



Annual Report
2012 - 13

Vimta Labs Limited

Registered Office: Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, R. R. District, Hyderabad - 500 051
E-mail : shares@vimta.com Web : www.vimta.com

BOARD OF DIRECTORS

Dr S P VASIREDDI
Chairman & Managing Director

HARITA VASIREDDI
Joint Managing Director

V HARRIMAN
Director Technical

V V PRASAD
Executive Director

T S AJAI
Director

Dr SUBBA RAO PAVULURI
Director

Prof. D BALASUBRAMANIAN
Director

RAO PURNACHANDRA POTHARLANKA
Director

VP - FINANCE & CFO

P SANKARAI AH

COMPANY SECRETARY

A VENKATA RAMANA

BANKERS

State Bank of India
Overseas Branch
Plot No. 241/A, 2nd & 3rd Floor
Rajala Centre, Road No. 36
Jubilee Hills, Hyderabad

AUDITORS

Sarathy & Balu
(Firm Regn. No. 003621S)
Chartered Accountants
12, Master Sai Apartments
Somajiguda, Hyderabad - 500 082

LISTED WITH

The Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd
"Exchange Plaza", Bandra, Kurla Complex
Bandra (E), Mumbai - 400 051

SHARE TRANSFER AGENTS

CIL Securities Ltd
214, Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad - 500 001



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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Company Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail ID with M/s CIL Securities Ltd., 214, Raghava Ratna Towers, Chira-Ali-Lane, Abids, Hyderabad-500 001.

NOTICE is hereby given that the twenty third Annual General Meeting of the members of VIMTA LABS LIMITED will be held on 31st May, 2013 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, 2013 and Profit & Loss Account for the year ended on that date together with Cash Flow statements, reports of the Auditors and Directors thereon.
2. To approve the Dividend.
3. To appoint a Director in place of Dr Subba Rao Pavuluri who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr Rao P Potharlanka 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, 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 with or without modifications, the following resolution as an Ordinary Resolution.

Appointment of Managing Director

“RESOLVED that subject to the provisions of Sections 269 read with Part-I and Section-I of Part- II of Schedule XIII and the provisions of Sections 198,309,310,311 and other applicable provisions of the Companies Act, 1956 Dr S P Vasireddi be and is hereby appointed Managing Director of the company for a period of 3 years with effect from 25.03.2013 on the following terms and conditions:

Remuneration

By way of salary, dearness allowance, perquisites and other allowances with the following breakup subject to that the total remuneration shall not exceed 10% of the net profits of the company for the Managing Director and the three other Whole time Directors put together:

- I. **Salary (consolidated)** : ₹. 48,00,000/- per annum
- II. **Allowances**
 - a) **Medical Reimbursement** : Reimbursement of medical expenses actually incurred for self and family including dependent parents, subject to a maximum ceiling of one month salary per annum.
 - b) **Leave Travel Concession** : For self and family including dependent parents, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.
- III. **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 premium will be paid as per the rules of the company.”

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

Appointment of Joint Managing Director

“RESOLVED that subject to the provisions of Sections 269 read with Part-I and Section-I of Part- II of Schedule XIII and the provisions of Sections 198,309,310,311 and other applicable provisions of the Companies Act, 1956 Harita Vasireddi be and is hereby appointed Joint Managing Director of the company for a period of 3 years with effect from 25.03.2013 on the following terms and conditions:

Remuneration

By way of salary, dearness allowance, perquisites and other allowances with the following breakup subject to that the total remuneration shall not exceed 10% of the net profits of the company for the Joint Managing Director and the three other Whole time Directors put together :

- I. **Salary (consolidated)** : ₹. 48,00,000/- per annum
- II. **Allowances**
 - a) **Medical Reimbursement** : Reimbursement of medical expenses actually incurred for self and family including dependent parents, subject to a maximum ceiling of one month salary per annum.
 - b) **Leave Travel Concession** : For self and family including dependent parents, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.
- III. **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 premium will be paid as per the rules of the company."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

Appointment of Director Technical

"RESOLVED that subject to the provisions of Sections 269 read with Part-I and Section-I of Part- II of Schedule XIII and the provisions of Sections 198,309,310,311 and other applicable provisions of the Companies Act, 1956 Vungal Harriman be and is hereby appointed Director Technical of the company for a period of 3 years with effect from 25.03.2013 on the following terms and conditions:

Remuneration

By way of salary, dearness allowance, perquisites and other allowances with the following breakup subject to that the total remuneration shall not exceed 10% of the net profits of the company for the Director Technical and the three other Whole time Directors put together:

I. **Salary (consolidated)** : ₹. 48,00,000/- per annum

II. Allowances

- a) **Medical Reimbursement** : Reimbursement of medical expenses actually incurred for self and family including dependent parents, subject to a maximum ceiling of one month salary per annum.
- b) **Leave Travel Concession** : For self and family including dependent parents, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.

III. 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 premium will be paid as per the rules of the company."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

Appointment of Executive Director

"RESOLVED that subject to the provisions of Sections 269 read with Part-I and Section-I of Part- II of Schedule XIII and the provisions of Sections 198,309,310,311 and other applicable provisions of the Companies Act, 1956 V V Prasad be and is hereby appointed Executive Director of the company for a period of 3 years with effect from 25.03.2013 on the following terms and conditions:

Remuneration

By way of salary, dearness allowance, perquisites and other allowances with the following breakup subject to that the total remuneration shall not exceed 10% of the net profits of the company for the Executive Director and the three other Whole time Directors put together:

I. **Salary (consolidated)** : ₹. 48,00,000/- per annum

II. Allowances

- a) **Medical Reimbursement** : Reimbursement of medical expenses actually incurred for self and family including dependent parents, subject to a maximum ceiling of one month salary per annum.
- b) **Leave Travel Concession** : For self and family including dependent parents, to and fro from any place in India, once in a year subject to a maximum ceiling of one month salary per annum.

III. 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 premium will be paid as per the rules of the company."

Place : Hyderabad
Date : 27.04.2013

By Order of the Board

A VENKATA RAMANA
COMPANY SECRETARY

EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 6, 7, 8 & 9**

Considering that the terms of appointment of Managerial personnel were to expire by March 25, 2013, the Board of Directors, in their meeting held on March 23, 2013, reappointed Dr S P Vasireddi as Managing Director, Harita Vasireddi as Joint Managing Director, Vungal Harriman as Director Technical and V V Prasad as Executive Director of the Company for a period of 3 (three) years commencing from March 25, 2013 in terms of recommendations made by the remuneration committee.

Dr S P Vasireddi as Managing Director, Harita Vasireddi as Joint Managing Director, Vungal Harriman as Director Technical and V V Prasad as Executive Director 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 indicating the terms and conditions of appointment of managerial personnel of the Company.

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. The Register of Members and the Share Transfer Books of the Company will remain closed from 27.05.2013 to 31.05.2013 (both days inclusive) for the purpose of annual closing and declaration of dividend.

3. 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, 2003-04 & 2004-05 have been transferred to the Investor Education and Protection Fund. Dividends pertaining to the financial years 2005-06 to 2010-11 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 2005-06 to 2010-11 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.

4. 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).
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange Limited. Further, the listing fees in respect of shares of the Company have been paid to the aforesaid Stock Exchanges for the financial year 2013-14.

**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)**

Name of the Director	Dr Subba Rao Pavuluri	Rao Purnachandra Potharlanka
Date of Birth	05.08.1952	10.08.1946
Date of first Appointment	16.06.2003	30.01.2012
Expertise in specific functional areas	He is a technologist and an entrepreneur. He has more than 20 years of business experience.	A professional with 35yrs of diversified experience in pharmaceutical, biotech/ biopharma manufacturing operations of several dose forms of over 70 Rx & OTC products. During the last ten years, Rao held executive positions such as Senior Director and Vice President of Technical operations of Multi National Companies and successfully managed manufacturing operations, staff/ people, budgets, facilities, engineering, material management, projects, CMOs and CROs and other infrastructures. He currently provides operational consultancy to Biotech, Bio-Pharma and Pharmaceutical companies in USA. He conducts due diligence, operational improvements, training, team building, quality, and productivity improvements. He also leads programs such as FDA inspection & remediation, GMP compliance and cost of goods improvement, CMOs and CROs evaluations for domestic and overseas operations.
Qualification	M.E, Ph.D	B Pharm, MS
Shareholding in the company as on 31.03.2013 (No. of equity shares of ₹.2 each)	Nil	Nil
List of other public limited companies in which directorship held	M/s Ananth Technologies Ltd	Nil
Chairman/Member of the Committees of the Board across all public companies of which he is a Director as on 31.03.2013	Vimta Labs Limited Audit Committee - Member Remuneration Committee - Chairman Shareholders/Grievance Committee - Member	Nil

To
The Members of VIMTA LABS LIMITED

Your Directors hereby present the 23rd Annual Report and audited accounts of your Company for the year ended March 31, 2013.

FINANCIAL RESULTS

Financial Results for the year under review are as follows :

	(₹ in lakhs)			
	For the Year 2012-2013		For the Year 2011-2012	
1. Profit before interest, Depreciation & Taxes (EBIDTA)		2202.64		394.61
Less : Finance Charges & Interest	265.53		406.67	
Depreciation	<u>1499.64</u>	<u>1765.17</u>	<u>1586.04</u>	<u>1992.71</u>
2. Profit /(Loss) before Amortization, Prior year adjustments & Taxes		437.47		(1598.10)
Less : Amortization of Preliminary Expenses	---		---	
Less/(Add) : Prior year adjustments	---		---	
3. Profit /(Loss) before tax		437.47		(1598.10)
4. Less : a) Current Tax	87.52		---	
b) Prior year Tax Liability / (Credits)	3.74		(25.75)	
c) Deferred Tax Liability/(Asset)	<u>(75.13)</u>	<u>16.13</u>	<u>(34.71)</u>	<u>(60.46)</u>
5. Profit /(Loss) after Tax		421.34		(1537.64)
6. Add / (Less) : Surplus brought forward from previous years		2215.02		3752.66
Amount available for appropriations		<u>2636.36</u>		<u>2215.02</u>
APPROPRIATIONS :				
Transfer to General Reserve		42.50		---
Proposed dividend		132.65		---
Provision for tax on proposed dividend		21.52		---
Surplus carried to Balance sheet		<u>2439.69</u>		<u>2215.02</u>
		<u>2636.36</u>		<u>2215.02</u>

OPERATIONS

Net Revenue from operations has gone up by 25% for the year 2012-13 compared to previous year 2011-12. Exports have gone up 54%.

Earnings before interest, depreciation, taxes and amortization (EBIDTA) for the year are ₹ 2202.64 Lakhs as compared to the previous year earnings of ₹ 394.61 lakhs. Profit after tax (including deferred tax) stood at ₹ 421.34 lakhs as against a loss of ₹ (1537.64) lakhs in the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 30% i.e. 0.60 Paise per equity share of ₹ 2/- each for the financial year 2012-13.

TRANSFER TO RESERVES

Your Directors propose to transfer ₹ 42.50 Lakhs to General Reserves. An amount of ₹ 2439.69 lakhs is proposed to be retained in Profit & Loss Account.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Dr Subba Rao Pavuluri and Rao P Potharlanka, Directors of the Company would retire by rotation at the ensuing Annual General Meeting, and are eligible for reappointment. Your Directors recommend the re-appointment of Dr Subba Rao Pavuluri and Rao P Potharlanka as Directors subject to retirement by rotation.

AUDITORS

M/s Sarathy & Balu, Chartered Accountants, Auditors of the Company would hold office till the conclusion of the ensuing Annual General Meeting. They have given their consent for reappointment and further stated that they are eligible to take up the appointment within the provisions of Section 224 (1-B) of the Companies Act,

1956. It is proposed to appoint them as auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

PARTICULARS OF EMPLOYEES

No employee of the Company has received remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with the rules made there under. Hence, the Board confirming nil information to be furnished under this section.

INFORMATION ON ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

Pursuant to the Provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to Energy Conservation, Technology Absorption, Foreign Exchange earnings and outgo is enclosed hereto as Annexure and forms part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors state that :

- i. The applicable accounting standards have been followed in preparation of the annual accounts and there are no material departures during the year under review.
- ii. They have selected the accounting standards and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of Companies Act, 1956 to safeguard the assets of your Company and for preventing and detecting fraud and other irregularities.

- iv. They have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis given below discusses the key issues concerning the business carried on by the Company.

Industry Overview

VIMTA LABS LIMITED is engaged in Contract Research and Testing activities in Analytical, Preclinical, Clinical, Clinical Diagnostics, Cellular & Molecular Biology and Environmental assessments. The year under review has been uneventful for the industry barring a few consolidations. Growth continued in Clinical diagnostics and Analytical areas. Regulatory approvals for clinical research have been slow but steady.

Potential and Outlook

Services to Pharma industry are encouraging inspite of dull economy globally. Anticipated demand from Food industry is yet to pickup inspite of new regulations & standards by the Food Safety and Standards Authority of India. Demand for clinical and preclinical CRO services continues to be good but limited by the speed at which regulatory approvals are given. In view of the multidisciplinary activities run by the company the future outlook is stable and positive.

Threats

- Growing competition from Multi National Companies
- Unstable economies

Risks and Concerns

- Electric power is a key ingredient for the business. Company has to maintain and run modern analytical instrumentation. The power supply in the State has been quite restricted and power tariffs have been on continuous rise.
- Predictability of regulatory approvals.

Safety, Health and Environment

As a part of Vimta's commitment towards the principles of sustainable development, safety, health and environment continue to be the priority areas of the Company. Some of the major activities in these areas have been recycling of waste water, training of staff at all levels to the required standards of safety, health and environment.

Foreign exchange fluctuations

The net gain during the year on account of Foreign exchange fluctuations against foreign currency term loan accounts and overseas customer accounts is ₹ 58.33 lakhs. The same is accounted under the heads Other Income and Finance costs in the statement of Profit and Loss account.

Segment-wise or Product-wise performance

The Company is primarily engaged in the business of testing and research activities in various disciplines such as Contract Research, Pre-Clinical, Cellular Molecular Biology, Clinical Diagnostics, Analytical Testing, Environmental Monitoring and Impact Assessment studies. Since the inherent nature of all these activities are integrated and governed by the same set of risks and returns and operating in the same economic environment, these have been

grouped as a single segment in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) - 17 on "Segment Reporting".

Internal Control Systems

The Company has a well-defined internal control system that is adequate and commensurate with the size and nature of its business. Adequate internal controls are established to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and all the transactions are authorized, recorded and reported correctly. SAP based controls are put in place.

Financial performance

Gross revenue for the year 2012-13 is ₹ 11624.49 lakhs as compared to the previous year of ₹ 9103.41 lakhs. During the year under review, the domestic sales have gone up by 9% and exports by 54 % as compared to the previous year. The Net profit stood at ₹421.34 lakhs as compared to the previous year net loss of ₹(1537.64) lakhs.

Human Resources

Human Resource is one of the strong drivers of the Company. At the end of the financial year, Vimta has 727 employees including 29 Medical Doctors; 17 PhDs and 681 Scientists, Engineers Technicians and other administrative staff.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code as stipulated under the listing agreement with the Stock Exchanges. A Separate section on Corporate Governance along with a Certificate from the auditors confirming the compliance is annexed to and forms part of this report.

DISCLOSURES AS PER THE LISTING AGREEMENT & SEBI REGULATIONS

Cash flow statement

In due compliance of the listing agreements and in accordance with the requirements prescribed by SEBI, the cash flow statement is prepared and is appended to this Annual Report.

Stock exchanges

Equity Shares of your Company are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the listing fee was paid in time and no amount was outstanding.

Share transfer agency

The Company has appointed M/s CIL Securities Ltd, 214, Raghava Ratna Towers, Abids, Hyderabad - 500001 as its share transfer agency for handling both physical and electronic transfers.

Transfer of unclaimed Dividend amount to Investor Education and Protection Fund

The Company has transferred unclaimed dividend for the years 2001-02; 2002-03; 2003-04, 2004-05 (interim & Final) to Investor Education and Protection Fund. The details of unclaimed dividends and due dates for transfer to the fund account for other financial years are disclosed in the Corporate Governance Report.

Code of conduct

Your Company has adopted Code of Conduct for the Board and the Senior Management of the Company and they are complying with the said code. A declaration by the CEO to this effect is furnished in Annexure to this report.

Response to auditors' observations

With respect to Auditors observations in their report dated 27.04.2013, under item No. ix(a) the delays in depositing income tax deductions at source (TDS) and service tax in few cases were due to delay in receipt of expected cash inflows in time. However, all the payments were made before the end of the year under review.

With respect to Auditors observations in item No. ix (b) (ii) of their report that the Company has not deposited the demand of ₹338,181,778/- raised by Service Tax department relating to periods from 2005-06 to 2009-10 & 2010-11, it is informed that the Company has gone for an appeal against the demand and the same is pending before Central Excise & Service Tax Appellate Tribunal, Bangalore. Company's legal counsel confirmed the validity of the stand taken by the Company in this matter. Out of total demand the Company has deposited an amount of ₹. 20,000,000 as per the directions of CESTAT at the time of hearing the stay of demand petition

With respect to Auditors' observations in item No. xi (a) of their report, the delay in repayment of term loan instalments to the

bankers were due to delay in receipt of expected cash inflows in time. However, all the small delays were made good within a couple of weeks' time from the due dates.

FIXED DEPOSITS

Your Company has not accepted any deposits in terms of Section 58A of the Companies Act, 1956 and the rules made there under and hence compliance with the same is not applicable.

ACKNOWLEDGMENTS

Your Directors wish to place on record their gratitude to shareholders and thank the customers, vendors, franchisees, bankers and legal advisors for their continued support to your Company's growth. Your Directors wish to place on record, their appreciation for the contribution made by the employees at all levels, who, through their competence, sincerity, hard work, solidarity and dedicated support enabled your Company to make rapid strides.

For and on behalf of the Board

Place : Hyderabad
Date : 27.04.2013

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE**Information on Energy Conservation, Technology Absorption, Foreign Exchange earnings and outgo**

(Forming part of the Directors' Report for the year ended 31st March, 2013)

A. CONSERVATION OF ENERGY

The Company is engaged in testing of various materials and different types of tests are carried out depending on the nature of material as per required specifications and standards. Testing is performed using different instruments. It may be that a particular material needs to be tested on different instruments for various parameters simultaneously as required by the customer. Most of the test equipments are microprocessor based and draw only requisite power. Power is drawn by different equipments from a common source in the Lab. Besides this, generator and UPS are used as back-up sources.

a) Energy Conservation Measures Taken :

- i) Designed and installed an efficient power distribution system to utilize the power at optimum level of requirement.
- ii) The Laboratory building is designed in such a way that during day time no artificial lighting is needed in most areas in the lab.
- iii) Occupancy sensors are installed at the Life Sciences Facility to control artificial lighting.
- iv) Solar water heaters have been provided.
- v) An integrated building management system is installed at the Life Sciences facility to help conservation of energy.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

Existing energy intensive cooling systems are being replaced with energy efficient and environment friendly cooling systems.

c) Impact of the measures in (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods :

The energy consumption is reduced to the barest minimum requirement thus reducing costs.

d) Total energy consumption and energy consumption per unit of production

Furnishing of these particulars is not applicable to this Company, as it is not carrying on any business which is listed in the Schedule to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

e) Green building certification

The pre-clinical research building at Life Sciences facility of the Company has been awarded gold rating by Indian Green Building Council (IGBC). The award testifies to the Company's continuous efforts for reduction of energy consumption, reduced water consumption and limited waste generation.

B. TECHNOLOGY ABSORPTION

The tests/studies are carried out as per the prescribed National/International Standards and regulations. The Company undertakes contract research projects for the sponsors as per national and international standards, guidelines and regulations such as ISO, ICH, GCP, GLP and cGMP regulations. Technology is absorbed to the extent permitted by the suppliers.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year, the Company has earned foreign exchange of ₹. 4639.76 lakhs (previous year ₹ 3019.62 lakhs). The Company's foreign exchange outgo was of ₹.467.95 lakhs (previous year ₹.575.03 lakhs) on import of capital goods, software, chemicals, consumables & reference standards, travel expenditure, professional charges etc.

For and on behalf of the Board

Place : Hyderabad
Date : 27.04.2013

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

Declaration by Managing Director

I, Dr S P Vasireddi, Managing Director hereby declare that the members of the Board and the Senior Management personnel of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

Place : Hyderabad
Date : 27.04.2013

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

INTRODUCTION

Company Philosophy on Corporate Governance

Vimta Labs Limited's ("Vimta" or "The Company") Corporate Governance philosophy stems from the belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. Company also believes that it goes beyond regulatory requirement and has laid strong emphasis on the transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all of its operations.

BOARD OF DIRECTORS

Composition, Attendance and other Directorships

The Board has a fair representation of the executive, non-executive and independent directors. The Independent Directors on the Board are senior, competent and are from different fields. Active participation of the Independent Directors does add value in the decision making process of the Board.

The Composition of the Board, the Directors' attendance and their Directorships during the year ended March 31, 2013 :

During the year ended March 31, 2013 the Board of Directors met five times. These were held on May 21, 2012; July 16, 2012; November 3, 2012, February 2, 2013 and March 23, 2013.

Name of the Director & Category	Attendance at		No. of other Boards / Committees in which he/she is member or Chairperson	
	Board Meeting	Annual General Meeting	Board	Committee

I) EXECUTIVE

Dr S P Vasireddi Promoter, Managing Director	5	Present	----	----
Harita Vasireddi Joint Managing Director	5	Present	----	----
V Harriman Promoter, Director Technical	5	Present	----	----
V V Prasad Promoter, Executive Director	5	Present	----	----

II) NON-EXECUTIVE

T S Ajai Independent Director	5	Absent	----	----
Dr Subba Rao Pavuluri Independent Director	4	Present	1	----
Prof D Balasubramanian Independent Director	3	Present	----	----
Rao Purnachandra Potharlanka Independent Director	3	Absent	----	----

AUDIT COMMITTEE**Terms of Reference**

The terms of reference of the Audit Committee is as per the guidelines set out in the listing agreement with the Stock Exchanges, read with Section 292A of the Companies Act, 1956. These broadly include approval of audit plan, review of financial reporting systems, internal control systems, ensuring compliance with regulatory guidelines accounting policies and statutory provisions, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal auditors and recommendation for appointment of statutory auditors and their remuneration. The Audit Committee reviews the quarterly report submitted by the Finance & Accounts department.

The Head of Finance & Accounts department attends all the Committee Meetings and briefs the Committee on all the points covered in the Report as well as the other issues which come up during review of the quarterly accounts.

Composition and attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	4	4
Dr Subba Rao Pavuluri, Member	4	3
Prof. D Balasubramanian	4	3

The Company Secretary, A Venkata Ramana acts as Secretary to the Committee.

REMUNERATION COMMITTEE**Terms of reference**

The remuneration committee of the Company recommends the compensation package and other terms and conditions of Executive Directors and other senior managers.

Composition

Name of the Member	Meetings held	Attendance
Dr Subba Rao Pavuluri, Chairman	1	1
T S Ajai, Member	1	1
Prof. D Balasubramanian	1	—

The Company Secretary, A Venkata Ramana acts as Secretary to the Committee.

Remuneration Policy

The Managing Director and other three whole time directors are paid remuneration as per the terms of the appointment approved by the Board and the members in their Annual General meetings. The other non-Executive Directors are paid sitting fees for attending the Board Meetings. The members of the committees have decided not to take any sitting fee for the time being for committee meetings. In addition Dr Subba Rao Pavuluri, T S Ajai and Rao Purnachandra Potharlanka have decided not to take any sitting fee for the Board Meetings as well.

(in ₹)

Name of the Directors	Salary	Sitting Fee	Total
Dr S P Vasireddi	5,274,838	—	5,274,838
Harita Vasireddi	5,274,838	—	5,274,838
V Harriman	5,274,838	—	5,274,838
V V Prasad	5,274,838	—	5,274,838
T S Ajai	—	—	—
Dr Subba Rao Pavuluri	—	—	—
Prof. D Balasubramanian	—	15,000	15,000
Rao P Potharlanka	—	—	—

Note: Salary includes Basic Salary, Allowances, Perquisites.

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Director heading the committee	V V Prasad
Compliance Officer	A Venkata Ramana
No. of shareholders' complaints received	One
No. of complaints resolved	One
No. of pending complaints	Nil

GENERAL BODY MEETINGS**The Details of Annual General Meetings held in last three years**

S.No.	Year	Meeting	Venue	Date	Time
1.	2011-2012	AGM	Regd. Office	14.09.2012	10.00 a.m.
2.	2010-2011	AGM	Regd. Office	24.09.2011	09.30 a.m.
3.	2009-2010	AGM	Regd. Office	30.09.2010	10.00 a.m.

There were no Extra-Ordinary General Meetings (EGMs) during the Financial year 2012-13

All the Special resolutions placed before the shareholders at the above meetings were approved. No resolution was proposed which got to be conducted through Postal ballot. Hence, no resolution was circulated by postal ballot in the above Annual General Meetings.

DISCLOSURES

There are no materially significant transactions with the related parties conflicting with Company's interest. Suitable disclosures have been made in the Annual Report as required by the Accounting Standard (AS18) with respect to Related Party Transactions

There is no pecuniary relationship or transactions of non executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

During the last three years there have been no instances of non-compliance by the Company w.r.t. Stock Exchange and SEBI regulations. Further, no penalties, no strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matters related to Capital markets.

The Company has complied with all mandatory requirements of the Corporate Governance clause of the listing agreement. The Company has adopted Remuneration Committee requirements out of the non mandatory requirements of the Corporate Governance clause of the listing agreement.

The Company has not adopted the Whistle Blower Policy which is one of the non mandatory requirements of the Corporate Governance clause of the listing agreement. However, it is affirmed that none of the personnel have been denied access to the Audit Committee to report their concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct or ethics policy.

In the preparation of financial statements, the Company has followed the accounting Standards as prescribed by the Central Government under the Companies (Accounting Standards) Rules, 2006.

The Company has laid down procedures for the risk assessment and minimization of risks. These were reviewed by the Board to ensure that Executive Management controls risk through means of a properly defined framework.

MEANS OF COMMUNICATION

The quarterly, half-yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board, by fax, e-mail and by courier. These are published in two newspapers within 48 hours of the conclusion of the meeting of the Board. Generally the results are published in Financial Express and Andhra Prabha. The results are also placed on the Company's website www.vimta.com. Further all the material information if any which has bearing on the operations of the Company is sent to all stock exchanges concerned.

The Company's website also displays official press/news releases, presentations if any, made to institutional investors & analysts and several other details / information of interest to various stakeholders.

COMPLIANCE OF INSIDER TRADING NORMS

The Company has adopted the code of internal procedures and conduct for Listed Companies as notified by Securities Exchange Board of India prohibiting insider trading. A policy document on internal code of conduct on insider trading is available with the registered office of the Company. All insiders shall comply with the model code of conduct adopted by the Company.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	: 31.05.2013
Time	: 10.00 A M
Venue	: Plot No.141/2 & 142, IDA, Phase-II, Cherlapally, Hyderabad : 500051

Financial Calendar

Financial year	: April 1, 2013 to March 31, 2014
First quarter results	: On or before August 14, 2013
Half yearly results	: On or before November 14, 2013
Third quarter results	: On or before February 14, 2014
Fourth quarter/Annual Results:	On or before May 30, 2014
Date of Book Closure	: 27.05.2013 to 31.05.2013 (both days inclusive)
Date of dividend payment	: Within 30 days from declaration by the members in their meeting to be held on 31.05.2013.

Unclaimed dividend

Dividend pertaining to the financial years 2001-02, 2002-03, 2003-04 and 2004-05 (Interim & Final) which remain unclaimed for a period of seven years, was transferred to the Investor Education and Protection Fund. The unclaimed dividends for the financial years 2005-06 to 2010-11 are due for transfer to the said fund account as detailed in the below statement. Therefore, the members may claim their dividend before its transfer to the above Fund.

Sl. No.	Year of Dividend	Date of declaration	Tentative date of transfer
1	2005-2006	09.06.2006	14.07.2013
2	2006-2007	09.08.2007	13.09.2014
3	2007-2008	04.09.2008	09.10.2015
4	2008-2009	19.09.2009	24.10.2016
5	2009-2010	30.09.2010	04.11.2017
6	2010-2011	24.09.2011	28.10.2018

Listing with Stock Exchanges

Name of the Stock Exchanges & Address

- Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Stock Code : 524394
- National Stock Exchange of India Limited
"Exchange Plaza", Bandra
Kurla Complex, Bandra (E)
Mumbai - 400 051
Stock Code : VIMTALABS

The ISIN of dematerialized shares of the Company is "INE579C01029"

Electronic Connectivity

- National Securities Depository Ltd
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
- Central Depository Services (India) Limited
26/28th Floor, BSE Buildings, Dalal Street
Mumbai - 400 023

Stock Price Data

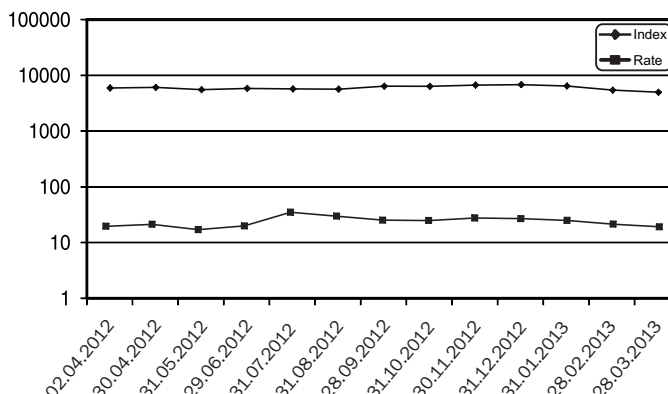
Monthly high and low share quotations on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai for the financial year 2012- 2013 are as follows :

(in ₹)

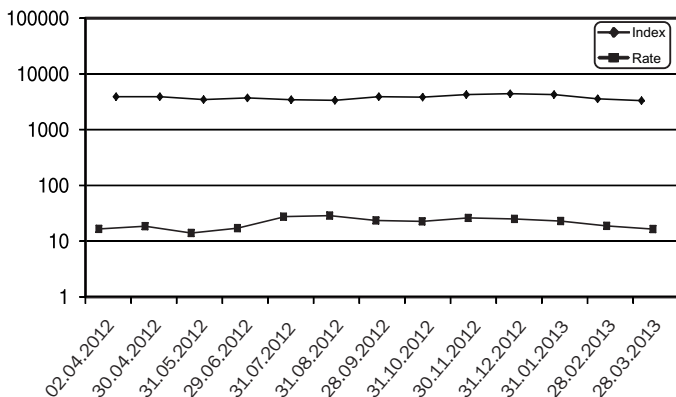
Year 2011-12	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April,2012	19.05	14.75	19.25	14.50
May'2012	17.65	13.00	16.75	13.40
June'2012	16.90	13.00	16.60	13.00
July'2012	24.30	15.40	24.30	15.50
August'2012	24.85	20.55	25.25	20.50
September'2012	21.60	16.85	21.70	16.85
October'2012	21.40	17.90	21.40	18.00
November'2012	22.75	17.40	22.50	17.20
December'2012	20.75	17.00	20.80	17.10
January'2013	22.45	17.00	22.35	16.10
February'2013	20.95	16.25	20.10	16.20
March'2013	17.00	14.55	16.95	14.60

Share price performance in comparison to broad based indices - BSE Sensex and NSE

Bombay Stock Exchange Limited



National Stock Exchange of India Limited



Address for Communication regarding Share Transfers in Physical/ Electronic form and other related correspondence :

M/s CIL Securities Ltd.
214, Raghava Ratna Towers, Abids
Hyderabad - 500001
Phone : 040-23203155; Fax : 040-66661267
E-mail: cilsec@rediffmail.com

Compliance officer : A Venkata Ramana, Company Secretary

Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 to 20 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of shareholding as on 31.03.2012

Shares held From - To	Shareholders		No. of Shares	
	No.	%	No.	%
Upto 5000	8676	96.75	4590733	20.77
5001-10000	149	1.66	1154250	5.22
10001-20000	61	0.68	915503	4.14
20001-30000	22	0.25	542897	2.46
30001-40000	9	0.10	300157	1.36
40001-50000	14	0.16	646243	2.92
50001-100000	14	0.16	1062549	4.81
100001 and above	22	0.25	12895478	58.33
Total	8967	100.00	22107810	100

Categories of shareholders as on 31.03.2012

Category	No. of Shares	%
Shareholding of Promoter & Promoter Group		
Indian	8165010	36.93
Foreign	Nil	Nil
Public Shareholding		
Institutional Investors	369742	1.67
Non - Institutional Investors	13573058	61.40
TOTAL	22107810	100

Dematerialization of shares and liquidity

Over 97.46% of the Company's equity shares have been dematerialised as on 31.03.2013. Trading in Equity shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

Vimta Shares are actively traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Relevant turnover data for the financial year 2012-13 is

	*(₹ in lakhs)	
	Bombay Stock Exchange Ltd.	National Stock Exchange of India Ltd.
Total shares traded	3222803	5141112
Turnover value*	613.06	974.55

As on date, the Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments

CEO/CFO Certification

The Managing Director and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges and the said certificate is contained in this Annual Report.

Company locations

Regd. Office & Central Laboratory

Plot No.141/2 & 142, IDA, Phase-II, Cherlapally
Hyderabad - 500051
Phone : 040-27264141 ; Fax : 040-27263657

Life Sciences facility

Plot No.5, Alexandria Knowledge Park
Genome Valley, Turkapally (V)
Shameerpet (M), Pin : 500078
Phone : 040-67404040

Other locations

a) Laboratory locations

- i) 29-5-1, Shyam Enclave, Opp. Glaxo, Cherukupalli Vari Street, Prakasam Road, Governorpet, Vijayawada - 520002
- ii) 14-37-41/2, Krishna Nagar, Maharanipet, Visakhapatnam - 530002
- iii) 47 & 48, Cowley Brown Road, R S Puram, Coimbatore - 641002
- iv) 107-A-1, NSR Road, Saibaba Colony & A, Coimbatore - 641002

b) Office locations

- i) 74, G N Chetty Road, T Nagar, Chennai - 600017
- ii) 8, Azad Road, R S Puram, Coimbatore - 641002
- iii) G1 & G2, Ground Floor, Tulip Building, Diamond Harbour Road, Sahapur, Kolkata - 700038

Address for correspondence

Vimta Labs Ltd
Plot No.141/2 & 142, IDA, Phase-II,
Cherlapally, Hyderabad - 500051
Phone : 040-27264141; Fax : 040-27263657
Web : www.vimta.com; E-mail : shares@vimta.com

AUDITORS' CERTIFICATE

To
The Members of Vimta Labs Limited

1. We have examined the compliance of conditions of Corporate Governance by Vimta Labs Limited, for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as on March 31, 2013 as per the records maintained by the Shareholders/Investors Grievances Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for SARATHY & BALU
CHARTERED ACCOUNTANTS
(Firm Regn. No. 003621S)

Hyderabad
Date : 27.04.2013

J VENKATESWARLU
PARTNER
ICAI Ms.No.022481

C E O / C F O CERTIFICATE

The Board of Directors
Vimta Labs Limited

We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2013, and certify that :

- a) These results and statements to the best of our knowledge and belief :
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls of which we are aware and the steps taken and proposed to be taken to rectify these deficiencies.
- d) We have also indicated to the Auditors and the Audit committee about the
 - i. significant changes in internal control over financial reporting during the year and
 - ii. significant changes in accounting policies during the year. These have been disclosed in the notes to the financial statements.
- e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the Management or employees having a significant role in the Company's internal control systems with respect to financial reporting.
- f) We hereby confirm and undertake that the financial statements together with notes to accounts and cash flow statement prepared for the financial year ended March 31, 2013 are in compliance with the provisions of section 209 and 211 of the Companies Act, 1956 and Rules made there under. Further, we confirm that all applicable Accounting Standards referred to in subsection (3c) of section 211 of Companies Act, 1956 were complied.

DR S P VASIREDDI
MANAGING DIRECTOR (C E O)

Hyderabad
Date : 27.04.2013

P SANKARAI AH
V P - Finance (C F O)

To
The Members of VIMTA LABS LIMITED

Report on the Financial Statements :

We have audited the accompanying financial statements of VIMTA LABS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 Financial Statements :

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility :

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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 appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for SARATHY & BALU,
Chartered Accountants
(Firm Regn. No. 003621S)

Place: Hyderabad
Date: 27.04.2013

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Annexure to Audit Report dated 27.04.2013 (Referred to in paragraph 3 of our report of even date)

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable, having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
 (c) According to the information and explanations given to us and in our opinion, the company has not disposed off substantial part of its fixed assets during the year affecting the going concern status of the company.
- ii) (a) According to the information and explanations given to us, the inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 (c) According to the information and explanations given to us and in our opinion, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification of inventory as compared to the book stocks.
- iii) The company has neither granted to nor accepted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence, sub-clauses (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained U/s.301 of the Companies Act, 1956 have been so entered.
 (b) In our opinion and according to the information and explanations given to us, the transactions made during the year by the Company in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹.500,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Hence, provisions of Clause (vi) of CARO'03 are not applicable to the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations furnished to us, the Central Government has not prescribed maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956 to this company.
- ix) According to the information and explanations furnished to us and as per the records of the Company we report that:
 (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty and other statutory dues as applicable to it with the appropriate authorities. As the effective date for charging Cess U/s 441A of the Companies Act, 1956 has not been notified, depositing of the same by the company is not applicable.
Few cases of delays noticed in depositing the income tax deducted at source (TDS) and service tax were not serious and were made good before the end of the accounting period covered under audit.
 There are no undisputed arrears of statutory dues as at 31-3-2013 which are outstanding for a period of more than six months from the date they became payable.
 (b) i) There are no dues of Income tax, sales tax, customs duty, wealth-tax, excise duty and Cess which have not been deposited on account of any dispute.
 ii) Dues of Service tax demands which have not been deposited on account of dispute are as under:

Name of the Statute	Nature of the dues	Amount of demand (₹)	Period to which the amount relates	Forum where dispute finding	Amount Deposited (₹)
Finance Act, 1994 (Service Tax Provisions)	Service Tax Penalty	13,89,23,269	2005-06 to 2009-10	CESTAT, Bangalore	2,00,00,000
		13,89,23,269			
	Service Tax Penalty	3,01,67,620	2010-11	CESTAT, Bangalore	---
		3,01,67,620			

- x) The Company has no accumulated losses as at the end of the financial year under audit and it has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

- xi) As per the information and explanations furnished to us and based on the books of account audited by us, we report that:
- a) *The company has defaulted in repayment of few of the loans / installments to banks availed under Packing Credit in Foreign Currency (PCFC) and Buyers Credit facility and the delays were ranging between 1 day to 23 days and the amounts involved were ranging from a minimum of ₹.1,72,347/- to a maximum of ₹.41,72,092/-. However, all the defaults have been made good during the year under audit and there were no arrears as at the Balance sheet date.*
- b) The company has not issued any debentures during the period covered under audit.
- xii) Based on our examination of documents and records and as per the information and explanations given to us, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Based on our audit procedures and as per the information and explanations given to us, we are of the opinion that the Company is not a Chit Fund, Nidhi / Mutual Benefit Fund / Society. Therefore, provisions of clause (xiii) of paragraph 4 of CARO'03 are not applicable to this company.
- xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, provisions of clause (xiv) of paragraph 4 of CARO'03 are not applicable to this company.
- xv) 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.
- xvi) According to the information and explanations given to us and based on our audit procedures performed, we are of the opinion that the company has not availed any term loans during the year under audit.
- xvii) According to the information and explanations given to us and on an over all examination of the balance sheet of the company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- xviii) According to the information and explanations furnished to us and based on the examination of the records, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to the information and explanations furnished to us and based on the records verified by us, during the period covered by our audit report, the Company has not issued any debentures and hence creation of security or charge for the same does not arise.
- xx) According to the information and explanations furnished to us and based on our audit procedures performed, during the period covered under audit, the Company has not raised any money through public issues and hence disclosure by the Management on the end usage of money raised through public issues and our comments on the same is not applicable to this company.
- xxi) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the Management of the Company, we report that no fraud on or by the Company has been noticed or reported during the period covered by our audit.

for SARATHY & BALU,
Chartered Accountants
(Firm Regn. No. 003621S)

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Place: Hyderabad
Date: 27.04.2013

	Note No	As at 31.03.2013 ₹	As at 31.03.2012 ₹
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	1	44,215,620	44,215,620
b) Reserves and surplus	2	<u>1,078,997,841</u>	<u>1,052,280,713</u>
		1,123,213,461	1,096,496,333
2) Non-current liabilities			
a) Deferred tax liabilities (net)	3	5,918,360	13,432,342
b) Other long-term liabilities	4	<u>6,000,000</u>	<u>6,000,000</u>
		11,918,360	19,432,342
3) Current liabilities			
a) Short-term borrowings	5	116,320,935	188,071,561
b) Trade payables	6	98,523,372	138,641,490
c) Other current liabilities	7	65,306,423	106,832,328
d) Short-term provisions	8	<u>30,774,431</u>	<u>14,765,903</u>
		310,925,161	448,311,282
TOTAL		<u>1,446,056,982</u>	<u>1,564,239,957</u>
II. ASSETS			
1) Non-current assets			
a) Fixed Assets			
i) Tangible assets	9	932,724,638	1,050,432,992
ii) Intangible assets	9(a)	1,146,874	1,421,874
iii) Capital Work-in-Progress		3,000,000	-
b) Long-term loans and advances	10	<u>103,765,596</u>	<u>98,111,656</u>
		1,040,637,108	1,149,966,522
2) Current assets			
a) Inventories	11	110,795,007	132,107,678
b) Trade receivables	12	258,757,867	255,780,863
c) Cash and Bank Balances	13	18,478,217	12,093,226
d) Short-term loans and advances	14	<u>17,388,783</u>	<u>14,291,668</u>
		405,419,874	414,273,435
TOTAL		<u>1,446,056,982</u>	<u>1,564,239,957</u>
Significant Accounting Policies & Notes on Financial Statements	1 to 25		

Per our report of even date.

for SARATHY & BALU,
Chartered Accountants
(Firm Regn. No. 003621S)J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481Place: Hyderabad
Date: 27.04.2013

For and on behalf of the Board

Dr S P Vasireddi
V Harriman
V V Prasad
T S AjaiP Sankaraiah
A Venkata RamanaPlace: Hyderabad
Date: 27.04.2013Managing Director
Director Technical
Executive Director
DirectorVP - Finance & CFO
Company Secretary

	Note No	Year ended 31.03.2013 ₹	Year ended 31.03.2012 ₹
I. INCOME			
Revenue from operations			
Sale of services	15	1,162,449,068	910,341,499
Less : Service tax		<u>71,420,905</u>	<u>36,893,878</u>
Net Revenue		1,091,028,163	873,447,621
Other Income	16	<u>13,258,969</u>	<u>29,465,596</u>
TOTAL REVENUE (I)		<u>1,104,287,132</u>	<u>902,913,217</u>
II. EXPENSES			
Cost of materials consumed & other expenditure on testing and analysis	17	398,928,244	377,244,676
Changes in inventories: Work-in-Progress	18	35,445,686	40,891,895
Employee benefits expense	19	241,566,335	247,277,593
Other expenses	20	<u>208,083,335</u>	<u>198,038,012</u>
TOTAL (II)		<u>884,023,600</u>	<u>863,452,176</u>
III. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION (EBITDA) (I) - (II)		220,263,532	39,461,041
Less :			
Depreciation and amortization expense	9	149,964,211	158,604,166
Finance costs	21	<u>26,552,773</u>	<u>40,666,802</u>
		176,516,984	199,270,968
IV. PROFIT/(LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS & TAX		<u>43,746,548</u>	<u>(159,809,927)</u>
Less : Tax expense			
Current tax		8,752,700	-
Prior year tax liability/(credits)		374,152	(2,575,218)
Deferred tax Liability / (Asset)		<u>(7,513,982)</u>	<u>(3,471,445)</u>
TOTAL TAX EXPENSE		<u>1,612,870</u>	<u>(6,046,663)</u>
V. PROFIT/(LOSS) FOR THE YEAR		<u>42,133,678</u>	<u>(153,763,264)</u>
VI. EARNINGS FOR EQUITY SHARES			
Basic and diluted earnings/(loss) per share		2	(7)
Nominal value of shares (fully paid up)		2	2
Significant Accounting Policies & Notes on Financial Statements	1 to 25		

Per our report of even date.

for SARATHY & BALU,
Chartered Accountants
(Firm Regn. No. 003621S)J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481Place: Hyderabad
Date: 27.04.2013

For and on behalf of the Board

Dr S P Vasireddi
V Harriman
V V Prasad
T S AjaiP Sankaraiah
A Venkata RamanaPlace: Hyderabad
Date: 27.04.2013Managing Director
Director Technical
Executive Director
DirectorVP - Finance & CFO
Company Secretary

Particulars	2012-13 (₹)	2011-12 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	43,746,548	(159,809,927)
- Adjustments for :		
Depreciation and amortization expense	149,964,211	158,604,166
Loss on sale of assets	458,754	-
Provision for doubtful debts	(1,614,177)	11,823,290
Bab debts written off	(6,229,410)	-
Interest debited to P&L Account	23,600,300	35,814,827
	209,926,226	46,432,356
Operating profit before working capital changes		
Trade & Other receivables	(3,884,472)	2,382,935
Inventories	21,312,671	65,043,515
Trade & other payables	(63,099,990)	12,955,724
	164,254,435	126,814,530
Cash generated from operations		
Income tax paid	8,752,700	-
Prior year tax adjustments	374,152	(2,575,218)
Net cash from operating activities	155,127,583	129,389,748
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(39,303,621)	(38,631,419)
Sale of fixed assets	3,864,010	-
Net cash used in investing activities	(35,439,611)	(38,631,419)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(23,600,300)	(35,814,827)
Proceeds from long term borrowings	-	8,971,785
Repayment of long term borrowings	(17,952,055)	(53,195,226)
Repayment of soft loan from TDB	-	(10,798,188)
Dividends & dividends tax paid	-	(10,311,857)
Change in the other borrowings (net)	(71,750,626)	8,466,563
Net cash used in financing activities	(113,302,981)	(92,681,750)
Net increase in cash and cash equivalents	6,384,991	(1,923,421)
Cash and cash equivalents at the beginning of the period	12,093,226	14,016,647
Cash and cash equivalents as at the end of the period	18,478,217	12,093,226

Notes :

- Cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard (AS) 3, Cash flow statements.
- Previous year's figures have been regrouped / recasted wherever considered necessary to conform to the layout of the accounts adopted in the current year. Paise have been rounded off to the nearest rupee.

Per our report of even date.

for SARATHY & BALU,
Chartered Accountants
(Firm Regn. No. 003621S)J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481Place: Hyderabad
Date: 27.04.2013

For and on behalf of the Board

Dr S P Vasireddi
V Harriman
V V Prasad
T S AjaiP Sankaraiah
A Venkata RamanaPlace: Hyderabad
Date: 27.04.2013Managing Director
Director Technical
Executive Director
DirectorVP - Finance & CFO
Company Secretary

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
1. SHARE CAPITAL		
(a) Authorised 35000000 Equity shares of ₹.2/- each (Previous year : 35000000 Equity shares of ₹.2/- each)	<u>70,000,000</u>	<u>70,000,000</u>
(b) Issued, subscribed and fully paid-up 22107810 equity shares of ₹.2/- each fully paid-up (Previous year : 22107810 equity shares of ₹.2/- each fully paid-up)	44,215,620	44,215,620
Total	<u><u>44,215,620</u></u>	<u><u>44,215,620</u></u>
(c) Reconciliation of number of shares outstanding at the beginning & at the end of the reporting period No. of shares outstanding at the beginning of the year - 2,21,07,810 Add/(Less): Addition / (reduction) No. of shares outstanding at the end of the year - 2,21,07,810	44,215,620 - <u>44,215,620</u>	44,215,620 - <u>44,215,620</u>
(d) The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share. Dividend on equity shares whenever proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		

(e) List of Shareholders holding more than 5% of the shares

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares*	% to paid-up capital	No. of Shares*	% to paid-up capital
i) Sivalinga Prasad Vasireddi	35,98,525	16.28	35,98,525	16.28
ii) Vungal Harriman	17,67,073	7.99	17,48,449	7.91
iii) Vasireddi Veerabhadra Prasad	14,63,515	6.62	14,63,515	6.62
iv) LCGC Chromatography Solutions Pvt. Ltd	14,44,442	6.53	12,00,783	5.43

* ₹. 2/- each fully paid-up

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
2) RESERVES AND SURPLUS		
i) Securities premium reserve - as in last year	<u>773,728,390</u>	<u>773,728,390</u>
ii) General Reserve Opening Balance Add : Transfer from Statement of Profit & Loss Closing balance	57,050,000 4,250,000 <u>61,300,000</u>	57,050,000 - <u>57,050,000</u>
iii) Surplus in statement of Profit & Loss: Opening balance Add/(Less) : Net Profit / (Loss) for the current period Amount available for appropriation	221,502,323 42,133,678 <u>263,636,001</u>	375,265,587 153,763,264 <u>221,502,323</u>
Appropriations : Proposed dividend on equity shares Tax on proposed dividend Transferred to General Reserve Closing balance	13,264,686 2,151,864 4,250,000 <u>243,969,451</u>	- - - <u>221,502,323</u>
Total [(i)+(ii)+(iii)]	<u><u>1,078,997,841</u></u>	<u><u>1,052,280,713</u></u>

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
3) DEFERRED TAX LIABILITIES (NET)		
(i) Deferred tax liability on timing differences of :		
- Depreciation	10,368,160	18,110,198
- Leave encashment	533,064	112,941
Liability (I)	<u>10,901,224</u>	<u>18,223,139</u>
(ii) Deferred tax asset on timing differences of :		
- Gratuity	4,982,864	4,790,797
Asset (ii)	<u>4,982,864</u>	<u>4,790,797</u>
Net deferred tax liability	<u>5,918,360</u>	<u>13,432,342</u>
4) OTHER LONG-TERM LIABILITIES		
Security deposit from customers	6,000,000	6,000,000
TOTAL	<u>6,000,000</u>	<u>6,000,000</u>
5) SHORT TERM BORROWINGS		
(a) Loans repayable on demand from banks - Secured :		
- Rupee loan (refer sub-note (i) below)	31,908,739	123,711,514
- Repayable in foreign currency (refer sub-note (ii) below)	84,412,196	64,360,047
TOTAL	<u>116,320,935</u>	<u>188,071,561</u>

Note :

- i) Cash credit from State Bank of India (Limit) ₹. 130,000,000/- (previous year ₹. 110,000,000/-) carrying interest @ 7% above base rate for CC (Hyp.) and 2.75% above base rate for EPC and FBD, is secured by First charge (hypothecation) of all the current assets of the Company on exclusive basis as primary security and collaterally secured by extension of charge on the fixed assets of the Company and structures thereon alongwith EM of Company's land under Plot No. 141/2 & 142 admeasuring 1.66 Ac. situated at IDA, Phase-II, Cherlapally, R.R. Dist. and land under Plot No.5, Alexandria Knowledge Park, Phase-I admeasuring 52620 sq. yards situated at Turkapally Village, Shameerpet Mandal, R.R. Dist.
- ii) Working capital facility from HSBC Ltd (consisting of PCFC loan and Vendor Finance repayable in foreign currency and Indian Rupees respectively) carried interest @ LIBOR + 3.67% and 14% per annum is secured by first pari passu charge on entire current assets of the company both present and future and second pari passu charge on movable fixed assets of the company both present and future.
- iii) There are no defaults as on the Balance Sheet date in repayment of the above loans and interest thereon.

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
6) TRADE PAYABLES - UNSECURED		
(a) Due to Micro, Small and Medium enterprises (refer sub-note (i) below)	-	-
(b) Due to Others	98,523,372	138,641,490
TOTAL	<u>98,523,372</u>	<u>138,641,490</u>
(i) There are no defaults as on the balance sheet date in repayment of the trade payables.		
(ii) Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company.		
(iii) Disclosures relating to Micro, Small and Medium Enterprises are 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	-	-
Amount of further interest remaining due & payable in succeeding years	-	-
7) OTHER CURRENT LIABILITIES :		
a) Current maturities of long-term debt	-	17,952,055
b) Interest accrued but not due on borrowings	-	21,568
c) Interest accrued and due on borrowings	-	88,815
d) Advances from customers	16,943,262	18,304,251
e) Unclaimed dividends (equal amount is lying in bank account)	1,405,205	1,542,284
f) Creditors for Capital expenditure	790,617	2,837,839
g) Other payables (dues for revenue expenses)	46,167,339	66,085,516
TOTAL	<u>65,306,423</u>	<u>106,832,328</u>

- i) Corporate Loan from State Bank of India carrying interest @7% above base rate, is secured by First charge on fixed assets of the company and structures thereon alongwith EM of company's land under Plot No. 141/2 & 142 admeasuring 1.66 Ac. situated at IDA, Phase-II, Cherlapally, R.R. Dist. and land under Plot No.5, Alexandria Knowledge Park, Phase-I admeasuring 52620 sq. yards situated at Turkapally Village, Shameerpet Mandal, R.R. Dist. The loan is repayable in monthly installments of ₹.5,00,000/- each.
- ii) Term Loan from The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) repayable in foreign currency was secured by pari passu charge on entire movable and immovable fixed assets of the company, both present and future as primary security and extension of pari passu charge on entire current assets of the company both present and future. The loan amount was carrying interest of LIBOR + 65 bps to 150 bps repayable in quarterly installments as per the sanctioned letter. The entire loan amount was repaid before the end of the year.

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
8) SHORT-TERM PROVISIONS		
(a) Provision for employee benefits :		
(i) Gratuity (refer Note 23.2 for details)	15,357,881	14,765,903
(b) Others :		
(i) Proposed dividend on equity shares	13,264,686	-
(ii) Tax on proposed dividend	2,151,864	-
TOTAL	<u>30,774,431</u>	<u>14,765,903</u>

9. FIXED ASSETS - Tangible Assets

Sl. No.	Description	Gross Block			Depreciation			Net Block			
		As at 01.04.2012	Additions	Sales/ Adjus.	Total as at 31.03.2013	Upto 31.03.2012	For the year	on Sales / Adjus.	Total upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a)	Feehold Land & Site Development	21,877,668	-	-	21,877,668	-	-	-	-	21,877,668	21,877,668
b)	Buildings Lab Buildings Staff Quarters	652,706,438 944,264	3,682,089	-	656,388,527 944,264	50,086,224 293,720	10,644,117 15,392	-	60,730,341 309,112	595,658,186 635,152	602,620,214 650,544
c)	Plant & Equipment	1,159,626,252	14,128,249	31,238,859	1,142,515,642	878,386,303	124,954,788	29,506,153	973,834,938	168,680,704	281,239,949
d)	Furnitures & Fixtures	67,436,547	7,424,950	-	74,861,497	20,438,781	4,397,598	-	24,836,379	50,025,118	46,997,766
e)	Vehicles	18,776,585	9,073,856	6,978,552	20,871,889	10,953,294	1,384,508	4,388,494	7,949,308	12,922,581	7,823,291
f)	Office Equipment	9,404,057	445,192	-	9,849,249	2,962,635	412,606	-	3,375,241	6,474,008	6,441,422
g)	Others										
	i) Electrical Installation	92,130,574	-	-	92,130,574	17,392,886	4,376,202	-	21,769,088	70,361,486	74,737,688
	ii) Computers	39,413,820	1,549,285	-	40,963,105	31,369,370	3,504,000	-	34,873,370	6,089,735	8,044,450
	Total :	2,062,316,205	36,303,621	38,217,411	2,060,402,415	1,011,883,213	149,689,211	33,894,647	1,127,677,777	932,724,638	1,050,432,992
	Previous year	2,013,300,094	49,016,111	-	2,062,316,205	853,554,047	158,329,166	-	1,011,883,213	1,050,432,992	1,159,746,047

9 (a) FIXED ASSETS - Intangible Assets

Sl. No.	Description	Gross Block			Depreciation			Net Block			
		As at 01.04.2012	Additions	Sales/ Adjus.	Total as at 31.03.2013	Upto 31.03.2012	For the year	on Sales / Adjus.	Total upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	Goodwill	2750000	-	-	2750000	1328126	275000	-	1603126	1146874	1421874
	Total :	2750000	-	-	2750000	1328126	275000	-	1603126	1146874	1421874
	Previous year	2750000	-	-	2750000	1053126	275000	-	1328126	1421874	1696874

NOTE : Certain Plant & Equipment whose life time is over and which are fully depreciated and not in use, whose Gross Block is ₹. 25,947,982/- and Net Block is Nil have been removed from fixed assets schedule.

	As at 31.03.2013 ₹	As at 31.03.2012 ₹
10) LONG-TERM LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD		
a) Security Deposits (with Electricity and other departments)	13,723,527	11,496,107
b) Advance Income-tax (net of provisions) (refund due)	70,042,069	86,615,549
c) Service tax paid (pending disposal of appeal)	20,000,000	-
TOTAL	<u>103,765,596</u>	<u>98,111,656</u>
Note : Due by Directors or other Officers of the company or any of them either severally or jointly with any other persons or due by firms / private companies in which any director is a partner or a director or a member - Nil -		
11) INVENTORIES (at lower of cost and net realizable value)		
a) Chemicals & Consumables	78,933,277	64,754,183
b) Work-in-progress	29,085,416	64,531,102
c) Stores, spares and components	2,776,314	2,822,393
TOTAL	<u>110,795,007</u>	<u>132,107,678</u>
12) TRADE RECEIVABLES		
a) Debts outstanding for a period exceeding six months from the date they are due for payment :		
i) Unsecured, considered good	65,607,448	80,217,648
ii) Unsecured, considered doubtful	3,979,703	11,823,290
iii) Less : Provision for doubtful debts	<u>(3,979,703)</u>	<u>(11,823,290)</u>
	<u>65,607,448</u>	<u>80,217,648</u>
b) Other debts		
Unsecured, considered good	193,150,419	175,563,215
TOTAL	<u>258,757,867</u>	<u>255,780,863</u>
Note : Due by Directors or other Officers of the company or any of them either severally or jointly with any other persons or due by firms / private companies in which any director is a partner or a director or a member - Nil -		
13) CASH & BANK BALANCES		
a) Balance with Scheduled Banks in India :		
i) Current Accounts	12,211,641	6,212,073
ii) Deposit Accounts (with maturity period of more than 12 months)	3,084,925	2,854,158
iii) EEFC (Current) Accounts	1,145,697	594,944
iv) Unclaimed dividend accounts	1,405,205	1,542,284
b) Cash on hand	630,749	889,767
TOTAL	<u>18,478,217</u>	<u>12,093,226</u>
14) SHORT-TERM LOANS & ADVANCES UNSECURED, CONSIDERED GOOD		
a) Prepaid expenses	4,953,281	5,896,660
b) Loans to employees (Including interest)	110,787	627,122
c) Advance for Services and Supplies	9,118,041	6,314,170
d) Interest accrued and due on deposits with State Electricity Corporation	489,488	383,326
e) Other advances	2,717,186	1,070,390
TOTAL	<u>17,388,783</u>	<u>14,291,668</u>
Note : Due by Directors or other Officers of the company or any of them either severally or jointly with any other persons or due by firms / private companies in which any director is a partner or a director or a member - Nil -		
	Year ended 31.03.2013 ₹	Year ended 31.03.2012 ₹
15) REVENUE FROM OPERATIONS		
Sale of services (Testing and analysis)		
a) Domestic sales	652,397,619	608,379,581
b) Export sales	<u>510,051,449</u>	<u>301,961,918</u>
	1,162,449,068	910,341,499
Less : Service Tax	71,420,905	36,893,878
TOTAL	<u>1,091,028,163</u>	<u>873,447,621</u>

	Year ended 31.03.2013 ₹	Year ended 31.03.2012 ₹
16) OTHER INCOME		
a) Interest income on		
i) Bank deposits	254,579	175,163
ii) Deposits with State Electricity Corporations	489,488	425,918
iii) Income-tax refunds	915,824	3,265,695
iv) Employees loans	21,502	83,514
b) Other non-operating income		
i) Net gain on foreign currency transactions and translation	5,833,366	13,293,195
ii) Excess liabilities written-in	1,394,147	8,254,962
iii) Provision for doubtful debts written-in	1,614,177	-
iv) Lease rentals received	2,051,160	3,057,743
v) Insurance claims	104,500	798,011
vi) Miscellaneous receipts	580,226	111,395
TOTAL	13,258,969	29,465,596
17) COST OF MATERIALS CONSUMED AND OTHER EXPENDITURE ON TESTING & ANALYSIS		
a) Cost of materials consumed :		
Opening stock	67,576,576	91,728,196
Add : Purchases during the year	<u>223,327,184</u>	<u>196,988,861</u>
	290,903,760	288,717,057
Less : Closing stock	<u>81,709,591</u>	<u>67,576,576</u>
Cost of materials consumed	209,194,169	221,140,481
b) Other expenditure		
Sample preparation, Data Generation, Inspection & testing exps.	117,875,331	95,553,464
Carriage inwards	5,553,017	4,308,798
Power & Fuel	63,719,176	54,743,121
Water charges	2,586,551	1,498,812
TOTAL	398,928,244	377,244,676
18) CHANGES IN INVENTORIES : WORK-IN-PROGRESS		
Opening Works-in-progress	64,531,102	105,422,997
Closing Works-in-progress	<u>29,085,416</u>	<u>64,531,102</u>
Net Decrease	35,445,686	40,891,895
19) EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	198,227,684	204,546,538
Managerial remuneration	18,838,708	19,200,000
Contribution to provident and other funds (refer Note 23.2)	16,119,643	15,593,825
Staff welfare expenses	8,380,300	7,937,230
TOTAL	241,566,335	247,277,593
20) OTHER EXPENSES		
Sitting fee to directors	15,000	20,000
Rent	2,032,779	1,727,065
Rates, taxes, duties and levies	7,563,123	5,144,751
Insurance	9,811,590	6,597,534
Repairs and maintenance :		
- Plant & Machinery	12,827,465	13,036,186
- Buildings	6,404,099	5,246,219
- Others	5,746,333	1,882,952
Advertising and sales promotion	2,806,963	2,613,390
Commission	14,077,077	13,353,794
Travelling and conveyance	33,529,998	26,893,493
Communication expenses	11,345,116	11,045,601
Printing and stationery	9,452,296	5,433,227
Books and periodicals	110,796	46,254

	Year ended 31.03.2013 ₹	Year ended 31.03.2012 ₹
OTHER EXPENSES Contd...		
Vehicle maintenance	4,035,486	4,996,744
Operating lease charges (refer Note 23.4)	8,972,054	20,202,764
Equipment hire charges	1,463,308	-
Professional and consultancy charges	25,908,518	19,722,987
Membership and subscriptions	1,146,267	600,092
House keeping and premises maintenance	5,910,959	5,175,925
Security charges	3,701,269	3,983,403
Recruitment & training expenses	819,814	751,220
Payment to auditors :		
- Audit fee	561,800	551,500
- Taxation matters	123,596	137,875
- Other services	100,188	60,665
- Out of pocket expenses	18,250	7,300
Software charges	3,037,494	390,852
Loss on sale of fixed assets (net)	458,754	-
Cancellation of jobs of earlier years	33,570,848	31,055,032
Bad debts written off	-	5,029,447
Advances writtenoff	1,389,363	-
Provision for doubtful debts	-	11,823,290
Miscellaneous expenses	1,142,732	508,450
TOTAL	208,083,335	198,038,012
21) FINANCE COSTS		
a) Interest		
i) To Banks		
- On term loans	507,591	2,414,118
- On Working capital loans	16,342,538	20,602,524
ii) To Others, other than directors, on fixed loans	-	247,034
b) Bank Charges	2,952,473	4,851,975
c) Foreign exchange fluctuation loss on loans & interest thereon	6,750,171	12,551,151
TOTAL	26,552,773	40,666,802
Note : Expenditure not included above and capitalised to Fixed assets Interest on Rupee Term Loan	-	472,224
	As at 31.03.2013 ₹	As at 31.03.2012 ₹
22) CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)		
22.1 Contingent liabilities		
a) Claims against the company not acknowledged as debt :		
i) Disputed service tax demand for the year 2005-06 to 2009-10 (See note (a) below)	277,846,538	277,846,538
ii) Disputed service tax deducted for the year 2010-11 (See note (b) below)	60,335,240	--
iii) Disputed Lease charges on equipment	15,476,286	--
b) Guarantees issued by bank	12,594,172	16,174,626
22.2 Commitments		
a) Future minimum lease payments under operating lease	1,412,953	25,950,271
TOTAL	367,665,189	319,971,435

#The Company has filed an appeal and for stay of demand against the order of Commissioner of Service Tax, Hyderabad-III against the demand of ₹. 277,846,538/- (Service tax of ₹. 138,923,269/- and penalty of ₹. 138,923,269/-) before the CESTAT, South Zonal Bench, Bangalore. The CESTAT has directed the company to pay an amount of ₹.20,000,000/- after hearing the stay of demand petition and company has paid ₹.20,000,000/- as per the above order. The appeal is pending for disposal. The legal counsel has confirmed the validity of the Company's claim. Hence no provision is made for this liability.

The Company has filed an appeal against the order of commissioner of Service Tax, Hyderabad - III against the demand of ₹. 60,335,240/- (Service tax of ₹. 30,167,620/- and penalty of ₹. 30,167,620/-) before the CESTAT, South Zonal Bench, Bangalore. The appeal is pending for disposal. The legal counsel has confirmed the validity of the Company's claim. Hence no provision is made for this liability.

23. MEASUREMENT AND DISCLOSURES AS PER ACCOUNTING STANDARDS

23.1. Significant Accounting Policies (AS-1)

A) Basis of preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles followed in India and comply with the mandatory Accounting Standards (ASs) prescribed in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, ('the Act') to the extent applicable and having due regard to the fundamental accounting assumptions of going concern, consistency and accrual.

B) Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C) Fixed Assets and Capital Works-in-Progress

i) **Tangible assets - Own** : Fixed Assets are stated at historical cost of acquisition / construction, net of Modvat / Cenvat, less accumulated depreciation and impairment loss, if any. All costs including financing costs and revenue expenditure incurred till commencement of commercial production / services, attributable to the fixed assets, are capitalized.

Grants/subsidies received, if any, from Government and others towards cost / part of the cost of fixed asset(s) are reduced from the cost of the respective asset(s) and the net cost incurred by the Company is carried to the fixed assets block.

ii) **Tangible Assets taken on Lease** : Lease payments made for assets taken on operating lease are recognized as an expense in the Statement of Profit & Loss. After completion of the operating lease arrangements, the assets transferred onto the company's name are recorded at the cost price paid to the lessor for transfer of such assets.

iii) **Intangible assets** : Goodwill is recorded in the books only when some consideration in money or money's worth has been paid for it. Whenever a business is acquired for a price (payable in cash or in shares or otherwise) which is in excess of the value of the net assets of the business taken over, the excess is termed as 'goodwill'.

iv) **Capital Works-in-Progress** : Cost of assets not ready for use at the Balance Sheet date is shown as Capital Works-in-Progress, at cost.

D) Depreciation and Amortization

i) Depreciation on tangible fixed assets, other than Plant & Equipment, is provided under Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

ii) Depreciation on Plant & Equipment is provided under Straight Line Method (SLM) at a higher rate of 15% p.a. as against the specified rates in Schedule XIV to the Companies Act, 1956.

iii) **Depreciation on intangible assets** : Goodwill is amortized over a period of ten years in equal installments commencing from the year in which it was recognized.

iv) Expenditure incurred on purchase/ acquisition/ development of Software is treated as revenue expenditure and charged to Statement of Profit & Loss.

v) Depreciation on additions/deletions during the year is calculated pro rata from/to the month of addition/deletion.

E) **Impairment of Assets** : The Company assesses at each Balance Sheet date whether there is any indication that an asset including Goodwill may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and charged to Statement of Profit and Loss. If at the Balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. In respect of Goodwill, the impairment loss will be reversed only when it was caused by specific external events and their effect has been reversed by subsequent external events.

F) **Inventories** : Inventories, comprising of chemicals, consumables, stores, spares & components and job works-in-progress are valued at lower of cost or net realizable value. Cost is arrived by using first-in-first-out (FIFO) formula and includes all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

G) **Revenue recognition** : Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from Testing and Analysis Services is recognized as the service is performed in accordance with the methods prescribed in AS - 9, Revenue Recognition. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Lease rentals income is recognized on time proportion basis.

H) **Research & Development** : Revenue expenditure on research and development is charged off as and when incurred. Capital expenditure on research and development is capitalized under the respective Fixed Asset and depreciated in accordance with the depreciation policy of the Company.

I) **Prior period expense/income** : The company follows the practice of making adjustments through "expenses/income under/over provided" in previous years in respect of material transactions pertaining to that period prior to the current accounting year.

J) **Employee Benefits** : Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Statement of Profit & Loss of the year when contributions to the fund is due. There are no other obligations other than the contributions payable to the respective authority.

Gratuity and leave encashment liabilities are a defined benefit plan and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each financial year. The Gratuity and leave encashment schemes are maintained and administered by an insurer to which the Trustees make periodic contributions.

Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus and other non-

monetary benefits are provided for as per Company's Rules on best estimate basis.

K) Foreign Currency Transactions : Transactions in Foreign Currencies are recorded at the exchange rates prevailing on the date of the respective transactions. Foreign Currency monetary Assets and Liabilities are restated at year end exchange rates. Exchange difference arising on settlement or restatement of monetary items is recognized as income or expense in the year in which they arise.

L) Tax Expense : Tax expense comprises of current tax and deferred tax.

Current Income tax is measured as per the provisions of Income Tax Act, 1961 and the rules made thereunder.

Deferred tax resulting from "Timing Differences" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, when unabsorbed depreciation and losses carried forward exist, deferred tax is recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

M) Borrowing Costs : Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

N) Business / Geographical Segments : The Company is engaged in the business of Testing and Contract Research in the fields of Clinical and Pre Clinical Studies, Clinical Reference, Analytical Testing, Advanced Molecular Biology and Environmental studies. Since the inherent nature of all these activities are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard - 17, Segment Reporting.

O) Earnings per Share : The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.

P) Provisions, Contingent Liabilities and Contingent Assets: Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the balance sheet as a foot-note. Contingent Assets are neither recognized nor disclosed in the financial statements.

Q) General: Accounting policies not specifically referred to above are in consistent with the generally accepted accounting principles followed in India.

23.2 EMPLOYEE BENEFITS (AS-15)

i) Defined Contribution Plan

Particulars	As on	As on
	31.03.2013	31.03.2012
	₹	₹
Contribution to Provident Fund	11,232,382	11,777,050

ii) Defined Benefit Plans

Particulars	Gratuity		Leave Encashment	
	As on 31.03.2013	As on 31.03.2012	As on 31.03.2013	As on 31.03.2012
	₹	₹	₹	₹
A Assumptions				
Discount Rate	8%	8%	8.05%	8%
Salary Escalation	4%	4%	4%	4%
Rate of return on plan assets	9.15%	9.15%	8%	8%
Expected average remaining lives of the employees (years)	28	27	28	27
	₹	₹	₹	₹
B Table showing the changes in present value of obligations				
a) Present value of obligations at the beginning of the year	22,209,360	21,358,996	7,427,831	8,749,123
b) Interest Cost	1,776,749	1,708,720	528,303	629,066
c) Current service cost	1,576,842	1,550,768	1,105,005	713,350
d) Benefits paid Actuals	(1,393,764)	(1,634,074)	(1,648,090)	(1,771,585)
e) Expected liability at the year end	24,169,187	22,984,410	7,413,049	8,319,954
f) Present value of obligations at the end of the year	24,361,710	22,209,360	5,042,280	7,427,831
g) Actuarial Loss/(gain) on obligations	192,523	(775,050)	(2,370,769)	(892,123)
C Changes in fair value of Assets				
a) Fair value of Assets at the beginning of the year	7,443,457	6,347,618	7,775,930	7,073,324
b) Expected return on plan assets	632,139	513,389	1,452,465	571,031
c) Contributions	2,321,997	2,216,524	Nil	1,862,212
d) Benefits paid- Actuals	(1,393,764)	(1,634,074)	(1,648,090)	(1,771,585)
e) Actuarial gain / (loss) on plan assets	Nil	Nil	(895,046)	40,948
f) Fair value of assets at the end of the year	9,003,829	7,443,457	6,685,259	7,775,930
D Actuarial Loss or Gain recognized				
a) (Gain)/Loss for the year – Obligation	192,523	(775,050)	(2,370,769)	(892,123)
b) (Gain)/Loss for the year – Plan assets	Nil	Nil	895,046	(40,948)
c) Total loss/(gain) for the year	192,523	(775,050)	(1,475,723)	(933,071)
d) Actuarial loss/(gain) recognized in the year	192,523	(775,050)	(1,475,723)	(933,071)
E Amounts to be recognized in the Balance sheet and statement of P&L				
a) Present value of obligations as at the end of the year	24,361,710	22,209,360	5,042,280	7,427,831
b) Fair value of assets at the end of the year	9,003,829	7,443,457	6,685,259	7,775,930
c) Funded Status [Surplus/(deficit)]	(15,357,881)	(14,765,903)	1,642,979	348,099
d) Net (Liability)/asset recognized in balance sheet	(15,357,881)	(14,765,903)	1,642,979	348,099
F Expenses recognized in statement of Profit and Loss				
a) Current service cost	1,576,842	1,550,768	1,105,005	713,350
b) Interest Cost	1,776,749	1,708,720	528,303	629,066
c) Expected return on plan assets	(632,139)	(513,389)	(1,452,465)	(571,031)
d) Net actuarial (gain) / loss recognized in the year	192,523	(775,050)	(1,475,723)	(933,071)
e) Expenses recognized in statement of Profit & Loss	2,913,975	1,971,049	(1,294,880)	(161,686)

Note : Employees include Managing & Whole time Directors and other managerial personnel

23.3 Related party disclosures (AS-18)

Names of the related parties and nature of relationships and particulars of transactions with the said related parties during the year are as follows :

i) Names of the related parties and description of relationship.

A) Key Management Personnel

Dr S P Vasireddi	Chairman & Managing Director
Harita Vasireddi	Joint Managing Director
V Harriman	Director - Technical
V V Prasad	Executive Director

B) Relatives of Key Management Personnel

Swarnalatha Vasireddi	Wife of Managing Director
Sireesh Chandra Vungal	Son of Director Technical
Satya Sreenivas Neerukonda	Son-in-Law of Executive Director
Rajeswari Vungal	Wife of Director Technical
Mahesh Naidu Kankanala	Spouse of Jt. Managing Director

C) Associates

Vimta Specialities Limited
(under Voluntary Liquidation)

D) Other related parties

Ananth Technologies Limited
Bloomedha Info Solutions Limited

Note : Information of related parties and the relationship is as identified by the Company on the basis of information available with them and relied upon by the auditors.

ii) Aggregate Related Party transactions for the year 2012-13

(in ₹)

	Key Management Personnel	Relatives of Key Management Personnel	Associates	Other related parties in which directors interested	Total
Remuneration paid incl. PF Contribution (Previous year)	21,099,352 (21,504,000)	2,473,880 (2,191,220)	---	---	23,573,232 (23,814,690)
Services availed (Previous year)	---	84,000 (84,000)	---	4,095,522 (4,077,834)	4,179,522 (4,014,371)
Purchase of fixed assets (Previous year)	---	---	(98,500)	---	(98,500)
Sale of Fixed Asset (Previous year)	---	50,000	---	---	50,000
ICD Received (Previous year)	---	---	(27,100,000)	---	(27,100,000)
Account payable (Previous year)	321,921 (5,621,581)	523,307 (461,210)	---	521,340 (3,127,005)	1,366,568 (9,209,796)
Dividend paid (Previous year)	---	---	---	---	---
	(2,828,556)	(193,558)	---	---	(3,022,114)

Note : As the liability for Gratuity is provided on actuarial basis for all the employees of the company as a whole, the amount pertaining to the Key Management Personnel and their relatives is not ascertainable and therefore not included in the above.

23.4. Leases (AS-19) :

The Company has taken certain equipment under non cancelable operating lease agreements for a period of 36 months. The lease rental charge grouped under operating lease charges during the year ended March, 2013 is ₹.8,972,054/- (Previous year ₹.20,202,764/-) and maximum obligation on long-term non-cancelable operating lease payable as per the rentals stated in respective agreements are as follows :

	Current Year	Previous Year
i) Obligation on Non-cancelable operating leases :		
a) not later than one year	766,703	24,537,318
b) later than one year and not later than five years	646,250	1,412,953
c) later than five years	Nil	Nil
ii) Total of minimum sub-lease payments expected	Nil	Nil
iii) Lease payments recognized in the statement of Profit & Loss for the Period	8,972,054	20,202,764
iv) Sub lease payments received or receivable recognized in P&L A/c during the period	Nil	Nil
v) General description of significant leasing arrangements		
a) Description of the assets taken on operating lease	*	*
b) Basis on which contingent rent payments are determined	As per the terms of the lease agreement	
c) Terms of renewal or purchase options and escalation clauses of lease arrangements	As per the terms of the lease agreement	
d) Restrictions imposed by lease agreements, if any	Nil	Nil

* Hewlett Packard Servers, Hardware & Software etc.

23.5 Earnings per Share (AS-20)

(in ₹)

	Current Year	Previous Year
a) Net profit / (Loss) for the year	42,133,678	(153,763,264)
b) Weighted average no. of shares outstanding during the year	22,107,810	22,107,810
c) Basic and diluted earnings/ (loss) per share	2/-	(7)
d) Nominal value of shares (fully paid up)	2/-	2/-

23.6. Impairment of Assets (AS-28)

(in ₹)

	Current Year	Previous Year
i) Amount of impairment losses recognized in the P&L A/c.	Nil	Nil
ii) Amount of reversal of impairment losses recognized in the P&L A/c.	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

24. Additional Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable :

(in ₹)

	Current Year	Previous Year
a) Value of Imports calculated on CIF Basis in respect of :		
i) Chemicals & Consumables	9,715,423	14,097,075
ii) Components and spare parts	11,447,721	6,616,964
iii) Reference Standards / Proficiency testing	5,377,613	7,508,660
iv) Software	747,657	-
v) Capital Goods	1,505,016	12,224,222
b) Expenditure in Foreign Currency on account of :		
i) Travelling expenses	77,436	1,133,469
ii) Membership & Subscriptions	743,289	524,101
iii) Licences	1,036,323	139,431
iv) Commission	12,575,689	9,205,284
v) Interest on Foreign Currency Loan to Banks	1,916,604	2,994,414
vi) Seminars & Conferences	11,068	11,068
vii) Books & Periodicals	244,135	244,135
viii) Employee benefit expense	1,292,855	1,884,076
ix) Professional charges	103,895	920,400
c) i) Amount remitted during the year in foreign currency on account of dividends	Nil	Nil
ii) Number of Non-Resident Shareholders	97	128
iii) Number of shares held by them	208473	152,637
iv) Year to which the dividends related	NA	2010-11
v) Dividend paid in Indian Rupees	Nil	61,055
(The NRI shareholders were paid the dividend in Indian Rupees only. Hence, amount remitted in foreign currency is Nil)		
d) Earnings in foreign exchange :		
Export of testing services (on FOB basis)	463,976,392	301,961,918

e) Value of all imported and indigenous raw materials, spare parts & components consumed during the year and the percentage of each to the total consumption.

(in ₹)

	Current year		Previous year	
	Consumption Value	% to total Consumption	Consumption Value	% to total Consumption
a) Chemicals & Consumables				
- Indigenous	176,657,645	93	204,019,577	95
- Imported	13,296,812	7	10,737,872	5
Total	189,954,457	100	214,757,449	100
b) Spares & Components				
- Indigenous	10,197,047	47	2,872,364	45
- Imported	9,042,665	53	3,510,668	55
Total	19,239,712	100	6,383,032	100

25. Previous year's figures have been regrouped / recasted wherever considered necessary to conform to the layout of the accounts adopted in the current year. Paise have been rounded off to the nearest rupee.

Per our report of even date.

for SARATHY & BALU,
Chartered Accountants
(Firm Regn. No. 003621S)

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Place: Hyderabad
Date: 27.04.2013

For and on behalf of the Board

Dr S P Vasireddi
V Harriman
V V Prasad
T S Ajai

Managing Director
Director Technical
Executive Director
Director

P Sankaraiah
A Venkata Ramana

VP - Finance & CFO
Company Secretary

Place: Hyderabad
Date: 27.04.2013

www.vimta.com

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Life Sciences Facility :

Vimta Labs Limited

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