

26th
Annual Report
2010-2011



VAMA INDUSTRIES LIMITED

PAGE CONTENTS

VAMA INDUSTRIES LIMITED

02	Letter to Shareholders' on "Green Initiative in Corporate Governance"
03	Corporate Information
04	Message from the Chairman
05	Notice
08	Directors' Report
11	Management Discussion and Analysis Report
15	Corporate Governance Report
23	CEO Certification
24	Conservation of Energy, Research and Development
25	Certificate on Corporate Governance
26	Auditor's Report
29	Balance Sheet
30	Profit and Loss Account
31	Cash Flow Statement
32	Schedules to Accounts
43	Balance Sheet Abstract and Company's General Business Profile
44	Statement pursuant to Section 212 of the Companies Act, 1956
45	Auditor's Report on Consolidated Accounts
46	Consolidated Balance Sheets
47	Consolidated Profit and Loss Accounts
48	Consolidated Cash Flow Statement
49	Schedules to Consolidated Accounts

VAMA ASIA PTE. LTD.

62	Directors' Report
64	Auditor's Report
65	Balance Sheet
66	Income Statement
66	Statement of Changes in Equity
67	Cash Flow Statement
68	Notes to the Financial Statements
	Attendance Slip and Proxy Form

Letter to Shareholders'

(On Green Initiative in Corporate Governance – Electronic Mode of Service of Documents)



Dear Shareholders, Greetings!

We would like to bring to your information that, the Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Corporates and has issued Circular No. 17/2011 dated 21st April, 2011 & Circular No. 18/2011 dated 29th April, 2011 inter-alia stating that companies can make use of this device to send documents through electronic mode.

Your Company being a responsible corporate citizen welcomes & supports the "Green Initiative" taken by the Ministry of Corporate Affairs, enabling the company to effect electronic delivery of documents. The above initiative will certainly conserve paper which is a natural resource and your company can substantially save on printing and posting of Annual Reports and other documents of your company required to send to shareholders. Also this initiative ensures prompt receipt of communication and avoids loss in postal transit.

Keeping in view of the theme, advantages & intention underlying the circular issued by MCA, your company proposes to send documents like Notice of Annual General Meeting, Audited Accounts, Directors' Report, Auditor's Report and other ancillary documents that are annexed with Annual Report for & from the financial year 2011-2012 in electronic form, to email address of those members which are available in the records of the company and/or made available to us by Depositories.

Further, we wish to inform you that, the Management has decided to send the Annual Report for the current financial year through post and compulsorily through email from the financial year 2011-12. In case, you desire to receive the documents mentioned above from the next financial year, 2011-12 in the physical form, you are requested to provide the details at given following address as early as possible, mentioning your Complete Name, DP Id, Postal Address and Contact Number to our Registrar and Share Transfer Agent, **M/s. Bigshare Services Private Limited**, G-10, Left Wing, Amrutha Ville, Somajiguda, Rajbhavan Road, Hyderabad 500 082, A.P., India.

If you do not opt to receive the aforesaid documents in physical form or you do not respond to this letter as early as possible, you will be deemed to have opted for receiving the aforementioned documents from the

Company in electronic form on your email address available in the records of the company.

Members are requested to support this Green Initiative by updating their email addresses with the respective Depository Participants in case of electronic shareholding or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding.

Please note that, these Reports will also be available on the company's website www.vamaind.com for the stakeholders.

Also upon receipt of request from you as a member of the company, you will be entitled for a free physical copy of the Balance Sheet of the company and all other documents required by law to be attached thereto including the accounts and Auditors Report and all other communication that may be sent to you electronically.

The Company is confident that you being a responsible citizen, you would appreciate the "Green Initiative" taken by MCA and your company expects your participation in the same.

Let's join for this cause and make the world a Cleaner, Greener and Healthier place to live.

By order of the Board
For VAMA Industries Limited

Sd/-
Jyothirmai R
Company Secretary

August 25, 2011
Hyderabad, A.P.

Corporate Information



Executive Directors		Designation	
V. Atchyuta Rama Raju V. Rajam Raju		Chairman and Managing Director Executive Director	
Non Executive & Independent Directors		Company Secretary & Compliance Officer	
V. Ramakrishna Rao R. Venkateswara Rao K. Vara Prasad Raju		Jyothirmai R	
Statutory Auditors		Internal Auditors	
G.V & Co. Grandhi Vittal Chartered Accountants #H.No.2-159, Ananda Nilayam, Street No.3 Vani Nagar, Malkajgiri, Hyderabad – 500047		M/s. B.M. Kumar & Associates Chartered Accountants #103, Block B, 1st Floor 126, Jaya Mansion S.D. Road, Secunderabad- 500 003	
Secretarial Consultants		Bankers	
P.S.Rao & Associates Company Secretaries Flat No.:10, 4th Floor # 6-3-347/22/2, Ishwarya Nilayam Dwarakapuri Colony, Panjagutta, Hyd-082		State Bank of India ICICI Bank Ltd HDFC Ltd Corporation Bank	
Registered Office		Hyderabad Office	
Ground Floor, 8-3-191/147/24 Plot No. B-12, Madhura Nagar S.R. Nagar[Post], Hyderabad 500 038 Andhra Pradesh., India. Tel: +91 40 6661 5534 / 6661 9919 Fax: +91 40 2370 8672		Greendale, II Floor, 7-1-24/2/D Beside Green Park Hotel, Ameerpet Hyderabad – 500 016, A.P., India Tel: +91 40 6684 5534 Fax: +91 40 2373 3810	
Corporate Office at Mumbai		Website & email Id for Investors	
Office No. 619, 6th Floor, Maker Chambers - V Nariman Point, Mumbai - 400021, Mah., India		Website : www.vamaind.com email Id : investorservices@vama.co.in	
Registrar & Share Transfer Agents		26th Annual General Meeting	
M/s. Bigshare Services Private Limited G-10, Left Wing, Amrutha Ville Somajiguda, Rajbhavan Road Hyderabad – 500 082, A.P. India		Date & Time : 30th September, 2011 at 11.00 A.M. Day : Friday Venue: #201, Sri Sai Darsan Residency 7-1-408 to 413, Balkampet Road Ameerpet, Hyderabad -500 016	
Cut off Date & Time for lodging Proxies		Dates of Book Closure	
Date: 28th September, 2011 [Wednesday] Time: 11.00 A.M. At the Registered office of the Company		From: 27th September, 2011 [Tuesday] To: 30th September, 2011 [Friday] (Both days inclusive)	
Committees of the Board			
Audit Committee	V. Ramakrishna Rao (Chairman)	R. Venkateswara Rao (Member)	K. Vara Prasad Raju (Member)
Remuneration Committee	R. Venkateswara Rao (Chairman)	V. Ramakrishna Rao (Member)	K. Vara Prasad Raju (Member)
Investor Grievance & Share Transfer Committee	R. Venkateswara Rao (Chairman)	K. Vara Prasad Raju (Member)	V. A. Rama Raju (Member)

Message from the Chairman



Dear Fellow Shareholders, Greetings!

It gives me immense happiness to write to you at the end of the financial year 2010-2011 and would like to bring to your information about few important things that your company has adopted, in order to deliver superior growth and value creation for the coming financial years.

In this year, which was weighed down with disturbances in sharp currency fluctuations, overall inflationary scenario, global downturn and recession, the company succeeded in maintaining the costs and tried for sizeable increase in turnover & operating margins during the year.

While the Company believes that Information Technology (IT) continues to be in its rapid pace and also continued to be an important catalyst in the economic growth of the Country and also for the sustainable growth of your Company, it entered into a new segment of business with a view to diversify its service lines and enhance the shareholders wealth, the company has expanded into new segment of trading in Metals and Minerals, in addition to the said Information Technology as the management believes that the segment is promising. The company is now focusing on all emerging markets for market penetration and market development.

VAMA is dedicated and committed towards enhancing the value of your Company and bearing the same in mind the company is now marching towards the rapid expansion of its business with an aim to elevate VAMA to one of the most trusted Indian companies. VAMA has drawn up a Strategy which is inline with our approach to outperform and create superior value for all its stakeholders. Under this strategic approach the company plans to multiply its sales and profits from its current levels to reach the targets of the company, which inturn will enable us to drive strong profitable growth and create further value to its stakeholders, customers and business partners.

On the other hand, your company firmly believes that, the success of any business enterprise like ours can be possible because of its employees who put in their unrelenting efforts to rise to excellence. The growth so far we have achieved and we will be achieving is entirely due to hard work, perseverance, commitment and dedication of the employees of our company.

Further, we would like to bring to your information that, in view of the recent circulars from the Ministry of Corporate Affairs [MCA] on Green Initiative in Corporate Governance, we would like to request you to understand the initiative taken by the Ministry and welcome the change, which will help the shareholders to have easy and prompt communication of the Annual Reports. Also, it will reduce the usage of paper and thereby helps in protecting the environment for our future generations. Therefore, you are requested to ensure that you have updated your email Id's with your DP's at the earliest possible. More details are provided under the heading Letter to Shareowners on Green Initiative in Corporate Governance.

I sincerely thank all our shareholders, business partners, and our customers for their continued support and faith in your company. I would like to assure you that your company would continue to remain committed to deliver its strong growth and be one of the top players in the Indian corporate world.

With Best Wishes

Sd/-

V. A. Rama Raju

Chairman and Managing Director

25th August, 2011
Hyderabad, A.P.

Notice

26th Annual General Meeting



Notice is hereby given that the Twenty Sixth (26th) Annual General Meeting [AGM] of the Members of M/s. VAMA Industries Limited will be held on Friday, 30th day of September, 2011 at 11.00 A.M. at #201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad 500 016, to transact the following items of business :

ORDINARY BUSINESS

Item 1: Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.

Item 2: Declaration of Dividend

To declare final dividend on equity shares for the financial year ended 31st March, 2011.

Item 3: Reappointment of Mr. V. Rajam Raju

To appoint a Director in place of Mr. V. Rajam Raju, who retires by rotation and being eligible, seeks reappointment.

Item 4: Reappointment of Mr. R. Venkateswara Rao

To appoint a Director in place of Mr. R. Venkateswara Rao, who retires by rotation and being eligible, seeks reappointment.

Item 5: Appointment of Auditors

To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to pass the following ordinary resolution thereof:

“RESOLVED THAT, G.V & Co., Chartered Accountants (Firm Registration No. 012875S) be and are hereby re-appointed as the auditors of the company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with Auditors.

By Order of the Board
For VAMA Industries Limited

Sd/-
Jyothirmai R
Company Secretary

August 25, 2011
Hyderabad, A.P.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Only bonafide member of the company whose names appears on the Register of Members/ Proxy holders and in possession of valid Attendance Slips duly filled in and signed will be permitted to attend the meeting.
3. Members are requested to bring their copies of Annual Report together with notice for the meeting in order to enable us to register your attendance at the venue of the Annual General Meeting. Further we request you to bring your Folio Number/ Demat Account Number/ DP ID to enable us to give you a duly filled Attendance Slip for signature.
4. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their Representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holders who are higher in the chronology of names will be entitled to vote.
6. In terms of Section 256 of the Companies Act, 1956, Mr. V. Rajam Raju and Mr. R. Venkateswara Rao, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective reappointments.

7. **Book Closure:** The Register of Members and Share Transfer Books will remain closed from Tuesday, September 27, 2011 to Friday, September 30, 2011 (both days inclusive).
8. **Dividend:** The dividend on Equity shares, if declared at the Meeting, will be dispatched / credited to those members whose names shall appear on the Company's Register of Members on Monday, September 26, 2011 and in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] for the said purpose.
9. As per RBI Notification, the remittance of money through ECS is replaced by National Electronic Clearance Services (NECS) and banks have been instructed to move to the NECS Platform. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new and Unique Bank Account Number, allotted by Banks pursuant to implementation of Core Banking Solutions (CBS) for Centralized processing of inward instructions and efficient in handling bulk transactions.

In this regard, shareholders holding shares in electronic form are requested to furnish the new 10 digit bank account number allotted to them by the Bank after implementation of CBS, along with photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP). Please send these details to the Company Registrars, if the shares are held in Physical form, immediately.
10. Members who hold shares in the Dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR code of their Bank to their Depository Participants. While making payment of Dividend, Registrar is obliged to use only the data provided by the Depositories.
11. **Physical Shares – Payment of Dividend through NECS:** Members holding shares in Physical form are advised to submit particulars of their Bank account viz. Name and Address of the Branch of the Bank, MICR code of the branch, type of account and account number at the earliest to our Registrar and Share Transfer Agent, M/s. Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville, Somajiguda, Rajbhavan Road, Hyderabad – 500 082, A.P., India.
12. Members holding shares in Physical form are requested to advise any change of address immediately to Registrar and Transfer Agents M/s. Bigshare Services Private Limited.
13. Members who are holding Physical Shares in identical names in more than one folio are requested to send to the Company's Share Transfer agent the details of such folios together with the Share Certificates for consolidating their holding in one folio. The Share Certificates will be returned to the members after making requisite changes, thereon.
14. Members who wish to claim Dividend, which remain unclaimed are requested to either correspond with the Corporate Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent (Bigshare Services Private Limited). Members are requested to note that dividends not encashed or claimed within Seven years from the date when it become due as per Section 205A(5) read with section 205C of the Companies Act, 1956 shall be transferred to the Investor Education and Protection Fund (IEPF) of Government of India.
15. Members are requested to mandatorily quote their Registered Folio No. or Demat Account No. and Depository Participant Identification Number (DPID No.) on all correspondence with the company.
16. Securities and Exchange Board of India [SEBI] vide circular Ref No. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN the sole Identification Number for all participants transacting in the Securities Market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in Physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the company/ RTA's for registration of such Transfer of Share.



17. Members are advised to updated the email Id With Company's RTA and/or concerned Depository participants as soon as possible.

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by email to its members. To support the spirit of Green Initiative of the Government in full measure, members who have not registered their email addresses so far are requested to register their email address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are requested to contact our RTA, M/s. Bigshare Services Private Ltd and get your email Id updated.

18. Pursuant to Clause 49 of the Listing Agreement, brief profile of the Directors seeking reappointment at the ensuing Annual General Meeting Schedule to be held on 30th September, 2011 is as follows:-

V. Rajam Raju

Date of Birth : May 10, 1967
 Date of Appointment : June 23, 2003
 Qualification : B.E., M.E (Mechanical), with specialization in Production Engineering.
 Expertise : Mr. Rajam Raju has rich experience in the field of operations, promotion of various IT & Related products and client relationship.

Directorship held in other Public companies (Excluding Foreign Companies) : Nil

Memberships / Chairmanships of committees of other public companies : Nil

Shareholding in the company as on 31.03.2011 : 11,80,500 [16.77%]

R. Venkateswara Rao

Date of Birth : June 15, 1962

Date of Appointment : May 07, 2004

Qualification : Bachelor of Engineering (Mechanical)

Expertise : Rich Experience in senior management and operating positions.

Directorship held in other Public companies (Excluding Foreign Companies) : Nil

Memberships / Chairmanships of committees of other public companies : Nil

Shareholding in the company as on 31.03.2011 : 700 shares

By Order of the Board
For VAMA Industries Limited

Sd/-

Jyothirmai R

Company Secretary

August 25, 2011
 Hyderabad, A.P.

Shareholders Reference:-

Annual General Meeting

Date & Time : 30th September, 2011 at 11.00 A.M.
 Day : Friday
 Venue : #201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyd-500 016, A.P.

Book Closure

From : 27th September, 2011 [Tuesday] to 30th September, 2011 [Friday] (Both days inclusive)

Investor Grievances Communication

Company Secretary & Compliance Officer

VAMA Industries Limited
 Ground Floor, 8-3-191/147/24
 Plot No. B-12, Madhura Nagar
 S.R. Nagar [Post], Hyderabad 500 038, A.P, India.

Registrar & Share Transfer Agents

Bigshare Services Private Ltd.

G-10, Left wing, Amrutha ville Opp. Yashoda Hospital
 Somajiguda, Rajbhavan Road, Hyderabad 500 082, A.P.,

Directors' Report



Dear Fellow Shareholders,

On behalf of the Board of Directors, I am happy to present the 26th Annual Report of your Company along with the Balance Sheet and Profit & Loss Account for the year ended March 31, 2011.

FINANCIAL PERFORMANCE

The Financial performance of the Company, for the year ended March 31, 2011 is summarized below:

(₹ in Lakhs)

Particulars	Audited	
	2010-11	2009-10
Turnover	1007.84	903.17
Other Income	2.03	3.29
+/- in Inventory	16.58	66.04
Total Income	1026.45	972.51
PBIDT	134.33	147.79
Less: (i) Interest		
(ii) Depreciation	8.87	3.18
	101.91	105.46
Profit Before Tax	23.55	39.15
Less: Provision for Tax		
- Current	4.36	9.18
- Deferred	(2.82)	(3.48)
Profit After Tax	22.01	33.45
Less: Appropriations		
a) Proposed Dividend	14.08	14.08
b) Tax on Proposed Div	2.39	2.39
Earning Per Share (EPS)	0.31	0.48
Balance Carried to B/S.	5.54	16.98

BUSINESS PERFORMANCE

During the financial year 2010-11, the income by way of operations showed a reasonable increase and stood at ₹ 1007.84 lakhs when compared to ₹ 903.17 lakhs for the previous financial year 2009-10.

The above revenue includes income from IT Services of ₹ 30,610,943/- (₹ 39,929,771/-) and from Product/Hardware Sales & Services of ₹ 70,172,717/- (₹ 50,387,389/-).

Further, your Company fetched Profit Before Tax [PBT] of ₹ 2,355,115/- for the financial year 2010-11 as against ₹ 3,915,073/- for the previous financial year 2009-10.

The Net profit (after tax) for the financial year 2010-11 stood at ₹ 2,200,889/- as against ₹ 3,345,274/- for the previous financial year, 2009-10.

DIVIDEND

The Board of Directors recommends a final Dividend of 2% (₹ 0.20 per share) on 70,38,000 fully paid Equity Shares of ₹ 10/- each for the year ended March 31, 2011 [Previous year ₹ 0.20 per Equity Share of ₹ 10/- each] to be appropriated from the profits of the year 2010-11, subject to the approval of shareholders at the ensuing Annual General Meeting.

WHOLLY OWNED SUBSIDIARY

During the year under review, M/s. VAMA Asia Pte. Ltd, the wholly owned subsidiary of M/s. VAMA Industries Limited, having its Registered office in Singapore has recorded a Net Loss of \$ 3,167 (P.F.Y Net Loss \$ 3,585).

Statement pursuant to Section 212 of the Companies Act, 1956, along with Balance Sheet and Profit and Loss Account of the subsidiary are attached to the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the AS 21 on consolidated financial statements read with AS 23 on Accounting for investment in associates and with reference to clause 32 of the Listing Agreement, your directors present the audited consolidated financial statements in the Annual Report.

NEW BUSINESS SEGMENT

While the Company believes that Information Technology (IT) continues to be in its rapid pace and also continued to be an important catalyst in the economic growth of the Country and also for the sustainable growth of your company, it entered into a new segment of trading in Metals and Minerals with an aim to diversify into new areas of business.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the provisions of Clause 49 of the Listing Agreement, a Report on the Management

Discussion and Analysis on Company's Performance, industry trends and other Material changes with respect to the Company and its subsidiaries, wherever applicable is attached as **Annexure A** to this Directors Report.

REAPPOINTMENT OF STATUTORY AUDITORS

The name of the firm was changed to M/s. G.V & Co., Chartered Accountants. The Statutory Auditors M/s. G.V & Co., Chartered Accountants, retires at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if reappointed. The proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

QUALITY

The Company Continues to maintain successfully the Quality Management Systems to the requirements ISO 9001:2008 Standards.

FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits falling within the perveiw of Section 58A of The Companies Act, 1956 read with the Companes (Acceptance of Deposits) Rules, 1975 during the year under review.

CORPORATE GOVERNANCE

VAMA firmly understands and believes the importance of Corporate Governance, and always aims for its growth by adhering to the National and International Corporate Governance Standards.

Report on Corporate Governance and a Certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under clause 49 of the Listing Agreement with stock exchanges, is attached as **Annexure B** and forms part of this Annual Report.

DEMATRIALISATION OF SHARES

86% of the total paid up equity shares of the Company is in dematerialized form as on 31st March, 2011.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs (MCA) has recently permitted companies to send the electronic copies of notices, annual reports, etc., to the email Id's of shareholders. However, the Board has arranged to send the physical copies of the Annual Reports for the financial year 2010- 11 but would wish to strictly adopt the practice of sending the Annual Reports through email from the financial year 2011-12.

In case you like to receive physical copies of these documents, the same shall be forwarded on written request to the company. More details are provided under the head "Letter to Shareholders on Green Initiative in Corporate Governance".

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 2011-12. You may further note that the listing/ trading was never suspended at any time during the financial year 2010-11.

PARTICULARS OF EMPOLYEEES

No employee fall within the preview of Section 217(2A) of the Companies Act,1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 Mr. V. Rajam Raju & Mr. R. Venkateswara Rao retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures are made from the same.
- b. We have selected such accounting polices and applied them consistently and made judgements and estimates that are reasonable

and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for the period;

- c. We have taken proper and sufficient care 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.

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-C** to this Report.

ACKNOWLEDGEMENTS AND APPRECIATIONS

Your Directors take this opportunity to thank the shareholders, Customers, Suppliers, Bankers, Business Partners/Associates, Financial Institutions and Central and State Government offices, last but not the least our employees for their consistent support and encouragement to the company.

For and on behalf of the Board

Sd/-

V. A. Rama Raju

Chairman and Managing Director

August 25, 2011
Hyderabad, A.P.

Management Discussion and Analysis Report

Annexure-A forming part of Directors' Report



This Management Discussion and Analysis Report addresses the expectations and projections of the company for its future, about its Product Development, Market Position, Market Development and Penetration, Expenditure, Financial Results, Risks and Concerns etc. However, the expectations shared herein are not limited to the Company's Growth. The Company's actual results, performance or achievements could differ from those shared herein.

On the other hand, the Management declares that, the financial statements have been prepared in compliance with the requirements of the Companies Act, 1956; Guidelines issued by the Securities Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India.

A. INDUSTRY STRUCTURE & DEVELOPMENTS

The financial year 2010-11 is another emerging year from the financial crisis on the International Markets in the year 2008-09. Though India's economy is not badly hit, it has definitely slowed down the exports. On the other hand, changing economy, business conditions and rapid technological innovation are creating an increasingly competitive market environment that is driving corporations to transform their operations. Also consumers of products & services are increasingly demanding accelerated delivery times at lower prices.

Companies are focusing on their core competencies and using outsourced technology service providers to adequately address these needs. The role of technology has evolved from supporting corporation to transforming their business. At the same time, corporations are reluctant to expand their internal IT Departments and increase costs. These factors have increased the reliance of corporations on their outsourced technology service providers and are expected to continue to drive future growth for outsource technology services.

Increasing Outsourcing Trend: Technology Companies are recognizing the benefits of offshore Service providers; their effective use of offshore technology, and wide variety of benefits to them, including lower costs of ownership of IT infrastructure, lower labor costs, improved quality and innovation, faster delivery of solutions, more flexibility in scheduling

in Software Research and Development and related support functions, are outsourcing a greater portion of these activities. This has also resulted in more and more diversified range of services delivered offshore.

According to NASSCOM Strategic Review, 2011 India is widely recognised as the premier destination for offshore technology services. IT service exports including hardware and engineering design and product development from India are estimated to grow by 22.7% in fiscal 2011, to record revenues of US\$ 33.5 billion. There are several key facts contributing to the growth of IT & IT enabled Services (ITes) in India and by Indian Companies. Some of these factors are high quality delivery, significant cost benefits and abundant skilled resources.

Further, during the financial year under review, the company's domestic market in hardware sales and services and networking segment has shown a reasonable increase and is expected to grow in the financial year 2011-12.

Quality Service & Customer Care

VAMA is very focused on Engineering; IT & ITes with Design Engineering Services especially in Automotive, Engineering, Oil & Natural Gas & Manufacturing sectors. We are very keen on our industry expertise and ensure specialized support for our clients. Therefore, we continually evaluate and train our professionals in new technologies and methodologies. Finally, we ensure the integrity of our service delivery by utilizing a scalable and secure infrastructure.

On the other hand we also strictly maintain the consistency of providing quality networking services and hardware services to our customers.

We firmly believe that, our processes, methodologies, knowledge management systems and tools reduce the overall cost to the client, has improved time to time and to market their solutions. The revenues attributed to the customer application development, maintenance and production support, product engineering, package enabled consulting and implementation and business transformation consulting services represented a part of our revenues in financial year 2010-11.



B. FINANCIAL INFORMATION

Sources of Funds

Currently, we have only one class of shares i.e., Equity Shares of par value ₹ 10/- each. Our Authorised Share Capital is ₹ 80,000,000 divided into 8,000,000 equity shares of ₹ 10/- each. The Issued, Subscribed and Paid Up capital stood at ₹ 70,380,000 divided into 7,038,000 equity shares of ₹ 10/- as at March 31, 2011 (same as the previous year).

Profit & Loss Account

The balance retained in the Profit & Loss account as at March 31, 2011 is ₹ 2,200,889/- and after providing for final dividend for the year of ₹ 1,407,600/- and Dividend Tax of ₹ 239,222/- thereon. The total amount of profits appropriated to dividend including Dividend Tax was ₹ 1,646,822/- as compared to ₹ 1,646,822/- in the previous year.

C. RESULTS OF OPERATIONS

Income

Our revenues are segmented as 100% EOU, Domestic and other Income.

100% EOU Revenues are for those services which are performed at our Software Development Center located in India (offshore revenues) towards IT & ITes services.

On the other hand domestic revenues are those revenues that are as a result of trading in hardware products, and related services, consultancy and projects.

(in ₹)

	2010-11	2009-10
100% Export Oriented Unit Services		
IT Services	30,610,943	39,929,771
Domestic Services		
Services/ Consultancy/Projects	23,846,173	26,283,331
Hardware Trading Sales (including Metal Sales)	46,326,544	24,104,058
Other Income	202,692	329,272
Total	1,00,986,352	90,646,432

Expenditure

(in ₹)

	2010-11	2009-10
Cost of Products and Services	44,663,215	25,247,506
Administrative & Selling Expenses	43,244,792	53,082,344
Financial Charges	1,872,815	1,569,825
Pre-operative Expenses written off	295,015	2,815,017
Depreciation	10,191,138	10,545,783
Prior Period adjustment	22,495	75,175
Total	100,289,470	93,335,650

D. Opportunities & Threats

Scope : We at VAMA, being Offshore Technology Service Providers, practicing high quality, Cost Competitive Technology Solutions and Related Support Functions to offshore Technology Service Providers to reduce cycle time for introducing new products and services. We firmly believe that our quality process and access to skilled talent base at lower costs enable us to take advantage of the trend towards outsourcing IT services.

Innovation, leadership, commitment to superior quality and process execution are the strengths of VAMA.

In view of establishing strong brand and long standing client relationships, to strengthen our position as a leading global technology service company by successfully differentiating our service offerings and increasing the scale of our operations, we understand that we have to expand geographically, continue to enhance our engagement models and offerings, continue to develop deep industry knowledge, increase business from existing and new clients, continue to invest in infrastructure and employees, enhance brand visibility.

Competition: Obviously we are operating in a highly competitive and rapidly changing market and in the future, we expect competition from companies establishing and building their offshore presence and firms in countries with lower personnel costs than those prevailing in India apart from those who



are strongly established. However, we understand that price alone cannot constitute a sustainable competitive advantage. We are confident to compete favorably with respect to these factors. The situation is demanding to provide end to end business solutions for our clients, which could lead to clients discontinuing their work with us.

E. OUTLOOK, RISKS AND CONCERNS

In this section, we are disclosing the risks and concerns of the company.

Revenues & Expenses

Like any other companies, even our expenses and revenues are difficult to predict, our revenues are highly dependent with clients primarily located in the US. The impact of economic slowdown or other factors that affect the economic health of US may also affect our business. Our revenues are largely dependent upon small number of clients and the loss of any one of the client will certainly impact the business. As a result, there is intense competition in the market for technology services and this can affect our cost advantages, which could reduce our share of business from clients and may decrease our revenues. Currency fluctuations may also affect the result of our operations.

Government & Compliance

Legislation in certain countries may restrict the company from outsourcing work to us. Increasing compliance in India and abroad is increasing the costs of compliance. Our increasing work with governmental agencies may expose us to additional risks. Our net income is expected to effect this financial year as a result of withdrawal of tax holiday for STPI units. The income can also be affected if the Government of India or the government of another country changes its tax policies in a manner that is adverse to us. Our ability to acquire companies organized outside India depends on the approval of the Government of India and/or Reserve Bank of India, and failure to obtain permissions and approval could adversely impact our business.

Human Resources:

Increasing cost of employees may affect the margins of the company and in addition, our services demands highly skilled technology professionals and our ability to hire, attract, motivate, retain and train our personnel is demanding higher cost. Apart from this, wage pressures in India and the requirement of hiring of personnel outside India may reduce our profit margin.

Customers & Clients

Our client's contracts are often conditioned upon our performance, which if unsatisfactory, may result in fewer revenues. Our engagements with customers are singular in nature and may not necessarily provide for subsequent engagements. Some of our long term client contracts contain certain provisions which, if triggered, could result in lower future revenues and profitability under the contract. This means that, our clients contracts can be terminated any time without cause. This could certainly affect the business negatively. On the other hand our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industry on which we focus.

F. SEGMENT-WISE PERFORMANCE

As of March 31, 2011 our main reportable segments are Software Development & Services (IT & ITES) and Product/Hardware Sales & Services.

Profitability

(₹ in Lakhs)

Particulars	Year ended March 31,		Growth%
	2011	2010	
Earnings before Interest, Depreciation and Tax (EBIDTA)	134.33	147.79	(9.11)%
Interest	8.87	3.18	178.93%
Depreciation	101.91	105.46	(3.36)%
Profit Before Tax	23.55	39.15	(39.84)%
Tax	1.54	5.70	(72.98)%
Profit for the year	22.01	33.45	(34.20)%



G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems adopted by the Company are adequate and appropriate to its operations. The system has been designed to ensure that assets and interest of the Company are protected and dependability of accounting data and its accuracy are ensured with proper checks and balances.

The Company has appointed M/s. B M Kumar & Associates, to oversee and carry out an internal audit of the Company's activities. The audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee.

The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The Company has an Audit Committee, the details of which have been provided in the Corporate Governance Report. The Audit Committee reviews Audit Reports submitted by the Internal Auditors.

The Company also meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations at periodic intervals.

For and on behalf of the Board

Sd/-

V. A. Rama Raju

Chairman and Managing Director

August 25, 2011
Hyderabad, A.P.

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by email to its members. To support the spirit of Green Initiative of the Government in full measure, members who have not registered their email addresses so far are requested to register their email address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are requested to contact our RTA, M/s. Bigshare Services Private Ltd and get your email Id updated.

Corporate Governance Report

Annexure-B forming part of Directors' Report



I. COMPANY'S PHILOSOPHY

VAMA's Corporate Governance Philosophy is to clearly distinguish and strictly adhere between personal and corporate resources and its conveniences to satisfy the spirit of Law by maintaining transparency, by providing shareholders with the required information by way of disclosures.

Board of Directors being the center for good corporate Governance; VAMA practices a simple and transparent corporate Structure and believes in well informed, active and Independent Board to ensure best standards of corporate Governance.

Also the management understands that it is only the trustee of the Shareholders Capital, The Board is actively involved in all important policy matters, guidelines, timely and accurate disclosures, financials, business performance, leadership and governance of the Company, to ensure shareholders welfare and easy going of the operations of the Company.

II. BOARD COMPOSITION

(a) Size and Composition of the Board

VAMA has an appropriate mix of Executive and Independent Directors to maintain the Independence of the Board, and to separate its functions of Governance and Management. The Board consists of 5 Directors, 2 of whom are Executive/Whole Time Directors and 3 are Independent Directors.

The Composition of the Board is in conformity with clause 49 of the Listing Agreement and the Board periodically evaluates the need for change in composition of its size.

The Board met 7 (seven) times during the financial year under review, on the dates as follows: 29th day of April, 2010, 30th day of July, 2010, 25th day of August, 2010, 9th day of September, 2010, 30th day of October, 2010, 29th day of January, 2011 & 7th day of March, 2011.

All the Directors attended all the aforementioned Board Meetings held during the financial year under review.

None of the Directors hold any membership on any Board or Committees of any listed company or subsidiaries of the listed company other than VAMA Industries Limited.

No. of Meetings Attended

Director's Name	Designation	No of Board Meetings Attended
Promoter & Executive Directors		
V. A. Rama Raju	Chairman & Managing Director	7
V. Rajam Raju	Executive Director	7
Non Promoter & Non Executive Directors		
R. Venkateswara Rao	Independent Director	7
K. Vara Prasad Raju	Independent Director	7
V. Ramakrishna Rao	Independent Director	7

Membership in other Boards or Committees

Director's Name	No. of Memberships in other Companies (Excluding Private Limited Companies)	
	Board	Committee
V. A. Rama Raju	Nil	Nil
V. Rajam Raju	Nil	Nil
R. Venkateswara Rao	Nil	Nil
K. Vara Prasad Raju	Nil	Nil
V. Ramakrishna Rao	Nil	Nil

Attendance at previous Annual General Meeting

Director's Name	Attendance at Previous AGM
V. A. Rama Raju	Yes
V. Rajam Raju	Yes
R. Venkateswara Rao	Yes
K. Vara Prasad Raju	No
V. Ramakrishna Rao	Yes

(b) Responsibilities of the Chairman and Whole Time Director of the Company

In short, the Managing Director & Executive Director are the mentors of the Management and responsible for Corporate Strategy, Planning, Internal & External Controls.

They also take care of business operations and targets, new initiatives and investments and planning for achieving targets.

They also overview customer service & support operations new advancements, in addition to governance, compliances and guidance on day to day challenges.

(c) Independent Directors

As per clause 49 of the listing agreement, an Independent Director means a non executive director of the Company who complies with the following.

Name of the Director	Designation
R. Venkateswara Rao	Independent Director
K. Vara Prasad Raju	Independent Director
V. Ramakrishna Rao	Independent Director

As mandated under Clause 49, the Independent Directors on VAMA's Board:

- do not have any material, pecuniary relationships or transactions with the company, its promoters, Directors, Senior Management or its holding company, subsidiaries and associates which may affect independence as a Director.
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been executive of the company in the immediately preceding three financial years.
- are not partners or executives or were not partners or executives during the preceding three years of the :

- statutory audit firm or the internal audit firm that is associated with the Company.
 - legal firm(s) and consulting firm(s) that have a material association with the company.
- are not material suppliers, service providers or customers or lessor or lessees of the Company which may affect independence of the Director.
 - are not substantial shareholders of the company i.e., do not own 2% or more of the block of voting shares.
 - are not less than 21 years of age.

III. AUDIT COMMITTEE

As per Clause 49 of the Listing Agreement

Our audit committee (the committee) comprises of 3 (three) Independent Directors. During the financial year under review audit committee met 5 (Five) times. Each member of the committee is an Independent Director, according to the definition laid down in the clause 49 of the Listing Agreement.

The primary objective of the committee is to monitor and provide effective supervision of the Management Financial Reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditors. The committee has the ultimate authority and responsibility to select, evaluate and if required replace the independent auditor in accordance with the Law. All possible measures are taken by the committee to ensure the objectivity and independence of the Independent auditor.

During the financial year under review the Audit Committee met five (5) time on 28th April, 2010, 29th July, 2010, 24th August, 2010, 29th October, 2010, 28th January, 2011.

Audit Committee attendance during the financial year 2011

Directors Name & Committee Position	Meetings attended
V. Ramakrishna Rao (Chairman)	5
R. Venkateswara Rao (Member)	5
K. Vara Prasad Raju (Member)	5

All the members were present in each of such meeting.

Company Secretary is the Secretary to the Committee.

All Members of the Audit Committee have accounting and Financial Management Expertise.

The Chairman of the Audit Committee attended the previous Annual General Meeting (AGM) held on 30th Day of September, 2010 to answer the Shareholders' queries.

The Role of the Audit Committee includes:-

1. Overseeing the Company's Financial Reporting Process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Reviewing, with the Management, the Annual financial statements before submission to the Board for Approval, with particular reference to:
 - (i) Matters required to be included in the Directors' Responsibility Statement to be included in the Boards Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - (ii) Changes, if any, in Accounting Policies and practices and reasons for the same.

- (iii) Major accounting entries involving estimates based on the exercise of judgment by the management.
- (iv) Significant adjustments made in the financial statements arising out of audit findings.
- (v) Compliance with listing and other legal requirements relating to financial statements.
- (vi) Disclosure of any related party transactions.
- (vii) Qualifications in the draft audit report.

4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
6. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

The Audit Committee is empowered under Clause 49(II)(C) of the Listing Agreement to :

- (i) Investigate any activity within its terms of reference.
- (ii) Seek information from any employee
- (iii) Obtain outside legal or other professional advice.
- (iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

IV. REMUNERATION COMMITTEE

The Company has a Remuneration Committee of 3 (Three) Independent and Non- Executive Directors which determines the compensation and benefits for Executive Directors.

The Composition of the Committee and the attendance of the members at the meeting of the committee are given below

Directors Name & Committee Position	No. of Meetings held	No. of Meetings attended
R. Venkateswara Rao (Chairman)	2	2
V. Ramakrishna Rao (Member)	2	2
K. Vara Prasad Raju (Member)	2	2

Remuneration policy

The Remuneration Committee recommends to the Board the compensation package of the Executive /Non-Executive Directors of the Company. The remuneration of the Executive Directors is within the ceilings laid down under Schedule XIII of the Companies Act, 1956.

The Company's remuneration policy is driven by the success and performance of the managerial personnel. While reviewing the remuneration of management personnel, the committee takes into account the following:

- (i) Financial position of the Company
- (ii) Trends in the Industry
- (iii) Appointee's qualification and experience
- (iv) Past performance
- (v) Past Remuneration etc.

Details of Remuneration to Directors for the Fiscal year 2010-11

(a) Executive Directors

V.A. Rama Raju	(in ₹)
Salary (Basic)	8,40,000
HRA	3,36,000
Other Allowances	804000
Total	19,80,000

V. Rajam Raju	(in ₹)
Salary (Basic)	8,40,000
HRA	3,36,000
Other Allowances	624000
Total	18,00,000

(b) Non Executive Directors

Remuneration paid to Non-executive Directors is Nil.

Shares held by Non-Executive Directors in the Company as on 31.03.2011 are as follows:-

Directors Name	No. of Shares held	% of shares held
R. Venkateswara Rao	700	0.009946%
V. Ramakrishna Rao	200	0.002842%
K. Vara Prasad Raju	Nil	Nil

V. SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

The composition and attendance of the Shareholders/Investor Grievance Committee is as under:

Directors Name & Committee Position	No. of Meetings held	No. of Meetings attended
R. Venkateswara Rao (Chairman)	4	4
K. Vara Prasad Raju (Member)	4	4
V. A. Rama Raju (Member)	4	4

The Shareholders / Investor Grievance Committee. is responsible for resolving investor's complaints pertaining to share transfers, non receipt of Annual Reports, Dividend Payments, Issue of Duplicate share certificates, Transmission of shares and other related complaints.

In addition to the above, this Committee is also empowered to oversee the work of M/s. Bigshare Services Private Ltd who is entrusted with the task of

Registrars and Share Transfer Agents of the Company.

Company Secretary is the Compliance Officer.

Shareholders Grievances during the Fiscal year 2010-11.

Nature of Queries / Complaints	Received during the year	Redressed during the year	Pending as on 31st March 2011
Change of Address	1	1	Nil
Sent for revalidation Name Correction	Nil	Nil	Nil
Bank Mandate Form	Nil	Nil	Nil

Please note that, there are No Complaints pending at the end of the Financial year 2010-11.

The committee along with the Registrar and Share Transfer Agents of the company follow the policy of attending the compliants if any within seven days from the date of receipt of the complaint.

VI. GENERAL SHAREHOLDERS INFORMATION

(a) The Details of the last three (3) Annual General Meetings are as follows:

Fiscal Year	Date & Time	Venue	Special Resolutions Passed
2009-10	Sep 30, 2010, (Thursday) at 11 A.M	# 201, Sri Sai Darsan Residency, 7-1-408 to 413, B a l k a m p e t Road, Ameerpet, Hyderabad -16	1. Revision in Remuneration of Chairman & Managing Director. 2. Revision in Remuneration of Executive Director
2008-09	Sep 30, 2009, (Wednesday) at 10 A.M	#201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad -16	None
2007-08	Sep 30, 2008, (Tuesday) at 11 A.M	#201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad -16	None

(b) Postal Ballot

i. During the year, no postal ballot process was taken up and hence no special resolutions were passed through postal ballot. Therefore providing details of person who conducted the postal ballot exercise do not arise.

ii. Special Resolution proposed to be conducted through Postal Ballot

As of now, there is no proposal to pass any Special Resolution through Postal Ballot. Special Resolution, if required to be passed in future will be decided at the relevant time.

iii. Procedure for Postal Ballot

The Procedure for postal Ballot is as per the provisions contained in this behalf in the Companies Act, 1956 and rules made there under viz. Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001 or any amendments thereto.

(c) Annual General Meeting

Date & Time : September 30, 2011 at 11.00 A.M

Venue: #201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyd-500 016

(d) Financial Year (2010-2011)

The Financial year under review is 2010-2011 [01 April, 2010 to 31 March, 2011].

(e) Book Closure

September 27, 2011 [Tuesday] to September 30, 2011 [Friday], (both days inclusive.)

(f) Dividend

Board of Directors at its meeting held on August 25, 2011 recommended the dividend of ₹ 0.20 (2%) per equity share of ₹ 10/- each for the financial year 2010-11 subject to the approval of shareholders at the ensuing Annual General Meeting. If approved the dividend will be paid on or before 30th day of October, 2011.



(g) Listing Details

At present, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE).

The Annual Listing fees for the financial year 2011-12 on equity share capital has been paid to BSE.

The Company has paid custodial fees for the year 2011-12 to National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] on the basis of number of beneficial accounts maintained by them as on March 31, 2011.

(h) Stock Information

BSE Scrip Code: 512175
Scrip Name: VAMA Industries Ltd
Symbol: VAMA IND
Series: EQ
ISIN: INE 685DI01014

(i) Market Price Data

Monthly high and low quotations of equity shares traded on Bombay Stock Exchange during the financial year 2010 -11:

Financial Year 2010-2011	BSE		
	High (Rs.)	Low (Rs.)	Volume (No. of shares)
April 2010	11.95	8.88	86183
May 2010	11.49	8.60	28997
June 2010	10.69	8.44	68654
July 2010	10.90	8.47	90943
August 2010	10.90	8.61	123801
September 2010	13.75	9.25	153882
October 2010	17.00	11.61	158615
November 2010	15.75	10.72	38181
December 2010	13.00	9.00	34234
January 2011	11.96	8.31	24829
February 2011	9.95	8.01	24310
March 2011	10.39	8.47	52584

(j) Distribution of Shareholding

[As on 31.03.2011]

Range of Equity Shares	No of Total Held	% of shares Capital	No of shares holders
1	49	0.00070	49
2-10	323	0.00459	60
11-50	3,452	0.04905	99
51-100	14,065	0.19984	149
101-200	22,639	0.32167	126
201-500	90,470	1.28545	232
501-1000	1,24,551	1.76969	151
1001-5000	4,40,709	6.26185	188
5001-10000	3,61,684	5.13902	50
10001 to 20000	5,97,421	8.48851	41
20001 to 30000	3,33,516	4.73879	13
30001 to 40000	3,84,491	5.46307	11
40001 to 50000	2,77,792	3.94703	6
50001 to 100000	4,71,422	6.69824	7
Above 1 Lakh	39,15,416	55.63251	7
Total	70,38,000	100 %	1189

(k) Shareholder holding more than 1% of the shares

The Details of the shareholders (non promoters) holding more than 1% of the equity as at March 31, 2011 are as follows:

[As on 31.03.2011]

Name of the Shareholder	No of shares	%
Venkata Kakumanu Krishna Rao	106950	1.52
Venu Gopala Raju Vegesna	84120	1.20
V. Chandravati	83542	1.19
Dharmesh R. Shah	73114	1.04
Total	347726	4.94

(l) Dematerialization of Shares and Liquidity

As at March 31, 2011, 60,52,478 equity shares representing 86 % of the total equity capital of the company were held in dematerialized form and the rest in the physical form.

Shares held in Demat & Physical mode as at March 31, 2011 are as follows:

[As on 31.03.2011]

Category	Share holders	Number of Shares	% of equity
NSDL	696	4755798	67.573%
CDSL	446	1296680	18.42%
Total Demated shares	1142	6052478	86.00%
Physical Mode	47	985522	14.003%
Grand Total	1189	7038000	100%

(m) Performance in comparison to broad based indices for financial year ended 31st March 2011- BSE Sensex Vs VAMA (Closing Share Prices in BSE)

Month	Sensex	VAMA(BSE)
Apr-10	17558.17	10.49
May-10	16944.63	10.48
Jun-10	17700.9	9.4
Jul-10	17868.29	10
Aug-10	17971.12	9.7
Sep-10	20069.12	12.99
Oct-10	20032.34	13.54
Nov-10	19521.25	11.4
Dec-10	20509.09	10.5
Jan-11	18327.73	8.9
Feb-11	17823.4	9.79
Mar-11	19445.22	9.39

BSE Sensex Vs VAMA Share Price in BSE



(n) Designated email Id for Investor Services

In terms of Clause 47(f) of the Listing Agreement, the designated email ID for investor's complaints is investorservices@vama.co.in.

(o) Shareholding Pattern

[As on 31.03.2011]

Category	Shares Holders	No. of shares held	Voting Rights (%)
Promotes, Directors & Relatives	13	3976866	56.51
Bodies Corporate	62	315303	4.48
Public	1108	2742012	38.96
NRIs' / OCBs'	3	3769	0.05
Others	1	50	0.00
Total	1187	7038000	100

(p) Outstanding GDRs/ ADRs/ warrants or any convertible instruments, conversion date and likely impact on Equity

The Company has not issued any of these instruments till date.

(q) Plant Location(s): Not applicable

(r) Communication Address for Investors:

Company Secretary & Compliance Officer

VAMA Industries Limited
Ground Floor, 8-3-191/147/24,
Plot No. B-12, Madhura Nagar,
S.R. Nagar [Post] Hyderabad 500 038, A.P, India.

(s) Registrar and Share Transfer Agents

The Board of Directors of the Company have delegated the power of share transfer and related operations to M/s. Bigshare Services Private Limited, Registrar and Share Transfer Agents.

All the correspondence relating to the shares of the company should be addressed to the RTA at the address given below.

Bigshare Services Private Limited

G-10, Left wing, Amrutha ville
Opp Yashoda Hospital
Somajiguda, Rajbhavan Road
Hyderabad 500 082, A.P.

(t) CEO Certification

As required by Clause 49 of the Listing agreement, the CEO certification is given as an Annexure to this Annual Report.

(u) Code of Conduct

In compliance with Clause 49 of the listing agreement, the company has adopted a code of conduct. This code is applicable to the members of the Board, the Executive Council and all employees of the company. The code of Conduct is available on our website, www.vamaind.com.

All the members of the Board and the Management personnel and senior have affirmed compliance to the code of conduct, as at March 31, 2011. A declaration to this effect, signed by the CEO, the Managing Director is provided under the head "Declaration of code of Conduct".

(v) Nomination in respect of shares held in Physical form

Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in Physical form in companies. Members, in particular those holding shares in single name may avail this facility by furnishing the particulars of their nomination in Form 2B for this purpose.

(w) Secretarial Audit

A qualified Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

VII. DISCLOSURES

(a) Related Party Transactions

Details of materially significant related party transactions i.e., transactions of the company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc are presented in the Notes to Accounts. None of the transactions with related parties is in conflict with the interest of the company.

(b) Details of Non- compliance

No penalty / strictures were imposed on the company by the Stock Exchange or SEBI or any statutory Authority or any matter related to the Capital market during the last 3 (Three) years.

(c) Details of Compliance of Mandatory requirements

Company has fully complied with the applicable mandatory requirements of clause 49 of the Listing Agreement executed with the stock Exchanges.

(d) Adoption of Non Mandatory requirements

The Company has a Remuneration Committee to evaluate remuneration packages for the Directors. Details of the Committee have been provided under section "Remuneration Committee".

(e) Auditors Certificate on Corporate Governance

The Company has obtained a certificate from its Statutory Auditors testifying to its compliances with the provisions relating to Corporate Governance laid out in clause 49 of the listing agreement executed with the stock exchanges. The certificate is annexed to this report and the same shall be forwarded to BSE where securities of the company are listed.

(f) Auditors Qualification on Financial Statements

The Company's Financial Statements are free from any qualifications by the Auditors.

VIII. MEANS OF COMMUNICATION

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of notices, results, Annual Reports and the company's website.

- (a) All the communication, results or notices etc, by way of News Papers is published in Business Standards (English) and Andhra Prabha (Telugu) dailies.
- (b) Financials are furnished to Bombay Stock Exchange (BSE) within the time specified under clause 41 of the Listing Agreement.
- (c) No presentations were made to institutional investors or to the analysts during the fiscal year under review.
- (d) The company promptly informs Stock Exchange about all the price sensitive information and all such other matters which in our opinion are material and relevant for the shareholders.
- (e) The companies **website : www.vamaind.com** contains separate section for investors where shareholders information is made available.

CEO Certification

[Pursuant to Clause 49(v) of the Listing Agreement]



The Board of Directors
VAMA Industries Limited

I, the undersigned, V. A. Rama Raju, Chairman and Managing Director of VAMA Industries Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit & Loss Account, Consolidated Accounts and other Financial Statements, read along with the Cash Flow Statements, and the Directors Report.
2. Based on our knowledge and information, the financial statement and other financial information included in this report, present in all material respects gives a true and fair view of the Company's affairs, the financial condition, results of operation and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
3. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We are responsible, for stabling and maintaining disclosures controls and procedures and internal controls over financial reporting for the company, and we have:
 - (a) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purpose in accordance with Generally Approved Accounting Principles (GAAP).
 - (b) Evaluated the effectiveness of the company's disclosures, controls and procedures.
 - (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
5. We have disclosed, based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
 - (a) There were no deficiencies in the design or operations of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - (b) there were no significant changes in internal controls during the year covered by this report.
 - (c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - (d) there were no instances of fraud and/or the involvement of the Management or other employees who have a significant role in the Company's internal control system of which the management or employees or aware of.
 - (e) I further declare that all the Board members and senior Managerial personnel have affirmed compliance with the code of Conduct for the fiscal year.

For Vama Industries Limited

Sd/-

V A Rama Raju

Chairman & Managing Director

August 25, 2011
Hyderabad, A.P.

**Conservation of Energy, Research & Development,
Technology Absorption and Foreign Exchange Earnings/ Outgo.**
Annexure-C forming part of Directors' Report



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

A) Conservation of Energy

The Operations of the company are not energy intensive. However, adequate measure has been taken to conserve and reduce the energy consumption by using energy efficient hardware and other equipment.

B) Technology Absorption, Adaptation and Innovation, Research & Development

Technology absorption, adoption and innovation

Your company continues to develop state of the art methods for absorbing, adapting and effectively deploying new technologies. Your company also continues to invest in the latest hardware and software.

Research & Development

The Research & Development activity of the company is mainly focused on software product development and ITes system to meet customer's requirements.

As a result of research efforts, the company has been able to develop processes and methodologies that have resulted in constant improvement in quality and productivity.

The future plan of action also lays stress on introduction of new software products for both domestic and export markets. Also the company continues to use the state of the art technology for improving the productivity and quality of its product and services.

Expenditure on R&D (₹ in Lakhs)

Expenditure on R&D	2010-11	2009-10
Capital	Nil	Nil
Recurring	43.95	Nil
Total	43.95	Nil
Total R&D Expenditure as % of total turnover	4.4%	Nil

C) Foreign Exchange Earnings and Outgo

- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.
The company is in the business of export of software and it is ongoing process for the company to explore and tap new markets.

Being an EOU, the main services of your company, IT & ITes are provided in the international markets and the Company continuously strives to export its entire services.

2. Foreign Exchange Earnings and Outgo

(in ₹)

Particulars	2010-11	2009-10
Foreign Exchange Earnings	30,610,943	39,929,771
Foreign Exchange outgo	12,374,837	11,95,553

For and on behalf of the Board of Directors

Sd/-

V. A. Rama Raju

Chairman and Managing Director

25th August, 2011

Hyderabad, A.P.

Annual General Meeting

Date & Time : 30th September, 2011 at 11.00 A.M.

Day : Friday

Venue : #201, Sri Sai Darsan Residency,
7-1-408 to 413, Balkampet Road,
Ameerpet, Hyd, A.P.

Book Closure

From : 27th September, 2011, [Tuesday]
to 30th September, 2011[Friday]
(Both days inclusive)

Green initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by email to its members. To support the spirit of Green Initiative of the Government in full measure, members who have not registered their email addresses so far are requested to register their email address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are requested to contact our RTA, M/s. Bigshare Services Private Ltd and get your email Id updated.

CERTIFICATE ON CORPORATE GOVERNANCE



CERTIFICATE ON CORPORATE GOVERNANCE

The Members
VAMA Industries Limited.

We have examined the compliance of conditions of Corporate Governance by VAMA Industries Limited, for the Financial year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliances is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for GV & Co.
Chartered Accountants

Sd/-
Grandhi Vittal
M.NO: 206462
Firm Reg No: 012875S

August 25, 2011
Hyderabad, A.P.

DECLARATION ON CODE OF CONDUCT

The Members
VAMA Industries Limited.

Sub: Declaration under Clause 49 of the Listing Agreement

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial year ended March 31, 2011.

For VAMA Industries Limited
Sd/-
V A Rama Raju
Chairman & Managing Director

August 25, 2011
Hyderabad, A.P.

The Members
Vama Industries Limited

We have audited the attached Balance Sheet of Vama Industries Limited, as at March 31, 2011 and also the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with the 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 mis-statement. An audit includes 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.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company, as we considered appropriate and the information and explanations given to us during the course of audit, we report that in our opinion:

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Since the company has not granted or taken any loans from parties listed in the register maintained under section 301 clauses 3(b), 3(c) and 3(d) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the necessary entries were entered into the register maintained under section 301.
6. The company has not accepted any deposits within the provisions of section 58A and 58AA of the Companies Act, 1956 and The Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, considering the size and nature of its business, the company has an internal audit system, which is adequate.
8. Maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the products of the company.

- 9.a) As per the records of the company, and information and explanation provided to us, the company is generally regular in depositing statutory dues with appropriate authorities, the amount of Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Customs Duty, Excise duty, Cess and other statutory dues. No undisputed amounts were outstanding as at 31st March, 2011 for a period more than six months from the date they became payable.
- b) Company received demand notices from Commercial Tax Department (Sales Tax) for the Financial Year 2006-07 for ₹ 5,82,778/- and Financial Year 2007-08 for ₹ 5,31,097/- respectively, in this regard the company filed an appeal at the Appellate Deputy Commissioner (CT) Punjagutta, Nampally, Hyderabad, by paying 12.5% of notice amount as deposit with the authorities.
10. The company doesn't have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year.
11. In our opinion and as per information and explanations given to us the company has not defaulted in repayment of dues to financial institutions and banks.
12. Based on our examination of documents and records, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Based on our examination of the records and evaluation of the related internal controls, the company is not dealing or trading in shares, securities, debentures and other investments.
14. According to the best of our information and explanations provided by the management, the company is neither a Chit/Nidhi/Mutual Benefit Fund/ Society. Hence the requirements of clause 4 (xiii) of the order is not applicable.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion and as per information and explanations given to us the term loans were applied for the purpose for which the loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that, no funds raised on short-term basis have been used for long-term investment.
18. Based on our examination of records and information provided to us by management we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the period covered by our audit report, the company has not issued any Debentures.
20. The company has not raised any money by issue of shares to public.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Further to our comments 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 accounts 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 with by this report are in agreement with the books of accounts;

- (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion 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 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 affairs of the company as at 31st March, 2011; and
- b. In the case of profit and loss account, of the profit for the year ended on that date.
- c. In the case of the cash flow statement of the cash flows of the company for the year ended on that date.

For GV & Co.
Chartered Accountants

Sd/-
Grandhi Vittal
Proprietor
M.No. 206462
Firm Reg.No. 012875S

25th August, 2011
Hyderabad, A.P.

CERTIFICATE

We have examined the above cash flow statement of Vama Industries Limited for the year ended March 31, 2011. This statement has been prepared by the Company in accordance with the requirement under clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company for the year ended March 31, 2011.

For GV & Co.
Chartered Accountants

Sd/-
Grandhi Vittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

25th August, 2011
Hyderabad, A.P.

Balance Sheet

as at March 31, 2011



Particulars	Sch. No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
A Sources of Funds			
I Shareholders' Funds			
Share Capital	1	70,380,000	70,380,000
II Reserves & Surplus			
Profit and Loss A/c	2	12,040,447	11,486,380
Deffered Tax			
- Up to Previous year		871,925	1,220,122
- Current Year		(282,414)	(348,197)
III Loan Funds			
Secured Loans	3		
- From Banks		5,310,429	3,283,395
- From Others		-	-
		88,320,387	86,021,700
B Application of Funds			
I Fixed Assets			
Gross Block	4	71,811,074	70,192,389
Less : Depreciation		37,957,117	28,073,174
Net Block		33,853,957	42,119,215
Capital Work-in-Process		4,394,715	-
		38,248,672	42,119,215
II Investments	5	5,654,528	5,654,528
III Current Assets, Loans & Advances:			
a. Inventories	6	8,690,274	7,032,041
b. Sundry Debtors	7	42,400,064	27,544,248
c. Loans and Advances	8	6,178,769	6,660,764
d. Deposits	9	3,515,694	1,441,017
e. Pre-paid Expenses	10	316,158	1,177,888
f. Cash and Bank balances	11	5,845,956	7,692,366
g. Advance Tax		3,044,229	2,599,365
		69,991,144	54,147,689
Less : Current Liabilites & Provisions			
a. Liabilities	12	23,490,495	13,629,929
b. Provisions	13	2,083,462	2,564,818
		25,573,957	16,194,747
Net Current Assets		44,417,187	37,952,942
IV Miscellaneous Expenditure	14	-	295,015
(to the extent not written off or adjusted)		88,320,387	86,021,700
Accounting Policies and Notes on Accounts	20		

The Schedules referred to above and the notes forming part of the accounts form an integral part of Balance Sheet

As per my report of even date

For G.V & Co.,

Chartered Accountants

Sd/-

Grandhi Vittal

Proprietor

Membership No. 206462

Firm Regn No. 012875S

Date : 25-08-2011

Place : Hyderabad, A.P.

for and on behalf of the Board of Directors

Sd/-
V. A. Rama Raju
Chairman & Managing Director

Sd/-
V. Rajam Raju
Executive Director

Sd/-
Jyothirmai R
Company Secretary

Profit and Loss Account

for the year ended March 31, 2011



Particulars	Sch. No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
I Income			
Revenue	15		
- Domestic		70,172,717	50,387,389
- Export [100% EOU]		30,610,943	39,929,771
Other Income		202,692	329,272
Accreditation/Decreditation to Inventories	16	1,658,233	6,604,291
		102,644,585	97,250,723
II EXPENDITURE			
Cost of Products and Services	17	44,663,215	25,247,506
Administrative and Selling Expenses	18	43,244,792	53,082,344
Financial Charges	19	1,872,815	1,569,825
Pre-operative Expenses written-off	14	295,015	2,815,017
Depreciation	4	10,191,138	10,545,783
Prior period adjustment		22,495	75,175
		100,289,470	93,335,650
III Profit Before Tax		2,355,115	3,915,073
Provision for Taxation			
- Current		436,640	917,996
- Deffered		(282,414)	(348,197)
IV Profit After Tax		2,200,889	3,345,274
Proposed Dividend		1,407,600	1,407,600
Provision for Dividend Tax		239,222	239,222
Transfer to General Reserve		-	-
V Balance carried forwarded to Next Year		554,067	1,698,452
Accounting Policies and Notes on Accounts	20		

The Schedules referred to above and the notes forming part of the accounts form an integral part of Profit & Loss Account.

As per my report of even date

For G.V &Co.,

Chartered Accountants

Sd/-

Grandhi Vittal

Proprietor

Membership No. 206462

Firm Regn No. 012875S

Date : 25-08-2011

Place : Hyderabad, A.P.

for and on behalf of the Board of Directors

Sd/-
V. A. Rama Raju
Chairman & Managing Director

Sd/-
V. Rajam Raju
Executive Director

Sd/-
Jyothirmai R
Company Secretary

Cash Flow Statement

for the year ended March 31, 2011



(₹ in Lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
A. Cash flow from Operating activities		
Net Profit before tax and exceptional item	23.55	39.15
Adjustments		
Profit / Loss on sale of fixed assets	1.05	-
Depreciation and amortisation	101.91	105.46
Interest and dividend income	(2.03)	(3.29)
Misc. Expenses written off	2.95	28.15
Effect of exchange differences on translation of foreign currency cash and cash equivalents	8.01	7.34
Interest Paid	8.92	3.18
Changes in current assets and liabilities		
Trade and Other Receivables	(165.14)	(147.41)
Current Liabilities	98.61	74.77
Income Taxes paid during the year	(13.63)	(21.09)
Net cash generated by Operating Activities	64.20	86.25
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(27.31)	(6.60)
Capital Work-in-progress	(43.95)	-
Proceeds on disposal of Fixed Assets	7.00	-
Investments	-	-
Acquisition of Companies	-	-
Advances	4.82	(47.93)
Deposits	(20.75)	(0.09)
Prepaid Expenses	8.62	(9.80)
Right Issue expenses	-	-
Interest and Dividend Income	2.03	3.29
Cash flow before exceptional items	(69.54)	(61.13)
Exceptional Items	-	-
Net Cash used in investment activities	(69.54)	(61.13)
C. Cash Flow from Financing Activities		
Issue of Share Capital	-	-
Dividends Paid during the year	(14.08)	(14.08)
Receipt/(Payment) of Secured Loans	20.27	16.26
(Receipt)/Payment of Un-Secured Loans	-	-
Interest Paid	(8.92)	(3.18)
Dividend tax paid during the year	(2.39)	(2.39)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(8.01)	(7.34)
Net cash used in financing activities	(13.12)	(10.72)
Net (Decrease) / Increase in cash and cash equivalents	(18.46)	14.40
Cash and cash equivalents at the beginning of the year	76.92	62.52
Cash and Cash equivalents at the end of the year	58.46	76.92

As per my report of even date

for and on behalf of the Board of Directors

For G.V & Co.,
Chartered Accountants

Sd/-
V. A. Rama Raju
Chairman & Managing Director

Sd/-
V. Rajam Raju
Executive Director

Sd/-
Grandhi Vittal
Proprietor

Membership No. 206462 Date : 25-08-2011
Firm Regn No. 012875S Place : Hyderabad, A.P.

Sd/-
Jyothirmai R
Company Secretary

Schedules

forming part of Balance Sheet and Profit & Loss Account



Sch. No.	Particulars	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
1	Share Capital		
	Authorised :		
	80,00,000 Equity shares of ₹10/- each	<u>80,000,000</u>	<u>80,000,000</u>
	Issued, Subscribed and Paid-up :		
	70,38,000 Equity shares of ₹10/- each fully paid-up.	<u>70,380,000</u>	<u>70,380,000</u>
		<u>70,380,000</u>	<u>70,380,000</u>
2	Profit and Loss A/c		
	As per last Balance Sheet	11,486,380	9,787,928
	Add : Addition during the year	<u>554,067</u>	<u>1,698,452</u>
		<u>12,040,447</u>	<u>11,486,380</u>
3	Secured Loans		
	From Banks - For Working Capital	3,679,004	2,207,792
	From Banks - For Vehicle Loan	<u>1,631,426</u>	<u>1,075,603</u>
		<u>5,310,429</u>	<u>3,283,395</u>
5	Investments		
	5,38,000 Equity Shares in Winfarm Agro Industries Limited (at cost)	5,380,000	5,380,000
	Vama Asia Pte. Ltd. Singapore	<u>274,528</u>	<u>274,528</u>
		<u>5,654,528</u>	<u>5,654,528</u>
6	Inventories (As taken, valued and certified by Management)		
	Stores and Spares	<u>8,690,274</u>	<u>7,032,041</u>
		<u>8,690,274</u>	<u>7,032,041</u>
7	Sundry Debtors (Unsecured, Considered good)		
	Outstanding for more than 6 Months	5,003,888	4,919,346
	Outstanding for less than 6 Months	<u>37,396,176</u>	<u>22,624,902</u>
		<u>42,400,064</u>	<u>27,544,248</u>
8	Loans and Advances (Unsecured, Considered good unless otherwise stated)		
	Loans		
	To Employees	1,711,152	1,725,846
	To Advance to Suppliers	<u>386,797</u>	<u>716,389</u>
	To Others	<u>4,080,820</u>	<u>4,218,529</u>
		<u>6,178,769</u>	<u>6,660,764</u>

Schedules

forming part of Balance Sheet and Profit & Loss Account



Sch. No. 4. Fixed Assets and Depreciation as on 31.03.2011

Particulars	Rate of Dep.	Gross Block			Depreciation			Net Block		
		As on 01.04.2010	Addition during the year	Sale of Assets	As on 31.03.2011	As on 01.04.2010	For the year	Sale of Assets	As on 31.03.2011	As on 31.03.2010
Computers and Peripherals	16.21%	12,386,109	246,907	-	12,633,016	7,976,799	1,608,749	-	9,585,548	4,409,310
Softwares	16.21%	48,665,119	-	-	48,665,119	16,257,104	7,760,728	-	24,017,832	32,408,015
Furniture and Fixtures	6.33%	2,650,896	42,880	-	2,693,776	1,174,295	135,770	-	1,310,065	1,476,601
Air Conditioners	6.33%	469,650	22,800	-	492,450	121,122	31,065	-	152,187	348,528
Electrical Fittings	6.33%	358,471	-	-	358,471	105,163	22,691	-	127,854	253,308
Office Equipment	4.75%	1,117,038	102,030	-	1,219,068	449,641	57,046	-	506,687	667,397
Motor Cars	9.50%	4,545,106	2,316,487	1,112,420	5,749,173	1,989,050	575,089	307,195	2,256,944	2,556,056
Total		70,192,389	2,731,104	1,112,420	71,811,073	28,073,174	10,191,138	307,195	37,957,117	42,119,215
Previous Year		(69,532,701)	(659,688)	-	(70,192,389)	(17,527,391)	(10,545,783)	-	(28,073,174)	(52,005,310)

Schedules

forming part of Balance Sheet and Profit & Loss Account



Sch. Particulars No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
9 Deposits		
Telephone Deposits	27,545	28,026
Tender Deposits	108,492	153,615
Rent Deposit	3,249,160	1,056,384
Other Deposits	130,497	202,992
	3,515,694	1,441,017
10 Pre-paid Expenses		
Insurance	116,997	127,694
Other Expenses	199,161	1,050,194
	316,158	1,177,888
11 Cash and Bank balances		
Cash on Hand	47,495	86,132
Balances with Scheduled Banks in Current Accounts	2,362,062	477,777
in Fixed Deposits (₹ 25,33,317/- under lien to Bank against BGs-F.Y. 2010-11) (₹ 28,96,450/- under lien to Bank against BGs-F.Y. 2009-10)	3,436,399	7,128,457
	5,845,956	7,692,366
12 Liabilities		
Sundry Creditors		
Dues to SSIs	-	-
Dues to Suppliers other than SSIs	20,143,578	9,871,342
Statutory Liabilities	1,361,537	798,069
Other liabilities	1,985,380	2,960,519
	23,490,495	13,629,929
13 Provisions		
for Income Tax	436,640	917,996
for Dividends	1,407,600	1,407,600
for Dividend Tax	239,222	239,222
	2,083,462	2,564,818
14 Miscellaneous Expenditure (To the extent not written-off or adjusted)		
Opening Balance	295,015	590,032
Additions during the year	-	-
Less : written-off during the year	295,015	295,017
	-	295,015
Good Will	-	2,520,000
Less : written-off during the year	-	2,520,000
	-	-
	-	295,015

Schedules

forming part of Balance Sheet and Profit & Loss Account



Sch. Particulars No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
15 Revenue		
Domestic		
Services/Consultancy/Projects	23,846,173	26,283,331
Hardware Trading Sales	46,326,544	24,104,058
	70,172,717	50,387,389
Export		
IT Services	30,610,943	39,929,771
	30,610,943	39,929,771
16 Accredition/Decredition to Inventories		
Inventories as on 31.03.2011	8,690,274	7,032,041
Inventories as on 31.03.2010	7,032,041	427,750
	1,658,233	6,604,291
17 Cost of Products and Services		
Purchase of Material	44,556,723	24,915,947
Labour Charges	106,492	331,559
	44,663,215	25,247,506
18 Administrative and Selling Expenses		
Advertisement	97,213	78,218
Audit Fee		
Statutory Audit	80,000	40,000
Tax Audit	20,000	10,000
Business Promotion Exp.	231,796	580,171
Commission	560,417	204,008
Conveyance	1,053,908	1,083,157
Directors Remuneration	2,880,000	3,000,000
Electricity charges	467,704	436,408
Fees and taxes	80,543	218,114
Office & General exp	749,262	643,886
Insurance	477,123	307,354
Internet expenses	396,793	566,560
ISO charges	24,000	12,000
Legal and Professional exp.	5,309,119	12,152,363
Listing Fees	45,000	45,000
Loss on Sale of Fixed Assets	105,225	-
Office Rent	2,927,548	1,585,500
Postage and Telegram	86,303	82,545
Printing and stationery	223,771	244,809
Professional Tax	2,500	2,500
Repairs and Maintenance	742,151	460,484
Sales Tax Paid	411,238	1,097,610
Service Tax	141,747	-

Schedules

forming part of Balance Sheet and Profit & Loss Account



Sch. Particulars No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
Staff Salaries, PF, ESI & Other Benefits to Employees	23,680,550	26,262,249
Staff Welfare Expenses	73,483	71,320
STPI Service charges	2,500	150,000
Software AMC	413,864	-
Telephone charges	275,128	260,515
Tender charges	5,400	32,735
Travelling Expenses	1,585,832	3,317,289
Vehicle Maintenance	94,675	137,549
	43,244,792	53,082,344
19 Financial Charges		
Bank charges	180,129	518,188
Forex Fluctuations	800,891	733,889
Interest on Secured Loans	886,901	307,370
Interest on others	4,894	10,378
	1,872,815	1,569,825

The Schedules referred to above and the notes forming part of the accounts form an integral part of Balance Sheet and Profit and Loss Account

As per my report of even date

For G.V & Co.,
Chartered Accountants

Sd/-

Grandhi Vittal
Proprietor
Membership No. 206462
Firm Regn No. 012875S

for and on behalf of the Board of Directors

Sd/-

V. A. Rama Raju
Chairman & Managing Director

Sd/-

V. Rajam Raju
Executive Director

Sd/-

Jyothirmai R
Company Secretary

Date : 25-08-2011

Place : Hyderabad, A.P.

Schedules

forming part of Balance Sheet and Profit & Loss Account



Schedule 20 : SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use.

Management evaluates all relevant issues or revised accounting standards on an ongoing basis.

2. Revenue Recognition

- ♣ Revenue from sale of computer hardware is recognized on dispatch of the products from the company for delivery to the customers. Revenue from product sale are shown net of sales tax separately charged and discounts as applicable.
- ♣ Revenue from IT Services consists of earnings from services performed on a 'time and material' basis and fixed price contracts. The related revenue is recognized as and when the services are performed and delivered.
- ♣ Revenue from Annual Maintenance Contracts (AMCs) is recognized on accrual basis as per the Contracts / Agreements entered with the Clients.
- ♣ Other income is recognized on accrual basis.

3. Translation of Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Gain/Loss of foreign exchange on settlement of transaction arising on receipt of the amounts receivable, are recognized as income or expense for the period. In all other cases gain or loss is accounted for on the realizable value as on last day of the financial year.

4. Expenditure

All expenditure and costs are recognized on accrual basis and due provision is made for all the known losses and liabilities.

5. Fixed Assets, Work in progress and Depreciation

- ♣ Fixed Assets are stated at cost of acquisition and any cost attributable for bringing the asset to the condition for its intended use less Depreciation for the financial year.
- ♣ Interest arising on acquisition of fixed assets on hire purchase is charged to profit and loss account.
- ♣ As on the date of the Balance Sheet, the cost of fixed Assets purchased and not ready for use are shown under Capital Work-In Progress.

Schedules

forming part of Balance Sheet and Profit & Loss Account



6. Depreciation

Fixed assets are stated at cost less depreciation. Cost of acquisition is inclusive of freight, taxes and installation. Depreciation on assets is provided pro-rata for the period of use, by the Straight Line Method (SLM) at the rates prescribed in Schedule XIV of the Companies Act, 1956.

7. Investments

Investments are intended to be held for long term and are valued at cost of acquisition. Investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments. Overseas investments are carried at their original rupee cost. The market value of the Investments is not available as it is not a quoted share.

8. Inventories

Inventories are valued at lower of cost or net realizable value. Cost of hardware and software purchased for resale are considered using the first-in-first-out method.

9. Employee Benefits

Contributions to Provident Fund, Employees State Insurance are charged as incurred on accrual basis. The liability for retirement benefits of employees, if arise, will be accounted for on cash basis.

10. Contingent Liability

1. Company received demand notices from Commercial Tax Department (Sales Tax) for the Financial Year 2006-07 for ₹ 5,82,778/- and Financial Year 2007-08 for ₹ 5,31,097/- respectively, in this regard we have filed an appeal at the Appellate Deputy Commissioner (CT) Punjagutta, Nampally, Hyderabad, by paying 12.5% of notice amount as deposit with the authorities.
2. The liability towards bank guarantees issued to various parties by the company in the course of business is fully covered against the fixed deposits with the banks which are held by the bankers as security.

11. Income Tax

Income taxes are accounted for in accordance with AS-22, namely "Accounting for taxes on Income" issued by ICAI. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid / recovered from the revenue authorities, using the applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

Schedules

forming part of Balance Sheet and Profit & Loss Account



12. Cash Flow Statement

Cash flows are reported using Indirect Method in accordance with AS-3, namely "Cash Flow Statement" issued by ICAI and as per the Clause 32 of the Listing Agreement where by net profit before tax is adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular business operations, investment activities and financing activities are classified under the cash flow.

NOTES FORMING PART OF ACCOUNTS

1. Sundry debtors, Loans & Advances and Creditors balances are subject to confirmation.
2. All amounts in the Financial Statements are presented in Rupees except in cash flow statement where amounts are presented in lakhs.
3. The previous years figures have been regrouped or reclassified where ever necessary to conform to the current year's presentation.
4. There are no capital commitments identified by the management for the Current Financial Year. There are no contingent liabilities identified by the management.
5. There are no contracts remaining to be executed on capital account and not provided for, during the current financial year.

6. Loan Funds:-

Secured Loans from ICICI Bank is towards purchase of Motor Cars against Hypothecation of the same against the loans of ₹ 16.31 lakhs (₹ 10.76 Lakhs – March 31, 2010) and The company has availed a Working Capital facility in the form of Cash Credit of ₹ 36.79 lakhs (FY 2009-10 – ₹ 22.07 lakhs) from State Bank of India, Hyderabad. This facility is secured by Stock, Book Debts of the Company and personal properties of Director of the Company. There are no other secured loans sanctioned in favor of or accepted by the Company.

7. Activity in foreign currency:-

(Amount in ₹)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Earnings in Foreign currency		
– From Engg. Services	2,88,64,954	3,33,74,842
– from Software Development	17,45,989	65,54,929
– Others	Nil	Nil
Total	3,06,10,943	3,99,29,771
Expenditure in Foreign Currency		
– for Foreign Travel	6,43,999	11,95,553
– for purchase of Material (Metal, Systems & Servers)	1,14,73,342	1,67,715
– for Vama Asia Pte Ltd (Subsidiary)	Nil	Nil
Total	1,23,74,837	11,95,553
Foreign currency used for investment		
- in Subsidiary	Nil	Nil
- as advances to Subsidiary	Nil	Nil
Total	Nil	Nil

Schedules

forming part of Balance Sheet and Profit & Loss Account



8. Lease Rentals

The lease rentals charged during the year and maximum obligation on long-term non-cancelable operating lease payable as per the rentals stated in the respective agreements as per AS-19.

(Amount in ₹)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Lease rentals recognized during the year	29,27,548	15,85,500
Within one year of the balance sheet date	28,11,181	27,39,000
Due in a period between one year and five years	12,16,774	8,12,903
Due after five years	Nil	Nil

The operating lease agreements extend to a maximum period of three years from their dates of inception and relate to the office premises. These lease agreements have a price escalation clause.

9. Related party transactions

There are no related party transactions during the current financial year except the following:

Name	Relation /Designation	Nature of Payment	Amount in ₹
a) Wholly owned Subsidiary Vama Asia Pte. Ltd.	Wholly Owned Subsidiary	Outstanding Balance paid	1,67,715
b) Directors V. A. Rama Raju	Chairman & Managing Director	Directors Remuneration	19,80,000
V. Rajam Raju	Executive Director	Directors Remuneration	18,00,000
c) Key Management Personnel V Parvathi	W/o.V. A. Rama Raju, CMD	Rent for Office Premises	1,92,000
D. Tanuja	D/o. V. A. Rama Raju, CMD	Salary	2,24,000
		Salary	95,000
d) Common Director Reliance Tea Pvt Ltd	Common Directors	Rent for Consultancy Charges	1,40,000 9,10,000

Note : The above remuneration was paid as per the terms of engagement of their services.

10. Managerial Remuneration

Remuneration to the Key Management Personnel is detailed as under:

(Amount in ₹)

Name	Designation	Remuneration	
		2010-11	2009 - 10
V.A. Rama Raju	Chairman & Managing Director	19,80,000	15,00,000
V. Rajam Raju	Executive Director	18,00,000	15,00,000

The compensation committee is responsible for devising the remuneration and benefits for the Executive Directors and the committee also frames their remuneration and other benefits.

Schedules

forming part of Balance Sheet and Profit & Loss Account



11. Traveling Expenses (Directors)

Domestic Traveling Expenses	₹ 2.43 lakhs	(₹ 1.85 lakhs)
Expenditure on Foreign Travel	Nil	(₹ 4.04 lakhs)

12. Audit Fee

as Statutory Auditors	--	₹ 88,240/-	(₹ 44,120/-)
as Tax Auditors	--	₹ 22,060/-	(₹ 11,030/-)
for Expenses	--	Nil	(Nil)
Certification Fees	--	Nil	(Nil)
as Advisor	--	Nil	(Nil)

13. Segment Reporting

The segment report prepared in accordance with the Accounting Standard 17 'Segment Reporting' issued by the ICAI.

(₹ in Lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Revenue		
Software Development & Services		
- Exports	306.11	399.30
- Domestic	88.38	162.56
Total	394.49	561.86
Hardware Sales & Services		
- Gross Receipts (including Metal Sales)	613.35	341.31
Total Revenue	1007.84	903.17
Segment Results (Profit before Tax and Interest from the Segment)		
Software Development & Services	50.23	47.97
Hardware Sales & Services	(17.81)	(5.75)
Total	32.42	42.22
Less: Interest	8.87	3.07
Profit Before Tax	23.55	39.15
Segment Capital Employed		
Software Development & Services	250.23	195.04
Hardware Sales & Services	632.97	665.18
Total	883.20	860.22

Schedules

forming part of Balance Sheet and Profit & Loss Account



14. Earning per Share

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Number of Shares	70,38,000	70,38,000
Net Profit After Tax (in ₹)	22,00,889	33,45,274
Earnings Per Share (EPS)	0.31	0.48

15. Investments

In line with the Accounting Policy, the investment in equity in Vama Asia Pte Ltd is carried at their original cost. The difference in value of investments considering the value of exchange as on the date of Balance Sheet amounts to ₹ 79,316/-.

16. Project Development Expenditure

(in respect of projects upto March 31, 2011)

(₹ in Lakhs)

	2010-11	2009-10
Opening Balance	Nil	Nil
Add: Project Development Expenditure incurred during the year	43.95	Nil
Less: Project Development Expenses Capitalised during the year	Nil	Nil
Closing Balance	43.95	Nil

The company upgrading one of its project execution tool RMS. The total estimated cost of this upgrading project is ₹ 93.00 lakhs. Out of the same ₹ 43.95 lakhs has been spent on this project during the current financial year. The scheduled project completion date is November, 2011.

Balance Sheet Abstract



ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL PROFILE

I Registration Details			
Registration No.	41126	State Code	01
Balance Sheet Date	March 31, 2011		
II Capital raised during the year	(₹ in Lakhs)		
Public Issue	Nil		
Rights Issue	Nil		
Bonus Issue	Nil		
Issue of Share pursuant to the scheme of amalgamation	Nil		
Employees Stock Options	Nil		
III Position of mobilisation of and deployment of funds	(₹ in Lakhs)		
Total Liabilities	883.20	Total Assets	883.20
Sources of Funds		Application of Funds	
Paid-up Capital	703.80	Net Fixed Assets	382.49
Reserves & Surplus	120.40	Investments	56.55
Secured Loans	53.10	Capital work in progress	Nil
Unsecured Loans	Nil	Net Current Assets	444.17
Deffered Tax Liability	5.90	Misc.Expenditure	Nil
IV Performance of the Company	(₹ in Lakhs)		
Turnover	1007.84		
Total Expenditure	984.29		
Profit Before Tax	23.55		
Profit After Tax	22.01		
Earning Per Share	0.31		
V Generic name of the Company	(as per monetary terms)		
i) Item code no (ITC Code)	8529009		
Product description	Computer Software & IT Enabled Services		
ii) Item code no (ITC Code)			
Product description			

for and on behalf of the Board of Directors

Sd/-
V. A. Rama Raju
Chairman & Managing Director

Sd/-
V. Rajam Raju
Executive Director

Sd/-
Jyothirmai R
Company Secretary

Date : 25-08-2011
Place : Hyderabad, A.P.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary : Vama Asia Pte. Ltd.,
Registered Office Address : 8 Burn Road, # 08-02 /03 Trivex, Singapore 369977
Financial year on : 31st March, 2011

Shares held by the Company on the above date

(A) Number and face value : 10,000 S\$ Equity shares of S\$ 1 Each fully paid
(B) Extent of holding : 100%

Net aggregate amount of profit or losses of the subsidiary for the above financial year of the subsidiary not dealt with in the Company's account so far as it concerns the members of the Holding Company

(a) For the financial year of the subsidiary : S\$ (3,167)
(b) For the previous financial : S\$ (3,585)

Net aggregate amount of profit or losses of the subsidiary for the above financial year of the subsidiary dealt with in the Company's account

(a) For the financial year of the subsidiary : Nil
(b) For the previous financial year : N.A

for and on behalf of the Board of Directors

Sd/-
V. A. Rama Raju
Chairman & Managing Director

Sd/-
V. Rajam Raju
Executive Director

Sd/-
Jyothirmai R
Company Secretary

Date : 25-08-2011
Place : Hyderabad, A.P.

Auditor's Report

on Consolidated Financial Statements



The Members
Vama Industries Limited

1. We have audited the attached consolidated balance sheet of Vama Industries Limited ("the Company") as at March 31, 2011, the consolidated profit and loss account for the year ended on that date annexed thereto, and the consolidated cash flow statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes 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. We did not audit the financial statements of Vama Asia Pte Ltd., Singapore entity, whose financial statements reflect total assets of ₹ 2.58 lakhs (₹ 3.33 lakhs – March 31, 2010) as at March 31, 2011 and net loss of ₹ 0.78 lakhs (Loss of ₹ 1.32 lakhs – March 31, 2010) for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these consolidated entities, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Vama Industries Limited and its consolidated entity included in the consolidated financial statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its consolidated entities, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the consolidated state of affairs of the Company and its consolidated entities as at March 31, 2011;
 - b) in the case of the consolidated profit and loss account, of the consolidated results of operations of the Company and its consolidated entities for the year ended on that date; and
 - c) in the case of the consolidated cash flow statement, of the consolidated cash flows of the Company and its consolidated entities for the year ended on that date.

For GV & Co
Chartered Accountants
Sd/-
Grandhi Vittal
Proprietor
M.No. 206462
Firm Regn No. 012875S

Date : 25-08-2011
Place: Hyderabad, A.P.

Consolidated Balance Sheet

as at March 31, 2011



Particulars	Sch. No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
A Sources of Funds			
I Shareholders' Funds			
Share Capital	1	70,380,000	70,380,000
II Reserves & Surplus			
Profit and Loss A/c	2	12,021,117	11,544,871
Deffered Tax			
- Up to Previous year		871,925	1,220,122
- Current Year		(282,414)	(348,197)
III Loan Funds			
Secured Loans	3		
- From Banks		5,310,429	3,283,395
- From Others		-	-
		88,301,057	86,080,191
B Application of Funds			
I Fixed Assets			
Gross Block	4	71,830,814	70,212,130
Less : Depreciation		<u>37,976,857</u>	<u>28,092,913</u>
Net Block		33,853,957	42,119,217
Capital Work-in-Process		<u>4,394,715</u>	-
		<u>38,248,672</u>	<u>42,119,217</u>
II Investments	5	5,380,000	5,380,000
III Current Assets, Loans & Advances			
a. Inventories	6	8,690,274	7,032,041
b. Sundry Debtors	7	42,400,064	27,544,248
c. Loans and Advances	8	6,178,769	6,660,764
d. Deposits	9	3,515,694	1,441,017
e. Pre-paid Expenses	10	316,158	1,177,888
f. Cash and Bank balances	11	6,183,559	7,937,573
g. Advance Tax		3,044,229	2,599,365
		<u>70,328,747</u>	<u>54,392,896</u>
Less : Current Liabilites & Provisions			
a. Liabilities	12	23,572,900	13,542,119
b. Provisions	13	<u>2,083,462</u>	<u>2,564,818</u>
		<u>25,656,362</u>	<u>16,106,937</u>
Net Current Assets		44,672,385	38,285,959
IV Miscellaneous Expenditure	14	-	295,015
(to the extent not written off or adjusted)			
		88,301,057	86,080,191

The Schedules referred to above and the notes forming part of the accounts form an integral part of the Balance Sheet.

As per my report of even date

for and on behalf of the Board of Directors

For G.V & Co.,

Chartered Accountants

Sd/-

V. A. Rama Raju

Chairman & Managing Director

Sd/-

V. Rajam Raju

Executive Director

Sd/-

Jyothirmai R

Company Secretary

Sd/-
Grandhi Vittal

Proprietor

Membership No. 206462

Firm Regn No. 012875S

Date : 25-08-2011

Place: Hyderabad, A.P.

Consolidated Profit & Loss Account

for the year ended March 31, 2011



Particulars	Sch. No.	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
I Income			
Revenue	15		
- Domestic		70,172,717	50,387,389
- Export [100% EOU]		30,610,943	39,929,771
Other Income		236,941	329,272
Accreditation / Decreditation to Inventories	16	1,658,233	6,604,291
		102,678,834	97,250,723
II EXPENDITURE			
Cost of Products and Services	17	44,663,215	25,247,506
Administrative and Selling Expenses	18	43,354,208	53,188,890
Financial Charges	19	1,875,469	1,595,382
Pre-operative Expenses written-off	14	295,015	2,815,017
Depreciation	4	10,191,138	10,545,783
Prior period adjustment		22,495	75,175
		100,401,540	93,467,753
III Profit Before Tax		2,277,294	3,782,970
IV Provision for Taxation			
- Current		436,640	917,996
- Deffered		(282,414)	(348,197)
V Profit After Tax		2,123,068	3,213,171
Proposed Dividend		1,407,600	1,407,600
Provision for Dividend Tax		239,222	239,222
Transfer to General Reserve		-	-
V Balance carried forwarded to Next Year		476,246	1,566,349

The Schedules referred to above and the notes forming part of the accounts form an integral part of the Profit and Loss A/c.

As per my report of even date

For G.V &Co.,

Chartered Accountants

for and on behalf of the Board of Directors

Sd/-

Grandhi Vittal

Proprietor

Membership No. 206462

Firm Regn No. 012875S

Date : 25-08-2011

Place: Hyderabad, A.P.

Sd/-

V. A. Rama Raju

Chairman & Managing Director

Sd/-

V. Rajam Raju

Executive Director

Sd/-

Jyothirmai R

Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2011



(₹ in Lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
A. Cash flow from Operating activities		
Net Profit before tax and exceptional item	22.77	37.83
<i>Adjustments</i>		
Profit / Loss on sale of fixed assets	1.05	-
Depreciation and amortisation	101.91	105.46
Interest and dividend income	(2.03)	(3.29)
Misc. Expenses written off	2.95	28.15
Effect of exchange differences on translation of foreign currency cash and cash equivalents	8.01	7.34
Interest Paid	8.92	3.18
<i>Changes in current assets and liabilities</i>		
Trade and Other Receivables	(165.14)	(147.41)
Current Liabilities	98.73	74.77
Income Taxes paid during the year	(13.63)	(21.09)
Net cash generated by operating activities	63.55	84.93
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(27.31)	(6.60)
Capital Work-in-progress	(43.95)	-
Proceeds on disposal of Fixed Assets	7.00	-
Investments	-	-
Acquisition of Companies	-	-
Advances	6.37	(46.22)
Deposits	(20.75)	(0.09)
Prepaid Expenses	8.62	(9.80)
Right Issue expenses	-	-
Interest and Dividend Income	2.03	3.29
Cash flow before exceptional items	(67.99)	(59.42)
Exceptional Items	-	-
Net Cash used in investment activities	(67.99)	(59.42)
C. Cash Flow from Financing Activities		
Issue of Share Capital	-	-
Dividends Paid during the year	(14.08)	(14.08)
Receipt /(Payment) of Secured Loans	20.27	16.26
(Receipt) /Payment of Un-Secured Loans	0.03	-
Interest Paid	(8.92)	(3.18)
Dividend tax paid during the year	(2.39)	(2.39)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(8.01)	(7.34)
Net cash used in financing activities	(13.10)	(10.71)
Net (Decrease) / Increase in cash and cash equivalents	(17.54)	14.80
Cash and cash equivalents at the beginning of the year	79.38	64.58
Cash and Cash equivalents at the end of the year	61.84	79.38

As per my report of even date

For G.V &Co.,
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

Sd/-

Grandhi Vittal
Proprietor

V. A. Rama Raju
Chairman & Managing Director

V. Rajam Raju
Executive Director

Jyothirmai R
Company Secretary

Membership No. 206462
Firm Regn No. 012875S

Date : 25-08-2011
Place: Hyderabad, A.P.

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



Sch. No.	Particulars	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
1	Share Capital		
	Authorised :		
	80,00,000 Equity shares of Rs.10/- each	80,000,000	80,000,000
	Issued, Subscribed and Paid-up :		
	70,38,000 Equity shares of Rs.10/- each fully paid-up.	70,380,000	70,380,000
		70,380,000	70,380,000
2	Profit and Loss A/c		
	As per last Balance Sheet	11,544,871	9,978,522
	Add : Addition during the year	476,246	1,566,349
		12,021,117	11,544,871
3	Secured Loans		
	From Banks - For Working Capital	3,679,004	2,207,792
	From Banks - For Vehicle Loan	1,631,426	1,075,603
		5,310,429	3,283,395
5	Investments		
	5,38,000 Equity Shares in Winfarm Agro Industries Limited (at cost)	5,380,000	5,380,000
		5,380,000	5,380,000
6	Inventories (As taken, valued and certified by Management)		
	Stores and Spares	8,690,274	7,032,041
	Product Development exp	-	-
		8,690,274	7,032,041
7	Sundry Debtors (Unsecured, Considered good)		
	Outstanding for more than 6 Months	5,003,888	4,919,346
	Outstanding for less than 6 Months	37,396,176	22,624,902
		42,400,064	27,544,248
8	Loans and Advances		
	Loans		
	- To Employees	1,711,152	1,725,846
	- To Advance to Suppliers	386,797	716,389
	- To Others	4,080,820	4,218,529
		6,178,769	6,660,764

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



Sch. No. 4. Fixed Assets and Depreciation as on 31.03.2011

Particulars	Rate of Dep.	Gross Block			Depreciation			Net Block	
		As on 01.04.2010	Addition during the year	Sale of Assets	As on 01.04.2010	For the year	Sale of Assets	As on 31.03.2011	As on 31.03.2010
Computers and Peripherals	16.21%	12,386,109	246,907	-	7,976,799	1,608,749	-	3,047,468	4,409,310
Softwares	16.21%	48,665,119	-	-	16,257,104	7,760,728	-	24,017,832	32,408,015
Furniture and Fixtures	6.33%	2,670,637	42,880	-	1,194,034	135,770	-	1,329,804	1,476,605
Air Conditioners	6.33%	469,650	22,800	-	121,122	31,065	-	340,263	348,528
Electrical Fittings	6.33%	358,471	-	-	105,163	22,691	-	230,617	253,308
Office Equipment	4.75%	1,117,038	102,030	-	449,641	57,046	-	712,381	667,397
Motor Cars	9.50%	4,545,106	2,316,487	1,112,420	1,989,050	575,089	307,195	3,492,229	2,556,056
Total		70,212,130	2,731,104	1,112,420	28,092,913	10,191,138	307,195	33,853,958	42,119,219
Previous Year		(69,552,442)	(659,688)	-	(17,547,130)	(10,545,763)	-	(42,119,217)	(52,005,312)

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



Sch. No.	Particulars	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
9	Deposits		
	Telephone Deposits	27,545	28,026
	Tender Deposits	108,492	153,615
	Rent Deposits	3,249,160	1,056,384
	Other Deposits	130,497	202,992
		3,515,694	1,441,017
10	Pre-paid Expenses		
	Insurance	116,997	127,694
	Other Expenses	199,161	1,050,194
		316,158	1,177,888
11	Cash and Bank balances		
	Cash on Hand	47,495	86,132
	Balances with Banks		
	- in Bank Current Accounts	2,699,665	722,984
	- in Fixed Deposits	3,436,399	7,128,457
	(₹ 25,33,317/- under lien to Bank against BGs-F.Y. 2010-11)		
	(₹ 28,96,450/- under lien to Bank against BGs-F.Y. 2009-10)		
		6,183,559	7,937,573
12	Liabilities		
	Sundry Creditors		
	- Dues to SSIs	-	-
	- Dues to Suppliers other than SSIs	20,146,368	9,871,342
	- Statutory Liabilities	1,361,537	798,069
	- Other liabilities	2,064,995	2,872,709
		23,572,900	13,542,119
13	Provisions		
	- for Income Tax	436,640	917,996
	- for Dividends	1,407,600	1,407,600
	- for Dividend Tax	239,222	239,222
		2,083,462	2,564,818

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



Sch. No.	Particulars	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
14	Miscellaneous Expenditure (To the extent not written-off)		
	As per last Balance Sheet	295,015	590,032
	Additions during the year	-	-
	Less : written-off during the year	295,015	295,015
		-	295,015
	Good Will	-	2,520,000
	Less : written-off during the year	-	2,520,000
		-	295,015
15	Revenue		
	Domestic		
	Services/Consultancy / Projects	23,846,173	26,283,331
	Trading Sales	<u>46,326,544</u>	<u>24,104,058</u>
		<u>70,172,717</u>	<u>50,387,389</u>
	- Export		
	IT Services	30,610,943	39,929,771
		30,610,943	39,929,771
16	Accreditation / Decreditation to Inventories		
	Inventories as on 31.03.2011	8,690,274	7,032,041
	Inventories as on 31.03.2010	7,032,041	427,750
		1,658,233	6,604,291
17	Cost of Products and Services		
	Purchase of Material	44,556,723	24,915,947
	Labour Charges	106,492	331,559
		44,663,215	25,247,506
18	Administrative and Selling Expenses		
	Advertisement	97,213	78,218
	Audit Fee		
	- Statutory Audit	143,692	92,936
	- Tax Audit	20,000	10,000
	Business Promotion Exp.	231,796	580,171
	Commission	560,417	204,008
	Conveyance	1,053,908	1,083,157
	Directors Remuneration	2,880,000	3,000,000
	Electricity charges	467,704	436,408
	Fees and taxes	126,267	218,114
	Office & General exp	749,262	643,886
	Insurance	477,123	307,354

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



Sch. No.	Particulars	As at 31.03.2011 Amount in ₹	As at 31.03.2010 Amount in ₹
	Internet expenses	396,793	566,560
	ISO implementaion charges	24,000	12,000
	Legal and Professional exp.	5,309,119	12,205,973
	Listing Fees	45,000	45,000
	Loss on Sale of Fixed Assets	105,225	-
	Office Rent	2,927,548	1,585,500
	Postage and Telegram	86,303	82,545
	Printing and stationery	223,771	244,809
	Profession Tax	2,500	2,500
	Repairs and Maintenance	742,151	460,484
	Sales Tax	411,238	1,097,610
	Service Tax	141,747	-
	Staff Salaries	23,680,550	26,262,249
	Staff Welfare Expenses	73,483	71,320
	STPI Service charges	2,500	150,000
	Software - AMC	413,864	-
	Telephone charges	275,128	260,515
	Tender charges	5,400	32,735
	Travelling Expenses	1,585,832	3,317,289
	Vehicle Maintenance	94,675	137,549
		43,354,208	53,188,890
19	Financial Charges		
	Bank charges	182,783	520,273
	Forex Fluctuations	800,891	757,361
	Interest on Secured Loans	886,901	307,370
	Interest on others	4,894	10,378
		1,875,469	1,595,382

As per my report of even date

For G.V &Co.,
Chartered Accountants

Sd/-
Grandhi Vittal
Proprietor

Membership No. 206462
Firm Regn No. 012875S

Date : 25-08-2011
Place: Hyderabad, A.P.

for and on behalf of the Board of Directors

Sd/-
V. A. Rama Raju
Chairman & Managing Director

Sd/-
V. Rajam Raju
Executive Director

Sd/-
Jyothirmai R
Company Secretary

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use.

Management evaluates all relevant issues or revised accounting standards on an ongoing basis.

2. Principle of Consolidation

The consolidated financial statements include the financial statements of Vama Industries Limited and its wholly owned subsidiary, Vama Asia Pte. Ltd., Singapore.

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by AS-21 namely "Consolidated Financial Statements", issued by the ICAI for the purpose of preparation and presentation of consolidated financial statements.

The financial statements are consolidated on line by line basis by adding together the book values of all the items of assets, liabilities, incomes and expenses after eliminating inter-company balances / transactions and any un-realized profits arising on such transactions. The consolidated statements are prepared using uniform accounting policies for similar transactions and other events were also dealt in same manner.

3. Revenue Recognition

- ♣ Revenue from sale of computer hardware is recognized on dispatch of the products from the company for delivery to the customers. Revenue from product sale was shown net of Sales Tax which is separately charged and after discounts as applicable.
- ♣ Revenue from IT Services consists of earnings from services performed on a 'time and material' basis and fixed price contracts. The related revenue is recognized as and when the services are performed and delivered.
- ♣ Revenue from Annual Maintenance Contracts (AMCs) is recognised on accrual basis as per the Contracts / Agreements entered with the Clients.
- ♣ Other income is recognised on accrual basis.

4. Translation of Foreign Currency Transactions

Transactions in foreign currency are recorded at the original rate of exchange in force at the time transactions are effected. Gain/Loss of foreign exchange on settlement of transaction arising up on receipt of the amounts receivable, are recognized as income or expense for the period. In all other cases gain or loss is accounted for on the realizable value as on last day of the financial year.

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



5. Expenditure

All expenditure and costs are recognized on accrual basis and due provision is made for all the known losses and liabilities.

6. Fixed Assets, Work in progress and Depreciation

- ♣ Fixed Assets are stated at cost of acquisition and any cost attributable for bringing the asset to the condition for its intended use less Depreciation for the financial year.
- ♣ Interest arising on acquisition of fixed assets on hire purchase is charged to profit and loss account.
- ♣ As on the date of the Balance Sheet, the cost of fixed Assets purchased and not ready for use are shown under Capital Work-In Progress..

7. Depreciation

Fixed assets are stated at cost less depreciation. Cost of acquisition is inclusive of freight, taxes and installation. Depreciation is provided at the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is provided pro-rata on the additions to fixed assets during the financial year.

8. Investments

Investments are intended to be held for long term and are valued at cost of acquisition. Investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments. Overseas investments are carried at their original rupee cost. The market value of the Investments is not available as it is not a quoted share.

9. Inventories

Inventories are valued at lower of cost or net realizable value. Cost of hardware and software purchased for resale are considered using the first-in-first-out method.

10. Employee Benefits

Contributions to Provident Fund, Employees State Insurance are charged as incurred on accrual basis. The liability for retirement benefits of employees, if arise, will be accounted for on cash basis.

11. Contingent Liability

1. Company received demand notices from Commercial Tax Department (Sales Tax) for the Financial Year 2006-07 for ₹ 5,82,778/- and Financial Year 2007-08 for ₹ 5,31,097/- respectively, in this regard we have filed an appeal at the Appellate Deputy Commissioner (CT) Punjagutta, Nampally, Hyderabad, by paying 12.5% of notice amount as deposit with the authorities
2. The liability towards bank guarantees issued to various parties by the company in the course of business is fully covered against the fixed deposits with the banks which are held by the bankers as security.

12. Income Tax

Income taxes are accounted for in accordance with AS-22, namely “Accounting for taxes on Income” issued by ICAI. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid / recovered from the revenue authorities, using the applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on “Accounting for Corporate Dividend Tax” regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

13. Cash Flow Statement

Cash flows are reported using Indirect Method in accordance with AS-3, namely “Cash Flow Statement” issued by ICAI and as per the Clause 32 of the Listing Agreement where by net profit before tax is adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular business operations, investment activities and financing activities are classified under the cash flow.

Notes forming part of Accounts

1. Sundry debtors, Loans & Advances and Creditors balances are subject to confirmation.
2. All amounts in the financial statements are presented in Rupees except in cash flow statement where amounts are presented in lakhs.
3. The previous years figures have been regrouped or reclassified where ever necessary to conform to the current year’s presentation.
4. There are no capital commitments and contingent liabilities identified by the management for the current financial year.
5. There are no contracts remaining to be executed on capital account and not provided for, during the current financial year.
6. **Loans and Advances**

Secured Loans from ICICI Bank is towards purchase of Motor Cars against Hypothecation of the same against the loans of ₹16.31 lakhs (₹ 10.76 lakhs – March 31, 2010) and The company has availed a Working Capital facility in the form of Cash Credit of ₹ 36.79 lakhs (FY 2009-10 – ₹ 22.07)

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



from State Bank of India, Hyderabad. This facility is secured by Stock, Book Debts of the Company and personal properties of Director of the Company. There are no other secured loans sanctioned in favor of or accepted by the Company.

7. Lease Rentals

The lease rentals charged during the year and maximum obligation on long-term non-cancelable operating lease payable as per the rentals stated in the respective agreements as per AS-19.

(Amount in ₹)

Particulars	Year ended March 31, 2011	Year ended March 31,2010
Lease rentals recognized during the year	29,27,548	15,85,500
Within one year of the balance sheet date	28,11,181	27,39,000
Due in a period between one year and five years	12,16,774	8,12,903
Due after five years	Nil	Nil

The operating lease agreements extend to a maximum period of and three years and one year from their dates of inception and relate to the office premises. These lease agreements have a price escalation clause.

8. Related party transactions

There are no related party transactions during the current financial year except the following:

Name	Relation / Designation	Nature of Payment	Amount in ₹
a) Wholly owned Subsidiary Vama Asia Pte. Ltd.	Wholly Owned Subsidiary	Outstanding Balance Paid	1,67,715
b) Directors V. A. Rama Raju	Chairman & Managing Director	Directors Remuneration	19,80,000
V. Rajam Raju	Executive Director	Directors Remuneration	18,00,000
c) Key Management Personnel V Parvathi	W/o.V.A. Rama Raju, CMD	Rent for Office Premises	1,92,000
		Salary	2,24,000
D. Tanuja	D/o. V.A. Rama Raju , CMD	Salary	95,000
d) Common Directors Reliance Tea Pvt Ltd	Common Directors	Rent	1,40,000
		Consultancy Charge	9,10,000

Note : The above remuneration has been paid as per the terms of engagement of their services.

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



9. Managerial Remuneration

Remuneration to the Key Management Personnel is detailed as under:

Name	Designation	Remuneration	
		2010 - 11	2009 - 10
V. A. Rama Raju	Chairman & Managing Director	19,80,000	15,00,000
V. Rajam Raju	Executive Director	18,00,000	15,00,000

The compensation committee is responsible for devising the remuneration and benefits for the Executive Directors and the committee along frames their remunerations and other benefits.

10. Traveling Expenses

Directors Traveling Expenses	₹ 2.43 lakhs	(₹ 1.85 lakhs)
Expenditure on Foreign Travel	Nil	(₹ 4.04 lakhs)

11. Audit Fee

as Statutory Auditors	--	₹ 88,240/-	(₹ 40,120/-)
as Tax Auditors	--	₹ 22,060/-	(₹ 11,030/-)
as Branch Auditors	--	₹ 63,692/-	(₹ 52,936/-)
for Expenses	--	Nil	(Nil)
Certification Fees	--	Nil	(Nil)
as Advisor	--	Nil	(Nil)

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



12. Segment Reporting

The segment report prepared in accordance with the Accounting Standard 17 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

(₹ in lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Revenue		
Software Development & Services		
- Exports	306.31	399.30
- Domestic	88.38	162.56
Total	394.49	561.86
Hardware Sales & Services		
- Gross Receipts	613.35	341.31
Total Revenue	107.84	903.17
Segment Results (Profit before Tax and Interest from the Segment)		
Software Development & Services	50.23	47.97
Hardware Sales & Services	(18.59)	(7.07)
Total	31.64	40.90
Less: Interest	8.87	3.07
Profit Before Tax	22.77	37.83
Segment Capital Employed		
Software Development & Services	250.23	195.03
Hardware Sales & Services	635.55	668.51
Total	885.78	863.54

13. Earning per Share

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Number of Shares	70,38,000	70,38,000
Net Profit After Tax(in ₹)	21,23,068	32,13,171
Earnings Per Share	0.30	0.46

Schedules

forming part of Consolidated Balance Sheet and Profit & Loss Account



14. Investments

In line with the Accounting Policy, the investment in equity in Vama Asia Pte Ltd is carried at their original cost. The difference in value of investments considering the value of exchange as on the date of Balance Sheet amounts to ₹ 79,316/-

15. Project Development Expenditure

(in respect of projects upto March 31, 2011)

(₹ in Lakhs)

	2010-11	2009-10
Opening Balance	Nil	Nil
Add: Project Development Expenditure transferred from profit and loss account	43.95	Nil
Less: Project Development Expenses Capitalised during the year	Nil	Nil
Closing Balance	43.95	Nil

The company upgrading one of its project execution tool RMS. The total estimated cost of this upgrading project is ₹ 93.00 lakhs. Out of the same ₹ 43.95 lakhs has been spent on this project during the current financial year. The scheduled project completion date is November, 2011.



VAMA ASIA PTE LTD

Reg No : 200505868W
(Incorporated in the Republic of Singapore)

ANNUAL REPORT 2010-11

Directors' Report



The Directors' present their report and the accounts for the financial year ended March 31, 2011.

1. Director

The Directors in the office at the date of this Report are:

- Vegesna Atchyuta Rama Raju
- Venkataramana Peri

2. Arrangement to enable Directors' to acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

3. Director's interests in Shares or Debentures

The Directors of the Company holding office at the end of the financial year had no interests in the Share Capital and Debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of Director		Shareholdings in which Directors are deemed to have an interest	
	At 31/03/2010	At 01/04/2011	At 31/03/2010	At 31/03/2011
Ordinary Shares <u>The Company</u> Vegesna Atchyuta Rama Raju	-	-	10,000	10,000
<u>Vama Industries Limited</u> Vegesna Atchyuta Rama Raju	2,028,524	2,028,524	17,400	17,400

By virtue of Section 7 of the Singapore Companies Act, Mr. Vegesna Atchyuta Rama Raju is deemed to have interest in the ordinary shares held by Vama Industries Limited in the Company.

4. Directors' Contractual Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and received by the Director (or) the fixed salary of a full time employee of the Company) by reason of a contract made by the company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. Certain Directors received remuneration from related corporations in their capacity as directors of those related corporations.

5. Share Options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under the option at the end of the financial year.

6. Auditors

The auditors, K.G. TAN & Co. PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board

Sd/-
Vegesna Atchyuta Rama Raju
Director

Sd/-
Venkataramana Peri
Director

Date : July 25, 2011

Place : Singapore

DIRECTOR'S STATEMENT

In the opinion of the Directors,

- (a) the financial statements of the Company set out on pages 65 to 72 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and of the results, changes in equity and cash flows of the Company for the financial year then ended and
- (b) at the date of this statement with the continuing financial support from the holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

Sd/-
Vegesna Atchyuta Rama Raju
Director

Sd/-
Venkataramana Peri
Director

Date : July 25, 2011

Place : Singapore

Auditor's Report



The Members
Vama Asia Pte. Ltd

We have audited the financial statements of Vama Asia Pte Ltd (the "Company") for the year ended March 31, 2011 as set out on pages 65 to 72, which comprises of the Balance Sheet of the Company as at March 31, 2011 and the income statement, changes in equity and Cash Flow Statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This Responsibility includes:

- a) Devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheet and to maintain accountability of assets;
- b) Selecting and applying appropriate accounting policies; and
- c) Making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes examining the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Opinion

In our opinion,

- i. the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date; and
- ii. the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

K.G. TAN & Co. PAC,
Public Accountants and
Certified Public Accountants

Date : July 25, 2011
Place : Singapore

Balance Sheet

Vama Asia Pte. Ltd – as at March 31, 2011



	Note	2011 \$	2010 \$
ASSETS			
<u>Current assets</u>			
Cash and Cash Equivalents	5	9,541	7,643
Amount due from Holding Company	6	-	4,837
		<u>9,541</u>	<u>12,480</u>
Total Assets		<u>9,541</u>	<u>12,480</u>
EQUITY			
Share Capital	7	10,000	10,000
Accumulated losses		(2,787)	380
Total Equity		<u>7,213</u>	<u>10,380</u>
LIABILITY			
<u>Current liability</u>			
Accrued operating expenses		2,250	2,100
Amount due to holding company	6	78	-
Total liability		<u>2,328</u>	<u>2,100</u>
Total Equity and Liability		<u>9,541</u>	<u>12,480</u>

The accompanying notes form an integral part of the financial statements.

Income Statement

Vama Asia Pte. Ltd – as at March 31, 2011



	Note	2011 \$	2010 \$
General and administrative expenses, representing loss before tax	3	(3,167)	(3,585)
Income tax	4	-	-
Net loss for the year, representing total comprehensive loss for the year		(3,167)	(3,585)

No separate statement of comprehensive income has been presented as the Company does not have other nature of comprehensive income.

Statement of Changes in Equity

Vama Asia Pte. Ltd – as at March 31, 2011

	Share Capital \$	Retained Earnings \$	Total equity \$
Balance as at April 1, 2009	10,000	3,965	13,965
Total comprehensive loss for the year	-	(3,585)	(3,585)
Balance as at March 31, 2010	10,000	380	10,380
Balance as at April 1, 2010	10,000	380	10,380
Total comprehensive loss for the year	-	(3,167)	(3,167)
Balance as at March 31, 2011	10,000	(2787)	7,213

The accompanying notes form an integral part of the financial statements.

Cash Flow Statement

Vama Asia Pte. Ltd – as at March 31, 2011



	2011 \$	2010 \$
Cash flows from operating activities		
Loss before tax, representing operating cash flow before working capital changes	(3,167)	(3,585)
Change in operating assets and liabilities:		
- Amount due from holding company	4,915	4,950
- Accrued operating expenses	150	100
Net cash generated from (used in) operating activities	<u>1,898</u>	<u>1,465</u>
Net increase in cash and cash equivalents	1,898	1,465
Cash and cash equivalents at beginning of year	7,643	6,178
Cash and cash equivalents at end of year	<u>9,541</u>	<u>7,643</u>

The accompanying notes form an integral part of the financial statements.

Notes to Financial Statements

Vama Asia Pte. Ltd – as at March 31, 2011



These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is incorporated and domiciled in Singapore. The address of its Registered Office and principal place of business is 8 Burn Road, # 08-02/-3, Trivex, Singapore- 369977.

The principal activities of the Company are the provision and trading of software and hardware IT services and products. The Company has been dormant since June 30, 2006.

The Company is a subsidiary of Vama Industries Limited, a company incorporated in India, which is also the Company's ultimate holding company.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

The Company has adopted all the new/revised FRS and Singapore Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the financial period beginning on or after January 1, 2010.

The adoption of the above FRS and INT FRS did not result in material changes to the Company's financial statements.

Deferred Income Taxes

Deferred Income Tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred Income Tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for.

Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred Income Tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Receivables and payables

Receivables and payables are initially recognized at fair value. Receivables are subsequently measured at cost less any impairment losses.

An allowance for impairment of receivables including trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Cash and Cash equivalents

Cash and cash equivalents include Cash on Hand, deposits with financial institutions and bank overdrafts.

Foreign Currency Transactions

Transactions in foreign currencies are measured and recorded in Singapore dollars using the exchange rate in effect at the date of transactions. At each balance sheet date, recorded monetary balances that are denominated in foreign currency are adjusted to reflect the rate at the balance sheet date. All exchange adjustments are taken to income statement

Future changes in FRS

The Company has not adopted the following FRS and INT FRS that have been issued but not yet effective:

Reference	Description	Effective for annual periods beginning on or after
INT FRS 119	Extinguishing Financial Liabilities with Equity	1 July, 2010
FRS 24	Related party Disclosures	1 January 2011
INT FRS 114	Prepayment of a Minimum Funding Requirement [Amendments]	1 January 2011
FRS 32	Financial Instrument: Disclosures and Presentation Amendment relating to classification of Right Issue	1 February 2010

The Company has not considered the impact of accounting standards issued after the Balance Sheet date.

Financial Assets

a) Classification

The Company classifies its financial assets in the following categories: (i) fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity, and (iv) available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The designation of financial assets at fair value through profit or loss is irrevocable.

i) Financial Assets, at fair value through profit or loss

This category has 2 sub-categories: “Financial assets held for trading” and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short-term. Financial assets designated as fair value through profit or loss at inception are those that are managed, and their performance are evaluated on a fair value basis, in accordance with a documented Company’s investment strategy. Derivatives are also categorized as “held for trading” unless they are designated as hedges. Assets in this category are classified as current assets if they are held for trading or are expected to be realised within 12 months after the Balance Sheet date.

ii) Loan and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within “trade and other receivables” and cash and cash equivalents” on the balance sheet.

iii) Financial assets, held-to maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company’s management has the positive intention and ability to hold to maturity. If the Company was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

iv) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category

or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after balance sheet date.

b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the assets. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the income statement. Any amount in the fair value reserve relating to that asset is also taken to the income statement.

c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit and loss are recognised in the income statement.

d) Subsequent Measurement

Financial assets, available-for-sale and at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and financial assets, held-to-maturity are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of “financial assets, at fair value through profit and loss” are presented in the income statement in the financial year in which the changes in fair values arise.

Changes in the fair value of monetary assets denominated in a foreign currency and classified as available-for-sale are analyzed into translation differences resulting from changes in amortised cost of the assets and other changes. The translation

differences are recognised in the income statement and other changes are recognised in the fair value reserve within equity. Changes in fair values of other monetary and non-monetary assets that are classified as available-for-sale are recognised in the fair value reserve within equity.

Interest on financial assets, available-for-sale, calculated using the effective interest method, is recognised in the income statement. Dividends on available-for-sale equity securities are recognised in the income statement when the Company’s right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the income statement as “gains and losses from investment securities”.

e) Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

i) Loans and receivables/Financial assets, held to maturity

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

ii) Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the securities below its cost and the disappearance of an active trading market for the securities are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement on debt securities. The impairment losses recognised in the income statement on equity securities are not reversed through the income statement.

Financial Risk and Management

The Company's overall business strategies, its tolerance of risks and its risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. The Company has been dormant since June 2006 and hence is not exposed to credit risk, liquidity risk, interest rate risk, price risk and market risk.

(i) Currency risk

The Company's main exposure to currency risk arises from its United States Dollar bank balance as at end of the financial year.

The Company's currency exposure to its United States Dollar bank balance is disclosed in Note 5 to the financial statements.

The Company does not engage in forward currency contracts to hedge their exposure to currency risk as its United States Dollar bank balance is not material.

Capital Risk Management

The Company's objective when managing capital risk is to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder's value.

As at the balance sheet date, the Company did not require any external funding as the Company has been dormant since June 2006.

Fair value of Financial Assets and Financial Liabilities

The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents, trade and other receivables and trade and other payables

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short term maturity.

3. LOSS BEFORE TAX

Loss before tax has been arrived at after charging

	As at 2011 \$	As at 2010 \$
Net Foreign Exchange Loss	-	199

4. INCOME TAX

The tax credit on loss differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2011 \$	2010 \$
Loss Before Tax	(3,167)	(3,585)
Tax calculated at tax rate of 17% (2009: 17%)	(538)	(609)
Reconciling items		
Expenses not deductible for tax purposes	538	609
Tax charge	-	-



5. CASH AND CASH EQUIVALENTS

	As at 2011 \$	As at 2010 \$
Cash at bank	7,193	5,295
Cash on hand	2,348	2,348
	9,541	7,643

The bank balances that are not denominated in the functional currency of the Company are as follows:

	2011 \$	2010 \$
United States Dollar	2,340	2,340

6. AMOUNT DUE FROM HOLDING COMPANY

The balance is unsecured, interest free and repayable on demand.

7. SHARE CAPITAL

Issued and fully paid share capital

	No. of shares	Value \$
2010		
Balance as at beginning and end of the year	10,000	10,000
2011		
Balance as at beginning and end of the year	10,000	10,000

There is no par value for these ordinary shares.

8. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue in accordance with a resolution of the board of Directors of Vama Asia Pte Ltd on July 25, 2011.

Annual General Meeting

Date & Time	: 30th September, 2011 at 11.00 A.M.
Day	: Friday
Venue	: #201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyd, A.P.

Book Closure

From	: 27th September, 2011, [Tuesday] to 30th September, 2011 [Friday] (Both days inclusive)
------	--

Green initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by email to its members. To support the spirit of Green Initiative of the Government in full measure, members who have not registered their email addresses so far are requested to register their email address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are requested to contact our RTA, M/s. Bigshare Services Private Ltd and get your email Id updated.



VAMA INDUSTRIES LIMITED

Ground Floor, 8-3-191/147/24, Plot No. B-12, Madhura Nagar, S.R. Nagar[Post], Hyderabad 500 038

ATTENDANCE SLIP

(Please present this slip at the Meeting Venue)

Regd. Folio No. :

No. of Shares Held:

Client ID No. :

DP ID No. :

I hereby record my presence at the 26th Annual General Meeting of the members of the Company held on September 30, 2011 at 11:00 A.M. at # 201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad – 500 016.

.....
Name of the Shareholder / Proxy

.....
Signature of Member / Proxy

Note: Members are requested to bring their copies of Annual Report to the meeting



VAMA INDUSTRIES LIMITED

Ground Floor, 8-3-191/147/24, Plot No. B-12, Madhura Nagar, S.R. Nagar[Post], Hyderabad 500 038

PROXY FORM

Regd. Folio No. :

No. of Shares Held:

Client ID No. :

DP ID No. :

I/We.....being a member/members of Vama Industries Limited hereby appoint..... in the District ofas my/our proxy to attend and vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Friday, September 30, 2011 at 11.00 a.m. at # 201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad-500 016 and at any adjournment thereof :

Singed this Day of 2011
(Member)

Signature
(Proxy)

Re 1/-
Revenue
Stamp

Note: This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the time fixed for holding the meeting.

BOOK - POST



If undelivered please return to:

VAMA INDUSTRIES LIMITED

Ground Floor, 8-3-191/147/24, Plot No. B-12,
Madhura Nagar S.R. Nagar[Post], Hyderabad 500 038
Andhra Pradesh., India.