

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Vama Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NOT APPLICABLE

*V. Atchuta Rao*

**V A Rama Raju**  
Managing Director



*G. SIVA*

**G. SIVA**  
Chief Financial Officer



For G.V & Co.  
Chartered Accountants



**Grandhi Vittal**  
Proprietor  
M. No.206462

*V. Ramakrishna Rao*

**V. Ramakrishna Rao**  
Chairman, Audit Committee

Place: Hyderabad  
Date : 01.09.2015



**30th  
Annual Report  
2014 - 15  
VAMA INDUSTRIES LIMITED**



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**VAMA INDUSTRIES LIMITED**

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# Corporate Information



<b>Executive Directors</b>		<b>Designation</b>	
V. Atchyuta Rama Raju V. Rajam Raju		Chairman and Managing Director Executive Director	
<b>Non Executive &amp; Independent Directors</b>		<b>Company Secretary &amp; Compliance Officer</b>	
V. Ramakrishna Rao R. Venkateswara Rao K. Vara Prasad Raju		Shilpa Kotagiri	
<b>Statutory Auditors</b>		<b>Internal Auditors</b>	
G.V & Co. Grandhi Vittal Chartered Accountants # Flat No. : 1005, 10th Floor, Minar Apartments, Deccan Towers, Basheerbagh, Hyderabad – 500029		V.N.S. Srinivasa Rao Chartered Accountants H. No.:13-1-185/4, Sree Nilayam, Snehapuri Colony, Moti Nagar Hyderabad-500018	
<b>Bankers</b>		<b>Registrar &amp; Share Transfer Agents</b>	
State Bank of India ICICI Bank Ltd HDFC Bank Ltd Corporation Bank		M/s. Bigshare Services Private Limited 306, Right Wing, Amrutha Ville Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082, India.	
<b>Registered Office</b>		<b>Corporate office at Hyderabad</b>	
Ground Floor, 8-3-191/147/24 Plot No. B-12, Madhura Nagar S.R. Nagar [Post], Hyderabad 500 038 Tel: +91 40 6661 5534 / 6661 9919 Fax: +91 40 2370 8672		7-1-24/2/D, Greendale, II Floor, Beside Green Park Hotel, Ameerpet Hyderabad – 500 016, India Tel : +91 40 6684 5534 Fax : +91 40 2373 3810	
<b>Corporate Office at Mumbai</b>		<b>Website &amp; email Id for Investors</b>	
Office No. 619, 6th Floor, Maker Chambers - V Nariman Point, Mumbai - 400021, Mah., India		Website : <a href="http://www.vamaind.com">www.vamaind.com</a> email Id : <a href="mailto:investorservices@vama.co.in">investorservices@vama.co.in</a>	
<b>Secretarial Consultants</b>		<b>30<sup>th</sup> Annual General Meeting</b>	
P.S.Rao & Associates Company Secretaries Flat No.:10, 4th Floor # 6-3-347/22/2, Dwarakapuri Colony, Panjagutta, Hyd-082		Date & Time : 29th September, 2015 at 10.00 A.M. Day : Tuesday Venue: Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad -500 082	
<b>Cut off Date</b>		<b>Dates of Book Closure</b>	
Date: 22nd September, 2015 [Tuesday]		From: 23rd September, 2015 [Wednesday] To:29th September, 2015 [Tuesday] (Both days inclusive)	
<b>Committees of the Board</b>			
<b>Audit Committee</b>	<b>V. Ramakrishna Rao</b> (Chairman)	<b>R. Venkateswara Rao</b> (Member)	<b>K. Vara Prasad Raju</b> (Member)
<b>Nomination &amp; Remuneration Committee</b>	<b>R. Venkateswara Rao</b> (Chairman)	<b>V. Ramakrishna Rao</b> (Member)	<b>K. Vara Prasad Raju</b> (Member)
<b>Risk Management Committee</b>	<b>V. Ramakrishna Rao</b> (Chairman)	<b>V.A Rama Raju</b> (Member)	<b>V. Rajam Raju</b> (Member)
<b>Stakeholders Relationship Committee</b>	<b>R. Venkateswara Rao</b> (Chairman)	<b>V. Ramakrishna Rao</b> (Member)	<b>V. A. Rama Raju</b> (Member)

# Message from the Chairman



## Dear Fellow Shareholders, Greetings!

It is my pleasure to present a brief report on the performance of your Company for the financial year 2014-15.

The year gone by has seen various reforms and the external environment has moved in India's favour and this led to an increase in software services. The new government plans increased indigenous production of IT hardware and software for exports and improved domestic availability, which helped us to maintain our position in this space.

We are glad to have delivered a better financial performance for the financial year by registering a growth in revenue of around 100% over the previous year. We continued with our disciplined approach and focus on managing costs. Earnings per share for the year improved to Rs. 0.66 per share against Rs. 0.23 previous year. Your Company has been regularly paying dividend since its incorporation and the Board of Directors have recommended a dividend of 2% (Rs. 0.20 per equity share of Rs. 10 each), subject to the approval of the shareholders at the forthcoming Annual General Meeting.

We are conscious of the need of overall revenue growth, which would enable us to sustain ourselves in this era of intense competition. We believe that opportunities outnumber the threats, and it is for the Management to lead and pursue aggressively. The Company could manage to sustain itself in such scenario of tough competition during the year.

Going ahead, we are optimistic about 2016. While the global economic growth might be affected by challenges, we are confident of our growth outlook. We believe that with the improvement in the global economy, the global IT spending will also improve, as companies across the world will continue to invest in IT to boost productivity, increase span, stay agile and tap emerging technologies. We will continue to seek organic as well as inorganic growth opportunities that will continue to come our way in line with our strategic plan. In order to enhance our value proposition across key technology areas and position ourselves to take advantage of the opportunities, we intend to make strategic investments.

VAMA has drawn up a strategy which is in line 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 in

turn enables 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. Whatever so far we have achieved and we will achieve is entirely due to hard work, perseverance, commitment and dedication of our vamaitees in the growth and value creation with every passing year.

Further, we would like to give you a gentle reminder on Green Initiative in Corporate Governance, and therefore we would request you to understand the initiative taken by the Ministry and welcome the change, which will help the shareholders to have easy and prompt delivery of the Annual Reports. Also it will reduce the paper consumption and thereby help in protecting the environment for our future generations. Therefore, you are requested to ensure that you have updated your email IDs with your DPs at the earliest possible.

I, on behalf of the Company and its management team want to thank all the shareholders for their co-operation and commitment. I look forward to your continued support, as your Company embarks to work towards concentrating on the long term, and to place bets on technology we believe will surely have a significant impact over time. Today the opportunities are greater than ever before and we continue to motivate and get encouraged by the relentless hard work of our vamaitees, our business associates, our shareholders, our customers all over the world, and all those who unite with us in realising our dream of making us the best.

I am very excited about how we are going to accomplish this in the current year and beyond, I do hope that you will continue to provide us your support as always.

With Best Wishes

Sd/-  
**V. A. Rama Raju**  
Chairman and Managing Director

13th August, 2015  
Hyderabad.

# Notice

## 30th Annual General Meeting



Notice is hereby given that the Thirtieth (30th) Annual General Meeting [AGM] of the members of Vama Industries Limited will be held on Tuesday, 29th day of September, 2015 at 10.00 A.M at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500082, to transact the following items of business :

### ORDINARY BUSINESS

#### Item 1: Adoption of Financial Statement

To receive, consider and adopt the audited Financial Statement of the Company for the Financial Year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon.

#### Item 2: Declaration of Dividend

To declare final dividend on equity shares for the financial year ended March 31, 2015.

#### Item 3: Reappointment of Director

To appoint a Director in place of Sri. V. Rajam Raju (DIN:01314420) who retires by rotation and being eligible offers himself for reappointment.

#### Item 4: Ratification of Appointment of Auditors

To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions contained under the Companies Act, 2013, read with relevant Rules made thereunder, and pursuant to the recommendations of the Audit Committee and the resolution passed by the members in their AGM held on 25.09.2014, the appointment of M/s GV & Co, Chartered Accountants, (Registration No. 012875S), Hyderabad who were appointed as the Statutory Auditors of the Company to hold the office as such till the conclusion of 32nd Annual General Meeting, be and is hereby ratified and the Board of Directors of the Company be and are hereby authorised to fix the remuneration payable to the Statutory Auditors for the audit of the accounts for the financial year ending March 31, 2016.”

By the Order of the Board  
For Vama Industries Limited

Sd/-

**Shilpa Kotagiri**  
Company Secretary

13th August, 2015  
Hyderabad

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY 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.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
3. 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.
4. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive).
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working

days, except Saturdays, during business hours upto the date of the Annual General Meeting.

7. 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 Tuesday, September 22, 2015 and in respect of the shares held in dematerialized 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] as beneficial Owners as on that date.
8. Members, who hold shares in the dematerialized form and wish to change/ rectify 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.
9. 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, type of account and account number to our Registrar and Share Transfer Agent, M/s Bigshare Services Private Limited, Hyderabad.
10. Members holding shares in Physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agent M/s. Bigshare Services Private Limited.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to

their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form may submit their PAN to the Company / Big Share Services (P) Ltd.

11. Members who are holding Physical Shares in identical order of names in more than one folio are requested to send to the Company or to the Company's Share Transfer agent, the details of such folios together with the Share Certificates for consolidating their holding into single folio. The Share Certificates will be returned to the members after making requisite changes thereon.
12. Members who wish to claim Dividend, which has remained unclaimed are requested to either correspond with the Secretarial Department at the Company's Registered Office or the Company's Registrar and Share Transfer Agent (M/s. Bigshare Services Private Limited). Members are requested to note that dividends not encashed or not claimed within Seven Years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 205A(5) read with Section 205C of the Companies Act, 1956 (Section 124 (5) read with Section 125 (1) of the Companies Act, 2013) shall be transferred to the Investor Education and Protection Fund (IEPF) of Government of India.
13. 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.
14. 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 to 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 for registration of such Transfer of Shares.

15. Members are advised to update their email IDs with Company's RTA and/or concerned Depository participants as soon as possible.

**16. Remote E-Voting**

The items of business as set out in the Notice may be transacted through electronic voting system. Therefore, the Company is providing facility for voting by electronic means. Pursuant to Section 108 of the Companies Act 2013, read with Companies (Management and Administration) Rules, 2014, as amended from time to time and in force as on date and Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility, as an alternate, to its members in respect of the business to be transacted at the AGM.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 22, 2015, i.e. the date prior to the commencement of Book Closure date, are entitled to vote on the resolutions set out in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for required assistance in connection with generation of the User ID / Password in order to exercise their right to vote by electronic means. The remote e-voting period will commence at 9.00 A.M. on Friday, September 25, 2015 and will end at 5.00 P.M. on Monday, September 28, 2015. The members will not be able to cast their votes electronically beyond the date and time mentioned above.

The Company has appointed Mr. Vikas Sirohiya, Practicing Company Secretary (Membership. No. 15116) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereunder:

**PROCEDURE FOR REMOTE E-VOTING:**

The remote e-voting period begins on Friday, September 25, 2015 (9.00 A.M.) and ends on Monday, September 28, 2015 (5.00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 22, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Depositories)
- (i) The shareholders should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on "Shareholders" tab.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below:



<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence number in the PAN field.</li> <li>In case the Sequence number is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequencenumber 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank	<p>Enter the Dividend Bank Details as recorded in your demat account or Details in the company records for the said Demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password

field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- B. In case of members receiving the physical copy of Notice of AGM (for members whose e-mail ids are not registered with the Company/Depositories):

Please follow all the steps from Sl. No. (i) to Sl.No.(xvii) to cast vote

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make not later than 3 days of conclusion of the Meeting a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

Members who do not have access to remote e-voting facility have been additionally provided the facility of voting on a Ballot Form. They may send duly completed Ballot Form (enclosed with the Annual Report) to the Scrutinizer, Mr.Vikas Sirohiya, Practising Company Secretary (M. No. 15116), at the Registered Office of the Company so as to reach before the conclusion of the 30th Annual General Meeting or can carry the same to the Annual General Meeting and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an e-mail to [investorservices@vama.co.in](mailto:investorservices@vama.co.in) by mentioning their Folio / DP ID and Client ID.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

The results declared along with the Scrutinizer’s Report will be posted on the Company’s website and communicated to the Stock Exchange.

By Order of the Board  
**For VAMA Industries Limited**

13th August, 2015  
Hyderabad.

Sd/-  
**Shilpa Kotagiri**  
Company Secretary

Information in respect of Director seeking appointment/ re-appointment as required under Clause 49 of the Listing Agreement

<b>Name of the director</b>	<b>V. Rajam Raju</b>
<b>Date of Appointment</b>	June 23, 2003
<b>Date of Birth</b>	May 10, 1967
<b>Expertise in Specific Functional areas</b>	Rich experience in the field of operations, promotions of various IT & Related products and client relationship.
<b>Educational Qualification</b>	M.E., (Mechanical) specialization in Production Engineering.
<b>Directorships in other Companies</b>	Vama Infrastructure (P) Ltd.
<b>Membership / Chairmanships of committees of Board (other than Vama)</b>	Nil
<b>Shareholding in the Company as on 31.03.2015</b>	11,60,500 Equity Shares of Rs. 10 each
<b>Relationship between Directors inter se</b>	Brother of V A Rama Raju (CMD)

# Directors' Report:



Dear Fellow Shareholders,

Your Directors are delighted to present the 30th Annual Report along with the audited accounts for the financial year ended March 31, 2015.

## FINANCIAL PERFORMANCE

Our Financial performance, for the year ended March 31, 2015 is summarized below:

	( ₹ In Lakhs)	
Particulars	2014-15	2013-14
Turnover	4852.90	2317.84
Other Income	16.78	5.44
<b>Total Income</b>	<b>4869.68</b>	<b>2323.28</b>
PBIDT	229.81	89.22
<b>Less:</b> (i) Interest	47.82	39.46
(ii) Depreciation	30.50	31.58
<b>Profit Before Exceptional Item and Tax</b>	<b>151.49</b>	<b>18.19</b>
Exceptional Item	52.70	Nil
<b>Profit Before Tax</b>	<b>98.78</b>	<b>18.19</b>
<b>Less:</b> Provision for Tax		
- Current	54.40	6.96
- Deferred	(5.81)	(1.34)
<b>Profit After Tax</b>	<b>50.19</b>	<b>16.12</b>
<b>Less :</b> Appropriations		
a) Transfer to Reserves	Nil	Nil
b) Proposed Dividend	16.48	7.04
c) Tax on Proposed Dividend	3.29	1.20
Earning Per Share (EPS)	0.66	0.23
Balance Carried to B/S.	30.42	7.88

## PERFORMANCE SUMMARY AND STATE OF AFFAIRS

During the FY ended 31st March, 2015, we registered a phenomenal growth in terms of topline as well as the bottomline.

Revenues from Operations registered a growth of more than 100% whereas in terms of profitability the growth was more than 200% over the previous year's figures.

Income on account of engineering & other services stood at Rs.54,201,638/- out of which Rs.58,08,100/- was Export Income.

Your management is concentrating more on service sector which will enable it earn higher profit margins and better return on capital employed.





We, during the year goneby executed a niche project, i.e, Implementation of Integrated Data Center at ANURAG.

The successful completion of project has emboldened the management to make strides in new areas where opportunities in terms of growth are relatively more and are even better in terms of profitability.

No amount is being proposed to be transferred to the Reserves for the current Financial Year.

Apart from the below-mentioned, no material changes and commitments have occurred after the close of the year till the date of this Report, which may have affected the financial position of the Company.

### **Issue and allotment of securities**

As you are aware, your approval was sought for issue of 12,20,000 equity shares and 4,50,000 warrants convertible into equity shares, at a issue price of Rs.30 per share / warrant, on preferential basis. The said proposal was approved by way of Postal Ballot process. Pursuant to the said approval of members, the Board has issued and allotted the said securities.

In this regard, the Compliance formalities with the statutory and regulatory authorities are underway.

### **CHANGES IN CAPITAL**

Sl. No	Particulars	At the end of the Year (Amt. iin ₹)	At the beginning of the Year (Amt. in ₹)
1	<b><u>Authorised Capital:</u></b> Equity Shares of Rs.10/- each	9,00,00,000.00	8,00,00,000.00
2	<b><u>Issued, Subscribed &amp; Paid up Capital:</u></b> Equity Shares of Rs. 10/- each	8,23,80,000.00	7,03,80,000.00

During the FY ended 31st March, 2015, the Company allotted 12,00,000 equity shares of Rs. 10/- each on preferential basis.

Further, the Company has allotted 12,20,000 equity shares of Rs. 10/- each on preferential basis, during the period commencing on 1st April, 2015 and ending till date.

As on date, the Authorised Capital stands enhanced at Rs 11 Crores and paid up Capital stands enhanced at Rs 9.458 Crores.

### **PREFERENTIAL ISSUE OF SECURITIES**

As you are aware and as discussed above, your approval was sought for issue of 12,20,000 equity shares and 4,50,000 warrants convertible into equity shares on preferential basis by way of Postal Ballot process. We are apologetic to state that in the Notice of said Postal Ballot, Dated 29th May, 2015, at para iv under Item No.8 & 9 in the Explanatory Statement, the phrase Closing Price appeared instead of volume weighted average price. We do confirm that the issue price of Rs.30 per share was based on volume weighted average price,calculated in absolute compliance with the Regulation 76 of SEBI (ICDR) Regulations, 2009 as amended from time to time.



## **FUTURE OPERATIONS**

India has become one of the most favored destinations for IT and ITES activities. The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energising the higher education sector especially in engineering and computer science.

Increasing internet penetration, affordability of personal computers and consumer hunger for new technologies have been driving tech sector growth for years.

To improve internal efficiency software services are being increasingly demanded by all companies which is boosting sales of Computer Hardware and Software. India has emerged as the fastest growing market for all major OEM's globally. Indian Government is also increasing the use of software services and with the new digital India initiative being launched by the Indian government, the domestic market for software services looks forward to a very bright future.

VAMA is offering total IT infrastructure solution services. A large number of companies are opting for total IT infrastructure outsourcing as a solution to accomplish productivity and least downtime of their IT infrastructure and also reduce total costs at the same time. Being a single point of contact for all IT requirements; VAMA has edge over the competition. VAMA delivers value through several outcome-based business models as well as best practices and tools that can transform customer's infrastructure and architecture to keep pace with changing business demands.

VAMA has been working with Indian Defence labs from the last 12 years and also has maintaining offshore engineering services delivery center for North American customers for over 10 years. With this rich experience VAMA can offer innovative solutions and best practices across different domains to the customers.

## **NATURE OF BUSINESS**

There was no change in the nature of Business of your Company during the FY ended 31st March, 2015.

## **DIVIDEND**

In view of issue and allotment of 12,20,000 shares (on preferential basis), which took place subsequent to the close of Financial Year, 2014-15, your Board of Directors recommends a final dividend of 2% (Re. 0.20 per share) on the enhanced capital base of Rs.9,45,80,000 comprising 94,58,000 fully paid Equity Shares of Rs. 10/- each for the year ended March 31, 2015 [Previous year Rs. 0.10 per Equity Share of Rs. 10/- each] The Dividend if approved by the shareholders at the ensuing Annual General Meeting will be paid in compliance with applicable Regulations.

## **SUBSIDIARY COMPANIES**

We do not have any subsidiary or associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively.

## **COMPOSITION OF BOARD COMMITTEES**

We have in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013 and the Listing agreement. A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report.

The Composition of various Committees of the Board is hereunder:

<b>Audit Committee</b>		
Mr. V. Ramakrishna Rao	–	Chairman
Mr. R. Venkateswara Rao	–	Member
Mr. K. Vara Prasad Raju	–	Member

<b>Nomination and Remuneration Committee</b>		
Mr. R. Venkateswara Rao	–	Chairman
Mr. V. Ramakrishna Rao	–	Member
Mr. K. Vara Prasad Raju	–	Member

<b>Stakeholders Relationship Committee</b>		
Mr. R. Venkateswara Rao	–	Chairman
Mr. V. Ramakrishna Rao	–	Member
Mr. V.A. Rama Raju	–	Member

<b>Risk Management Committee</b>		
Mr. V. Ramakrishna Rao	–	Chairman
Mr. V.A. Rama Raju	–	Member
Mr. V. Rajam Raju	–	Member

#### **DIRECTORS AND KEY MANAGERIAL PERSONS**

Mr. V. Rajam Raju was reappointed to the office of Director in the previous AGM held on 25th September, 2014.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. R. Rama Sravanthi, was appointed as Additional Director of the Company with effect from 01st March, 2015.

Subsequently Ms. R. Rama Sravanthi was appointed as Director of the company, pursuant to the provisions of Section 160 of the Companies Act, 2013, by the members through Postal Ballot process.

Further, the following reappointments were made by the Board and subsequently approved through Postal Ballot:

- Mr. V. A. Rama Raju was reappointed as the Managing Director of the Company for a period not exceeding 3 (Three) years, with effect from 1st August, 2015, at a remuneration of Rs.1.65 lacs per month.
- Mr. V. Rajam Raju was reappointed as the Executive Director of the Company for a period not exceeding 3 (Three) years, with effect from 1st August, 2015 at a remuneration of Rs.1.5 lacs per month.

Further, during the Financial Year, Sri. G. Siva was appointed as the Chief Financial Officer of the Company.



Pursuant to the provisions of Section 152 of the Companies Act, 2013, Sri.V. Rajam Raju retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

We have received declaration from all our Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

## **BOARD EVALUATION**

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate governance report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee.

None of our independent directors is due for re-appointment.

## **POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION ETC.,**

The following policies are attached herewith and marked as Annexure –VI and VII respectively:

- a. Policy for selection of Directors and determining Directors Independence; and evaluation mechanism.
- b. Remuneration Policy for Directors, Key managerial Personnel and other employees.

## **MEETINGS OF THE BOARD OF DIRECTORS**

The Board duly met 6 times during the Financial Year 2014-15. Besides, one resolution was passed by the Board of Directors by way of circulation under Section 175 of the Companies Act, 2013. The intervening gap between any two consecutive two Board Meetings was within the period prescribed by the provisions of the Companies Act, 2013 and Listing Agreement.

For further details on Board Meetings, you may please refer the Corporate Governance Report.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

We have adequate system of internal financial controls with reference to financial statements, including but not limited to safeguard and protection of assets from loss, their unauthorized use or disposition. All the transactions were properly authorized, recorded and reported to the Management. We are following all the applicable Accounting Standards for properly maintaining the books of account and reporting in the financial statements. Your Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.





#### **INTERNAL AUDITORS:**

The Board of Directors based on the recommendation of the Audit Committee have re-appointed V.N.S. Srinivasa Rao, Chartered Accountants, Hyderabad, as the Internal Auditors of your company. The Internal Auditors are submitting their reports on quarterly basis.

#### **STATUTORY AUDITORS:**

As the members are aware, at the Annual General Meeting (AGM) held on 25.09.2014 M/s GV & Co., Chartered Accountants, Hyderabad, were appointed as our Statutory Auditors for a period of 3 years, to hold office till the conclusion of the 32nd AGM. In terms of the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every AGM. Accordingly, the appointment of M/s GV & Co., Chartered Accountants, as the Statutory Auditors of the Company, is placed for your ratification. In this regard, we have received consent letter and certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The statutory auditors' report does not contain any qualifications, reservations or adverse remarks.

#### **SECRETARIAL AUDITORS' REPORT:**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 we have obtained a Secretarial Audit report from Mrs. K. Malleshwari, (M.No 37210 & C.P No 14686), Company Secretary in whole-time practice. The copy of said Report is attached herewith and marked as **Annexure –I**.

#### **TRANSACTIONS WITH RELATED PARTIES**

We have not entered into any related parties transactions which are not on arms length basis or not in the ordinary course of business. That is to say, all the related party transactions were in the ordinary course of business and at arms length. The Audit Committee has approved all the related party transactions entered during the FY 2014-15.

There were no material transactions with the Related Parties during the year.

Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, as approved and adopted by the Board of Directors may be accessed on our Website at [http://www.vamaind.com/Policies/Related\\_Party\\_Transactions\\_Policy.pdf](http://www.vamaind.com/Policies/Related_Party_Transactions_Policy.pdf)

Your kind attention is drawn to Note 30 to the Financial statement which sets out the Related Party disclosures.

#### **QUALITY INITIATIVES**

We continue to maintain successfully the Quality Management Systems to the requirements ISO 9001:2008 Standards.

#### **FIXED DEPOSITS**

We have neither accepted nor repaid any deposits during the FY ended 31st March, 2015. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the FY 2015. Hence, there are no details to be provided pursuant to Rule 8 (5) (v) & (vi) of Companies (Accounts) Rules, 2014.



## ANNUAL RETURN

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed Format i.e. MGT -9 is appended as **Annexure –II** to this Report.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

We have set up a vigil mechanism, which also incorporates a Whistle Blower Policy for our Directors and employees to report genuine concerns, including but not limited to unethical behaviour, actual or suspected fraud or violation of the Code of Conduct in terms of Section 177 (10) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement.

The details of the vigil mechanism are provided in the Corporate Governance Report and are set out in **Annexure VIII** to this Report. The Vigil Mechanism And Whistle Blower Policy may be accessed on our Website at [http://www.vamaind.com/Policies/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](http://www.vamaind.com/Policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf)

## MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the provisions of Clause 49 of the Listing Agreement, a Report on the Management Discussion and Analysis is set out in **Annexure – III** to this Report.

## CORPORATE GOVERNANCE:

We firmly understand and believe the importance of Corporate Governance. We always aim for the growth by adhering to the National and International Corporate Governance Standards. Our philosophy on corporate governance ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The 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 exchange is attached herewith and forms part of this Annual Report.

## E- DISPATCH OF ANNUAL REPORTS

While adhering to the Green Initiative measures, as suggested by the MCA, we have resolved to dispatch the Annual Reports electronically to such shareholders who have registered and updated their e-mail IDs., with the Registrar & Transfer Agents of the Company. Annual Report, in physical form shall be dispatched to other shareholders.

## LISTING & TRADING

Our Equity Shares are listed on BSE Limited, Mumbai. The listing fees for the financial year 2015-16 has been duly paid. You may further note that the listing/ trading was never suspended at any time during the financial year 2014-15.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of our employees, is attached herewith and marked as **Annexure –V**.



We do hereby affirm that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Further, we do not have any employee whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **LOANS, GUARANTEES OR INVESTMENTS**

We have not given any loan or made investment or given guarantee or provided security as envisaged under Section 186 of the Act.

### **DEMATERIALISATION OF SHARES**

99.67% of the total paid up equity shares of your Company are in dematerialized form as on 31st March, 2015.

### **DIRECTORS RESPONSIBILITY STATEMENT**

As required under Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that no material departures are made from the same ;
- ii. The Director selected such accounting policies and applied them consistently and made judgments 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;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE SOCIAL RESPONSIBILITY**

Since your Company does not fall within any of the parameters specified under the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, reporting pursuant to Section 134(3) (o) is Not Applicable.

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

The Particulars as prescribed pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are provided at **Annexure – IV** to this Report.

### **GENERAL**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations



Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **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 the employees for their consistent support and encouragement.

For and on behalf of the Board

Sd/-

**V. A. Rama Raju**

Chairman and Managing Director

13th August, 2015  
Hyderabad





**SECRETARIAL AUDIT REPORT**

For the Financial Year ended March 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
VAMA INDUSTRIES LIMITED  
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VAMA INDUSTRIES LIMITED**, (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. (No transactions during the Audit period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ( **in connection with issue of securities on preferential basis pursuant to Chapter VII thereof**);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ( **Not applicable to the Company during the audit period**)



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ( Not applicable to the Company during the audit period);
- vi. Other specifically applicable laws to the Company:
  - \* Software Technology Parks of India rules and regulations.
  - \* The Trade Marks Act, 1999

I have also examined compliance with the applicable clauses of the following:

- i. Listing Agreements entered into by the Company with Stock Exchange and
- ii. Secretarial Standards issued by the Institute of Company Secretaries of India (Not notified during the audit period and hence not applicable).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

- \* The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- \* Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- \* As per the Minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that

- \* there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- \* during the audit period, except the issue of 12,00,000 equity shares of Rs.10 each and 6,00,000 convertible warrants on preferential basis, there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

Sd/-  
K. Malleshwari  
Company Secretary  
M. No. : 37210  
C.P. No.: 14686

Place : Hyderabad  
Date : 31.07.2015



Annexure-II

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
As on the financial year ended on 31.03.2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

i. CIN	L72200TG1985PLC041126
ii. Registration Date	13.03.1985
iii. Name of the Company	VAMA INDUSTRIES LIMITED
iv. Category/ Sub-Category of the Company	Public Limited Company/Limited by Shares
v. Address of the Registered office and Contact Details	Ground Floor, B-12, Madhura Nagar, Hyderabad – 500038 E-mail ID: cs@vama.co.in Ph. No : 040-66845534 Web Site: www.vamaind.com
vi. Weather Listed Company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent	Bigshare Services Pvt. Ltd 306, 3rd Floor, Right Wing, Amrutha Ville Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda , Hyderabad- 500082. Mobile: 9848098088

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business activities contributing 10 % or more of the total turnover of the Company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the company
1	IT, ITES and Software Consulting Sale of Hardware & Software, Installation support & Maintenance	4651 & 6202	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : N.A.**

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares held	Applicable Section

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year (II - I)
	Demat	Physical	Total	% of Total Shares (I)	Demat	Physical	Total	% of Total Shares (II)	
<b>A. Promoters</b>									
<b>1. Indians</b>									
a) Individual/HUF	3976866	0	3976866	56.51	3912366	0	3912366	47.49	-9.02
b) Central Govt									
c) State Govt									
d) Bodies Corporate									
e) Banks/FI									
f) Any other									
<b>Sub Total (A) (1)</b>	<b>3976866</b>	<b>0</b>	<b>3976866</b>	<b>56.51</b>	<b>3912366</b>	<b>0</b>	<b>3912366</b>	<b>47.49</b>	<b>-9.02</b>
<b>2. Foreign</b>									
a) NRI – Individuals									
b) Other Individuals									
c) Bodies Corporate									
d) Banks / FI									
e) Any other									
<b>Sub Total (A) (2)</b>									
<b>Total Shareholding of Promoter</b>									
<b>A= (A)(1) + (A)(2)</b>	<b>3976866</b>	<b>0</b>	<b>3976866</b>	<b>56.51</b>	<b>3912366</b>	<b>0</b>	<b>3912366</b>	<b>47.49</b>	<b>-9.02</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
<b>Sub Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year (II - I)
	Demat	Physical	Total	% of Total Shares (I)	Demat	Physical	Total	% of Total Shares (II)	
<b>2. Non Institutions</b>									
a) Bodies Corp.	348303	5500	353803	5.03	1131330	5500	1136830	13.80	8.77
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	854434	22022	876456	12.45	859816	22022	881838	10.70	-1.75
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1826105	0	1826105	25.95	2300230	0	2300230	27.92	1.97
c) Others	4770	0	4770	0.07	6736	0	6736	0.08	0.01
<b>Sub-total (B) (2)</b>	<b>3033612</b>	<b>27522</b>	<b>3061134</b>	<b>43.49</b>	<b>4298112</b>	<b>27522</b>	<b>4325634</b>	<b>52.51</b>	<b>9.02</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3033612</b>	<b>27522</b>	<b>3061134</b>	<b>43.49</b>	<b>4298112</b>	<b>27522</b>	<b>4325634</b>	<b>52.51</b>	<b>9.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>7010478</b>	<b>27522</b>	<b>7038000</b>	<b>100</b>	<b>8210478</b>	<b>27522</b>	<b>8238000</b>	<b>100</b>	



**ii) Shareholding of Promoter**

S No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No of Shares	%of total shares of the company	% of Shares Pledged/ encumbered to total shares	No of Shares	%of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	V.A Rama Raju	2028524	28.82	N.A	2061024	25.02	N.A	-3.80
2.	V RajamRaju	1180500	16.77	N.A	1160500	14.09	N.A	-2.68
3.	G.A. Rama Raju	599442	8.52	N.A	599442	7.28	N.A	-1.25
4.	Bangarraju Mudundi	18000	0.26	N.A	18000	0.22	N.A	-0.04
5.	V Sarada	17000	0.24	N.A	17000	0.21	N.A	-0.03
6.	M. Krishnaveni	16800	0.24	N.A	16800	0.20	N.A	-0.04
7.	V. Pushpavathi	14000	0.20	N.A	14000	0.17	N.A	-0.03
8.	Mohan Raju Indukuri	10700	0.15	N.A	10700	0.13	N.A	-0.02
9.	Uma Vani Indukuri	10000	0.14	N.A	10000	0.12	N.A	-0.02
10.	Parvathi Vegesna	17400	0.25	N.A	4900	0.06	N.A	-0.19
11	T.V. Narsing Rao	33000	0.47	N.A	0	0	N.A	-0.47
12	T. Vidyullatha Devi	31500	0.45	N.A	0	0	N.A	-0.45

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	V.A.Rama Raju						
	At the beginning of the year			2028524	28.82		
	Changes During the year	29.09.2014	Acquired by way of gift	32500	0.47	2061024	29.29
	At the end of the year					2061024	25.02

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	V Rajam Raju						
	At the beginning of the year			1180500	16.77		
	Changes During the year	29.09.2014	Transfer by way of gift	(20000)	-0.29	1160500	16.48
	At the end of the year					1160500	14.09

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Parvathi Vegesna						
	At the beginning of the year			17400	0.25		
	Changes During the year	29.09.2014	Transfer by way of gift	(12500)	-0.18	4900	0.07
	At the end of the year					4900	0.06

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	T.V. Narsing Rao						
	At the beginning of the year			33000	0.47		
	Changes During the year	28.08.2014	Transfer by way of gift	(33000)	-0.47	0	0
	At the end of the year					0	0



Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	T. Vidyullatha Devi						
	At the beginning of the year			31500	0.45		
	Changes During the year	28.08.2014	Sale	(31500)	0.45	0	0
	At the end of the year					0	0

**Note:** There was no change in the shareholding of promoters, other than those mentioned above. The shareholding details of Promoters are mentioned at Para IV (ii) above

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nirant Technologies Pvt. Ltd.						
	At the beginning of the year			Nil	Nil		
	Changes During the year	08.10.2014	Preferential Allotment	5,00,000	6.07	5,00,000	6.07
	At the end of the year					5,00,000	6.07

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	Sainaren Properties Pvt. Ltd.						
	At the beginning of the year			Nil	Nil		
	Changes During the year	08.10.2014	Preferential Allotment	4,00,000	4.86	4,00,000	4.86
	At the end of the year					4,00,000	4.86

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	V V S Murty						
	At the beginning of the year			10,000	0.15		
	Changes During the year	08.10.2014	Preferential Allotment	1,50,000	1.94	1,60,000	1.95
	At the end of the year					1,60,000	1.95

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Subba Rao Vitakula						
	At the beginning of the year			Nil	Nil		
	Changes During the year	08.10.2014	Preferential Allotment	1,50,000	1.82	1,50,000	1.82
	At the end of the year					1,50,000	1.82

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	T.Venkata Appa Rao						
	At the beginning of the year			Nil	Nil		
	Changes During the year	25.09.2014	Purchase	97855	1.39	97855	1.39
		30.09.2014	Purchase	47234	0.68	145089	2.07
	At the end of the year					145089	1.77

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Venu Gopala Raju Vegesna						
	At the beginning of the year			151924	2.16		
	Changes During the year	25.07.2014	Sale	-824	-0.02	151100	2.15
		01.08.2014	Sale	-1000	-0.02	150100	2.14
		08.08.2014	Sale	-6597	-0.09	143503	2.04
		15.08.2014	Sale	-950	-0.02	142553	2.03
		22.08.2014	Sale	-400	-0.01	142153	2.02
		05.09.2014	Purchase	10505	0.15	152658	2.17
		12.09.2014	Sale	-2750	-0.04	149908	2.13
		19.09.2014	Sale	-8944	-0.13	140964	2.01
		10.10.2014	Sale	-800	0.01	140164	1.71
		17.10.2014	Sale	-2000	-0.03	138164	1.68
		24.10.2014	Purchase	500	0.01	138664	1.69
		31.10.2014	Purchase	1100	0.02	139764	1.70
		14.11.2014	Purchase	2000	0.03	141764	1.72
		23.01.2015	Sale	-3000	-0.04	138764	1.69
		27.03.2015	Purchase	2978	0.04	141742	1.72
		31.03.2015	Sale	-300	-0.01	141442	1.72
	At the end of the year					141442	1.72

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	V. Chandravati						
	At the beginning of the year			124828	1.78		
	Changes During the year	02.05.2014	Purchase	1000	0.02	125828	1.79
		18.07.2014	Purchase	5036	0.08	130864	1.86
		31.10.2014	Purchase	1000	0.02	131864	1.60
		07.11.2014	Purchase	2066	0.03	133930	1.63
	At the end of the year					133930	1.63



Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Venkata Kakumanu Krishna Rao						
	At the beginning of the year			106950	1.52		
	Changes During the year			Nil	Nil	Nil	Nil
	At the end of the year					106950	1.30

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Krishna Prasad Sivarama Atluri						
	At the beginning of the year			61927	0.88		
	Changes During the year			Nil	Nil	Nil	Nil
	At the end of the year					61927	0.76

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	Dharmesh R. Shah HUF						
	At the beginning of the year			58114	0.83		
	Changes During the year			Nil	Nil	Nil	Nil
	At the end of the year					58114	0.71

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	Atluri Hari Leela						
	At the beginning of the year			88161	1.26		
	Changes During the year	02.05.2014	Purchase	1000	0.02	89161	1.27
		06.06.2014	Purchase	5000	0.08	94161	1.34
		12.09.2014	Purchase	9000	0.13	103161	1.47
		25.09.2014	Sale	-19116	-0.28	84045	1.20
		17.10.2014	Sale	-25000	-0.31	59045	0.72
		24.10.2014	Sale	-2000	-0.03	57045	0.70
		31.10.2014	Sale	-74	-0	56971	0.70
	At the end of the year					56971	0.70

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12.	Veda Equity Services Pvt. Ltd.						
	At the beginning of the year			72683	1.04		
	Changes During the year	04.04.2014	Purchase	500	0.01	73183	1.04
		11.04.2014	Purchase	1817	0.03	75000	1.07
		25.07.2014	Sale	-3020	-0.05	71980	1.03
		01.08.2014	Sale	-1480	-0.03	70500	1.01
		22.08.2014	Sale	-5500	-0.08	65000	0.93
		29.08.2014	Sale	-815	-0.02	64185	0.92
		12.09.2014	Sale	-3000	-0.05	61185	0.87
		19.09.2014	Sale	-3900	-0.06	57285	0.82
		25.09.2014	Sale	-2000	-0.03	55285	0.79
		30.09.2014	Sale	-1245	-0.02	54040	0.77
		17.10.2014	Sale	-1700	-0.02	52340	0.64
		24.10.2014	Sale	-966	-0.02	51374	0.63
		31.10.2014	Sale	-1374	-0.02	50000	0.61
		17.11.2014	Sale	-2000	-0.03	48000	0.59
		14.11.2014	Sale	-1000	-0.02	47000	0.57
		23.01.2015	Sale	-2000	-0.03	45000	0.55
	At the end of the year					45000	0.55



Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13.	Celebrity Consultants Pvt. Ltd.						
	At the beginning of the year			71164	1.02		
	Changes During the year	04.04.2014	Purchase	1500	0.03	72664	1.04
		02.05.2014	Purchase	1855	0.03	74519	1.06
		16.05.2014	Purchase	100	0.01	74619	1.06
		30.05.2014	Purchase	1595	0.03	76214	1.09
		06.06.2014	Purchase	2857	0.04	79071	1.13
		20.06.2014	Purchase	2880	0.04	81951	1.17
		30.06.2014	Purchase	1941	0.03	83892	1.20
		04.07.2014	Purchase	1136	0.02	85028	1.21
		18.07.2014	Purchase	5000	0.08	90028	1.28
		08.08.2014	Sale	-300	-0.01	89728	1.28
		12.09.2014	Purchase	868	0.02	90596	1.29
		25.09.2014	Sale	-90596	-1.29	0	0
	At the end of the year					0	0

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14.	Bhanu Prakash Vankineni						
	At the beginning of the year			55581	0.79		
	Changes During the year	30.05.2014	Purchase	1000	0.02	56581	0.81
		06.06.2014	Purchase	1000	0.02	57581	0.82
						57581	0.70

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
15.	A.S.R. Krishna Prasad						
	At the beginning of the year			55581	0.79		
	Changes During the year	25.09.2014	Sale	-1352	-0.02	54167	0.77
		17.10.2014	Sale	-54167	-0.66	0	0
	At the end of the year					0	0

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	V.A.RamaRaju						
	beginning of the year			2028524	28.83		
	Changes During the year	29.09.2014	Acquired by way of gift	32500	0.47	2061024	29.29
	At the end of the year					2061024	25.02

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	V Rajam Raju						
	At the beginning of the year			1180500	16.78		
	Changes During the year	29.09.2014	Transfer by way of gift	(20000)	-0.29	1160500	16.48
	At the end of the year					1160500	14.09

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Venkateshwara Rao Raparla						
	At the beginning of the year			700	0.01		
	Changes During the year			NIL	NIL	NIL	NIL
	At the end of the year					700	0.01

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Rama Krishna Rao Varada						
	At the beginning of the year			200	0.01		
	Changes During the year			NIL	NIL	NIL	NIL
	At the end of the year					200	0

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	V. Prasad Raju						
	At the beginning of the year			300	0.01		
	Changes During the year			NIL	NIL	NIL	NIL
	At the end of the year					300	0

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Rama Sravanthi Rambatta						
	At the beginning of the year			NIL	NIL		
	Changes During the year					NIL	NIL
	At the end of the year					NIL	NIL





Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	Gavireddy Siva						
	At the beginning of the year			976	0.01		
	Changes During the year					NIL	NIL
	At the end of the year					976	0.01

Sl. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Shilpa Kotagiri						
	At the beginning of the year			NIL	NIL		
	Changes During the year					NIL	NIL
	At the end of the year					NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,46,09,423	-	-	2,46,09,423
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due		-	-	-
<b>Total ( i +ii+iii)</b>	<b>2,46,09,423</b>	<b>-</b>	<b>-</b>	<b>2,46,09,423</b>
Change in Indebtedness during the financial year		-	-	
Addition	2,42,70,771	-	-	2,42,70,771
Reduction		-	-	
<b>Net Change</b>	<b>2,42,70,771</b>	<b>-</b>	<b>-</b>	<b>2,42,70,771</b>

<b>Indebtedness at the end of the financial year</b>		-	-	
i) Principal Amount	4,88,80,194	-	-	4,88,80,194
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	21,960	-	-	21,960
<b>Total ( i +ii+iii)</b>	<b>4,89,02,154</b>	-	-	<b>4,89,02,154</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD: V. A. Rama Raju	WTD: V. Rajam Raju	
1	Gross salary	19,80,000	18,00,000	<b>3780000</b>
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,80,000	18,00,000	<b>3780000</b>
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
c	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	- others	NIL	NIL	NIL
5	Others	NIL	NIL	NIL
	<b>Total</b>	<b>19,80,000</b>	<b>18,00,000</b>	<b>3780000</b>
	Ceiling as per the Act (As per Schedule V of the Act)	<b>42,00,000</b>	<b>42,00,000</b>	


**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
		Venkateswara Rao Raparla	Rama Krishna Rao Varada	V. Prasad Raju	Rama Sravanthi Rambatla	
1.	Independent Directors					
	- Fee for attending board / committee meetings	NIL	NIL	NIL	N.A	NIL
	-Commission	NIL	NIL	NIL	N.A	NIL
	-Others	NIL	NIL	NIL	N.A	NIL
	<b>Total (1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>N.A</b>	<b>NIL</b>
2.	<b>Other Non-Executive Directors</b>					
	-Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL
	-Commission	NIL	NIL	NIL	NIL	NIL
	-Others	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (B)=(1+2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	Total Managerial Remuneration*					3780000*
	Overall Ceiling as per the Act	No remuneration has been paid to non-executive Directors. However, as per section 197& 198 of the Companies Act,2013, the Company is entitled to pay a maximum remuneration of Rs.1,87,996 (Being 1% of the net profits of the Company) to its non-executive Directors				

\* Total Remuneration to Managing Director, WTD and other Directors (being the total of A and B)

**C. Remuneration to Key Managerial Personnel other than MD/Manager WTD:**

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total
		ShilpaKotagiri (Company Secretary)	Gavireddy Siva (CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,64,000	8,64,000	11,28,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	-as % of profit	NIL	NIL	NIL
	-others	NIL	NIL	NIL
5.	Others	NIL	NIL	NIL
	<b>Total</b>	<b>2,64,000</b>	<b>8,64,000</b>	<b>1128000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## Management Discussion and Analysis 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, our Management declares that, the financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Rules made thereunder, guidelines issued by the Securities Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India.

### A. Industry Structure & Developments

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.

### Quality Service & Customer Care

VAMA is very focused on Engineering; IT & IT enabled services. 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.

The Company continues to look for new ways to strengthen customer relationships, expand services portfolio by continuously introducing new services, infrastructure and continuously improving quality processes to raise the delivery promise to customers. The Company believes in strong focus on execution of strategy to deliver long-term growth.

We firmly believe that, our process, methodologies, knowledge management systems and tools minimize the overall cost to the client and improve from time to time. The revenues attributed to the IT infrastructure solution services, customer application development, maintenance and production support, product engineering and consulting services represented a part of our revenues in the financial period under review

### B. Financial Information

#### 1. Sources of Funds

Currently, we have only one class of shares i.e., Equity Shares of nominal value Rs. 10/- each. Our Authorised Share Capital is Rs. 9,00,00,000 divided into 90,00,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid Up capital stood at Rs. 8,23,80,000 divided into 82,38,000 equity shares of Rs. 10/- each as at March 31, 2015.

#### 2. Profit & Loss Account

The balance retained in the Profit & Loss account as at March 31, 2015 is Rs.30,41,904/- after providing for final dividend for the year of Rs.16,47,600/- and Dividend Tax of Rs.3,29,423/- thereon. The total amount of profits proposed to be appropriated towards dividend and Dividend tax is Rs.19,77,023/-



### 3. Deferred Tax Assets/ Liabilities

We recorded net Deferred Tax Assets of Rs 3,93,993/- as at March 31, 2015 (Previous Year Deferred Tax Liabilities of Rs1,86,741)

### 4. Fixed Assets

During the year, the net block of the fixed assets as at 31st March 2015 is Rs.13,017,337/- as compared to Rs.1,44,75,010/- in the previous year.

### 5. Investments

The Company did not make any investments during the year.

## C. Results of Operations

### 1. Income

Of the total revenues for the year ended March 31, 2015 approximately 1.19% were derived from our overseas operations whereas 98.8% were received from domestic operations.

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 on the other hand domestic revenues are those revenues that are a result of IT Infrastructure Solution Services, trading in hardware products, and related services, consultancy and projects.

(₹ in Lakhs)

	2014-15	2013-14
<b>100% Export Oriented Unit Services</b>		
IT Services	58.08	206.41
<b>Domestic Services</b>		
Services/Consultancy/		
Projects	483.94	175.95
Computers & Peripherals	4310.89	1935.48
Other Income	16.77	5.44
<b>Total</b>	<b>4869.68</b>	<b>2323.28</b>

### 2. Expenditure

(₹ in Lakhs)

	2014-15	2013-14
Cost of Product and Services	3980.83	1783.35
Employee benefit Expenses	347.91	311.52
Financial Charges	65.71	49.85
Depreciation amortization expenses	30.50	31.58
Other Expenses	293.25	128.80
	4718.20	2305.10
<b>Total</b>	<b>4718.20</b>	<b>2305.10</b>



Cost of products & services mentioned above is net of the changes in inventories of finished goods, work in progress and stock-in-trade.

#### **D. Opportunities & Threats**

Scope: We at VAMA, being Offshore Technology Service Provider, practice 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.

#### **E. Outlook, Risks and Concerns**

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

Revenues & Expenses: Like any other company, even our expenses and revenues are difficult to be predicted, our revenues are highly dependent on clients primarily located in the U.S, The impact of economic slowdown or other factors that affect the economic health of U.S 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 results 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. 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. In addition, our services demand highly skilled technology professionals and our ability to hire, attract, motivate, retain and train our personnel is demanding higher cost. However, the human resource strategy enabled the Company to attract, integrate, develop and retain the best talent required for driving business growth.

### Number of People Employed:

As on 31st March 2015, the employee strength was 141.

### 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, 2015 our main reportable segments are Software Development & Services (IT & ITeS) and Product/ Hardware Sales & Services.

#### Profitability

(₹ in Lakhs)

Particulars	Year ended March 31,		Growth%
	2015	2014	
Earnings before Interest, Depreciation and Tax (EBIDTA)	229.81	89.22	157.58
<b>Interest</b>	<b>47.82</b>	<b>39.46</b>	<b>21.19</b>
<b>Depreciation</b>	<b>30.50</b>	<b>31.58</b>	<b>(3.42)</b>
<b>Profit Before Tax and Exceptional Items</b>	<b>151.48</b>	<b>18.19</b>	<b>732.77</b>
<b>Exceptional Item</b>	<b>52.7</b>	<b>Nil</b>	
<b>Profit Before Tax</b>	<b>98.78</b>	<b>18.18</b>	<b>443.19</b>
Tax	48.59	2.07	2247.35
<b>Profit for the year</b>	<b>50.19</b>	<b>16.12</b>	<b>211.36</b>

### G. Internal Control Systems and Their Adequacy

The CEO Certification, issued pursuant to the provisions of Clause 49 of the Listing Agreement is provided in the Annual report which shall discuss the adequacy of VAMA's Internal Control Systems and Procedures.

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 V.N.S. Srinivasa Rao 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 statu-

tory 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 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's Audit committee 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.

**CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO:**

Particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

**A. Conservation of Energy : Not Applicable**

- i. the steps taken or impact on conservation of energy;
- ii. the steps taken by the company for utilizing alternate sources of energy;
- iii. the capital investment on energy conservation equipments;

**B. Technology Absorption : Not Applicable**

- i. the efforts made towards technology absorption;
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- iv. the expenditure incurred on Research and Development.

**C. Foreign Exchange Earnings and Outgo during the year :**

- |                            |               |
|----------------------------|---------------|
| i. Foreign Exchange Earned | : 91.30 lacs  |
| ii. Foreign Exchange Outgo | : 957.22 lacs |

For and on behalf of the Board

Sd/-

**V. A. Rama Raju**  
Chairman and Managing Director

13th August, 2015  
Hyderabad

**Annexure – V**

**Information pursuant to Section 197 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of our employees**

- A. Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2014-15 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company.

(Rs in lakhs)

Sr. No.	Name of Director / KMP and Designation	Financial Year 2014-15		Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
		Remuneration of Director / KMP	% increase in Remuneration		
1	Mr. V.A Rama Raju (Chairman & Managing Director)	19.80	Nil	12.18	Profit Before Tax increased by 443.19% and Profit after tax increased by 211.37% in the Financial year 2014-15
2	Mr.V Rajam Raju (Executive Director)	18	Nil	11.07	
3	Mr. R. Venkateshwara Rao (Non-Executive Director)	Nil	Nil	Nil	
4	Mr. V. Rama Krishna Rao (Non-Executive Director)	Nil	Nil	Nil	
5	Mr. V. Prasad Raju (Non-Executive Director)	Nil	Nil	Nil	
6	Ms.Rama Sravanthi Rambatla (Non-Executive Director)	Nil	Nil	Nil	
7	Mr. Gavireddy Siva (CFO)	8.64	Nil	N.A	
8	Ms. Shilpa Kotagiri (Company Secretary)	2.64	Nil	N.A	

**B. Percentage Increase in the median remuneration of all employees in the Financial Year 2014-15 :**

The median annual remuneration of employees of the Company during the financial year was Rs. 1.63 lakh. In the financial year , there was decrease of 9.67 % in the median remuneration of employees.

**C. Number of permanent employees on the rolls of Company as on 31st March 2015**

There were 141 permanent employees on rolls of the Company as on March 31, 2015

**D. Explanation on the relationship between average increase in remuneration and Company performance**

The average increase in remuneration was 25.23 %. The Profit after Tax (PAT) for Financial year ended March 31, 2015 increased by 211.37% . The average increase in remuneration per employee is in line with normal pay revisions and the remuneration policy of the Company.

**E. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**

The remuneration of Key Managerial Personnel for the year had no change whereas the Profit Before Tax increased by 443.19% and Profit after Tax increased by 211.37% . The Remuneration Policy of the company does not stipulate any link between remuneration to Directors and performance of the Company.

**F. Variations in the market capitalization of the company, Price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**

The Market capitalization of the Company as on 31st March , 2015 was Rs. 168879000 ( Rs. 46873080 as on 31st March, 2014).

The price earnings ratio of the company was 31.06 as at 31st March, 2015 and was 28.96 as at 31st March, 2014.

Market quotations of share as on Close of current financial year and previous financial year was Rs.20.5 and Rs.6.66 respectively. The last issue of shares (other than preferential issue) was made by way of Rights Issue, in the ratio of 1:2, at the rate of Rs.30 per share.

**G. Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration**

Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year i.e 2014-15 was 25.23% whereas there was no change in the managerial remuneration for the said financial year.

**H. The Key parameters for any variable component of remuneration availed by the directors**

As per the Remuneration Policy for Directors the remuneration of Directors is fixed.

**I. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

Not Applicable



**Policy for selection of Directors and determining Directors Independence****1. Introduction:**

- 1.1 Vama Industries Limited (VAMA) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, VAMA ensures constitution of the Board of Directors with required composition, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 VAMA recognizes the importance of Independent Directors in achieving the effectiveness of the Board.

**2. Scope:**

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of the company.
- 3.2 **“Nomination and Remuneration Committee”** means the committee constituted by Vama Industries Limited’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

**4. Policy:****4.1 Qualifications and Criteria**

- 4.1.1 The Nomination and Remuneration (NR) Committee and the Board shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.
- 4.1.2 In evaluating the suitability of individual Board members, the Nomination Remuneration Committee may take into account factors, such as:
  - General understanding of the Industry vis a vis Company’s business perspective;
  - Educational and professional background;
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

#### **4.2 Criteria of Independence**

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its Holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
  - g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
  - h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **4.3 Other directorships / committee memberships**

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than shall be 10 Public Limited Companies.

## Remuneration Policy for Directors, Key Managerial Personnel and other employees

### 1. Introduction:

Vama Industries Limited (VAMA) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration is based on such parameters reflecting short and long term performance objectives appropriate to the working of the company and its goals.

### 2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 “**Director**” means a director appointed to the Board of the company.

3.2 “**Key Managerial Personnel**” means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013.

3.3 “**Nomination and Remuneration Committee**” means the committee constituted by Board of Directors of Vama Industries Limited in accordance with the provisions of Section 178 of the Companies Act, 2013.

### 4. Policy:

#### 4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

#### **4.2 Remuneration to Non-Executive Directors**

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders, if any.

#### **4.3 Remuneration to other employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**Whistleblower policy**

As referred in the Directors Report and the Report on Corporate Governance, the Company has framed and adopted the Whistleblower policy that covers our directors and employees. The policy is subject to need based review and modifications, if required, from time to time. The Policy, as applicable currently, is laid hereunder and is also posted on our website [http://www.vamaind.com/Policies/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](http://www.vamaind.com/Policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf)

**Scope and purpose:**

Vama Industries Limited (Vama) is committed to complying with the foreign and domestic laws that apply to it, satisfying the Company's Code of Conduct and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face governmental investigation, prosecution, fines, and other penalties. That may have cascading impact and may prove fatal. Consequentially, and to promote the highest ethical standards, the Company will maintain a workplace that facilitates the reporting of potential violations of Company policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and free of any fear of retaliation. That is the purpose of this policy (the 'Policy' or the 'Vigil Mechanism and Whistle Blower Policy'). You are required to read this Policy and acquaint yourself with the same.

**Report at the earliest - Nip at the bud**

Everyone is required to report to the Company any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct. It is important that you report all suspected violations. This includes possible accounting or financial reporting violations, insider trading, bribery, harassment, discrimination in your employment etc.

It is the policy of the Company that you must, when you reasonably suspect that a violation of an applicable law or the Company's Code of Conduct has occurred or is occurring, report that potential violation. Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of Company policies or applicable laws. You should not fear any negative consequences for reporting reasonably suspected violations because retaliation for reporting suspected violations is strictly prohibited by Company policy. Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.

**How & Where to Report**

You must report all suspected violations to (i) your immediate supervisor; (ii) the nodal officer, i.e., the Company Secretary; at or (iii) anonymously, by sending an email to :

If you have reason to believe that your immediate supervisor or the Company Secretary is involved in the suspected violation, your report may be made to the Chairman of the Audit Committee at :

Chairman, Audit Committee, Vama Industries Limited, Ground Floor, B-12, Madhura Nagar, Hyderabad.

Because you have several means of reporting, you need never report to someone you believe may be involved in the suspected violation or from whom you would fear retaliation.



Your report should include as much information about the suspected violation as you can provide. Where possible, it should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred. Where you have not reported anonymously, you may be contacted for further information.

### **Post reporting Investigation**

All reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Everyone working for or with the Company has a duty to cooperate in the investigation of reports of violations. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

### **Zero - Retaliation policy**

No one may take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's Code of Conduct and Ethics. The Company takes reports of such retaliation seriously. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to civil, criminal and administrative penalties.

### **Modification**

The Audit Committee or the Board of Directors of Vama can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with national, state or local regulations and / or accommodate organizational changes within the Company.

Please sign the acknowledgment form below and return it to the Company Secretary. This will let the Company know that you have received the Policy and are aware of the Company's commitment to a work environment free of retaliation for reporting violations of any Company policies or any applicable laws.



## I. Our Corporate Governance Philosophy

We believe that we must so govern our affairs as to optimise satisfaction amongst all our stakeholders, which includes the esteemed customers, providers of capital, employees, those from whom we buy and through whom we sell, the communities in which our primary activities take place and the society at large. We attach equal importance to both means and ends – the results sought to be secured and the methods used to achieve them.

As rightly said, Board of Directors is Center for good corporate Governance; at VAMA we practice a simple and transparent Corporate Structure and believe in well informed, active and Independent Board to ensure best standards of corporate Governance.

The Securities and Exchange Board of India (SEBI) amended the Listing Agreement effective October 1, 2014, to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights.

The amended norms require the companies to get shareholders approval for Related Party Transactions, establish whistle blower mechanism, elaborate disclosures on pay packages and have at least one women director on their Boards. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to 'adopt best practices on corporate governance'.

Our Corporate governance framework has helped us be aligned with the new guidelines of the Companies Act, 2013. We believe that good ethics need good business sense and our business practices are in line with this spirit by following the Code of Conduct thereby maintaining high ethical standards. Our Board is actively involved in all important policy matters, guidelines, timely and accurate disclosures, financials, business performance, leadership and Governance to ensure shareholders welfare and easy going of the operations of the Company.

## II. Board of Directors

### (a) Composition of the Board

During the financial year under review, it was ensured that an appropriate mix of Executive, Non- Executive and Independent Directors is maintained and the functions of the Board with regard to its Governance and Management are kept separate from each other. Our Board consists of 6 Directors, 2 of whom are executive or whole time directors and 3 are Independent Directors and 1 is Non-Executive Woman Director. The said two executive Directors are also promoters of the Company.

The Board composition is in conformity with clause 49 of the Listing Agreement and the provisions of Companies Act, 2013 and the Nomination and Remuneration Committee periodically evaluates the need for change in composition of its size.

During the financial year 2014-2015 , 6 (Six) Board Meetings were held on the following dates : 29th day of May, 2014, 13th day of August, 2014, 02nd day of October 2014, 08th day of October, 14th day of November, 2014 and 12th day of February, 2015. The maximum time-gap between any two consecutive meetings did not exceed 120 days.

**(b) No. of Meetings Attended**
**No. of Meetings Held / Attended**

Name	Designation	No of Board Meetings Attended
	<b>Promoter &amp; Executive Directors</b>	
Mr. V. A. Rama Raju	Chairman & Managing Director	6
Mr. V. Rajam Raju	Executive Director	6
	<b>Non - Promoter &amp; Non - Executive Directors</b>	
Mr. R. Venkateswara Rao	Independent Director	6
Mr. K. Vara Prasad Raju	Independent Director	6
Mr. V. Ramakrishna Rao	Independent Director	6
Ms. R. Rama Sravanthi	Non-Executive Director	N.A (Since appointed w.e.f. 01st March, 2015)

**(c) Membership in other Boards or Committees**

Name	No. of Memberships in other Companies (including Private Limited Companies)		
	Board	Committees	
		Membership	Chairmanship
Mr. V. A. Rama Raju	1	Nil	N.A.
Mr. V. Rajam Raju	1	Nil	N.A.
Mr. R. Venkateswara Rao	1	Nil	N.A.
Mr. K. Vara Prasad Raju	Nil	Nil	N.A.
Mr. V. Ramakrishna Rao	Nil	Nil	N.A.
Ms. R. Rama Sravanthi (Appointed w.e.f. 01st March, 2015)	Nil	Nil	N.A.

**(d) Attendance at previous Annual General Meeting**

Name	Attendance at Previous AGM
Mr. V. A. Rama Raju	Yes
Mr. V. Rajam Raju	Yes
Mr. R. Venkateswara Rao	Yes
Mr. K. Vara Prasad Raju	Yes
Mr. V. Ramakrishna Rao	Yes
Ms. R. Rama Sravanthi (Appointed w.e.f. 01st March, 2015)	N.A

**(e) Responsibilities of the Chairman & Managing Director and Whole Time Director of the Company.**

In short, the Chairman & Managing Director and the 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.

**(f) Independent Directors:**

- i. Our Independent Directors comply with the requirements as stipulated under Section 149 of the Companies Act, 2013 as well as that of Clause 49 of the listing agreement,

As mandated under Clause 49, the following are the Independent Directors on our Board

- ✧ Mr. R. Venkateswara Rao
- ✧ Mr. K Vara Prasad Raju
- ✧ Mr. V. Ramakrishna Rao

**ii. Meeting of Independent Directors:**

During the year under review, the Independent Directors met on 4th day of March 2015, inter alia, to discuss:

- a. Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- b. Evaluation of the Performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- c. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**iii. Familiarisation Programme For Independent Directors :**

- a. The Company through its Managing Director / Executive Director / Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- b. The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.
- c. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.
- d. The Familiarisation Programme is posted on the company's website of the Company and can be accessed at [http://www.vamaind.com/Policies/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](http://www.vamaind.com/Policies/Familiarisation_Programme_for_Independent_Directors.pdf)

**(g) Code of Conduct:**

In tune with the revised Clause 49 of the Listing Agreement entered with the Stock Exchange, the Board has laid down a code of conduct for all its members, Senior Management Personnel and Designated Employees of the Company, including the duties of Independent Directors. The code of conduct is posted on the website of the Company. All Board members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to the effect by Mr. V A Rama Raju, Chairman & Managing Director, is attached to this report.

**(h) Vigil Mechanism / Whistle Blower Policy:**

As referred in the Directors Report, the vigil mechanism for its Directors and employees also incorporates a Whistle Blower Policy, basically enabling the seamless flow of grievances from the victims / observers to the redressal authority.

The Company Secretary of the Company has been made the nodal officer to receive the complaints / concerns / grievances of employees, who in turn escalates the matter to the Audit Committee who oversees the vigil mechanism.

The nodal officer, upon receipt of any complaints / concerns / grievances, process the same and does the preliminary investigation and then present the facts of the case to the Audit Committee.

The employee, in exceptional cases, can directly access the Chairman of the Audit Committee by any available mode of communication.

The Vigil Mechanism and Whistle Blower Policy is attached at **Annexure VIII** to the Board's Report and may also be accessed on the Company's Website at [http://www.vamaind.com/Policies/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](http://www.vamaind.com/Policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf)

It is hereby affirmed that no personnel has been denied access to the audit committee.

**(i) Board Evaluation**

As mentioned in the Directors Report, the Companies Act, 2013 as well as the Listing Agreement envisage a performance evaluation framework whereby the performance of Directors, committees and the Board as a whole is subject to evaluation from time to time which in turn helps the Company to address several issues such as appointment / reappointment of Directors, improving the quality of performance of the Directors at individual level and the Board as a whole, effective discharge of duties by the Directors, optimum utilization of Board level resources, determining suitable remuneration / compensation packages etc.,

With the aforesaid objective in mind, the Board, based on the recommendations of the Nomination and Remuneration Committee, has devised a policy for performance evaluation of Directors, committees and the Board, which include criteria for determining qualifications, positive attributes and independence of Directors.

The Company has also surveyed on the best practices prevalent in the Industry with respect to evaluation of the performance of the Board and its members. The Company has also availed the services of professionals seeking their suggestions on the said matter. Based on the inputs received from the aforesaid sources and in accordance with the Policy of the Company, evaluation process has been undertaken.

The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include :

- Ability to contribute to and monitor the corporate governance practices of the Company
- Ability to contribute by introducing best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

#### **(ii) Transactions with Related Parties**

The Company has not entered into any related party transactions which are not on arms length basis or not in the ordinary course of business. All the related party transactions were in the ordinary course of business and at arms length. The Audit Committee has approved all the related party transactions entered during the FY 2014-15.

There were no material transactions with the Related Parties during the year.

Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, as approved and adopted by the Board of Directors may be accessed on the Company's Website at [http://www.vamaind.com/Policies/Related\\_Party\\_Transactions\\_Policy.pdf](http://www.vamaind.com/Policies/Related_Party_Transactions_Policy.pdf)

### **III. COMMITTEES OF THE BOARD**

Currently, there are Four Board Committees – Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. The terms and reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the Chairman of the respective Committee.

The role and composition of these Committees, including the number of Meetings held during the financial year and the related attendance are provided below

#### **1. AUDIT COMMITTEE**

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 wherever 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.

## A. Composition & Attendance in Meetings

In accordance with the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, the composition of our Audit Committee is as follows:

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. V. Ramakrishna Rao	Chairman	4	4
Mr. R. Venkateswar Rao	Member	4	4
Mr. K. Vara Prasad	Member	4	4

Ms. Shilpa Kotagiri, the Company Secretary acts as the Secretary to the Committee.

Each member of the committee is an Independent Director, complying with the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

All the Members of the Audit Committee are financially literate and its Chairman possess accounting and Financial Management Expertise.

The Chairman of the Audit Committee, Mr. V. Ramakrishna Rao attended the previous Annual General Meeting (AGM) held on 25th Day of September, 2014 to answer the Shareholders' queries.

## B. Terms of Reference:

The terms of reference of our Audit Committee are in accordance with the Listing Agreement entered with Stock Exchange read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

## C. 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 Director's Responsibility Statement to be included in the Board's Report in terms of provisions of the Companies Act.
  - (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, 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.
  8. Discussion with the internal auditors of any significant findings and follow up there on.
  9. Reviewing the risk management policies, practices and the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  10. Review and monitor the auditor's independence and performance and effectiveness of audit process.
  11. Approval or any subsequent modification of transactions of the Company with related parties.
  12. Evaluation of internal financial controls and risk management systems.
  13. To look into the reasons for substantial defaults in the payment to the depositors, if any, shareholders (in case of non-payment of declared dividends) and creditors.
  14. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public issue or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
  15. To review the functioning of Whistle Blower Mechanism.
  16. Approval of appointment / reappointment / remuneration of CFO (or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
  17. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.

The Audit Committee discharges its functions and obligations on regular basis and on the occurrence of the events.



**D. Powers under Clause 49 of the Listing Agreement:**

- (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.

**2. NOMINATION AND REMUNERATION COMMITTEE**

**A. Composition & Attendance in Meetings:**

In accordance with the provisions of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the composition of our Nomination and Remuneration Committee is as follows:

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. R. Venkateswar Rao	Chairman	2	2
Mr. V. Ramakrishna Rao	Member	2	2
Mr. K. Vara Prasad	Member	2	2

Ms. Shilpa Kotagiri, the Company Secretary acts as the Secretary to the Committee.

Each member of the committee is an Independent Director, complying with the provisions of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013.

**B. Terms of Reference:**

The terms of reference of our Nomination and Remuneration Committee are in accordance with the listing Agreement entered with Stock Exchange read with Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time.

**C. The Role of the Nomination and Remuneration Committee includes:-**

1. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, Key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel i.e. salary, benefits, bonus etc.

6. Recommendation of Fee/compensation , if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
7. Payment / revision of remuneration payable to Managerial Personnel.
8. While approving the remuneration, the committee shall take into account the financial position of the Company, qualification, experience and past performance of the appointee.
9. The committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
10. Any other functions / powers / duties as may be entrusted by the Board from time to time.

#### D. 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 by Schedule V of the Companies Act, 2013.

Our remuneration policy is driven by the success and performance of the managerial person. Our Remuneration Policy for Directors, Key managerial Personnel and other employees forms part of the Annual Report and marked as **Annexure – VII** to the Board Report.

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 Financial year 2014-15

##### (a) Executive Directors:

Mr. V.A. Rama Raju	(in ₹)
Salary (Basic)	8,40,000
HRA	3,36,000
Other Allowances	8,04,000
<b>Total</b>	<b>19,80,000</b>

Mr. V. Rajam Raju	(in ₹)
Salary (Basic)	8,40,000
HRA	3,36,000
Other Allowances	6,24,000
<b>Total</b>	<b>18,00,000</b>

**(b) Non Executive Directors**

Remuneration paid to Non-executive Directors : Nil

Shares held by Non-Executive Directors in the Company as on 31.03.2015 are as follows:-

Name	No. of Shares held	% of Shares held
Mr. R. VenkateswaraRao	700	0.01
Mr. V. Ramakrishna Rao	200	-
Mr. K. Vara Prasad Raju	300	-

**3. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**A. Composition & Attendance in Meetings:**

In accordance with the provisions of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the composition of our Stakeholders Relationship Committee is as follows:

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. R. Venkateswar Rao	Chairman	4	4
Mr. V. Ramakrishna Rao	Member	4	4
Mr. V.A. Rama Raju	Member	4	4

Ms. Shilpa Kotagiri , the Company Secretary and Compliance Officer of the Company is the secretary of the committee.

The Stakeholders Relationship 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.

**B. Terms of Reference**

The terms of reference of the Stakeholders Relationship Committee are as under :

1. Redressal of grievances of shareholders and other security holders
2. Transfer and transmission of securities
3. Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Balance Sheet etc.
4. Issuance of duplicate shares certificates
5. Review of dematerialisation of shares and related matters
6. Performing various functions relating to the interest of shareholders/investors of the Company as may be required under the provisions of Companies Act,2013, Listing Agreement with the Stock Exchange and regulations/guidelines issued by the SEBI or any other regulatory authority



In order to expedite the process and for effective resolution of grievances/complaints, the Committee has delegated powers to the Registrar and Share Transfer Agents i.e., M/s. Bigshare Services Pvt Ltd., to redress all the complaints/grievances/enquiries of the shareholders/investors. It redresses the grievances/complaints of shareholders/investors under the supervision of Company Secretary & Compliance officer of the Company.

The Committee, along with the Registrar and Share Transfer Agents of the Company follows the policy of attending to the complaints, if any, within seven days from the date of its receipt.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-à-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2015, 82,10,478 equity shares of Rs. 10 each representing 99.67% of the total equity capital of the company were held in dematerialized form.

Shareholders Grievances during the Financial Year 2014-15

Nature of Queries / Complaints	Received during the year	Redressed during the year	Pending as on 31st March 2015
Nil	Nil	Nil	Nil

You may note that, there are No Complaints pending during the Financial year 2014-15

#### 4. **RISK MANAGEMENT COMMITTEE**

The primary function of the Risk Management Committee is to assist the Board to manage the risk appetite of the Company in order to promote a balanced business model and growth. The committee oversees the identification of major areas of risk being faced by the Company, the development of strategies to manage those risks and reviews the risk management policies and their implementation.

##### **A. Composition & Attendance in Meetings :**

The composition of our Risk Management Committee is as follows:

Name	Designation	No. of Meetings held	No. of Meetings attended
Mr. V. Ramakrishna Rao	Chairman	2	2
Mr. V. Rajam Raju	Member	2	2
Mr. V.A. Rama Raju	Member	2	2

Ms. Shilpa Kotagiri, the Company Secretary is the secretary of the committee.

## B. Functions, Roles and Responsibilities

1. To approve structures, analyse risks and benefits, seek independent opinion with regard to structure or views.
2. Assisting the Board in fulfilling its oversight responsibilities with regard to Enterprise Risk Management.
3. Reviewing and approving risk related disclosures.
4. Responsible for day to day oversight risk management including identification, impact assessment, monitoring, mitigation and reporting.
5. Formulation and implementation of risk management policies and procedures.
6. Providing updates to the Board on enterprise risk and action taken.
7. Ensure compliance with policies and procedures laid down by the Company for specific business units.
8. Maintenance and development of our supportive culture , in relation to the management of risk appropriately embedded through procedures ,training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
9. Advising Board on all high level risk matters.
10. To review the effectiveness of the internal control.

## IV. GENERAL BODY MEETINGS & SHAREHOLDERS INFORMATION

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

Financial Date & Year	Time	Venue	Special Resolutions Passed
2013-14	Sep 25, 2014 (Thursday) at 10.00 A.M	Hotel inner circle , Raj Bhavan Road , Somajiguda , Hyderabad – 500082	3
2012-13	Sep 28, 2013 (Saturday) at 10.00 A.M	Hotel inner circle , Raj Bhavan Road , Somajiguda , Hyderabad – 500082	None
2011-12	Sep 29 , 2012 (Saturday) at 11.00 A.M	#201 , Sri Sai Darsan Residency , 7-1-408 to 413, Balkampet Road , Ameerpet , Hyderabad – 16	None

### (b) Postal Ballot

During the financial year under review, no postal ballot process was taken up and hence No Special Resolution was passed through Postal Ballot. Therefore providing details of person who conducted the Postal Ballot exercise does not arise. However, subsequent to the close of FY 2014-15, i.e., during the FY 2015-16, we conducted Postal Ballot process to transact the following business.

- (i) Increase in the Authorised Share Capital from Rs.9 Crores to Rs.11 Crores
- (ii) Adoption of new set of Articles of Association

- (iii) Re-appointment of Mr. V. A. Rama Raju to the office of Managing Director of the Company
- (iv) Re-appointment of Mr. V. Rajam Raju to the office of Executive Director of the Company
- (v) Appointment of Mrs. R. Rama Sravanthi as Director of the company
- (vi) Borrowing powers of the Board
- (vii) To create charge/mortgage on the assets of the Company
- (viii) Preferential issue of Equity Shares
- (ix) Preferential issue of Warrants

Mr. Vikas Sirohiya, Practicing Company Secretary was appointed as Scrutinizer to conduct the said Postal Ballot process in a fair and transparent manner. The said process was completed on 15th July, 2015, wherein all the resolutions as proposed were passed by way of requisite majority. The result was announced on 15th July, 2015.

As of now, there is no proposal to pass any Special resolution through Postal Ballot process. Special resolutions, if required to be passed in the future, will be decided at the relevant time. The procedure for postal Ballot is / shall be as per the provisions contained in this behalf in the Companies Act, 2013 and rules made there under.

**(c) Annual General Meeting**

**Date & Time:** September 29, 2015 at 10.00 A.M

**Venue :** Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500082.

**(d) Financial Year (2014-2015)**

The Financial year under review is 2014-2015 [01st April, 2014 to 31st March, 2015].

**(e) Book Closure**

September 23, 2015 to September 29, 2015 [both days inclusive]

**(f) Dividend**

Board of Directors at its Meeting held on May 29, 2015 recommended the dividend of Re.0.20 (2%) per equity share of Rs. 10/- each for the financial year 2014-15 subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the dividend will be paid on or before 27 October, 2015 to such shareholders whose names appear on the Company's Register of Members on Tuesday, September 22, 2015 and in respect of the shares held in dematerialized 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] as beneficial Owners as on that date.

**(g) Listing Details**

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

The Annual Listing fees for the financial year 2015-16 on equity share capital has been paid to BSE.



**(h) Stock Information**

BSE Scrip Code : 512175  
Scrip Name : VAMA Industries Ltd.,  
Symbol : VAMA IND  
Series : EQ  
ISIN : INE685DO1014

**(i) Market Price Data**

Monthly high and low quotations of equity shares traded on BSE Limited during the financial year 2014-15:

Financial Year 2014-2015	BSE		
	High (Rs)	Low (Rs)	Volume (No. of Shares)
April 2014	7.35	6.04	15394
May 2014	7.87	7.13	12400
June 2014	10.6	7.26	48283
July 2014	12	9.46	49267
August 2014	12.99	10.34	55559
September 2014	22.84	10.36	292539
October 2014	28.95	23.95	233320
November 2014	28.9	24.5	83671
December 2014	26.2	16.5	10113
January 2015	22.9	17.2	37140
February 2015	26.5	18	16041
March 2015	25.35	15.7	35252

**Performance in comparison to broad based indices for FY ended 31st March 2015 – BSE Sensex Vs Vama (Closing Share prices in BSE).**

Month	Sensex	BSE (Vama)
April 2014	22,417.80	7.35
May 2014	24,217.34	7.61
June 2014	25,413.78	10.50
July 2014	25,894.97	11.70
August 2014	26,638.11	10.85
September 2014	26,630.51	22.84
October 2014	27,865.83	25.45
November 2014	28,693.99	25.00
December 2014	27,499.42	20.90
January 2015	29,182.95	20.35
February 2015	29,361.50	22.75
March 2015	27,957.49	20.50



**j. Distribution of shareholding**

(As on 31.03.2015)

Range of Equity Shares	No of shares	% to capital	No of shares holders	% of share holders
1	75	0.0009	75	6.7934
2 - 10	572	0.0069	97	8.7862
11 - 50	3384	0.0411	100	9.0580
51 - 100	11663	0.1416	123	11.1413
101 - 200	20878	0.25364	118	10.6884
201 - 500	71720	0.8706	187	16.9384
501 - 1000	92894	1.1276	112	10.1449
1001 - 5000	397553	4.8258	163	14.7645
5001 - 10000	346655	4.2080	47	4.2572
10001 - 20000	598446	7.2645	39	3.5326
20001 - 30000	380699	4.6213	15	1.3587
30001 - 40000	282926	3.4344	8	0.7246
40001 - 50000	184312	2.2373	4	0.3623
50001 - 100000	287846	3.4941	5	0.4529
100001 - 999999	5558377	67.4724	11	0.9964

**(k) Dematerialization of shares and liquidity**

As at March 31, 2015, 8210478 equity shares representing 99.67% 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, 2015 are as follows:**

Category	Number of		% of Equity
	Share holders	shares	
<b>Demat Mode</b>			
NSDL	613	6631624	80.50
CDSL	456	1578854	19.17
<b>Total Dematerialised Shares</b>	<b>1069</b>	<b>8210478</b>	<b>99.67</b>
Physical Mode	35	27522	0.33
<b>Grand Total</b>	<b>1104</b>	<b>8238000</b>	<b>100</b>

**(l) Shareholders holding more than 1% of the shares**

The Details of the shareholders (non promoters) holding more than 1% of the equity as at March 31,2015 are as follows :

[As on 31.03.2015]

SI. No	Name of the Shareholder	No of shares	%
1	Nirant Technologies Pvt. Ltd.	5,00,000	6.07
2	Sainaren Properties Pvt. Ltd.	4,00,000	4.86
3	Mr. V V S Murty	160000	1.94
4	Mr. Subba RaoVitakula	150000	1.82
5	Mr. T VenkataAppaRao	145089	1.76
6	Mr. VenuGopalaRajuVegesna	141442	1.72
7	Ms. V Chandravati	133930	1.63
8	Mr. VenkataKakumanu Krishna Rao	106950	1.30

**(m) 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.

**(n) Registrar and Share Transfer Agents**

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

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

**Bigshare Services Private Limited**

306, Right wing, Amruthaville  
OppYashoda Hospital  
Somajiguda, RajbhavanRoad Hyderabad 500 082.

**Share Transfer System:**

All the physical transfers are noted by the Stakeholders relationship Committee. Share transfer requests which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases and in any case within 30 days from the date of receipt, subject to the documents being in order and complete in all respects.

The Company obtains from a Company Secretary in practice Half-Yearly Certificate of compliances with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with the Stock Exchanges and files a copy of the Certificate with the Stock Exchange.

**(o) Shareholding pattern**

Category Code	Category of Shareholder	Number of Shareholders	"Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding percentage of total number of shares		Shares Pledged or otherwise encumbered	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	"(IX)=(VIII)/(IV)*100"
<b>(A) Shareholding of Promoter and Promoter Group</b>								
<b>1. INDIAN</b>								
(a)	INDIVIDUAL / HUF	10	3912366	3912366	47.49	47.496	0	0.00
(b)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	0	0.00
(c)	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.00
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.0000	0.0000	0	0.00
(e)	ANY OTHERS (Specify)							
(i)	DIRECTORS / RELATIVES	0	0	0	0.0000	0.0000	0	0.00
(ii)	GROUP COMPANIES	0	0	0	0.0000	0.0000	0	0.00
<b>SUB TOTAL (A)(1) :</b>		<b>10</b>	<b>3912366</b>	<b>3912366</b>	<b>47.49</b>	<b>47.49</b>	<b>0</b>	<b>0.00</b>
<b>2. FOREIGN</b>								
(a)	INDIVIDUAL	0	0	0	0.0000	0.0000	0	0.00
(b)	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.00
(c)	INSTITUTIONS	0	0	0	0.0000	0.0000	0	0.00
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	0	0.00
<b>SUB TOTAL (A)(2) :</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.00</b>
<b>Total holding for Promoters and Promoter group (A)=(A)(1) + (A)(2)</b>		<b>10</b>	<b>3912366</b>	<b>3912366</b>	<b>47.49</b>	<b>47.49</b>	<b>0</b>	<b>0.00</b>
<b>(B) Public shareholding</b>								
<b>1. INSTITUTIONS</b>								
(a)	MUTUAL FUNDS / UTI	0	0	0	0.0000	0.0000	0	0.00
(b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.0000	0.0000	0	0.00
(c)	CENTRAL / STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	0	0.00
(d)	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0.0000	0	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.0000	0.0000	0	0.00
(f)	FII'S	0	0	0	0.0000	0.0000	0	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0.0000	0	0.00
<b>SUB TOTAL (B)(1) :</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.00</b>
<b>B 2. Non-institutions</b>								
(a)	BODIES CORPORATE	44	1136830	1136830	13.80	13.80	0	0.00
(b)	INDIVIDUAL							
(i)	(CAPITAL UPTO TO Rs. 1 Lakh)	974	881838	859816	10.70	10.70	0	0.00
(ii)	(CAPITAL GREATER THAN Rs. 1 Lakh)	67	2300230	2300230	27.92	27.92	0	0.00
(c)	ANY OTHERS (Specify)							
(i)	TRUSTS	0	0	0	0.0000	0.0000	0	0.00
(ii)	CLEARING MEMBER	5	3617	3617	0.04	0.04	0	0.00
(iii)	DIRECTORS / RELATIVES	0	0	0	0.0000	0.0000	0	0.00
(iv)	EMPLOYEE	0	0	0	0.0000	0.0000	0	0.00
(v)	NON RESIDENT INDIANS (NRI)	4	3119	3119	0.04	0.04	0	0.00
(vi)	OVERSEAS BODIES CORPORATES	0	0	0	0.0000	0.0000	0	0.00
<b>SUB TOTAL (B)(2) :</b>		<b>1094</b>	<b>4325634</b>	<b>4298112</b>	<b>52.51</b>	<b>52.51</b>	<b>0</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>		<b>1094</b>	<b>4325634</b>	<b>4298112</b>	<b>52.51</b>	<b>52.51</b>	<b>0</b>	<b>0.00</b>
<b>Total (A) + (B) :</b>		<b>1104</b>	<b>8238000</b>	<b>8210478</b>	<b>100.0000</b>	<b>100.0000</b>	<b>0</b>	<b>0.00</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>								
(a)	SHARES HELD BY CUSTODIANS	0	0	0	0.0000	0.0000	0	0.00
<b>SUB TOTAL (C)(1) :</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A) + (B) + (C)</b>		<b>1104</b>	<b>8238000</b>	<b>8210478</b>	<b>100.0000</b>	<b>100.0000</b>	<b>0</b>	<b>0.00</b>

**(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**

Ms. Shilpa Kotagiri  
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) CEO & CFO Certification**

As required by Clause 49 of the Listing agreement, the CEO certification is attached to the Annual Report.

**(t) Code of Conduct**

In compliance with revised Clause 49 of the listing agreement, the company has adopted a code of conduct. This code is applicable to the members of the Board, Senior Management Personnel and Designated Employees of the Company. The code of conduct is available on our website, [www.vamaind.com](http://www.vamaind.com).

All the members of the Board and the Senior Management Personnel and Designated Employees of the Company have affirmed compliance to the code of conduct, as at March 31, 2015. A declaration to this effect, signed by the Managing Director is attached to this Report".

**(u) Capital Reconciliation Audit**

A qualified Company Secretary carries out Capital Reconciliation 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 number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**(v) Other Information**

**Nomination in respect of shares held in Physical form**

Section 72 of the Companies Act, 2013 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 applicable Form for this purpose.

**V. 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 or relatives etc., that may have potential conflict with the interests of the Company at large: Nil

**(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**

We have complied with all the applicable mandatory requirements of clause 49 of the Listing Agreement entered into with the stock Exchange

**(d) Adoption of Non Mandatory requirements**

- i. Our Financial Statement are free from any Audit qualification.
- ii. Our Internal Auditor reports directly to the Audit Committee.

**(e) Prevention of Insider Trading**

In accordance with the requirements of SEBI(Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares.

**(f) Auditors Certificate on Corporate Governance**

We have obtained a certificate from its Statutory Auditors certifying 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 attached to this report.

**VI. Means of Communication**

We regularly interact with the shareholders through multiple channels of communication such as publication of notices, results, annual Reports and the company's website.

- (a) All the communication, may it be results or notices etc, by way of News Papers is published in Business Standard (English) and Andhra Prabha (Telugu) dailies.
- (b) Financials are furnished to BSE Ltd. 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 financial 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 Company's website :[www.vamaind.com](http://www.vamaind.com) Contains separate section for investors where shareholders information is made available .

# CEO & CFO Certification

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



The Board of Directors  
VAMA Industries Limited  
Hyderabad.

1. We have reviewed the Financial Statement and the Cash Flow Statements of Vama Industries Limited for the year ended 31st March, 2015 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of company's affair and are in compliance with accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware.

Sd/-  
**G. Siva**  
Chief Financial Officer

Sd/-  
**V.A. Rama Raju**  
Chairman and Managing Director

13th August, 2015  
Hyderabad



## 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, 2015 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 a review of 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 of 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

13th August, 2015  
Hyderabad.

## 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 Conduct for the Financial year ended March 31, 2015.

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

13th August, 2015  
Hyderabad.

# Independent Auditor's Report



The Members  
Vama Industries Limited  
Hyderabad.

## Report on the standalone financial statements:

1. We have audited the accompanying standalone financial statements of Vama Industries Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the standalone financial statements:

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

1. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion:

- a) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the



manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit/ loss, and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

5. As required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Company does not have any pending litigations which would impact its financial position..
    - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For GV & Co.**  
Chartered Accountants

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

Place : Hyderabad  
Date : 29.05.2015

# Annexure to Independent Auditor's Report



## Annexure to Independent Auditor's Report

The annexure referred in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2015. We report that:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.  
b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable, having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 2) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 3) a) The company has not granted loans to anybody corporate covered in the register maintained under section 189 of the Companies Act, 2013 (The Act).  
b) In case of loans granted to body corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (b) of the order is not applicable to the company in respect of repayment of principal amount.
- c) There are no overdue amounts of more than 1 lakh rupees in respect of the loans granted to the body corporate listed in the register maintained under section 189 of the Companies Act, 2013 (The Act).
- 4) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- 6) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations. Therefore the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
- 7) a). According to the information and explanations given to us and records of the Company examined by us, the Company is generally regular in depositing all undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and any other material statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs and duty of excise.

- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and any other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- b). According to the information and explanations given to us, there are no material statutory dues including income tax, sales tax, wealth tax, value added tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute.
- c). According to the information and explanations given to us, there are no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules. Therefore, the provisions of Clause 3 (vii)(c) of the order are not applicable to the company.
- 8) As at the end of the financial year, the Company has no accumulated losses and it has not incurred any cash loss in this financial year or in the immediately preceding financial year.-
- 9) According to the records of the Company examined by us and the information and explanations given to us, The Company has not defaulted in repayment of dues to banks / financial institutions debentures holders during the year.
- 10) In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- 11) In our opinion and according to the information and explanations given to us, and The company has not availed any term loan from banks / financial institutions. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- 12) The company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;
- 13) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For GV & Co**  
Chartered Accountants

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

Place: Hyderabad  
Date : 29.05.2015

# Balance Sheet

as at March 31, 2015



Particulars	Note No.	As at 31.03.2015 Amount in ₹	As at 31.03.2014 Amount in ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	82,380,000	70,380,000
(b) Reserves and surplus	2	20,604,180	15,771,489
(c) Money received against share warrants		1,800,000	-
		<b>104,784,180</b>	<b>86,151,489</b>
<b>Share application money pending allotment</b>			
	3		-
<b>Non-current liabilities</b>			
(a) Long-term borrowings	4	1,737,196	-
(b) Deferred tax liabilities (net)		-	186,741
(c) Other long-term liabilities	5	-	-
(d) Long-term provisions	6	-	-
		1,737,196	186,741
<b>Current liabilities</b>			
(a) Short-term borrowings	7	46,810,194	24,609,423
(b) Trade payables	8	80,897,835	17,299,148
(c) Other current liabilities	9	9,536,458	4,832,379
(d) Short-term provisions	10	8,112,443	1,519,021
		<b>145,356,930</b>	<b>48,259,971</b>
<b>TOTAL</b>		<b>251,878,306</b>	<b>134,598,201</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		6,076,707	6,755,416
(ii) Intangible assets		6,940,630	7,719,594
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
		13,017,337	14,475,010
(b) Non-current investments	12	-	5,380,000
(c) Deferred tax assets (net)		393,993	-
(d) Long-term loans and advances	13	6,295,257	5,456,431
(e) Other non-current assets	14	15,608,596	9,235,788
		22,297,846	20,072,219
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories	15	36,006,310	43,968,949
(c) Trade receivables	16	147,842,853	45,323,427
(d) Cash and bank balances	17	22,112,509	2,862,007
(e) Short-term loans and advances	18	10,212,780	7,667,833
(f) Other current assets	19	388,671	228,756
		<b>216,563,123</b>	<b>100,050,972</b>
<b>TOTAL</b>		<b>251,878,306</b>	<b>134,598,201</b>

### III. NOTES FORMING PART OF FINANCIAL STATEMENTS 27 - 43

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

Place : Hyderabad

Date : 29-05-2015

**for and on behalf of the Board of Directors**

Sd/-

**V. Atchyuta Rama Raju**

Managing Director

Sd/-

**G. Siva**

Chief Financial Officer

Sd/-

**V. Rajam Raju**

Executive Director

Sd/-

**Shilpa Kotagiri**

Company Secretary

# Statement of Profit and Loss Account

for the year ended March 31, 2015



Particulars	Note No.	As at 31.03.2015 Amount in ₹	As at 31.03.2014 Amount in ₹
I. Revenue from operations	20	485,290,180	231,784,007
II. Other income	21	1,678,015	544,036
<b>III. TOTAL REVENUE ( I + II )</b>		<b>486,968,195</b>	<b>232,328,043</b>
<b>IV. Expenses:</b>			
(a) Cost of Material Consumed			
(b) Purchase of Stock-in-Trade	22	390,120,849	191,028,135
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	7,962,639	(12,693,097)
(d) Employee benefit expenses	24	34,790,645	31,151,650
(e) Finance costs	25	6,570,539	4,984,658
(f) Depreciation and amortization expenses	11	3,050,459	3,157,982
(g) Other Expenses	26	29,325,061	12,880,209
<b>TOTAL EXPENSES</b>		<b>471,820,192</b>	<b>230,509,537</b>
<b>V. Profit before exceptional &amp; extraordinary items and tax (III - IV)</b>		<b>15,148,003</b>	<b>1,818,506</b>
VI. Exceptional items		5,270,000	-
VII. Profit before extraordinary items and tax (V-VI)		9,878,003	1,818,506
VIII. Extraordinary items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>9,878,003</b>	<b>1,818,506</b>
<b>X. Tax expense:</b>			
Provision for Income Tax			
Current Year		5,439,810	695,610
Previous Year		-	(355,292)
Provision for Deferred Tax		(580,734)	(133,690)
<b>Total Tax Expenses</b>		<b>4,859,076</b>	<b>206,628</b>
<b>XI. Profit for the period from continuing operations (IX - X)</b>		<b>5,018,927</b>	<b>1,611,878</b>
<b>XII. Profit from discontinuing operations (before tax)</b>		-	-
<b>XIII. Tax expense of discontinuing operations</b>		-	-
<b>XIV. Profit from discontinuing operations (after tax) (XII - XIII)</b>		-	-
XV. Profit for the period (XI + XIV)		5,018,927	1,611,878
XVI. Earnings per equity share:			
1) Basic		0.66	0.23
2) Diluted		0.66	0.23

## XVII. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 27 - 43

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

### As per my report of even date

For G.V & Co.,

Chartered Accountants

Sd/-

**Grandhi Vittal**

Proprietor

Membership No. 206462

Firm Regn No. 012875S

Place : Hyderabad

Date : 29.05.2015

### for and on behalf of the Board of Directors

Sd/-

**V. Atchyuta Rama Raju**  
Managing Director

Sd/-

**V. Rajam Raju**  
Executive Director

Sd/-

**G. Siva**  
Chief Financial Officer

Sd/-

**Shilpa Kotagiri**  
Company Secretary

# Cash Flow Statement

for the year ended March 31, 2015



Particulars	As at 31.03.2015 Amount in ₹	As at 31.03.2014 Amount in ₹
<b>A. Cash Flow from Operating activities</b>		
Net Profit before tax as per Profit and loss account	9,878,003	1,818,506
<b>Adjustments</b>		
(Profit) / Loss on sale of fixed assets (net)	(128,397)	-
(Profit) / Loss on sale of investments (net)	5,270,000	-
Depreciation and Amortisation Expense	3,050,459	3,157,982
Preliminary Expenditure Written Off	-	-
Other Income	(1,549,618)	(544,036)
Finance Costs	6,570,539	4,984,658
Effect on Exchange Rate Change	-	-
	<b>23,090,986</b>	<b>9,417,110</b>
(Increase)/Decrease in Trade and Other Receivables	(102,519,426)	28,219,804
(Increase)/Decrease in Inventories	7,962,639	(12,693,097)
Changes in Short Term Loans & Advances	(1,514,947)	(2,162,317)
(Increase)/Decrease in Fixed Deposits having original maturity over 3 months(449,148)		2,063,847
Changes in Other Current Assets	(159,915)	52,752
(Increase)/Decrease in Trade Payables	63,598,687	(19,580,956)
(Increase)/Decrease in Other Current Liab. /Short Term Prov.	4,704,079	(2,330,364)
<b>Cash generated from Operations</b>	<b>(5,287,045)</b>	<b>2,986,779</b>
Direct Taxes paid	(1,030,000)	-
<b>Net Cash from Operating activities</b>	<b>(6,317,045)</b>	<b>2,986,779</b>
<b>B. Cash flow from Investing Activities</b>		
(Purchase) / Sale of Fixed Assets (Net)	(2,073,601)	(877,790)
(Purchase) / Sale of Investments (Net)	110,000	-
Acquisition of Companies	-	-
Changes in Long Term Loans & Advances	(838,826)	1,197,035
Changes in Other Non Current Assets	(6,372,808)	(1,129,378)
(Increase)/Decrease in Other Long Term Liab. / Long Term Prov.	-	-
Other Income	1,549,618	544,036
Cash flow before exceptional items	(7,625,617)	(266,097)
Exceptional Items	-	-
<b>Net Cash from Investment Activities</b>	<b>(7,625,617)</b>	<b>(266,097)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital/ Share Application Money	16,200,000	-
Proceeds / (Repayment) from Long Term Borrowings	1,737,196	-
Proceeds / (Repayment) from Short Term Borrowings	22,200,771	1,440,067
Finance Costs	(6,570,539)	(4,984,658)
Dividends Paid	(703,800)	(703,800)
Dividend tax paid	(119,611)	(119,611)
Effect on Exchange Rate Change	-	-
<b>Net cash used in financing activities</b>	<b>32,744,016</b>	<b>(4,368,002)</b>
<b>Net (Decrease) / Increase in cash and cash equivalents</b>	<b>18,801,354</b>	<b>(1,647,320)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,307,176</b>	<b>3,954,496</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>21,108,530</b>	<b>2,307,176</b>
Short Term Bank Deposits	1,003,979	554,831
<b>Cash and Bank Balances at the end of the year</b>	<b>22,112,509</b>	<b>2,862,007</b>

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013.
- Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per my report of even date  
For G.V &Co.,  
Chartered Accountants

Sd/-  
**Grandhi Vittal**  
Proprietor  
Membership No. 206462 Place : Hyderabad  
Firm Regn No. 012875S Date : 29.05.2015

for and on behalf of the Board of Directors

Sd/-  
**V. Atchyuta Rama Raju**  
Managing Director

Sd/-  
**G. Siva**  
Chief Financial Officer

Sd/-  
**V. Rajam Raju**  
Executive Director

Sd/-  
**Shilpa Kotagiri**  
Company Secretary



STATEMENT OF CHANGES IN EQUITY DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

Sl. No.	Particulars	As on 01.04.2014		Increase / Decrease during the Year		As on 31.03.2015	
		No of Shares	Amt (Rs.)	No of Shares	Amt (Rs.)	No of Shares	Amt (Rs.)
1.	<b>Authorised Capital</b> Equity Shares of Rs. 10/- each with Voting Rights	80,00,000	8,00,00,000	10,00,000	1,00,00,000	90,00,000	9,00,00,000
2.	<b>Issued, Subscribed and Paid up</b> Equity Shares of Rs. 10/- each fully paid up with Voting Rights.	70,38,000	7,03,80,000	12,00,000	1,20,00,000	82,38,000	8,23,80,000

For G.V. & Co.,  
Chartered Accountants

For and on behalf of the Board of Directors

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

Sd/-  
**V. Atchyuta Rama Raju**  
Chairman and Managing Director

Sd/-  
**V. Rajam Raju**  
Executive Director

Place: Hyderabad  
Date: 29th May, 2015

Sd/-  
**G. Siva**  
Chief Financial Officer

Sd/-  
**K. Shilpa**  
Company Secretary



Notes forming part of Financial Statements As At 31.03.2015



Note No. 1 : SHARE CAPITAL

Amount in ₹

SI No.	Particulars	As At 31.03.2015		As At 31.03.2014	
		Number	Amount	Number	Amount
	<b>Authorised</b>				
(i)	Equity Shares of Rs. 10/- each with Voting Rights	9,000,000	90,000,000	8,000,000	80,000,000
	<b>Issued, Subscribed and Paid up</b>				
(i)	Equity Shares of Rs. 10/- each fully paid up with Voting Rights	8,238,000	82,380,000	7,038,000	70,380,000
	<b>Total</b>	<b>8,238,000</b>	<b>82,380,000</b>	<b>7,038,000</b>	<b>70,380,000</b>

(a) Reconciliation of number of shares:

SI No.	Particulars	As At 31.03.2015		As At 31.03.2014	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	7,038,000	70,380,000	7,038,000	70,380,000
2	Equity Shares Issued during the year	1,200,000	12,000,000	-	-
3	Equity Shares bought back during the year	-	-	-	-
4	Equity Shares outstanding at the end of the year	8,238,000	82,380,000	7,038,000	70,380,000

(b) Rights, preferences and restrictions attached to shares:

The company has one class of equity shares having a par value of ₹10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shares held by Shareholders holding more than 5 % of the shares in the company:

SI No.	Particulars	As At 31.03.2015		As At 31.03.2014	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
	<b>Equity Shares with Voting Rights</b>				
1	V Atchyuta Rama Raju	2,061,024	25.02%	2,028,524	28.82%
2	V Rajam Raju	1,160,500	14.09%	1,180,500	16.77%
3	Gottimukkala Achyuta Rama Raju	599,442	7.28%	599,442	8.52%
4	Nirant Technologies Private Limited	500,000	6.07%		

(d) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date

SI No	Particulars	No. of shares	
		As At 31.03.2015	As At 31.03.2014
		Amount in ₹	Amount in ₹
		Nil	Nil

Clause (e), (f), and (h) to (l) of the Note 6(A) to the Schedule III of the Companies Act, 2013 is not applicable.



**Note No : 2 Reserves & Surplus**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
<b>Securities Premium Account</b>		
Opening Balance	-	-
Add: Premium on shares issued during the year	2,400,000	-
Less : Utilised during the year	-	-
<b>Closing Balance</b>	<b>2,400,000</b>	<b>-</b>
<b>Profit and Loss Account</b>		
As per last Balance Sheet	15,771,489	14,983,022
(+) Net Profit for the current year	5,018,927	1,611,878
(-) Transfer from Reserves	-	-
(-) Adjustment to Fixed Assets(Refer Note 11)	609,213	-
(-) Proposed Dividends	1,647,600	703,800
(-) Tax on Dividend	329,423	119,611
(-) Interim Dividends	-	-
<b>Closing Balance</b>	<b>18,204,180</b>	<b>15,771,489</b>
<b>Total</b>	<b>20,604,180</b>	<b>15,771,489</b>

Note : Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to Rs. 6.09 lakhs

**Note No : 3 Share Application money pending allotment** - -

**Note No : 4 Long Term Borrowings**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Secured		
Term Loans from Banks	-	-
Vehicle Loans from Banks*	1,737,196	-
Unsecured	-	-
	<b>1,737,196</b>	<b>-</b>

\* Vehicle Loans are secured by hypothecation of relevant vehicles and all chargeable current assets of the Company (For details Refer Note No. 37)

**Note No : 5 Other Longterm Liabilities**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Other Liabilities	-	-
	-	-

**Note No : 6 Long Term Provisions**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Provisions - Others	-	-
	-	-

**Note No : 7 Short Term Borrowings**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Secured		
Loans repayable on demand from Banks **	46,810,194	24,609,423
Loans repayable on demand from Others	-	-
Unsecured		
Loans from Related Parties	-	-
Other Loans and Advances	-	-
	<b>46,810,194</b>	<b>24,609,423</b>

\*\* Working Capital loans are secured by hypothecation of Stocks & Receivables and all chargeable current assets of the Company (For details Refer Note No. 37)

**Note No : 8 Trade Payables**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Dues to Micro, Small and Medium Enterprises *	-	-
Dues to Others	80,897,835	17,299,148
	<b>80,897,835</b>	<b>17,299,148</b>

\* The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid succeeding years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

#### Note No : 9 Other Current Liabilities

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
<u>Current Maturities of Long Term Debt (Secured)</u>		
Termloans from Banks	-	-
Vehicle Loans from Banks	354,764	-
Interest Accrued & Due on Borrowings *	-	-
Advances received from Customers	146,014	34,832
Other Payables**	9,035,680	4,797,547
	<b>9,536,458</b>	<b>4,832,379</b>

\* Interest Accrued & Due on Borrowings consists of:

On Working Capital Loans	-	-
On Vehicle Loans	-	-

\*\* Other Payables include

Statutory Liabilities	5,426,723	1,366,057
Rent Creditors	606,138	510,476
Expenses Payable	3,002,819	2,921,014

#### Note No : 10 Short Term Provisions

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Provisions - Others:		
Provision for Taxes	6,135,420	695,610
Provision for proposed dividend	1,647,600	703,800
Provision for tax on proposed dividends	329,423	119,611
	<b>8,112,443</b>	<b>1,519,021</b>

(Amount INR)

Note No. : 11 Fixed Assets

S. No.	Particulars	Gross Block									
		Balance As At 01.04.2014	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange differences	Borrowing cost capitalised	Other Adj.	" Balance As At 31.03.2015
		1	2	3	4	5	6	7	8	9	10 = 1+2-3+4-5 +6-7+8-9
<b>A</b>	<b>Tangible assets :</b>										
(a)	Computers & Software										
	Owned	14,340,424	21,230	-	-	-	-	-	-	-	14,361,654
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(b)	Furniture and Fixtures										
	Owned	2,732,977	-	-	-	-	-	-	-	-	2,732,977
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(c)	Air Conditioners										
	Owned	582,050	26,201	-	-	-	-	-	-	-	608,251
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(d)	Electrical Fittings										
	Owned	647,411	59,040	-	-	-	-	-	-	-	706,451
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(e)	Office Equipment										
	Owned	1,306,166	-	-	-	-	-	-	-	-	1,306,166
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(f)	Vehicles										
	Owned	5,749,173	2,302,631	3,432,686	-	-	-	-	-	-	4,619,118
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>		<b>25,358,201</b>	<b>2,409,102</b>	<b>3,432,686</b>							<b>24,334,617</b>
<b>Previous Year</b>		<b>(25,242,839)</b>	<b>(115,362)</b>								<b>25,358,201</b>
<b>B</b>	<b>Intangible assets</b>										
<b>Total (B)</b>		<b>19,885,917</b>	<b>57,500</b>								<b>19,943,417</b>
<b>Previous Year</b>		<b>(19,123,489)</b>	<b>(762,428)</b>								<b>(19,885,917)</b>
<b>Grand Total (A + B)</b>		<b>45,244,118</b>	<b>2,466,602</b>	<b>3,432,686</b>							<b>44,278,034</b>

**Note No. : 11 Fixed Assets**

(Amount INR)

S. No.	Particulars	Accumulated depreciation and impairment										Net Block	
		Balance As At 01.04.2014	Depreciation amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in Statement of Profit and loss	Reversal of impairment losses recognised in Statement of Profit and loss	other adjustments	Balance As At 31.03.2015	Balance As At 31.03.2015	Balance As At 31.03.2014		
		11	12	13	14	15	16	17	18 = sum(11-17)	19 = (10-18)	20 = (1-11)		
<b>A</b>	<b>Tangible assets :</b>												
(a)	Computers & Software												
	Owned	12,206,305	688,582	-	-	-	-	261,671	13,156,558	1,205,096	2,134,119		
	Given under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(b)	Furniture and Fixtures												
	Owned	1,701,836	422,037	-	-	-	-	-	2,123,873	609,104	1,031,141		
	Given under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(c)	Air Conditioners												
	Owned	236,046	36,612	-	-	-	-	-	272,658	335,593	346,004		
	Given under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(d)	Electrical Fittings												
	Owned	221,537	105,120	-	-	-	-	-	326,657	379,794	425,874		
	Given under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(e)	Office Equipment												
	Owned	687,910	142,852	-	-	-	-	347,541	1,178,303	127,863	618,256		
	Given under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(f)	Vehicles												
	Owned	3,549,154	818,792	3,168,082	-	-	-	-	1,199,864	3,419,257	2,200,019		
	Given under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
	<b>Total (A)</b>	<b>18,602,788</b>	<b>2,213,995</b>	<b>3,168,082</b>				<b>609,212</b>	<b>18,257,913</b>	<b>6,076,707</b>	<b>6,755,413</b>		
	<b>Previous Year</b>	<b>(17,255,481)</b>	<b>(1,347,307)</b>						<b>(18,602,788)</b>	<b>(6,755,416)</b>	<b>(7,987,358)</b>		
<b>B</b>	<b>Intangible assets</b>												
	<b>Total (B)</b>	<b>12,166,323</b>	<b>836,464</b>						<b>13,002,787</b>	<b>6,940,630</b>	<b>7,719,594</b>		
	<b>Previous Year</b>	<b>(10,355,648)</b>	<b>(1,810,675)</b>						<b>(12,166,323)</b>	<b>(7,719,594)</b>	<b>(8,767,841)</b>		
<b>C</b>	<b>Capital Work in Progress</b>												
	<b>Grand Total (A + B + C)</b>	<b>30,769,110</b>	<b>3,050,459</b>	<b>3,168,082</b>				<b>609,212</b>	<b>31,260,700</b>	<b>13,017,337</b>	<b>14,475,007</b>		

"Note : Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortisation and Depletion. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value" of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to Rs. 6.09 lakhs"



**Note No : 12 Non Current Investments**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
<b>A. Trade Investments</b>		
<b>B. Other Investments</b>		
<b>Quoted</b>		
<b>Unquoted</b>		
Investment Property		
Investment in equity instruments		
(i) of subsidiaries		
(ii) of associates	-	-
(iii) of joint venture companies	-	-
(iv) of controlled special purpose entities	-	-
(v) of other entities	-	-
Winfarm Agro Industries Limited	-	5,380,000
Investment in preference shares		
(i) of subsidiaries		
(ii) of associates	-	-
(iii) of joint venture companies	-	-
(iv) of controlled special purpose entities	-	-
(v) of other entities	-	-
Investment in government or trust securities	-	-
Investment in debentures or bonds	-	-
Investment in mutual funds (give details)	-	-
Investment in partnership firms	-	-
<b>Grand Total</b>	<b>-</b>	<b>5,380,000</b>

**Unquoted Investments**

Aggregate amount of Un-quoted Investments Rs.0/- (Previous Year Rs.53,80,000./-)

**Note No : 13 Long Term Loans & Advances**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
(a) Capital Advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
(b) Security Deposits	-	-
(c) Loans & Advances to related parties	-	-
(d) Loans & Advances to Employees	-	-
(e) Prepaid Expenses	-	-
(f) Advance Income Tax (Unsecured, Considered good)	2,285,757	1,446,931
(g) MAT Credit Entitlement	-	-
(h) Balances with Government Authorities	-	-
(i) Other Loans & Advances	4,009,500	4,009,500
Secured, considered good	-	-
Unsecured, considered good	-	-
(j) Doubtful	-	-
	<b>6,295,257</b>	<b>5,456,431</b>
Less: Provision for other doubtful loans & advances	-	-
	<b>6,295,257</b>	<b>5,456,431</b>
<b>Note: Long Term Loans &amp; Advances include amounts due from</b>		
Directors	-	-
Other Officers of company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-

**Note No : 14 Other Non-Current Assets**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
(a) Other Non-current Assets		
Fixed Deposits *	5,281,053	1,730,073
Electricity Deposits	95,897	95,897
Rent Deposit	2,803,160	2,803,160
Telephone Deposit	24,745	24,745
Sales Tax Appeal Deposit	-	-
Retention Money	7,399,441	4,577,613
Other Deposits**	4,300	4,300
	<b>15,608,596</b>	<b>9,235,788</b>
Other Deposits include**		
Internet Deposit	1,000	1,000
Gas Deposit	3,300	3,300

\* Deposits include Rs. 52,28,547/- (Previous Year Rs.12,55,854/-) with SBI held as lien against Bank Guarantees issued by SBI on behalf of the company.

\* Deposits include Rs.41,000/- (Previous Year Rs. 41,000/-) with SBI held as security deposit with Central Excise Department



**Note No : 15 Inventories:**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
(a) Raw materials		
Goods-in-transit	-	-
(b) Work-in-progress		
Goods-in-transit	-	-
(c) Finished goods (other than those acquired for trading)		
Goods-in-transit	-	-
(d) Stock-in-trade (acquired for trading) *	36,006,310	43,968,949
Goods-in-transit	-	-
(e) Stores and spares		
Goods-in-transit	-	-
(f) Loose tools		
Goods-in-transit	-	-
(g) Others (Specify nature)		
Goods-in-transit	-	-
	<b>36,006,310</b>	<b>43,968,949</b>

\* **Mode of valuation:**

Stock-in-trade : At cost or NRV whichever is lower

**Note No : 16 Trade Receivables**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Trade receivables outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	23,786,790	21,044,790
Doubtful	-	-
Trade receivables outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good *	124,056,063	24,278,637
Doubtful	-	-
	<b>147,842,853</b>	<b>45,323,427</b>
Less: Provision for doubtful trade receivables	-	-
	<b>147,842,853</b>	<b>45,323,427</b>
Trade receivables include debts due from:		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner (give details per firm)	-	-
Private companies in which any director is a director or member (give details per company)	-	-

\* It includes Income accrued but not bills raised to the extent of Rs.1,04,53,397/- (Previous Year ₹ 1,28,75,877/-)



**Note No : 17 Cash and Bank Balances**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
(a) Cash and Cash Equivalents		
(i) Balances with banks;		
In Current Accounts	17,803,484	55,605
(ii) Cheques, drafts on hand	2,678,670	2,134,905
(iii) Cash on hand	626,376	116,666
(b) Other Bank balances		
In Deposit Accounts **	1,003,979	554,831
	<b>22,112,509</b>	<b>2,862,007</b>

\*\* Deposits include Rs.8,69,027/- (Previous Year Rs. 2,83,000/-) with SBI held as lien against Bank Guarantees issued by SBI on behalf of the company.

**Note No : 18 Short Term Loans & Advances**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
(a) Loans & Advances to related parties	-	-
(b) Security deposits	593,509	958,509
(c) Loans and advances to employees		
Secured, considered good	3,496,198	3,764,859
Unsecured, considered good		
Doubtful		
(d) Prepaid expenses -		
Unsecured, considered good **	1,554,395	703,697
(e) Balances with government authorities		
Unsecured, considered good		
Advance Tax and TDS	2,740,699	1,436,637
Service Tax Input / Input VAT	133,135	65,836
(f) Inter-corporate deposits		
(g) MAT Credit entitlement -		
Unsecured, considered good		
(h) Other Loans & Advances ***		
Secured, considered good		
Unsecured, considered good	1,694,844	738,295
Doubtful		
	10,212,780	7,667,833
Less: Provision for other doubtful loans and advances	-	-
	<b>10,212,780</b>	<b>7,667,833</b>

<b>Note: Short Term Loans &amp; Advances include amounts due from</b>		
Directors	-	-
Other Officers of company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
** "Prepaid Expenses" pertains to Insurance, Annual Maintenance Contracts.		
Other Loans & Advances includes *** Advances to Suppliers	1,694,844	738,295

**Note No : 19 Other Current Assets**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
(a) Unbilled revenue	-	-
(b) Unamortised expenses	-	-
(c) Accruals	-	-
(d) Other Current Assets *	388,671	228,756
	<b>388,671</b>	<b>228,756</b>
* Other Current Assets include Interest Accrued But Not due on FDs	388,671	228,756

**Note No. : 20 Revenue from operations**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Sale of products		
Domestic	431,088,542	193,548,252
Service Income		
Domestic	48,393,538	17,594,650
Export	5,808,100	20,641,105
	<b>485,290,180</b>	<b>231,784,007</b>
<b>Sales of traded goods under broad heads:</b>		
<b>Description</b>	<b>FY 2014-15</b>	<b>FY 2013-14</b>
Computers & Peripherals	431,088,542	193,548,252
<b>Total</b>	<b>431,088,542</b>	<b>193,548,252</b>
<b>Services rendered under broad heads:</b>		
<b>Description</b>	<b>FY 2014-15</b>	<b>FY 2013-14</b>
Annual Maintenance Contract Services	40,423,436	8,033,944
Consultancy Services	7,970,102	9,560,706
IT Engineering Services	5,808,100	20,641,105
<b>Total</b>	<b>54,201,638</b>	<b>38,235,755</b>

**Note No. : 21 Other income**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Interest on Fixed Deposits	418,768	143,243
Interest on Others	385,762	173,838
Other Income	745,088	226,955
Profit on sale of Fixed Asset	128,397	-
	<b>1,678,015</b>	<b>544,036</b>

**Note No : 22 Purchase of Stock -in- Trade**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Purchase of Material	389,182,911	190,912,005
Tranport Charges/Labour Charges/ AMC Charges	937,938	116,130
	<b>390,120,849</b>	<b>191,028,135</b>

**Purchases of traded goods under broad heads:**

Description	FY 2014-15	FY 2013-14
Computers & Peripherals	389,182,911	190,912,005
<b>Total</b>	<b>389,182,911</b>	<b>190,912,005</b>

**Note No : 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
<u>Inventories at the end of the year:</u>		
Finished goods (acquired for trading)	36,006,310	43,968,949
Work-in-progress	-	-
Stock-in-trade	-	-
	36,006,310	43,968,949
<u>Inventories at the beginning of the year:</u>		
Finished goods (acquired for trading)	43,968,949	31,275,852
Work-in-progress	-	-
Stock-in-trade	-	-
	<b>43,968,949</b>	<b>31,275,852</b>
<b>Net increase / (decrease)</b>	<b>(7,962,639)</b>	<b>12,693,097</b>

**Note No : 24 Employee benefit expenses**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Salaries and Wages	29,171,659	25,718,999
Directors Remuneration	3,780,000	3,780,000
Contribution to provident and other funds *	1,693,734	1,540,867
Staff Welfare Expenses	145,252	111,784
	<b>34,790,645</b>	<b>31,151,650</b>

\* includes contribution to Employee provident fund, Employee State Insurance Scheme.

**Note No : 25 Finance costs**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Interest Expense		
Interest	4,782,289	3,945,901
Interest on others *	615,176	128,122
Other Borrowing Costs:		
Loan Processing Charges	11,350	541,673
Other Finance Expenses		
Bank charges	1,161,724	368,962
	<b>6,570,539</b>	<b>4,984,658</b>

\* includes Interest on TDS Payable & Payment to suppliers

**Note No : 26 Other Expenses**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Advertisement	98,521	106,110
Audit Fee	100,000	100,000
Business Promotion Exp.	1,166,235	373,339
Commission	738,316	1,500,540
Communication Expenses	515,512	594,407
Conveyance	703,355	560,438
Power and Fuel	563,752	670,082
Fees and taxes	442,706	614,828
Forex Fluctuations	1,645,811	38,489
Office & General Exp	651,808	589,693
Insurance	493,152	426,663
ISO charges	17,500	17,500
Legal and Professional exp.	17,379,526	2,273,017
Printing and stationery	167,607	150,264
Postage and Telegram	41,842	16,305
Rent	2,219,100	2,232,600
Repairs and Maintenance	1,880,907	1,823,200
STPI Service charges	57,809	55,000
Travelling Expenses	285,442	592,551
Vehicle Maintenance	156,160	145,183
	<b>29,325,061</b>	<b>12,880,209</b>

## NOTES TO FINANCIAL STATEMENTS

### 27. SIGNIFICANT ACCOUNTING POLICIES:

#### 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, 2013 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.

#### 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 is 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.

#### 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.

#### Expenditure

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

#### 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.

#### ♣ 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 II of the Companies Act, 2013.

#### 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. The market value of the Investments is not available as it is not a quoted share.

#### 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.

#### Employee Benefits

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

#### 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.

#### 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.

**Note No : 28 Auditors Remuneration**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Payments to Auditors comprises:		
As Auditors - Statutory Audit	88,240	88,240
For taxation matters	22,060	22,060
For company law matters	-	-
For management services	-	-
For other services	-	-
Reimbursement of Expenses	-	-

**Note No. : 29 Deferred Tax Liability / (Deferred Tax Asset) (Net)**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
On account of Depreciation and Amortisation	(580,734)	(133,690)

Deferred Tax provision represents, net of provisions for Hardware Sales & Service, Metals & Minerals and EOU (Software Development Services). Depreciation for EOU division for tax holiday period u/sec 10A is permanent nature, hence not considered for deferred tax provision.

**Note No : 30 Related Party Disclosures**

S.No.	Name of the Related Party	Nature of Relationship
1	V.A. Rama Raju	Key Managerial Personnel
2	V.Rajam Raju	Key Managerial Personnel
3	V.Parvathi	Relative of Director
4	D.Tanuja	Relative of Director
5	Reliance Tea Pvt Ltd	Enterprise over which significant influence exists
6	Gottumukkala Achyuta Rama Raju	Relative of Director
7	Bangarraju Mudundi	Relative of Director
8	V Sarada	Relative of Director
9	M Krishna Veni	Relative of Director
10	Vegesna Pushpavathi	Relative of Director
11	Mohan Raju Indukuri	Relative of Director
12	Uma Vani Indukuri	Relative of Director



**Transactions with Related Parties:**

S. No	Nature of Transaction	FY 2014-15			FY 2013-14				
		KMP	Relative of Director	Enterprise over which significant influence exists	Total	KMP	Relative of Director	Enterprise over which significant influence exists	Total
1	Directors Remuneration / Salary	3,780,000	228,000	-	4,008,000	3,780,000	256,500	-	4,036,500
2	Rent	-	-	180,000	180,000	-	-	240,000	240,000
3	Salary Advance		30,000		30,000				-
4	Dividend	320,902	70,334	-	391,236	320,902	70,334	-	391,236
5	Share Warrants	1,800,000			1,800,000				-

**Balances with Related Parties As At 31.03.2015:**

S. No	Nature of Transaction	FY 2014-15			FY 2013-14				
		KMP	Relative of Director	Enterprise over which significant influence exists	Total	KMP	Relative of Director	Enterprise over which significant influence exists	Total
1	Rent Deposit	-	-	2,000,000	2,000,000	-	-	2,000,000	2,000,000
2	Salary Advances		30,000		30,000				-

**Disclosure in respect of material transactions during the year:**
**(Amount in ₹)**

SI No	Particulars	FY 2014-15	FY 2013-14
<b>1</b>	<b><u>Directors Remuneration / Salary</u></b>		
	V.A.Rama Raju	1,980,000	1,980,000
	V.Rajam Raju	1,800,000	1,800,000
	V.Parvathi	228,000	228,000
	V.Tanuja	-	28,500
<b>2</b>	<b><u>Rent</u></b>		
	Reliance Tea Pvt Ltd	180,000	240,000
<b>3</b>	<b><u>Rent Deposits</u></b>		
	Reliance Tea Pvt Ltd	2,000,000	2,000,000
<b>4</b>	<b><u>Salary Advances :</u></b>		
	V.Parvathi	30,000	
<b>5</b>	<b><u>Dividend :</u></b>		
	V Atchyuta Rama Raju	202,852	202,852
	V Rajam Raju	118,050	118,050
	Gottumukkala Achyuta Rama Raju	59,944	59,944
	Bangarraju Mudundi	1,800	1,800
	Parvathi Vegesna	1,740	1,740
	V Sarada	1,700	1,700
	M Krishna Veni	1,680	1,680
	Vegesna Pushpavathi	1,400	1,400
	Mohan Raju Indukuri	1,070	1,070
	Uma Vani Indukuri	1,000	1,000

Note: Related Party relationships as given above is as identified by the Company and relied upon by the Auditors

**Note No. 31 Segment Reporting**

The Company has identified three reportable segments viz. Software Development Service, Hardware Sales & Services and Trading of Metals & Minerals . Segments have been identified and reported taking into account nature of products and services. The accounting policies adopted for segment reporting are in line with accounting policy of the company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable"
- Segment assets and Segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**Segment information for the year March 31, 2015, as per Accounting Standard 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India:**

Particulars	Business Segment						Amount in `	
	Software Development Service		Hardware Sales & Service		Consolidated Total		As At 31.03.2015	As At 31.03.2014
	As At 31.03.2015	As At 31.03.2014	As At 31.03.2015	As At 31.03.2014	As At 31.03.2015	As At 31.03.2014		
<b>Revenue</b>								
<b>Exports</b>								
External Sales	5,808,100	20,641,105	-	-	5,808,100	20,641,105		
Inter Segment Sales Domestic	-	-	-	-	-	-		
External Sales Inter Segment Sales	-	-	479,482,080	211,142,902	479,482,080	211,142,902		
<b>Total Revenue</b>	<b>5,808,100</b>	<b>20,641,105</b>	<b>479,482,080</b>	<b>211,142,902</b>	<b>485,290,180</b>	<b>231,784,007</b>		
<b>Results</b>								
Segment result	(11,945,930)	(135,960)	24,928,207	5,356,331	12,982,277	5,220,371		
Unallocated corporate expenses								
Operating profit					<b>12,982,277</b>	<b>5,220,371</b>		
Interest expense					(4,782,289)	(3,945,901)		
Other income					1,678,015	544,036		
Income taxes					(4,859,076)	(206,628)		
Profit from ordinary activities					5,018,927	1,611,878		
Extraordinary losses;					-	-		
Profit for the Year					<b>5,018,927</b>	<b>1,611,878</b>		
<b>Assets:</b>								
Segment assets	28,288,851	40,499,088	211,883,974	88,930,641	240,172,825	129,429,729		
Unallocated corporate assets					11,705,481	5,168,472		
<b>Total assets</b>					<b>251,878,306</b>	<b>134,598,201</b>		
<b>Liabilities:</b>								
Segment liabilities	1,234,669	1,491,227	90936820	20,640,300	92,171,489	22,131,527		
Unallocated corporate liabilities					159,706,817	112,466,674		
Total liabilities					<b>251,878,306</b>	<b>134,598,201</b>		
<b>Other Information:</b>								
Capital Expenditure	1,056,272	851,750	1,410,330	26,040	2,466,602	877,790		
Depreciation	2,630,461	2,590,257	419,998	567,725	3,050,459	3,157,982		
Non Cash Expenditure other than Depreciation (Allocable)	-	-	-	-	-	-		
"Non Cash Expenditure other than Depreciation (Unallocable)"	-	-	-	-	-	-		



**Geographic Segment:**

The Company operates solely in one Geographic Segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required

**Note No. : 32 Earnings Per Share**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR)	5,018,927	1,611,878
No of Equity shares	8,238,000	7,038,000
Weighted No of Equity shares	7,613,342	7,038,000
Basic and Diluted Earnings per share (INR)	0.66	0.23
Face value per share (INR)	10.00	10.00
The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.		

**Note No. : 33 Earnings in foreign currency**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
From Engineering Services	9,130,338	21,266,497
From Software Development	-	-
<b>Total Earnings from Foreign Currency</b>	<b>9,130,338</b>	<b>21,266,497</b>

**Note No. : 34 Expenditure in foreign currency**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
For Foreign Travel	-	261,411
for Commission on Sales	982,478	1,353,507
Purchase Import	94,689,647	-
Bank Charges	49,825	93,211
	<b>95,721,950</b>	<b>1,708,129</b>

**Note No. : 35 Tax Expense**

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
The Tax Expenses for the year comprises of;		
Income Tax	5,439,810	695,610
Current Year	5,439,810	695,610
Less : MAT Credit	-	-
Deferred Tax	(580,734)	(133,690)

**Note No. : 36 Obligations towards operating leases**

The company has entered into operating lease arrangements for its premises at various locations.

Particulars	As At 31.03.2015 Amount in ₹	As At 31.03.2014 Amount in ₹
Future minimum lease payments not later than one year	2,303,300	1,774,126
later than one year and not later than five years	3,066,054	116,850
later than five years	-	-

The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of offices:

On account of Lock-in Period	-	115,989
On account of Notice Period	579,000	518,939
Lease payments recognized in the Statement of Profit and Loss (net)	2,219,100	2,232,600
Sublease payments received / receivable recognized in the Statement of Profit and Loss	-	-

**Note No. : 37 Working Capital Loan / Vehicle Loans:****Working Capital Loan from State Bank of India:****Cash Credit and Bank Guarantee Limits:****Rate of Interest:**

**Cash Credit from SBI:** Interest at the rate of 3.75% margin above the base rate which is presently 10% P.A. Present effective rate 13.75% P.A.

**Primary Security:**

Hypothecation of Stocks and Receivables and all chargeable current assets of the Company.

**Collateral Security:**

1) Hypothecation of fixed assets

2) EM of Flat No. 401, 04th Floor, Plot No. 14 & 16, SNo.93, 94 & 95 located at Madhura Nagar, Yousuf guda, Hyderabad existing in the name of Shri. V. Atchyuta Rama Raju S/o. VVS Raju

3) EM of Office Premises No. 619, 06th Floor, Maker Chambers, V Premises Co-op Soc Ltd., Plot No.221 of Backbay reclamation, Nariman Point, Mumbai - 400021. Carpet Area-434 sft in the name of Reliance Tea Private Limited

**Personal Guarantee of**

1. Shri V.Atchyuta Rama Raju, MD, S/o. Late V. Venkata Satynarayana Raju
  2. Shri V. Rajam Raju, Director, S/o. Late V. Venkata Satynarayanaraju
  3. Smt. V. Parvathi, Guarantor, W/o. Sri V. Rama Raju
- Corporate guarantee of Reliance Tea Pvt. Ltd.

**Terms of Repayment:**

Working Capital Loans repayable on demand.

**Vehicle Loans from Banks:**

**Rate of Interest:**

SBI Car Loan-Honda City\_1: @ 10.15% per annum

SBI Car Loan-Honda City\_2: @ 10.15% per annum

**Security:**

Vehicles loans are secured by hypothecation of vehicles financed by respective banks.

**Terms of Repayment:**

**SBI Car Loan 1:**

This Loan is repayable in 83 monthly installments of Rs.18,670/- each commencing from March, 2015

Status as on 31.03.2015 : Balance No. of Installments -82

**SBI Car Loan 2:**

This Loan is repayable in 59 monthly installments of Rs.21,095/- each commencing from March, 2015

Status as on 31.03.2015 : Balance No. of Installments -58

**Note No. : 38 Contingent Liabilities**

- (a) The liability towards bank guarantees of Rs.89,81,600/- issued to various parities by the company in the course of ordinary business is partly covered against fixed deposits with the banks which are held by the bankers as the security.

**39 Note: Capital Commitments**

There are no capital commitments identified by the management for the current financial year. There are no contracts remaining to be executed on capital account and not provided for, during the current financial year.

- 40** In the opinion of the Board, current assets, loans and advances are stated at a value, which could be realized in the ordinary course of business. The provision for all known liabilities made is adequate and not in excess of the amount reasonably necessary.

The Company sold the investments worth Rs. 53.80 lakhs for a value of Rs. 1.10 Lakhs and the loss on the same is classified as exceptional item.

- 41** Some of the balances in Sundry Debtors, Sundry Creditors, Advances and Deposits are subject to confirmation, reconciliations and adjustments if any, which in the opinion of the management will not be significant.

- 42** These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013

- 43** The figures of the previous year are re-grouped / re-classified wherever necessary to make them comparable with that of the current year.

**As per my audit report of even date**

**For G.V &Co.,**

Chartered Accountants

Sd/-

**Grandhi Vittal**

Proprietor

Membership No. 206462

Firm Regn No. 012875S

Place : Hyderabad

Date : 29.05.2015

**for and on behalf of the Board of Directors**

Sd/-

**V. Atchyuta Rama Raju**  
Managing Director

Sd/-

**V. Rajam Raju**  
Executive Director

Sd/-

**G. Siva**  
Chief Financial Officer

Sd/-

**Shilpa Kotagiri**  
Company Secretary



**VAMA INDUSTRIES LIMITED**

CIN:L72200TG1985PLC041126

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

**ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING**

(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Vama Industries Limited.

I hereby record my presence at the 30th Annual General Meeting of the company, to be held on Tuesday, the 29th day of September, 2015 at 10.00 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.

Reg. Folio No. / Client ID*	
DP ID*	
No. of Shares	

Name & Address of Member

--

Signature of Shareholder/Proxy/Representative  
(Please Specify)







### VAMA INDUSTRIES LIMITED

CIN:L72200TG1985PLC041126

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

#### Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	CIN:L72200TG1985PLC041126
Name of the company :	<b>VAMA INDUSTRIES LIMITED</b>
Registered office :	Ground Floor, 8-3-191/147/24, Plot No. B-12, Madhura Nagar, Hyderabad-500 038
Name of the member(s) :	
Registered Address :	
Email Id :	
Folio No / Client ID :	DP ID :

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name		
Address	Signature	
E-mail Id		
or failing him		
2. Name		
Address	Signature	
E-mail Id		

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the company, to be held on Tuesday, the 29th day of September, 2015 at 10.00 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082. and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions	For	Against
1. Adoption of Financial Statement for the FY ended 31st March, 2015		
2. Declaration of Dividend		
3. Re-appointment of Sri. V. Rajam Raju to the office of Director of the Company		
4. Ratification of appointment of M/s G.V. &Co, Chartered Accountants as Auditors		

Signed this ..... day of ..... 2015.

Affix  
Revenue  
Stamp

Signature of shareholder : \_\_\_\_\_ Signature of Proxy holder(s) : \_\_\_\_\_

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting..



**VAMA INDUSTRIES LIMITED****CIN: L72200TG1985PLC041126**

Regd. Off. Ground Floor, B-12, Madhura Nagar, Hyderabad - 500038  
Corp. Off: 7-1-24/2/D, Greendale, II Floor, Beside Green Park Hotel, Ameerpet  
Hyderabad – 500 016

Phone: +91 40 6661 5534 / 6661 9919, Fax: 040-23708672  
e-mail: investorservices@vama.co.in; website: www.vamaind.com

**BALLOT FORM**

Serial No. :

S. No.	Particulars	Details		
(1)	Name and Registered Address : of the Sole / First named Shareholder			
(2)	Name(s) of the Joint Holder(s) : (If any)			
(3)	Registered Folio No./ DPID No. and Client ID No.			
(4)	Number of Share(s) held :			
(5) I/we hereby exercise my/our vote in respect of Ordinary resolution(s) set out in Notice of Thirtieth Annual General Meeting (AGM) to be held on Tuesday, 29th September 2015 by recording my/our assent or dissent to the said resolutions by placing the ( ✓ ) in the appropriate box below:				
Item No.	Description	No. of Shares	(For) I/We assent to the Resolution	(Against) I/We dissent to the Resolution
1.	Adoption of Financial Statement for the FY ended 31st March, 2015			
2.	Declaration of Dividend			
3.	Re-appointment of Sri. V. Rajam Raju to the office of Director of the Company			
4.	Ratification of appointment of M/s G.V. & Co, Chartered Accountants as Auditors			

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Shareholder

Note: Please read the instructions carefully before exercising your vote.



# NOTES

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**PRINTED MATTER**

*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