Bodies & Others	2,959,481.70	2,116,214.70
iii) Allowance for Services & Supplies	732,607.40	1,280,553.06
TOTAL	5,719,146.32	4,683,367.53

SCHEDULES FORMING PART OF THE ACCOUNTS

	As on 31.03.2002 Rs. Ps.	As on 31.03.2001 Rs. Ps.
9. CURRENT LIABILITES & PROVISIONS		
A) Current Liabilities		
i) Sundry Creditors :		
- dues to SSI undertakings	—	—
- dues to other than SSI undertakings	6,778,367.86	3,782,544.25
ii) Advances against services	760,802.00	912,707.90
iii) Other Liabilities	6,016,060.71	5,886,322.77
SUB TOTAL	13,555,230.57	10,581,574.92
B) Provisions		
i) Provision for Taxation	6,300,000.00	402,000.00
ii) Proposed dividend	3,969,486.00	0.00
iii) Provision for Provident fund & ESI	145,341.00	412,042.00
iv) Provision for Gratuity	1,261,730.00	0.00
SUB TOTAL	11,676,557.00	814,042.00
TOTAL	25,231,787.57	11,395,616.92
10. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
i) Public Issue Expenditure		
Opening Balance	963,906.24	1,358,399.24
Less : Written off during the year	394,493.00	394,493.00
BALANCE	569,413.24	963,906.24
ii) Deferred Revenue Expenditure		
a) ISO Quality System Expenses op.balance	1,243,655.05	1,554,568.24
Less : Written off during the year	1,243,655.05	310,913.19
BALANCE	0.00	1,243,655.05
b) GLP Expenses - Opening balance	2,190,705.25	2,628,846.25
Less : Written off during the year	2,190,705.25	438,141.00
BALANCE	0.00	2,190,705.25
c) Expenditure on International Business promotion - Opening balance	166,024.00	332,050.00
Less: Written off during the year	166,024.00	166,026.00
BALANCE	0.00	166,024.00
iii) Interest not accrued & due on Hire Purchase Loans - Opening balance	1,286,227.36	59,420.36
Add : Additions during the year	530,920.00	2,087,038.00
Less: Written off during the year	966,358.00	860,231.00
BALANCE	850,789.36	1,286,227.36
TOTAL (i) to (iii)	1,420,202.60	5,850,517.90

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

		Year Ended 31.03.2002 Rs. Ps.	Year Ended 31.03.2001 Rs. Ps.
11. INCOME FROM OPERATIONS			
i) Income from Testing & Analysis Services			
- Domestic		97,194,881.36	61,437,761.22
- Exports		14,389,547.00	2,289,534.00
	TOTAL	111,584,428.36	63,727,295.22
12. INCREASE/(DECREASE) IN INVENTORIES			
Closing Work-in-progress of Env. Jobs		0.00	375,550.00
Less : Opening Work-in-progress		375,550.00	2,504,750.00
Increase / (Decrease)		(375,550.00)	(2,129,200.00)
13. OTHER INCOME			
i) Interest income (Tax deducted at source - Nil-) (Previous year Rs. - Nil).		19,177.00	139,797.00
ii) Profit on sale of assets		10,882.00	0.00
ii) Miscellaneous Receipts		383,920.03	200,139.90
	TOTAL	413,979.03	339,936.90
14. TESTING & ANALYSIS EXPENDITURE			
Chemicals, Consumables, Stores, Spares & Components consumed		8,143,906.52	3,609,090.50
Sample preparation, Data Generation, inspection and Testing Expenses		17,189,467.82	8,478,673.15
Water,Power & Fuel Charges		2,772,136.50	2,134,232.08
	TOTAL	28,105,510.84	14,221,995.73
15. PAYMENTS & BENEFITS TO EMPLOYEES			
Salaries & wages		14,485,412.00	9,370,443.00
Bonus		91,493.00	77,628.00
Contribution to Provident Fund		813,286.00	591,814.00
ESI Contribution		150,361.00	112,111.00
Staff Welfare Expenses		534,605.08	438,493.10
Gratuity		179,918.00	25,188.00
Other Benefits		515,823.00	875,529.00
	TOTAL	16,770,898.08	11,491,206.10

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

	Year Ended 31.03.2002 Rs. Ps.	Year Ended 31.03.2001 Rs. Ps.
16. ADMINISTRATION, SELLING & GENERAL EXPENSES		
Managerial Remuneration	3,462,606.00	2,859,344.00
Sitting fees to Directors	8,500.00	6,500.00
Rent	26,815.00	106,000.00
Rates, Taxes, Licences & Renewals	1,163,423.00	655,677.50
Insurance	375,763.00	162,874.00
Travelling & Conveyance	5,102,470.51	2,817,899.72
Advertisement & Business Promotion expenses	1,584,395.51	350,410.03
Communication Expenses	2,303,838.33	1,360,435.56
Printing & Stationary	2,055,318.91	1,034,788.69
Repairs & Maintenance	4,963,580.89	2,364,840.72
Payments to Auditors	97,190.00	47,850.00
Books & Periodicals	55,508.00	44,646.00
Bad debts written off	725,201.00	3,201,345.00
Vehicle Maintenance	976,811.68	976,595.78
Professional and Consultancy Charges	2,148,077.00	1,807,665.00
Entertainemnt Expenses	202,990.81	111,705.99
Membership & Subscriptions	124,551.00	52,420.40
Security Charges	289,235.00	180,911.00
Recuritment & training expenses of personnel	240,806.70	978,653.62
Commission to Franchisee agents	592,204.00	96,165.00
Software charges	786,220.00	487,664.00
Loss on chit bid (Net of dividends)	416,900.00	0.00
Obsolete Equipment written off	3,883,646.00	0.00
Miscellaneous Expenses	280,437.44	182,918.20
TOTAL	31,866,489.78	19,887,310.21
17. FINANCE CHARGES AND INTEREST		
i) Interest		
a) on fixed loans		
- to I D B I	0.00	1,360,029.00
- to CTD	0.00	199,081.00
- to Canara Bank	125,150.00	0.00
b) on other loans		
- to Canara Bank	605,821.00	432,586.00
- to Others	2,049,610.00	2,484,375.14
ii) Bank Charges	1,173,434.65	318,038.77
TOTAL	3,954,015.65	4,794,109.91

SCHEDULES FORMING PART OF THE ACCOUNTS - CONTD.

	Year Ended 31.03.2002 Rs. Ps.	Year Ended 31.03.2001 Rs. Ps.
18. AMORTISATION OF PRELIMINARY & DEFERRED REVENUE EXPENDITURE		
a) Public Issue Expenditure	394,493.00	394,493.00
b) ISO Quality System Expenses	1,243,655.05	310,913.19
c) GLP Expenses	2,190,705.25	438,141.00
d) Business Promotion Expenses	166,024.00	166,026.00
TOTAL	3,994,877.30	1,309,573.19
19. PRIOR YEAR ADJUSTMENTS		
a) Provision for Gratuity for earlier years	1,134,490.00	0.00
b) Excess provision of expenses in earlier years written in.	(11,844.00)	0.00
TOTAL	1,122,646.00	0.00

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

A. SIGNIFICANT ACCOUNTING POLICIES :

The following are the significant accounting policies adopted in the preparation and presentation of financial statements :

i) **Method of Accounting :** The financial statements are prepared under historical cost convention, in accordance with the accounting principles generally accepted in India having due regard to fundamental accounting assumptions of going concern, consistency and accrual. The Company follows accrual method of accounting.

ii) **Accounting Standards :** Recommendations made in the Accounting Standards issued by ICAI which are applicable to the company are complied with.

iii) **Fixed Assets :** Fixed Assets are stated at historical cost of acquisition/construction less depreciation. Interest on borrowings for acquiring fixed assets and revenue expenses incurred in connection with installation and commissioning of the asset prior to putting for commercial use are capitalised as part of the asset cost.

Grants/subsidies received, if any, from Government and others, towards cost of the fixed asset(s) are reduced from the cost of the respective asset(s)and only the net cost incurred by the Company is carried to the fixed assets block.

iv) **Depreciation :** a) Depreciation on fixed assets is charged on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act,1956. Extra shift allowance is charged for the assets which are used for double/triple shifts.

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

v) **Investments :** Investments held/intended to be held for a period exceeding one year are classified as long term investments, while other investments are classified as current investments. Long Term and unquoted investments are carried at cost, including related expenses and provision, if necessary, being made for decline, other than temporary, in their value.

vi) **Inventories :** Inventories are valued at cost after providing for obsolescence and job works in progress are valued at cost. The cost is arrived by using first-in-first-out (FIFO) formula.

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) **Retirement benefits :** Provision for gratuity is made on accrual basis and charged to the revenue account. Earlier, the Company used to follow the payment basis and used to charge the actual amounts paid during the year to the P & L Account.

But, from this year, the Company is charging the gratuity on accrual basis. To this extent, there is a change in the accounting policy.

ix) **Foreign Exchange Transactions** : Transactions denominated in Foreign Currency are normally accounted for at the exchange rate prevailing at the time of transaction.

x) **Miscellaneous Expenditure** : (a) Preliminary & pre-operative expenditure and Public Issue expenses are written off over a period of 10 years in equal instalments.

(b) Expenditure spent on implementation of the Quality Systems and advertisement expenses on launching of new services of the Company, are treated as deferred revenue expenditure and the same are amortized over a period of 5 years/10 years during which period the benefits are expected to accrue to the Company.

xi) **Tax expense** : Provision for Deferred tax on Timing Differences is made as per Accounting Standard 22 (AS-22) issued by ICAI and provision is made for regular income tax as per the provisions of Income Tax Act,1961.

xii) **General** : Accounting policies not specifically referred to are in consistent with the generally accepted Accounting principles followed in India.

B. NOTES FORMING PART OF ACCOUNTS :

1 CONTINGENT LIABILITIES :

i) Bank Guarantees issued by Canara bank on behalf of the Company and not provided for is Rs.38.11 lakhs (Previous year Rs.9.70 lakhs). These guarantees are secured by lien on the Company's Deposits of Rs.4.83 lakhs with the bank (Previous year 1.94 lakhs).

ii) Letters of Credit (LCs) opened by Canara Bank on behalf of the Company and not provided for in the books (as the same are not yet crystallised) is Rs.15.00 lakhs (previous year Nil). These letters of Credit are secured by lien on the Company's margin money deposits of Rs.1.50 lakhs with the Bank.

iii) In order to obtain Import Licences under Export Promotion Capital Goods Scheme of the Government of India, Company has given an undertaking to fulfill certain quantified export obligations. In case of non-fulfillment of such obligations, Company will be liable to pay duty and interest on unfulfilled export obligations under the said scheme. As on 31.03.2002, the Company is not in default under the Scheme.

2. SECURED LOANS :

i) The working capital borrowings (limit Rs.40.00 lakhs) from Canara Bank by way of "overdraft against Book debts" with all interests, costs, expenses and monies payable under the loan agreement is primarily secured by Hypothecation of Book Debts of the company and collaterally secured by first charge on the land, buildings and other residual fixed assets (other than the assets acquired with the Hire purchase loan and with the grant received from APEDA).

ii) The borrowings from Canara Bank by way of rupee term loan (limit Rs.210.00 lakhs) together with all interest, costs, expenses and monies payable under the loan agreement is primarily secured by hypothecation of testing equipment acquired with the loan amount and collaterally secured by first charge on the land, buildings and other residual fixed assets (other than the assets acquired with the Hire purchase loan and with the grant received from APEDA).

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

3. **SUNDRY CREDITORS :**

There are no small scale industrial undertakings to whom the Company owes a sum exceeding Rs.1.00 lakh which is outstanding for more than 30 days. (previous year Nil).

4. **FIXED ASSETS**

i) Grant from APEDA : The Company received an amount of Rs.3590080/- from Agricultural & Processed Food Products Export Development Authority (APEDA), Government of India, as a grant towards cost of certain specific approved fixed assets. The Company has acquired the approved assets and received the grant. In line with the accounting policy of the Company, the above grant was reduced from the cost of fixed assets acquired.

ii) The company after considering the working conditions of Plant & machinery, found that, certain equipments whose book value (W.D.V.) as on 30.09.2002 is Rs.38.83 lakhs, are not having any useful life and have no value. Hence, the same are written off to P & L A/c in full and the same were removed from the block of fixed assets.

5. In the opinion of Management, Current Assets,Loans & Advances have a value and realisation will be equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.

6. (a) In the absence of confirmation by Sundry Debtors and Creditors, balances in respect of the same are as per Books only.

(b) The balance of Debtors and Creditors are subject to reconciliation and adjustments thereon having an impact of revenue nature, if any, will be made in the year in which the same are finally settled.

7. **Prior period items :** During the current year the company changed its accounting policy in respect of accounting of gratuity. Hitherto, the Company was charging the actual amounts of gratuity paid in a particular year to the P & L a/c and was not providing for the gratuity under accrual method. So as to comply with the applicable accounting standards and to show the accounts in a more prudent manner, in the current year, the company changed its accounting policy and provided for the liability for gratuity calculated in accordance with the prescribed method. The gratuity for earlier years amounting to Rs.11.34 lakhs is charged to profit & loss account under "prior period items".

8. **INCOME TAX :**

Provision is made for regular income tax as per the provisions of Income Tax Act,1961.

9. **DEFERRED TAX :**

i) The accumulated deferred tax in respect of periods prior to adoption of AS-22 (i.e accumulated deferred tax as at 01.04.2001) is as under:

		Rs.
a)	Accumulated deferred tax liability on timing differences	1,85,88,180
	Less : Deferred tax asset on the business loss brought forward under tax laws (as per returns of Income filed by the Company)	29,34,051
	Net deferred tax liability as at 01.04.2001	1,56,54,129

b) Accounting treatment :

The above net deferred tax liability of Rs.15654129/- is recognised by charging to the brought forward "Revenue reserves" and crediting to the "Deferred tax A/c".

ii) Computation of deferred tax for the current year is as under :

		Rs.
a)	Deferred tax on timing differences of depreciation	7,78,943
	Less : Deferred tax asset on timing differences of other revenue expenses	17,35,774
	Deferred tax asset	9,56,831

b) Accounting treatment :

The above deferred tax asset is recognised in the profit and loss account and debited to the "Deferred Tax A/c".

iii) The break up of Deferred Tax Liability and deferred tax asset as on 31.03.2002 is as under :

		Rs.	
a)	Deferred Tax Liability on timing differences of depreciation		1,80,81,786
b)	Deferred tax asset		
	- on timing differences of revenue expenses	4,50,437	
	- on carry forward loss under tax law	29,34,051	
			33,84,488
c)	Net deferred tax as on 31.03.2002		1,46,97,298

10. Related party disclosures : Pursuant to Accounting Standard-18 (AS-18) issued by the ICAI, the names of the related parties and nature of related party relationships and particulars of transactions with the related parties during the year are as under:

Sl. No.	Name of the Related Party	Relationship of the related party with the company	Description of nature of transactions	Value of Transactions Rs.	Other elements of the related party transactions	Amount outstanding relating to related party as at 31.03.02 & Provision therof for doubtful debts		Amount written off or written back in the period in respect of debts due from related parties
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
						Amount Outstanding	Provision for doubtful debts	
1.	Dr. S P Vasireddi	Chairman & Managing Director	Salary	1,415,000	—	Nil	Nil	Nil
2.	Shri V V Prasad	Executive Director	Salary	1,147,606	—	240,449.33	Nil	Nil
3.	Shri V Harriman	Director Technical	Salary	900,000	—	451,866.65	Nil	Nil
4.	Smt. V Swarnalatha	G M and Spouse of CMD	Salary	240,000	—	Nil	Nil	Nil
5.	Smt. V Harita	Exective and Daught of CMD	Salary	240,000	—	Nil	Nil	Nil
6.	Vimta Rostest (P) Ltd.	A Joint Venture Company	Rendering testing Services	2,560,350	—	Nil	Nil	Nil

VIMTA LABS
Determining Quality

11. Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable is as under :

	2001-2002 Rs.in lakhs	2000-2001 Rs.in lakhs
i) Value of imports calculated on CIF basis in respect of :		
a) Capital Goods	114.86	53.51
b) Reference standards (for testing services)	1.13	0.23
ii) Expenditure in foreign currency on account of :		
a) Foreign travel & Business promotion	15.98	6.86
b) Membership & subscriptions	0.04	Nil
c) Others (proficiency testing)	1.81	Nil
iii) Amount remitted in foreign currency on account of dividends	Nil	Nil
iv) Earnings in Foreign Exchange : Export Income from testing services	143.89	22.89

v) 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 the requires a variety of chemicals and consumables for its testing activities. It does not require any raw material or components as no manufacturing activity is carried on. 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 & consumables and the spares and stores consumed are furnished below :

	2001-2002		2000-2001	
	Rs. in Lakhs	% to total Consumption	Rs. in Lakhs	% to total Consumption
a) Chemicals & Consumables				
Indigenous	59.75	100	18.79	100
Imported	Nil	Nil	Nil	Nil
Total	59.75	100	18.79	100
b) Spares and Components				
Indigenous	18.28	93.65	17.30	100
Imported	1.24	6.35	Nil	Nil
Total	19.52	100	17.30	100

vi) Managerial Remuneration :

Particulars of remuneration paid/payable to the whole time Directors are as follows :

	Dr. SP Vasireddi Managing Director	Shri V V Prasad Executive Director	Shir V Harriman Director Technical	Total
	Rs.	Rs.	Rs.	Rs.
Salary	9,60,000	7,26,200	5,40,000	22,26,200
	(6,45,000)	(5,40,000)	(5,40,000)	(17,25,000)
Allowances	4,55,000	4,21,406	3,60,000	12,36,406
	(4,14,344)	(3,60,000)	(3,60,000)	(11,34,344)
Total	14,15,000	11,47,606	9,00,000	34,62,606
	(10,59,344)	(9,00,000)	(9,00,000)	(28,59,344)

Notes :

a) Figures in brackets relate to the previous year.
b) The above remuneration is paid/provided as per the terms and conditions approved by the Board/Shareholders.

vii) Details of interest paid to the wholetime Directors on their unsecured loans included under the item "interest on other loans other than Banks" is as under :

	2001-02 Rs.	2000-01 Rs.
a) Dr S P Vasireddi, M.D	684301	925063
b) Shri V V Prasad, E.D	95004	195870
c) Shri V Harriman, D.T	233600	286400
Total	1012905	1407333

viii) Details of expenditure on "Repairs & Maintenance" are as under :

	2001-02 Rs.	2000-01 Rs.
a) On Buildings	2311791.39	1047711.85
b) On Plant & Machinery	2156742.50	1055602.07
c) On Other Assets	495047.00	261526.80
Total	4963580.89	2364840.72

ix) Details of Payments to auditors is are under :

	2001-02 Rs.	2000-01 Rs.
a) as auditors	52500	21000
b) as advisers or in any other capacity, in respect of		
i) taxation matters	21000	13125
ii) company law matters	21000	13125
c) Out of pocket expenses	2690	600
Total	97190	47850

12. Previous year's figures have been regrouped wherever necessary to conform with the layout of the accounts adopted in the current year.

13. Information pursuant to the provisions of Part IV to schedule VI of the Companies Act,1956.

I. Registration details

Registration No.	: 11977
State Code	: 01
Balance Sheet Date	: 31.03.2002

II. Capital raised during the year (Amt.in Rs.thousands)

Public Issue	: 23 (Calls in arrears of earlier Public Issue)
Bonus Issue	Nil
Right issue	: Nil
Private placement	: Nil

III. Position of mobilisation and deployment of funds (Amt. in Rs.thousands)

Total Liabilities	: 94727
Total Assets	: 94727

Sources of Funds

Paid-up Capital	: 36086
Reserves & Surplus	: 28089
Secured Loans	: 15854
Deferred Tax	: 14698

Application of funds

Net fixed assets	: 87270
Investments	: 480
Net Current Assets	: 5557
Misc. Expenditure	: 1420

IV. Performance of Company (Amt.in Rs.thousands)

Turnover	: 111623
Total Expenditure	: 93151
Profit before tax	: 18472
Profit after tax & Deferred Tax Credit	: 13129
Earning per share (Rs.)	: 4.00
Dividend Rate %	: 11%

V. Item code No. : —

Product description : Testing and Research services

Schedules 1 to 20 above form an intergral part of the Balance Sheet and Profit & Loss account.

	For and on behalf of the Board	
for **Sarathy & Balu**	**Dr S P Vasireddi**	Managing Director
Chartered Accountants	**Shri V Harriman**	Director Technical
	Shri V V Prasad	Executive Director
J. Venkateswarlu	**Shri Raghu Cidambi**	Director
Partner	**Shri S Subrahmanyan**	Director
	Shri A D Sinha	Director
Hyderabad		
Date : 12.04.2002	**Shri A Venkata Ramana**	Company Secretary & DGM Finance
	Hyderabad	
	Date :12.04.2002	

CASH FLOW STATEMENT

(Rupees in lakhs)

	Particulars	31.03.2002		31.03.2001	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit/(Loss) before tax and Extraordinary items		235.89		60.34
	Adjustment for :				
	Depreciation	73.36		55.08	
	Obsolete equipment written off	38.83		0.00	
	Loss on Chit Bid (Net of dividends)	4.17		0.00	
	Bad debts written off	7.25		32.01	
	Interest debited to Profit & Loss Account	39.54		47.94	
	Profit on sale of assets	-0.10		0.00	
		163.05		135.03	
	Less : Interest earned	4.13		3.40	
			158.92		131.63
	Operating profit before working capital changes		394.81		191.97
	Adjustments for :				
	Trade and other receivables	81.01		16.91	
	Inventories	9.29		-13.35	
	Trade payables	138.36		55.41	
			-48.06		-51.85
	Cash generated from operations		346.75		140.12
	Interest Paid		38.72		32.90
	Cash flow before extra-ordinary items		308.03		107.22
	NET CASH FLOW FROM OPERATING ACTIVITIES		308.03		107.22
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed assets	227.08		83.17	
	Interest received	4.13		3.40	
	Sale of fixed assets	1.00		0.00	
NET CASH USED IN INVESTING ACTIVITIES			221.95		79.77
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from issue of share capital	0.23		0.00	
	Proceeds from long term borrowings	101.51		216.70	
	Repayment of finance lease liabilities	124.76		236.08	
	Provision for Dividends	39.69		0.00	
	NET CASH FLOW FROM FINANCING ACTIVITIES		62.71		19.38
	TOTAL		23.37		8.07

CASH FLOW STATEMENT

(Rupees in lakhs)

Particulars	31.03.2002		31.03.2001	
Net increase in cash and cash equivalents				
Cash and Cash equivalents Opening Balance :				
Cash and bank balances	6.88		3.74	
Cash credit accounts	-43.07		-48.00	
		-36.19		-44.26
Cash and Cash equivalents closing balance :				
Cash and bank balances	11.71		6.88	
Cash credit accounts	-24.53		-43.07	
		-12.82		-36.19

For and on behalf of the Board

Dr. S P Vasireddi	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
Shri A Venkata Ramana	Company Secretary & DGM Finance

Hyderabad
Date : 12.04.2002

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of VIMTA LABS LIMITED for the year ended 31st March, 2002. 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 12th April, 2002.

for **Sarathy & Balu**
Chartered Accountants

Hyderabad
Date : 12.04.2002

J.Venkateswarlu
Partner

VIMTA LABS LIMITED

Regd. Office : Plot No. 141/2 & 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 12th Annual General Body Meeting of the Company to be held on Friday, the May 31, 2002 at 10.00 A.M. at Plot No. 141/2 & 142, IDA, Phase II, Cherlapally, R R Dist., Hyderabad - 500 051 and at any adjournment thereof.

Signed on this .... day of ....2002.

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. 141/2 & 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 12th Annual General Body Meeting of the Company to be held on Friday, the May 31, 2002 at 10.00 A.M. at Plot No. 141/2 & 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

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.