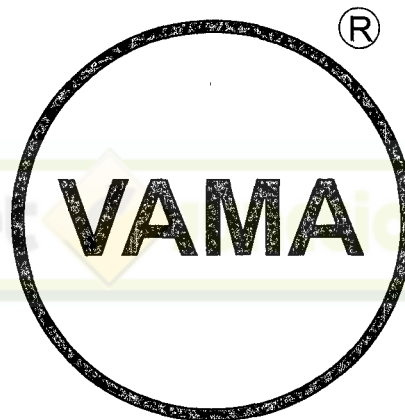


24th  
Annual Report  
2008 - 2009



**VAMA INDUSTRIES LIMITED**

**24<sup>th</sup> ANNUAL GENERAL MEETING**

Wednesday, September 30, 2009 at 10.00 A.M  
 at #201, Sri Sai Darsan Residency,  
 7-1-408 to 413, Balkampet Road,  
 Ameerpet, Hyderabad – 500 016  
 Andhra Pradesh  
 INDIA

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**Vama Asia Pte. Ltd.**

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## COMPANY INFORMATION

### Board of Directors

**Mr. V A Rama Raju**

Chairman & Managing Director

**Mr. V Rajam Raju**

Executive Director

**Mr. Ch V Panduranga Rao**

Director - Technical (resigned w.e.f. January 30, 2009)

**Mr. V Rama Krishna Rao**

Non - Executive and Independent Director

**Mr. R Venkateswara Rao**

Non - Executive and Independent Director

**Mr. K Vara Prasad Raju**

Non - Executive and Independent Director

### COMPANY SECRETARY

**Pushpa Katkuri**

### STATUTORY AUDITOR

Mr. Grandhi Vittal

Chartered Accountant

#2-159, Street No. 3, Vani Nagar,

Malkajigiri, Hyderabad - 500 047

### INTERNAL AUDITOR

M/s. B.M. Kumar & Associates

# 103, Block B, 1st Floor,

126, Jaya Mansion,

S.D. Road, Secunderabad.

### BANKERS

State Bank of India, Balkampet, Hyderabad

ICICI Bank Ltd., Begumpet, Hyderabad

Andhra Bank, Himayat Nagar, Hyderabad

### REGISTERED OFFICE

# 201, Sri Sai Darsan Residency,

7-1-408 to 413, Balkampet Road,

Ameerpet, Hyderabad - 500 016,

Tel: +91-40- 66615534 / 66619919

Fax: +91-40-23708672

Website: www.vamaind.com

### CORPORATE OFFICE

7-1-24/2/D, Greendale

Beside Green Park Hotel,

Ameerpet, Hyderabad - 500 016

Tel: +91-40- 66845534

Fax: +91-40-23733810

### ADMINISTRATIVE OFFICE

Shiv-Mohini, Plot No. 23, Sector 2,

RSC-8, Charkop, Kandivali (West)

MUMBAI- 400 067

## Board Committees

### Audit Committee

Mr. V Ramakrishna Rao - Chairman

Mr. R Venkateswara Rao - Member

Mr. K Vara Prasad Raju - Member

### REGISTRARS & SHARE TRANSFER AGENTS

M/s Bigshare Services Private Limited

G-10, Left Wing, Amrutha Ville,

Somajiguda, Rajbhavan Road,

Hyderabad - 500 082

### Shareholders' Grievance & Share Transfer Committee

Mr. R Venkateswara Rao - Chairman

Mr. K Vara Prasad Raju - Member

Mr. V A Rama Raju - Member

### LISTED AT

Bombay Stock Exchange Limited, Mumbai

### Remuneration Committee

Mr. R Venkateswara Rao - Chairman

Mr. V. Ramakrishna Rao - Member

Mr. K. Vara Prasad Raju - Member

**NOTICE**

Notice is hereby given that the Twenty Fourth ANNUAL GENERAL MEETING of Vama Industries Limited will be held at the Registered Office of the Company at #201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad – 500 016 on Wednesday, September 30, 2009 at 10:00 A.M. to transact the following items of business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 and the Profit and Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Final Dividend on equity shares.
3. To appoint a Director in place of Mr. V. Rajam Raju, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. R. Venkateswara Rao, who retires by rotation and being eligible, offers himself for reappointment
5. To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

“RESOLVED THAT Mr. Grandhi Vittal, Chartered Accountant be and is hereby re-appointed as Auditor 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 fixed by the Board of Directors of the Company.”

By Order of the Board of Directors

Place: Hyderabad  
Date: 27.08.2009

Sd/-  
**Pushpa Katkuri**  
Company Secretary

**NOTES:**

- (i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING. AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (ii) Members/proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
- (iii) The Register of Members and Share Transfers Books will remain closed from September 27, 2009 to September 30, 2009 (both days inclusive).
- (iv) The Statutory Registers (Register under Section 307 and Section 301 of the Companies Act, 1956) will be made available at the venue of the meeting.
- (v) Members are requested to quote their Registered Folio No or Demat Account No and Depository Participant Identification Number (DPID No) on all correspondence with the company.
- (vi) Dividend, if declared, at the Annual General Meeting, shall be paid by way of Demand Drafts / ECS to those members, whose names appear in the Register of Members on close of business hours on September 26, 2009. In respect of shares held in electronic form, the dividend shall be paid on the basis of beneficial ownership details to be furnished for this purpose by NSDL / CDSL.
- (vii) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updations of bank account details to their respective Depository participants.
- (viii) Members are requested to address all communication relating to shares to the Company's Share Transfer Agents, Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville, Somajiguda, Rajbhavan Road, Hyderabad – 500 082, India.
- (ix) The information pursuant to Clause 49 of the Listing Agreement with respect to the details of Directors seeking appointment/ re-appointment in this Annual General Meeting as given under the head "Additional Information" is hereunder.



### Additional Information

Pursuant to clause 49 of the Listing Agreement, brief profile of the Directors seeking appointment / reappointment in the forthcoming AGM:

1. **Name** : **Mr. V. Rajam Raju**  
**Date of Birth** : May 10, 1967  
**Date of appointment** : June 23, 2003  
**Expertise** : Rich and varied experience in execution of business operations and client relationship management.  
  
**Qualification** : Master of Engineering (Mechanical) with a specialization in production engineering.  
  
**Directorship held in other Public Companies (excluding foreign companies)** : Nil  
  
**Membership / Chairmanship of Committees of other Public Companies** : Nil  
  
**No. of shares held in the Company as on March 31, 2009** : 11,80,500 equity shares
2. **Name** : **Mr. R. Venkateswara Rao**  
**Date of Birth** : June 15, 1962  
**Date of appointment** : May 07, 2004  
**Expertise** : Rich experience in senior management and operating positions.  
  
**Qualification** : Bachelor of Engineering (Mechanical)  
  
**Directorship held in other Public Companies (excluding foreign companies)** : Nil  
  
**Membership / Chairmanship of Committees of other Public Companies** : Nil  
  
**No. of shares held in the Company as on March 31, 2009** : Nil

By Order of the Board of Directors

Place : Hyderabad  
Date : 27.08.2009

Sd/-  
**Pushpa Katkuri**  
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report along with the Audited Accounts for the year ended March 31, 2009.

**FINANCIAL HIGHLIGHTS**

(Rs. in lakhs)

Particulars	Financial Year	
	2008-2009	2007-2008
<b>Turnover</b>	<b>806.86</b>	720.24
Other Income	<b>18.19</b>	4.94
Increase/Decrease in Inventories	<b>1.35</b>	1.36
<b>Total Income</b>	<b>826.39</b>	726.54
Profit before Interest, Depreciation and Tax	<b>126.61</b>	79.61
Less: (i) Interest	<b>2.08</b>	1.89
(ii) Depreciation	<b>80.24</b>	37.02
<b>Profit before Tax</b>	<b>44.29</b>	40.70
Less: Provision for Tax		
- Current	<b>15.41</b>	11.10
- Deferred	<b>(0.26)</b>	1.07
- Fringe Benefit Tax	<b>1.99</b>	1.31
<b>Profit After Tax</b>	<b>27.14</b>	27.23
<b>Less: Appropriations</b>		
a) Proposed Dividend	<b>14.08</b>	14.08
b) Tax on Proposed Dividend	<b>2.39</b>	2.39
Balance Carried to Balance Sheet	<b>10.67</b>	10.76
Earning Per Share (EPS)	<b>0.39</b>	0.39

**REVIEW OF PERFORMANCE**

During the financial year 2008-2009 the income by way of operations showed a reasonable increase and stood at Rs.806.86 lakhs when compared to Rs. 720.24 lakhs for the financial year 2007-2008. The above revenue includes income from Software Development- & Services of Rs. 430.88 lakhs (previous year Rs 387.97 lakhs) and from Product/Hardware Sales & Services of Rs. 375.98 lakhs (previous year Rs. 332.27 lakhs). Further your Company convincingly fetched Profit before tax of Rs.44.29 lakhs for the financial year 2008-2009 as against Rs.40.70 lakhs for the previous financial year 2007-2008. The Net profit (after tax) for the financial year 2008-09 stood at Rs. 27.14 lakhs as against Rs. 27.23 lakhs for the previous financial year.

**DIVIDEND**

Your directors are pleased to recommend a dividend of Re 0.20 per Equity Share on 70,38,000 fully paid Equity Shares of Rs. 10/- each for the financial year ended March 31, 2009 (Previous year Re. 0.20 per Equity Share of Rs. 10/- each).

**SUBSIDIARY**

Vama Asia Pte. Ltd, is the wholly owned subsidiary of Vama Industries Limited, having its office in Singapore. For the financial year 2008-09, the company has recorded a net loss of S \$ 3,418 (previous year net loss S \$ 3,854).

Statement pursuant to Section 212 of the Companies Act, 1956, along with balance sheet and profit and loss account of our subsidiary are attached to the annual report.

**DIRECTORS**

The following Directors retire by rotation and being eligible, offer themselves for reappointment:

- |   |                         |                                 |
|---|-------------------------|---------------------------------|
| ✧ | Mr. V Rajam Raju,       | - Executive and Promoter        |
| ✧ | Mr. R. Venkateswara Rao | - Non Executive and Independent |

Brief profile of the said Directors is provided elsewhere in the annual report.

Further Mr. Ch V Panduranga Rao, Director (Technical) resigned from the office of Director w.e.f January 30, 2009.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- the applicable accounting standards have been followed in the preparation of the annual accounts for the financial year 2008-09;
- the accounting policies selected were applied consistently and the judgments and estimates made 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 March 31, 2009 and of the Profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

**AUDITORS**

The statutory auditor Mr. Grandhi Vittal, Chartered Accountant retires at this Annual General Meeting and being eligible offer himself for reappointment. Your directors recommend his reappointment as statutory auditor.

The Company has received a Certificate from the Auditor confirming that his re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

**QUALITY**

In July 2009, your Company's passion towards quality has helped in attaining Certificate of Assessment from AQA International LLC for establishing a Quality Management System in compliance with the International Quality System Standard ISO 9001:2008 (new version of Quality Management Standard).

The company continues to maintain successfully the Quality Management Systems to the requirements of ISO 9001 Standards.



**FIXED DEPOSITS**

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

**LISTING & TRADING**

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai. The Company has paid the listing fee for the financial year 2009-10. You may further note that the listing / trading was not suspended at any time during the Financial Year 2008-09.

**EMPLOYEE PARTICULARS**

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975:

Name & Age	Designation	Remuneration	Qualification & Date of Employment	Experience	Previous employment
Ch. Venkata Panduranga Rao* 47 years	Director (Technical)	24,00,000.	Master of Engineering (Mechanical) May 10, 2004	25 years	Mahindra Engineering Services Ltd.

\* Resigned from the office of Director (Technical) w.e.f. January 30, 2009 and subsequently was appointed as Vice President with effect from February 1, 2009 at a monthly remuneration of Rs. 2 Lakhs and Rs.2.5 Lakhs w.e.f April 1, 2009.

**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.

**MANAGEMENT DISCUSSION & ANALYSIS**

A report on Management Discussion & Analysis, pursuant to clause 49 of the Listing Agreement is annexed hereto as 'Annexure B'.

**CORPORATE GOVERNANCE**

A report on Corporate Governance along with Auditors' certificate on compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement, is annexed herewith as 'Annexure C'.

**ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation to the Banks, Financial Institutions, Central and State Governments and the Company's most valued investors for their continued co-operation and support.



**VAMA INDUSTRIES LTD**

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Your Directors also take this opportunity to acknowledge the dedicated efforts made by employees and officers at all levels for their contribution to the success achieved by the Company.

For and on behalf of the Board

Sd/-

**V A Rama Raju**

Chairman & Managing Director

Place: Hyderabad  
Date: 27.08.2009

