

NOTICE CALLING 20TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of VIMTA LABS LIMITED will be held on September 30, 2010 at 10.00 A M at the Registered Office of the Company i.e. 141/2 & 142, IDA, Phase-II, Cherlapally, Hyderabad : 500051 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2010 and Profit & Loss Account for the year ended on that date together with Cash Flow statements and reports of Auditors and Directors thereon.
2. To approve the Dividend.
3. To appoint a Director in place of T S Ajai who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Prof D Balasubramanian who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED that M/s Sarathy & Balu, Chartered Accountants (Regn. No. 003621S), Hyderabad, the retiring Auditors of the Company, be and are hereby appointed Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be decided by the Board of Directors of the Company in addition to reimbursement of all out-of-pocket expenses in connection with audit of the accounts of the company."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

Appointment of Managing Director

"RESOLVED that subject to the provisions of Sections 269 read with Schedule XIII, 198,309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 Dr S P Vasireddi be and is hereby appointed as Managing Director of the company for a period of 3 years with effect from 26.03.2010 on the following terms and conditions.

Remuneration

I. Salary

₹ 48,00,000/- per annum

II. Commission

Commission on the net profits of the Company as allowed under the provisions of the Companies Act, 1956 and as may be decided by the board of directors and remuneration committee.

III. Allowances

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a maximum ceiling of one month salary per annum.

b) Leave Travel Concession

For self and family including dependent mother and father, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.

IV. Perquisites

a) Pension / Superannuation Fund

Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

b) Gratuity

As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.

c) Encashment of Leave

Encashment of leave will be paid as per the rules of the company.

d) Telephone and Car

Company telephone at residence and car for business purposes.

e) Personal accident insurance

Personal accident insurance will be paid as per the rules of the company."

"Resolved further that in addition to the above remuneration, Dr S P Vasireddi is eligible to draw up to a maximum of ₹ 36,00,000/- per annum at the end of each financial year, as the Board may deem fit, within the over all permissible limits under the provisions of the Companies Act, 1956 and other applicable provisions, if any, with respect to payment of remuneration to the Managing Director and other Whole time Directors.

Minimum Remuneration

"Resolved further that in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Dr S P Vasireddi, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, as may, for the time being, be in force."

7. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

Appointment of Director Technical

"RESOLVED that subject to the provisions of Sections 269 read with Schedule XIII, 198,309,310,311 and other applicable provisions, if any, of the Companies Act, 1956, Vungal Harriman be and is hereby appointed as Director Technical of the company for a period of 3 years with effect from 26.03.2010 on the following terms and conditions:

Remuneration

I. Salary

₹ 48,00,000/- per annum

II. Commission

Commission on the net profits of the Company as allowed under the provisions of the Companies Act, 1956 and as may be decided by the board of directors and remuneration committee.

III. Allowances

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a maximum ceiling of one month salary per annum.

b) Leave Travel Concession

For self and family including dependent mother and father, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.

IV. Perquisites

a) Pension / Superannuation Fund

Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

b) Gratuity

As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.

c) Encashment of Leave

Encashment of leave will be paid as per the rules of the company.

d) Telephone and Car

Company telephone at residence and car for business purposes.

e) Personal accident insurance

Personal accident insurance will be paid as per the rules of the company.

Minimum Remuneration

"Resolved further that in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Vungal Harriman, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, as may, for the time being, be in force."

8. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

Appointment of Executive Director

"RESOLVED that subject to the provisions of Sections 269 read with Schedule XIII, 198,309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 V V Prasad be and is hereby appointed as Executive Director of the company for a period of 3 years with effect from 26.03.2010 on the following terms and conditions:

Remuneration

I. Salary

₹ 48,00,000/- per annum

II. Commission

Commission on the net profits of the Company as allowed under the provisions of the Companies Act, 1956 and as may be decided by the board of directors and remuneration committee.

III. Allowances

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a maximum ceiling of one month salary per annum.

b) Leave Travel Concession

For self and family including dependent mother and father, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.

IV. Perquisites

a) Pension / Superannuation Fund

Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

b) Gratuity

As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.

c) Encashment of Leave

Encashment of leave will be paid as per the rules of the company.

d) Telephone and Car

Company telephone at residence and car for business purposes.

e) Personal accident insurance

Personal accident insurance will be paid as per the rules of the company.

Minimum Remuneration

"Resolved further that in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of V V Prasad, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, as may, for the time being, be in force."

9. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

Appointment of Director Quality

"RESOLVED that subject to the provisions of Sections 269 read with Schedule XIII, 198,309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 Harita Vasireddi be and is hereby appointed as Director Quality of the company for a period of 3 years with effect from 26.03.2010 on the following terms and conditions :

Remuneration

I. Salary

₹ 48,00,000/- per annum

II. Commission

Commission on the net profits of the Company as allowed under the provisions of the Companies Act, 1956 and as may be decided by the board of directors and remuneration committee.

III. Allowances

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a maximum ceiling of one month salary per annum.

b) Leave Travel Concession

For self and family including dependent mother and father, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.

IV. Perquisites

a) Pension / Superannuation Fund

Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

b) Gratuity

As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.

c) Encashment of Leave

Encashment of leave will be paid as per the rules of the company.

d) Telephone and Car

Company telephone at residence and car for business purposes.

e) Personal accident insurance

Personal accident insurance will be paid as per the rules of the company.

Minimum Remuneration

"Resolved further that in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Harita Vasireddi, the payment of salary, perquisites and other allowances shall be governed by the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof, as may, for the time being, be in force."

By Order of the Board

Place : Hyderabad
Date : 28.07.2010

A VENKATA RAMANA
COMPANY SECRETARY & VP-CORP. AFFAIRS

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself. Such a proxy need not be a member of the company. Proxies in order to be valid and effective must be received by the company not later than 48 hours before the commencement of the meeting.
2. Details of the Directors seeking re-appointment in pursuance of Clause 49 IV (G) (i) of the listing agreement and the explanatory statement pursuant section 173 (2) of the Companies Act, 1956 for the special business listed at item Nos. 6,7,8 and 9 are given in Annexure to this notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27.09.2010 to 30.09.2010 (both days inclusive) for the purpose of annual closing and declaration of dividend.
4. Unclaimed Dividends

In terms of Section 205A and 205C of the Companies Act, 1956, the unclaimed dividends for the financial years 2001-02 & 2002-03 have been transferred to the Investor Education and Protection Fund. Dividends pertaining to the financial years 2003-04 to 2008-09 which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund as detailed in the Corporate Governance Report for reference.

Members who have, till date, not encashed their dividend warrants for the years 2003-04 to 2008-09 are requested to claim the dividend from the Shares Department, M/s Vimta Labs Limited, 142, IDA, Phase-II, Cherlapally, Hyderabad : 500051 at the earliest before they become due for transfer to Investor Education and Protection Fund.

5. Members holding shares in physical form are requested to notify, immediately, any change in their address to the Company's Registrar and Transfer Agents M/s CIL Securities Ltd, 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad : 500001. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. The listing fees in respect of shares of the Company have been paid to the aforesaid Stock Exchanges for the financial year 2010-11.

Annexure to the Notice Calling 20th Annual General Meeting

1. Details of the Directors seeking reappointment at the forth coming Annual General Meeting (In pursuance of clause 49 IV(G)(i) of the listing agreement)

Whole time Directors				Directors retiring by rotation	
Name	Dr S P Vasireddi	V Harriman	V V Prasad	T S Ajai	Prof. D Balasubramanian
Date of Birth	01.07.1948	01.10.1951	14.08.1951	19.07.1962	28.08.1939
Date of Appointment	26.03.2010	26.03.2010	26.03.2010	12.04.2002	12.07.2004
Expertise in specific functional areas	Ph.D. with over 38 years of experience. He is one of the promoter Director of the company and has been its Chairman & Managing Director since inception. He is a member on the Governing Boards of several scientific bodies.	D.Tech. from Toronto, Canada with over 33 years of experience. He is one of the promoter Director of the company and has been its Director-Technical since inception.	A Graduate in commerce with over 33 years experience. He is one of the promoter Director of the company and has been its Executive Director since inception. Prior to starting this Company he was in service with AP State Government.	A Chartered Accountant. Specializing in direct tax laws and business and commercial laws. He has wide experience and expertise in the areas of Company Law, Income Tax, Investment regulations, Other Corporate Laws, and foreign collaborations.	He is an eminent Scientist and former Director of Center for Cellular & Molecular Biology (CCMB), Hyderabad and Prof. & Dean, University of Hyderabad.
Qualification	Ph.D.	D.Tech	B.Com	F.C.A.	Ph.D
Shareholding as on 31.03.2010	3,598,525	1,944,949	1,293,565	-Nil-	-Nil-
List of other public limited companies in which directorship held as on 31.03.2010					
Chairman / Member of the committees of the board across all public companies of which he/she is a director as on 31.03.2010	1	1	1	-Nil-	-Nil-
	-Nil-	-Nil-	Shareholders/Grievance Committee - Chairman	Audit Committee - Chairman Remuneration Committee - Member Shareholders/Grievance Committee - Member	-Nil-

2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 for the special business listed at item 6, 7, 8 & 9 of Notice Calling 20th Annual General Meeting.

Item Nos. 6, 7, 8 & 9

Considering that the terms of appointment of Managerial personnel were to expire by March 31, 2010, the Board of Directors, in their meeting held on March 26, 2010, re-appointed Dr S P Vasireddi as Managing Director, Vungal Harriman as Director Technical, V V Prasad as Executive Director and Harita Vasireddi as Director Quality of the Company for a period of 3 (three) years commencing from March 26, 2010 in terms of recommendations made by the remuneration committee.

Dr S P Vasireddi, Managing Director, V V Prasad, Executive Director, V Harriman, Director-Technical and Harita Vasireddi, Director-Quality are deemed to be interested in these resolutions. None of the other Directors of the Company is in any way concerned or interested in these resolutions.

Pursuant to section 302 of the Companies Act, 1956 an abstract was sent to all the members on 15.04.2010 indicating the terms and conditions of appointment of managerial personnel of the Company.

A statement pursuant to the provisions of Section II Part II of Schedule XIII to the Companies Act, 1956 for payment of minimum remuneration in the event of loss or inadequacy of profits in any financial year during the tenure of the Managerial Personnel is enclosed as Annexure to this Notice.

By Order of the Board

Place : Hyderabad
Date : 28.07.2010

A VENKATA RAMANA
COMPANY SECRETARY & VP-CORP. AFFAIRS

ANNEXURE TO THE EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Statement pursuant to Section II part II of Schedule XIII of the Companies Act, 1956 relating to the appointment and remuneration of Managerial Personnel.

I. GENERAL INFORMATION

1. **Nature of Industry** : Contract Research and Testing Organisation providing wide range of testing and research services.
2. **Date or expected date of commencement of commercial production** : The Company is in existence since 1990.
3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus** :- Not Applicable-
4. **Financial performance of the Company in the last five years based on given indicators**

Indicators ↴	Financial years →				
	2009-10	2008-09	2007-08	2006-07	2005-06
Total Income	8841.56	8173.07	7889.50	6391.25	5505.71
Profit before non cash charges	1882.89	2138.86	2490.50	2325.30	2535.29
Non cash charges	1393.00	1483.28	1461.85	939.96	503.40
Profit before Tax	407.29	627.92	990.72	1343.66	2031.88
Profit after Tax	265.86	404.43	624.57	872.73	1349.90
Paidup Equity Capital	442.16	442.16	442.16	442.16	442.16
Dividend (%)	40	40	40	40	40

(₹ in lakhs)

5. Export performance and net foreign exchange collaborations :

(a) Export earnings of the company during the last five financial years are as under :

(₹ in lakhs)

Indicators ↴	Financial years →				
	2009-10	2008-09	2007-08	2006-07	2005-06
Export Earnings	4125.93	3037.74	2899.83	2340.17	2288.70

(b) The Company has not entered into any collaborations with any foreign Companies / Parties.

6. Foreign Investments or collaborators, if any : - Nil -

II. INFORMATION ABOUT THE APPOINTEES : Details are given in Page No. 7

III. OTHER INFORMATION

1. **Reasons for inadequate profits** : In addition to the effect of global financial meltdown in the year 2008, the input and fixed costs have increased resulting in low profitability. Therefore, the profits are inadequate to cover the remuneration payable to the managerial personnel.
2. **Steps taken or proposed to be taken for improvement** : The management is consistently working for reducing the costs and for improving the performance of the company to attain better profitability.
3. **Expected increase in productivity and profits in measurable terms** : As in the past, it is expected that there will be an all-round increase in the productivity and profitability of the Company in the coming years. It is difficult to predict and quantify the increase in productivity in measurable terms.

IV. DISCLOSURES

1. Adequate disclosure is made to the shareholders of the company of the terms of appointment and remuneration of the managerial personnel and the approval is sought for the same.
2. The information on remuneration package and other details are disclosed in the directors report under the head "Corporate Governance".

Information about the appointees

Appointees				
Name Designation	Dr S P Vasireddi Managing Director	V Harriman Director - Technical	V V Prasad Executive Director	Harita Vasireddi Director - Quality
I) Background	Ph.D. with over 38 years of experience. He is one of the promoter Directors of the company and has been its Chairman & Managing Director since inception. He is a member on the Governing Boards of several scientific bodies.	D.Tech. from Toronto, Canada with over 33 years of experience. He is one of the promoter Directors of the company and has been its Director-Technical since inception.	A Graduate in commerce with over 33 years experience; He is one of the promoter Directors of the company and has been its Executive Director since inception. Prior to starting this Company he was in service with AP State Government.	A Pharmacist and an MBA (USA) in Service Operations Management with over 13 years of experience.
II) Past Remuneration - (Salary, Allowances and Perquisites) (in ₹)				
F.Y. 2009-10	5,376,000	4,348,838	4,348,838	3,638,481
F.Y. 2008-09	5,376,000	4,332,000	4,332,000	3,610,000
F.Y. 2007-08	5,402,400	4,358,400	4,358,400	3,636,400
F.Y. 2006-07	5,402,400	4,358,400	4,358,400	3,636,400
F.Y. 2005-06	6,703,692	5,259,691	5,259,692	4,537,691
III) Recognition / Awards / Memberships	-----	-----	-----	-----
IV) Job Profile and his / her suitability	The profile of the job includes overall planning of business and implementation of Board decisions. The Job requires expert knowledge in the testing & research and related areas for guiding the scientists and experts of the Company. Dr.S.P Vasireddi with his expertise and rich experience in analytical testing and research fields, is the right person for the job.	The profile of the job includes overall supervision of testing & research division. The job requires expert knowledge in technical field and related matters. V Harriman with his expertise and wide experience in technical field, is the right person for the job.	The profile of the job includes heading Finance & accounts and administration Divisions. V V Prasad with his rich experience in Finance & accounts and Administration, is the right person for the job.	Maintaining and enhancing quality assurance activities to ensure systems, processes and their outcomes comply with Company's quality systems; applicable regulation; guidelines; and customer requirements. With her experience in these fields is the right person for the job.

Appointees				
Name Designation	Dr S P Vasireddi Managing Director	V Harriman Director - Technical	V V Prasad Executive Director	Harita Vasireddi Director - Quality
V) Remuneration proposed in the event of loss or inadequacy of profits	The Remuneration Proposed is as recommended by the "Remuneration Committee" and approved by the Board and is within the limit specified in Section II of Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time.			
Salary	₹ 4,800,000 p.a.	₹ 4,800,000 p.a.	₹ 4,800,000 p.a.	₹ 4,800,000 p.a.
Perquisites	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>
V) Comparative Remuneration Profile	This is a unique industry offering different types of testing and research services under one roof. There are no Indian industry norms available for comparison. There are no Companies offering all types of services under one roof like this Company. Hence providing the comparative information on remuneration profile with respect to industry, size of the company and profile of the position and person is not possible.			
VII. Pecuniary relationship with the Company and among the Managerial personnel.				
	Chief promoter and Chairman & Managing Director of the Company - V V Prasad, Executive Director, V Harriman, Director-Technical and Harita Vasireddi, Director Quality of the company are his relatives.	One of the Promoter Directors and Director-Technical of the Company.	One of the Promoter Directors and Executive Director of the Company. Related to - Dr S P Vasireddi, Managing Director and V Harriman, Director-Technical of the company.	Director Quality of the Company. Related to - Dr S P Vasireddi, Managing Director of the Company.

By Order of the Board

 A VENKATA RAMANA
 COMPANY SECRETARY & VP-CORP. AFFAIRS

 Place : Hyderabad
 Date : 28.07.2010