

25th ANNUAL GENERAL MEETING

Thursday, September 30, 2010 at 11.00 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

V A Rama Raju

Chairman & Managing Director

V Rajam Raju

Executive Director

V Rama Krishna Rao

Independent Director

R Venkateswara Rao

Independent Director

K Vara Prasad Raju

Independent Director

Pushpa Katkuri

Company Secretary

STATUTORY AUDITOR

Grandhi Vittal

Chartered Accountant

INTERNAL AUDITOR

M/s. B.M. Kumar & Associates

BANKERS

State Bank of India

ICICI Bank Ltd

HDFC Bank

REGISTERED OFFICE

201, Sri Sai Darsan Residency
7-1-408 to 413, Balkampet Road
Ameerpet, Hyderabad – 500 016, A.P., India
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, A.P., India.
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

REGISTRARS & SHARE TRANSFER AGENTS

M/s Bigshare Services Private Limited
G-10, Left Wing, Amrutha Ville,
Somajiguda, Rajbhavan Road,
Hyderabad – 500 082

LISTED AT

Bombay Stock Exchange Limited, Mumbai

NOTICE

Notice is hereby given that the Twenty Fifth 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 Thursday, September 30, 2010 at 11:00 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, 2010 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 Dividend on equity shares.
3. To appoint a Director in place of Mr. V. Rama Krishna Rao, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K. Vara Prasad Raju, 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 (M.No.206462) who retire at the conclusion of this Annual General Meeting (AGM), be and is hereby appointed as Statutory Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next AGM on such remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:

6. **Revision in Remuneration of Chairman and Managing Director:**

To consider and if, thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any, contained under the Companies Act, 1956, read with the applicable provisions of Schedule XIII of the said Act and in partial modification to the resolution passed earlier in this regard, consent of the members be and is hereby accorded for the upward revision in the remuneration payable to Mr. V. A. Rama Raju, the Chairman and Managing Director of the Company from Rs.1,25,000/- Per Month to Rs.1,65,000/- Per Month with effect from 1st April, 2010, other terms and conditions remaining unchanged, as approved by the Remuneration Committee and the Board of Directors.

FURTHER RESOLVED THAT in the event of insufficient profits during any particular period the aforesaid remuneration shall be the minimum remuneration payable to Mr. V. A. Rama Raju, pursuant to Section II of Part II of Schedule XIII of the Companies Act 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds and execute all such documents and instruments as may be required to give effect to the aforesaid resolution.”

7. Revision in Remuneration of Executive Director :

To consider and if, thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 310, 311 and all other applicable provisions, if any, contained under the Companies Act, 1956, read with the applicable provisions of Schedule XIII of the said Act and in partial modification to the resolution passed earlier in this regard, consent of the members be and is hereby accorded for the upward revision in the remuneration payable to Mr. V. Rajam Raju, the Executive Director of the Company from Rs. 1,25,000/- Per Month to Rs.1,50,000/- Per Month with effect from 1st April, 2010, other terms and conditions remaining unchanged, as approved by the Remuneration Committee and the Board of Directors.

FURTHER RESOLVED THAT in the event of insufficient profits during any particular period the aforesaid remuneration shall be the minimum remuneration payable to Mr. V. Rajam Raju, pursuant to Section II of Part II of Schedule XIII of the Companies Act 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds and execute all such documents and instruments as may be required to give effect to the aforesaid resolution."

By Order of the Board of Directors
Vama Industries Limited

Place: Hyderabad
Date: 25.08.2010

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, 2010 to September 30, 2010 (both days inclusive).
- (iv) The Statutory Registers (Register under Section 301 and Section 307 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, 2010. In respect of shares held in electronic form, the dividend shall be paid on the basis of beneficial ownership as per the 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 updation of bank account details to their respective Depository participants.
- (viii) Members are requested to address all communication relating to shares to the Company's Registrar and Share Transfer Agents, Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville, Somajiguda, Rajbhavan Road, Hyderabad – 500 082, India.
- (ix) An Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956, is annexed hereto. 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.



EXPLANATORY STATEMENT

(pursuant to Section 173 of the Companies Act, 1956)

Item No. 6

In order to reward the efforts made by Mr. V.A.Rama Raju, Chairman & Managing Director of the Company and in view of the industry trends vis-à-vis the managerial Remuneration, the Board, as per the recommendations of the Remuneration committee of the Company resolved to enhance the remuneration payable to Mr. V. A. Rama Raju, the Chairman and Managing Director of your Company from Rs. 1,25,000 /- Per Month to Rs.1,65,000/- Per Month.

As per the provisions of Section 198, 269, 310 and 311 read with Schedule XIII of the said Act, any such change in the terms and conditions of the managerial personnel need to be approved by the members in their General Meeting.

Hence the resolution is commended for your approval.

None of the Directors, except, Mr. V. A. Rama Raju, the Chairman and Managing Director of the Company and Mr.V. Rajam Raju, the Executive Director of the Company is interested in the said resolution.

Item No. 7

In order to reward the efforts made by Mr. V.Rajam Raju, Executive Director of the Company and in view of the industry trends vis-à-vis the managerial remuneration, the Board as per the recommendation of the Remuneration Committee of the Company, resolved to enhance the remuneration payable to Mr.V. Rajam Raju, the Executive Director of your Company from Rs.1,25,000/- Per Month to Rs.1,50,000 Per Month.

As per the provisions of Section 198, 269, 310 and 311 read with Schedule XIII of the said Act, any such change in the terms and conditions of the managerial personnel need to be approved by the members in their General Meeting.

Hence the resolution is commended for your approval.

None of the Directors, except, Mr.V. Rajam Raju, the Executive Director of the Company and Mr. V. A. Rama Raju, the Chairman and Managing Director of the Company is interested in the said resolution.

**Additional Information**

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

- 1. Name :** Mr. V. Rama Krishna Rao

Date of Birth : February 9, 1962

Date of appointment : May 7, 2004

Expertise : Rich and varied experience in the areas of Accounts and Taxation.

Qualification : B.Com., CWA Inter.

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, 2010 : Nil
- 2. Name :** Mr. K. Vara Prasad Raju

Date of Birth : March 16, 1965

Date of appointment : May 07, 2004

Expertise : Rich experience in Automobile and Engineering Industry.

Qualification : Diploma in Automobile 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, 2010 : Nil

By Order of the Board of Directors

Sd/-

Pushpa Katkuri
Company Secretary

Place : Hyderabad
Date : 25.08.2010

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Director's Report on the business and operations of your Company for the financial year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Particulars	Financial Year	
	2009-2010	2008-2009
Turnover	903.17	806.86
Other Income	3.29	18.19
Increase/Decrease in Inventories	66.04	1.35
Total Income	972.51	826.39
Profit before Interest, Depreciation and Tax	147.79	126.61
Less: (i) Interest	3.18	2.08
(ii) Depreciation	105.46	80.24
Profit before Tax	39.15	44.29
Less: Provision for Tax		
- Current	9.18	15.41
- Deferred	(3.48)	(0.26)
- Fringe Benefit Tax	-	1.99
Profit After Tax	33.45	27.14
Less: Appropriations		
a) Proposed Dividend	14.08	14.08
b) Tax on Proposed Dividend	2.39	2.39
Earning Per Share (EPS)	0.48	0.39
Balance Carried to Balance Sheet	16.98	10.67

BUSINESS PERFORMANCE

During the financial year 2009-10, the income by way of operations showed a reasonable increase and stood at Rs. 903.17 lakhs when compared to Rs. 806.86 lakhs for the financial year 2008-09. The above revenue includes income from Software Development & ITES of Rs. 561.86 lakhs (previous year Rs 430.88 lakhs) and from Product/Hardware sales & services of Rs. 341.31 lakhs (previous year Rs. 375.98 lakhs). Further, your Company convincingly fetched Profit before tax of Rs. 39.15 lakhs for the financial year 2009-10 as against Rs.44.29 lakhs for the previous financial year 2008-09. The Net profit (after tax) for the financial year 2009-10 stood at Rs. 33.45 lakhs as against Rs. 27.14 lakhs for the previous financial year.

DIVIDEND

Your directors have recommended a final dividend of Re 0.20 per share (2%) on 70,38,000 fully paid Equity Shares of Rs. 10/- each for the year ended March 31, 2010 (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 2009-10, the company has recorded a net loss of S \$ 3,585 (previous year net loss S \$ 3,418).

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

Pursuant to the provisions of Section 256 of the Act, Mr. V. Rama Krishna Rao and Mr. K. Vara Prasad Raju retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

None of the Directors of the Company is disqualified under the provisions of the Companies Act, 1956 or under the Listing Agreement with the Stock Exchange.

Pursuant to the provisions of Clause 49 of the Listing Agreement, brief particulars of the retiring directors who are proposed to be re-appointed are provided elsewhere in the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. the applicable accounting standards have been followed in the preparation of the annual accounts for the financial year 2009-10;
- b. 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 31st March 2010 and of the Profit of the Company for the year ended on that date;
- c. 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;
- d. 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 for the financial year 2010-11.

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**ISO 9001:2008 Implementation**

The company continues to maintain successfully the Quality Management Systems to the requirements of ISO 9001:2008 Standards.

FIXED DEPOSITS

Your 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 2010-11. You may further note that the listing / trading was not suspended at any time during the Financial Year 2009-10.

PARTICULARS OF EMPLOYEES

Particulars of employee as required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 for the year ended 31st March 2010:

Name & Age	Designation	Qualification	Date of Joining	Experience	Gross Remuneration (in Rs.)	Previous employment
Ch. Venkata Panduranga Rao 48 years	Vice President	M.E. (Mechanical)	May 10, 2004	26 years	30,00,000 p.a.	Mahindra Engineering Services Ltd.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed pursuant to provisions of Section 217(1)(e) of the Act read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, is enclosed as Annexure – A to this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Management Discussion & Analysis is enclosed as Annexure - B to this Report.

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.

Your company will continue to implement and adhere to the policies of good corporate governance.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to the Company's shareholders, customers, vendors, bankers and all other stakeholders for their continued support to its 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 and dedicated support, have enabled your Company to make rapid progress in its business initiatives.

Your Directors also thank the Central and State Governments and their various agencies, particularly, the Software