

**20<sup>th</sup>**  
**Annual Report**  
**2004-2005**



**VAMA INDUSTRIES LIMITED**

(formerly Sanjeevni Industries Limited)



## VAMA INDUSTRIES LIMITED

### 20<sup>th</sup> ANNUAL GENERAL MEETING

Friday, 30<sup>th</sup> September 2005  
at 11.00 A.M

# 201, Sri Sai Darsan Residency,  
7-1-408 to 413, Balkampet Road,  
Ameerpet, Hyderabad – 500 016  
Andhra Pradesh  
INDIA

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## VAMA INDUSTRIES LIMITED

### Board of Directors

R. Venkateswara Rao

K. Vara Prasad Raju

V. Rama Krishna Rao

S. L. V. V. Bhaskara Rao (up to 26.03.2005)

V. Bhanu (up to 28.03.2005)

B. Ram Mohana Rao

Ch. V. Panduranga Rao

Director – Technical

V. Rajam Raju

Executive Director (w.e.f 01. 04.2005)

V. A. Rama Raju

Chairman & Managing Director (w.e.f 21.04.2005)

### Company Secretary

M. V. Venkata Rao

### Bankers

Andhra Bank

Registered Office	Administrative Office
# 201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, HYDERABAD – 500 01  Tel: 040- 55615534 / 55619919 Fax: 040-23708672 Website: <a href="http://www.vamaind.com">www.vamaind.com</a>	Shiv-mohini, Plot No. 23, Sector 2, RSC-8, Charkop, Kandivali (west) MUMBAI - 400 067
Statutory Auditors	Registrars & Share Transfer Agents
Grandhi Vittal, #2-159, Street No. 3, Vani Nagar, Malkajgiri, . Hyderabad - 500 047	M/s Big Share Services Private Limited G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082



## VAMA INDUSTRIES LIMITED

### **NOTICE**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Vama Industries Limited (formerly Sanjeevni Industries Limited) will be held on Friday, 30<sup>th</sup> September 2005 at 10.30 A.M. at the Registered Office of the Company at Flat No. 201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, An eerpeth, Hyderabad – 500 016

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2005 and profit and loss account for the financial year ended as on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. R. Venkateswara Rao, who retire by rotation and being eligible, offers himself for reappointment
3. To appoint a director in place of Shri. B. Ram Mohan Rao, who retire by rotation and being eligible, offers himself for reappointment
4. To consider and if through fit to pass with or without modification, the following resolution as a Ordinary Resolution

“Resolved that M/s D.V. Ramana Rao & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from the Conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors.”

By Order of the Board of Directors

Sd/-

**M.V. VENKATA RAO**  
Company Secretary

Place: Hyderabad  
Date: 30.08.2005

### **NOTES:**

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- (ii) Register of members and share Transfer Books shall be remain closed from 26<sup>th</sup> September 2005 to 30<sup>th</sup> September 2005 (both days inclusive) in connection with the Annual General Meeting.



## VAMA INDUSTRIES LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report along with the Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March 2005

#### Financial highlights:

(Rs. In Lakhs)

Particulars	Financial Year	
	2004-2005	2003-2004
Income from sales and services	202.69	99.78
Other Income	0.84	2.57
Total income	203.53	102.35
Operating Expenses	185.32	93.19
Profit before Depreciation, Interest, and Tax	18.21	9.16
Interest	0.70	1.86
Depreciation	4.24	2.58
Profit before Tax	13.27	4.71
Provision of Tax	1.62	1.09
Profit after Tax	11.65	3.62
Earning per share	0.50	0.33

#### Review of performance:

During the financial year 2004-05, your company recorded total revenue of Rs. 202.69 Lakhs, comprising income from software of Rs. 88.01 Lakhs, Hardware of Rs. 115.52 lakhs and other income of Rs. 0.84 lakhs and a net profit of Rs. 11.65 Lakhs.

#### Business Portfolio:

Company is involved in the following diversified lines of the business:

#### Product design and development:

- Providing product design and development support. Company provides assistance in benchmarking, concept design, and development of prototype and implementation of the design in assembly line.
- Providing the engineering services in concept Design and development of automotive systems for customers.
- Provides technically qualified resources to work at customer's site and support the design activities.



## VAMA INDUSTRIES LIMITED

- d) Providing assistance in preparing the service manuals and part catalogues.
- e) Identifies the appropriate skill sets and infrastructure to execute the specialist projects like styling, scanning, surfacing, analysis,

### **Manufacturing support:**

The company is also involved in field of providing assistance to our clients in the areas of manufacturing like: -

- a) Assisting the international client in identifying the potential vendors for manufacturing of dies, casings, forgings, springs etc.
- b) Assisting in project management to the international client to manage the projects outsourced to India.
- c) Assisting in Design and in preparation of detailed drawings for the assembly fixtures
- d) Provides consultancy services to domestic companies to offer their product to the international market.

### **Specialist resources:**

The Company is also involved in the providing special services to our Clients on need basis such as analysis, design and surfacing resources to the customers.

### **IT Enable Services (ITes)**

The Company is also involved in providing IT Enable Services (ITes) to its client on need basis in relation to Data Mining, Processing, Warehousing and Application Development and conversion of projects in to new technology.

### **Training:**

The Company is also involved in offering training to the corporate and individuals on Design, product development etc.

### **Placements:**

The Company is involving in providing placement services for the automotive and engineering services industries.

### **Hardware and software support:**

The Company is also involved in reselling of leading brands of Hardware and software such as IBM, HP etc. also provides support for sourcing design software.

### **Annual maintenance contracts:**

The Company is also involved in providing the Hardware service and support at site to its clients.

### **Amalgamation**

As the members are aware, the Scheme of Amalgamation of erstwhile Vama Infotech Private Limited with your Company which was approved in Extra ordinary General Meeting of your Company held on



## VAMA INDUSTRIES LIMITED

20<sup>th</sup> September 2003 was approved by the Hon'ble High Court of Andhra Pradesh vide its Order dated 20<sup>th</sup> September 2004.

### **Increase in the Share Capital**

During the year, the paid up share capital of the Company increased from Rs. 99.60 Lakhs divided into 996000 Equity Shares of Rs. 10/- each to Rs. 234.60 Lakhs divided into 2346000 Equity Shares of Rs. 10/- each consequent to issue of 13,50,000 Equity Shares of Rs. 10/- each pursuant to the scheme of Amalgamation of erstwhile Vama Infotech Private Limited Company with your company

### **NAME CHANGE:**

The members may note that the change of name of the Company from Sanjeevni Industries Limited to Vama Industries Limited has been approved by the Registrar of Company, A.P. vide Certificate Dt.3<sup>rd</sup> March, 2005.

### **RIGHTS ISSUE:**

The members may note that pursuant to the resolution passed in the EGM held on 28<sup>th</sup> July, 2005, in connection with Rights Issue, the Board has resolved to issue the shares at a par value of Rs.10/- per share.

The Letter of Offer is in the final stage of completion and shall be filed with SEBI and other authorities in the due course of time.

### **Dividend**

In view of the long term expansion plans your directors express their inability to recommend any dividend for the financial year 2004-2005

### **Directors**

Shri R. Venkateswara Rao and Shri B. Ram Mohan Rao, the Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The members may note that Shri V. Rajam Raju was appointed as Executive Director of the Company w.e.f 1<sup>st</sup> April 2005 and Shri. V. A. Rama Raju was appointed as Chairman & Managing Director of the Company w.e.f 21<sup>st</sup> April 2005.

Further it is to bring to your notice that the appointment of Shri. V. Rama Raju and Shri V. Rajam Raju as Chairman & Managing Director and Executive Director respectively for a period of 5 years each were ratified in the Extra Ordinary General Meeting held on 28<sup>th</sup> July 2005.

During the year Shri S. L. V. V. Bhaskara Rao and Shri V. Bhanu have resigned from their office due to their personal obligations.

### **Auditors.**

Mr. Grandhi Vittal, Chartered Accountant, who retires at the ensuing Annual General Meeting has joined M/s D. V. Ramana Rao & Co., Chartered Accountants firm as partner. As he alone cannot act as Statutory Auditor of the Company, the Board Recommends the appointment of M/s D. V. Ramana Rao & Co., as Statutory Auditors of the Company who have confirmed their eligibility and willingness to accept office, if appointed.



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### Subsidiary

During the year Company has incorporated a wholly-owned subsidiary company in Singapore in the name of Vama Asia Pte. Ltd., to tap the foreign business. The said subsidiary is yet to commence its operations.

### Fixed deposits

During the year under review, your Company has neither accepted nor renewed any deposits from the public falling under the provision of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of the Deposits) Rules, 1975

### Listing

As you're aware, the Equity Shares of the Company are listed on the Stock Exchange of Mumbai Limited. The Company has paid the Listing Fees for the financial year 2005-2006 and you may note that the shares issued to the shareholders of erstwhile Vama Infotech Private Limited pursuant to the Scheme of Amalgamation with our Company were also listed. You may further note that the listing / trading were not suspended during the financial year 2004-2005

### Particulars of employees:

There are no employees whose particulars are required to be furnished Section 217(2A) of the Companies Act, 1956 read with Companies Act (particulars of employees) Rules, 1975, as the remuneration of none of the employees has crosses the limits specified therein.

### Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The particulars as prescribed under sub-section (1)( e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in the Annexure A to this report.

### Corporate Governance

Members may note that as the conditions for the compulsory implementation of Code of Corporate Governance as prescribed pursuant to the Listing Agreement does not apply to the Company. However, as measure of transparency and investors information, certain information relating to Corporate Governance has been provided as an Annexure to this Report.

### Directors' responsibility statement

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

- i) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of that period.





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- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the Annual Accounts on a going concern basis.

### Acknowledgements:

Your Directors wish to place on record their gratitude to the Company's shareholders, customers, vendors and bankers for their continued support to Vama's growth initiatives. Your Directors also wish to place on record, their appreciation of the contribution made by employees at all levels, who through their competence, sincerity, hard work, solidarity and dedicated support, have enabled your Company to make rapid strides in its business initiatives. Your Directors also thank the Central and State Government and their various agencies, particularly, Software Technology Parks of India, Departments of Customs and Central Excise, Reserve Bank of India and other Governmental agencies for extending their support during the year, and look forward to their continued support.

For and on behalf of the Board

Sd/-

**V. A. Rama Raju**

Chairman & Managing Director

Place: Hyderabad

Date: 30.08.2005

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## VAMA INDUSTRIES LIMITED

### ANNEXURE – A to the Directors' report

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

#### A) CONSERVATION OF ENERGY:

- a) Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.
- b) Additional investments and proposals, if, any, being implemented for reduction of conservation of energy  
NIL
- c) Impact of the clause (1) and (2) above the reduction of energy consumption and consequent impact on the production of goods.  
N.A

#### B) TECHNOLOGY ABSORPTION

##### FORM B

Form for disclosure of particulars with respect to Absorption:

##### Research and Development (R&D)

- |   |     |
|---|-----|
| 1. Specific areas in which R&D carried out by the Company | NIL |
| 2. Benefits derived as a result of the above R&D          | NIL |
| 3. Future plan of action                                  | NIL |
| 4. Expenditure on R&D                                     |     |
| Capital   | NIL |
| Recurring   | NIL |
| Total   | NIL |
| Total R&D Expenditure as % of total turnover              | NIL |

##### Technology Absorption, Adaptation and Innovation

- |   |     |
|---|-----|
| 1. Efforts made towards technology absorption adaptation and innovation | NIL |
| 2. Benefits derived as a result of above efforts                        | NIL |
| 3. Information about imported technology                                |     |
| a. Technology imported  |     |
| b. Year of Import   |     |
| c. Whether Technology fully absorbed                                    |     |
| d. If not fully absorbed, areas and reasons for future plans actions    |     |