Vimta

Driven by Quality. Inspired by Science.

Notice Calling 28th Annual General Meeting
Scheduled to be held on Saturday, August 25, 2018

Vimta Labs Limited

CIN : L24110TG1990PLC011977

Registered Office: Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, Medchal District, Hyderabad - 500 051

E-mail : shares@vimta.com Web : www.vimta.com

NOTICE is hereby given that the twenty eighth Annual General Meeting of the members of Vimta Labs Limited will be held on Saturday, August 25, 2018 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, 2018 and Statement of Profit & Loss Account for the year ended on that date together with Cash Flow Statements, Auditors' report and the Board Report thereon.
2. To approve the dividend.
3. To appoint a Director in place of Veerabhadra Prasad Vasireddi (DIN : 00242355) who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify appointment of Statutory Auditors:

   To ratify the appointment of M/s Gattamaneni & Co, Chartered Accountants, Hyderabad (Firm Regn No.009303S), auditors of the Company to hold office from conclusion of this meeting to the conclusion of Annual General Meeting to be held in the calendar year 2022 and in this connection, to consider and, if thought fit to pass the following resolution, with or without any modification(s), as an Ordinary Resolution:

   "Resolved that pursuant to third proviso to Section 139 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Rules made there under and pursuant to the resolution passed by the members at the Annual General Meeting held on September 27, 2017, appointing M/s Gattamaneni & Co, Chartered Accountants, Hyderabad (Firm Regn. No.009303S) be and is hereby ratified as the Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of Annual General Meeting to be held in the calendar year 2022 and that the Board of Directors be and are hereby authorized to pay such remuneration, as it may be deem fit based on the recommendations of Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with audit of the accounts of the Company. "

SPECIAL BUSINESS

5. To consider and, if thought fit to pass the following resolution, with or without any modification(s), as an Ordinary Resolution:

   "Resolved that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014 remuneration of 50,000/- (Rupees fifty thousand only) payable to M/s U S Rao & Co, Cost Auditors of the Company for the audit of cost records for the financial year ending March 31, 2019 which was approved by the Board of Directors be and is hereby ratified"

   "Resolved further that the Board of Director(s) and / or Company Secretary of the Company be and are / is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution"
6. To appoint Smt Y Prameela Rani as an Independent Director and in this regard, to pass the following resolution as an Ordinary Resolution:

   "Resolved that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt Y Prameela Rani (DIN: 03270909), who qualifies for being appointed as an Independent Director be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, that is, up to August 24, 2023."

   "Resolved further that the Board of Director(s) and / or Company Secretary of the Company be and are / is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution"
7. To re-appoint Dr S P Vasireddi as Non-Executive Director & Chairman and in this regard to consider and, if thought fit to pass the following resolution, with or without any modification(s), as an Ordinary Resolution:

   "Resolved that pursuant to the provisions of Section 149 & 152 and other applicable provisions, if any, of Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Articles of Association of the Company, Dr. S P Vasireddi (DIN: 00242288), who qualifies for being appointed as Director be and is hereby re-appointed as Non-executive Director & Chairman of the Company with effect from July 01, 2018, subject to retirement by rotation."

   "Resolved further that the Board of Directors be and are hereby authorized to provide required facilities and amenities, as they may deem fit to Dr. S P Vasireddi and to maintain Chairman's office in order to facilitate him to perform his duties."

   "Also resolved further that the Board of Director(s) and / or Company Secretary of the Company be and are / is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution"

By Order of the Board

Place : Hyderabad
Date : 30.06.2018

A VENKATA RAMANA
COMPANY SECRETARY

Statement Pursuant To Section 102(1) Of The Companies Act, 2013:

Item No: 5

The Company is maintaining the cost records in pursuance of Section 148(1) and is required to get them audited by a Cost Auditor in pursuance of Section 148(2) of the Companies Act, 2013 read with rules made there under.

Accordingly, on the recommendations of the Audit Committee the Board of Directors have appointed M/s U S Rao & Co, Cost Accountants to carry out cost audit of the cost records of the Company for the financial year ending March 31, 2019 at remuneration of 50,000/- (rupees fifty thousand only).

In pursuance of Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014 the remuneration so fixed by the Board of Directors needs a ratification by the shareholders of the Company. Accordingly, the said resolution put up for ratification.

None of the Directors are in any way concerned or interested in this resolution.

The Board recommends the ordinary resolution set out at Item No. 5 of the Notice.

Item No.6

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 ("the Act") appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Smt Y Prameela Rani (DIN: 05186036), be appointed as an Independent Director on the Board of the Company.

The appointment of Smt Y Prameela Rani, shall be effective upon approval by the members in the Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Smt Y Prameela Rani for the office of Director of the Company. Smt Y Prameela Rani has given her consent to act as a Director and given a declaration stating that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Smt Y Prameela Rani fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations. Smt Y Prameela Rani is independent of the management and possesses appropriate skills, experience and knowledge.

The relevant particulars of Smt Y Prameela Rani as required under the provisions of regulation 36(3)of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this notice as Annexure.

Copy of draft letter of appointment of Smt Y Prameela Rani setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No.7:

The Company at its Annual General Meeting held on September 02, 2016 has appointed Dr. S P Vasireddi as Executive Chairman (Whole-time Director) of the Company for a term of three years effective from July 15, 2016, i.e. up to July 14, 2019.

Under the provisions of Section 196(3)(a) of the Companies Act, 2013 Company shall not continue the employment of any person as Whole-time Director who attainted the age of 70 unless approval of the members be taken by passing a special resolution.

Dr. S P Vasireddi, Executive Chairman of the Company has conveyed to the Board about his intention not to continue in Whole-time Directorship from July 01, 2018 since he would be attaining the age of 70 on that day. Accordingly, on the recommendations of Nomination & Remuneration Committee the Board at its meeting held on June 30, 2018 has re-appointed him as Non-executive Director & Chairman of the Company, subject to approval of the members in their ensuing Annual General Meeting for the change in his designation and role. The existing terms of his appointment as Executive Chairman will cease on his re-appointment as Non-executive Director & Chairman. The re-appointment of Dr. S P Vasireddi by the Board was subject to approval of the members. Accordingly, the said resolution put up for approval.

The relevant particulars of Dr. S P Vasireddi as required under the provisions of regulation 36(3)of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this notice as Annexure.

Copy of relevant resolutions of the Board with respect above said re-appointment is available for inspection by members at the registered office during working hours on any working day till the date of the Annual General Meeting.

Except Dr S P Vasireddi, Harita Vasireddi and V V Prasad, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the special business under item No:7 for re-appointment of Dr S P Vasireddi as Non-Executive Director & Chairman.

By Order of the Board

Place : Hyderabad
Date : 30.06.2018

A VENKATA RAMANA
COMPANY SECRETARY

Details of the Directors seeking appointment / re-appointment at the forth coming Annual General meeting (Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Particulars	Item No. 3	Item No. 6	Item No. 7
Name	**V V Prasad**	**Y Prameela Rani**	**Dr S P Vasireddi**
Designation	Executive Director-Administration	Director	Executive Chairman
Date of Birth	14.08.1951	01.08.1953	01.07.1948
Qualification	B.Com.	B.Sc. MBA	PhD
Expertise in specific functional areas	A Graduate in commerce with over 39 years experience, He is one of the promoter Director of the company and has been its Executive Director since inception. Prior to starting this Company he was in service with AP State Government	An Experienced professional with a successful career in banking sector over 36 years with key areas of expertise which includes credit, foreign exchange, Business development and Management.	Ph.D. with over 40 years of experience. He is one of the promoter Director of the company and has been its Chairman & Executive Director since inception. He is a member on the Governing Boards of several scientific bodies
Disclosure of relationships between directors inter-se	Dr S P Vasireddi – Executive Chairman is his brother.	NA	Harita Vasireddi – Managing Director is his daughter. V V Prasad – Executive Director-Administration is his brother.
Shareholding as on 30.06.2018	1463515	NIL	3598525
Names of other listed entities in which the person also holds the directorship and the membership of the committees of Board (as on 30.06.2018)			
Board (Listed entities)	Nil	Nil	Nil
Committees (Listed entities)	Nil	Vimta Audit Committee : Member Vimta Stakeholders Relationship Committee	Nil

NOTES :

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of such member or number of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
5. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
8. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
9. The Register of Members and Share Transfer Books will remain closed from 20.08.2018 to 25.08.2018 (both days inclusive) for the purpose of Annual Closing for the financial year ended March 31, 2018.
10. Members whose shareholding is in electronic mode are requested to update the change of address, email IDs and change in bank account details, if any with the respective Depository Participant(s).
11. Members who are willing to claim dividends, which remain unclaimed, are requested to correspond with the Company at its registered office address. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, such dividends along with respective shares will be transferred to the Investor Education and Protection Fund as per the provisions of Section 124 of the Companies Act, 2013.
12. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
13. The Annual Report 2017-18 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has specifically requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 are being sent by the permitted mode or by any other mode as specifically requested.
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment, Rules 2015 has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. The Company has appointed Mr D Hanumanta Raju, Partner, M/s D Hanumanta Raju & Co., Hyderabad, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the **17.08.2018**.
15. The instructions for e-voting, along with the Attendance slip and Proxy form are provided herewith as an insertion. A copy of the same is also available on Company's website www.vimta.com for reference.
16. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report 2017-18 is available on the Company's website, www.vimta.com. Members who require physical copies may write to us at “shares@vimta.com”
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
18. All documents referred to in this Notice are available for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.
19. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
20. Members are requested to bring their copy of Annual Report to the Meeting.

THE INSTRUCTIONS TO THE MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER

(I) The voting period begins at **9.30 am on Wednesday the August 22, 2018 and ends at 5.00 pm on Friday, August 24, 2018**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday the August 17, 2018**, may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID
a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

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

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

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

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

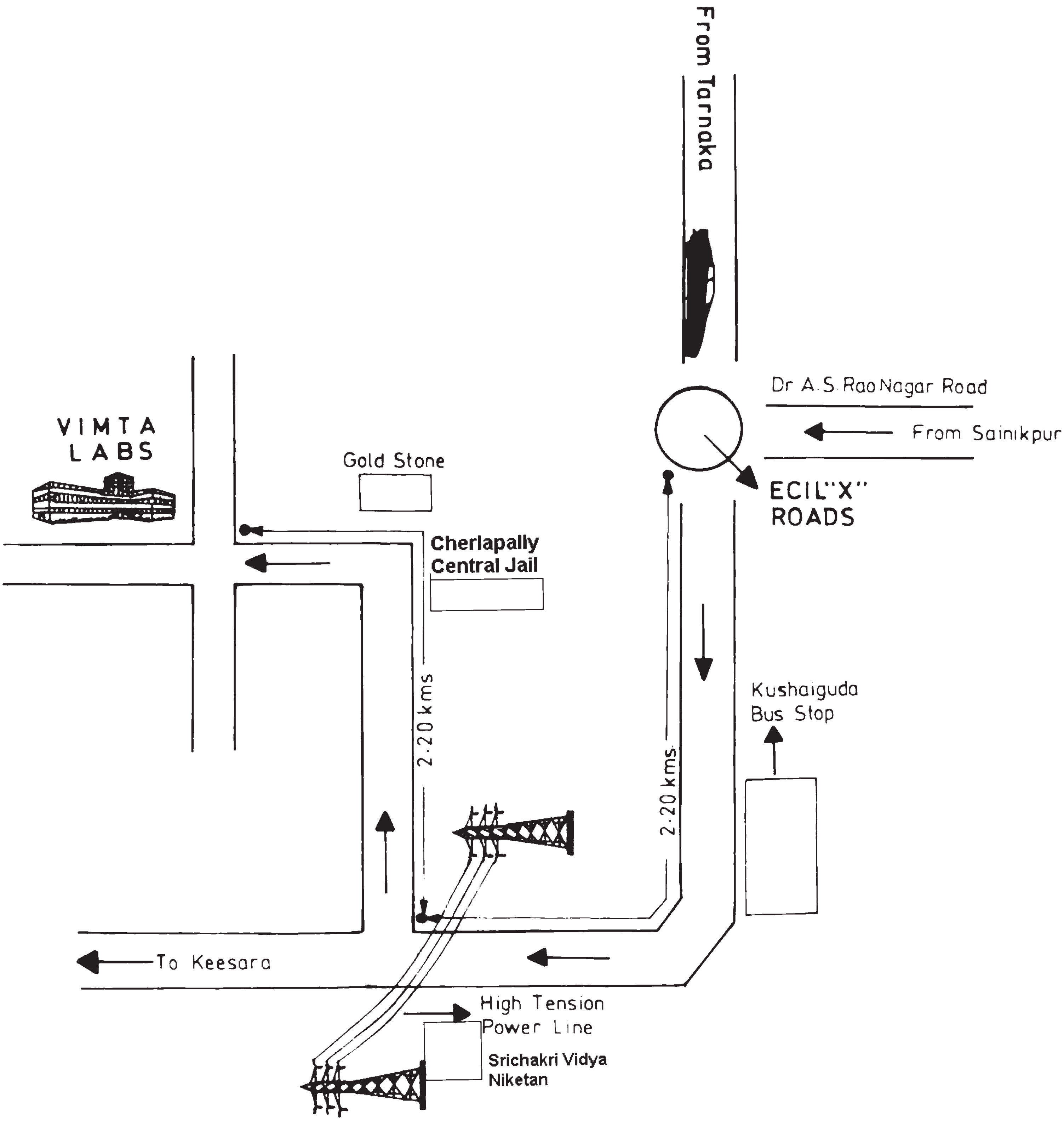
(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

28th Annual General Meeting of VIMTA LABS LIMITED
ROUTE MAP



Proxy Form

(Form No. MGT-11)

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

CIN	:	**L24110TG1990PLC011977**
Name of the company	:	**Vimta Labs Limited**
Registered office	:	Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, Medchal District, Hyderabad - 500 051 E-mail : shares@vimta.com Web : www.vimta.com

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member (s) having .... shares in the above named company, hereby appoint

1. Name :
   Address :
   E-mail Id :

   Signature :
   or failing him/her

2. Name :
   Address :
   E-mail Id :

   Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on Saturday the 25th day of August, 2018 at 10.00 a.m. at Regd. Office 141/2 & 142, IDA, Phase-II, Cherlapally, Medchal District, Hyderabad : 500051 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions :
1. Adoption of Accounts **2.** Approval to dividend **3.** Appointment of Shri Veerabhadra Prasad Vasireddi (DIN 00242355) as Director who retires by rotation **4**. Ratification of appointment of Statutory Auditors **5.** Ratification of remuneration to Cost Auditors **6.** Appointment of Y Prameela Rani (DIN 03270909) as Independent Director **7.** Re-appoint Dr. S P Vasireddi (DIN 00242288) as Non-Executive Director & Chairman.

Signed this.................. day of ...., 2018
Signature of shareholder

Signature of Proxy holder(s)

Affix
1 Rupee
Revenue
Stamp

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

ADMISSION SLIP

Name & Address of Member	Foilo No.	DP ID No.	Client ID No.

I hereby record my attendance at the 28th Annual General Meeting of the Company, to be held on the Saturday the 25th day of August, 2018 at 10.00 a.m. at Regd. Office 141/2 & 142, IDA, Phase-II, Cherlapally, Medchal District, Hyderabad : 500051

I certify that I am a registered member of the company and hold____________shares.

Member's / Proxy's Signature

Driven by Quality. Inspired by Science.

28th

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Vimta Labs Limited

CIN : L24110TG1990PLC011977
Registered Office: Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, Medchal District, Hyderabad - 500 051
E-mail : shares@vimta.com Web : www.vimta.com

BOARD OF DIRECTORS

Dr S P VASIREDDI
Executive Chairman

HARITA VASIREDDI
Managing Director

V HARRIMAN
Executive Director - Operations

V V PRASAD
Executive Director - Administration

T S AJAI
Independent Director

Dr SUBBA RAO PAVULURI
Independent Director (upto 10.10.2017)

Prof. D BALASUBRAMANIAN
Independent Director

RAO PURNACHANDRA POTHARLANKA
Independent Director

YALAMANCHALI PRAMEELA RANI
Additional Director (w.e.f 01.12.2017)

CHIEF FINANCIAL OFFICER

M MURALI MOHANA RAO

COMPANY SECRETARY & COMPLIANCE OFFICER

A VENKATA RAMANA

BANKERS

State Bank of India
Overseas Branch
Hyderabad

STATUTORY AUDITORS

Gattamaneni & Co,
(Firm Regn. No.009303S)
Chartered Accountants
Hyderabad

SECRETARIAL AUDITORS

D Hanumantha Raju & Co.
Company Secretaries
Hyderabad

COST AUDITORS

U S Rao & Co.
(Firm Regn. No. 102629)
Cost Accountants
Hyderabad

LISTED WITH

BSE Limited
National Stock Exchange of India Ltd

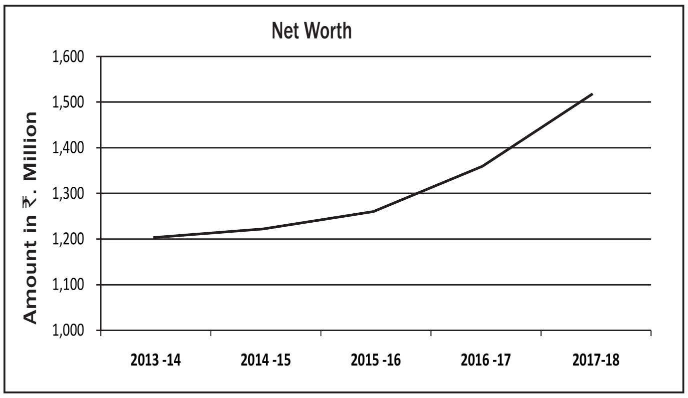
SHARE TRANSFER AGENTS

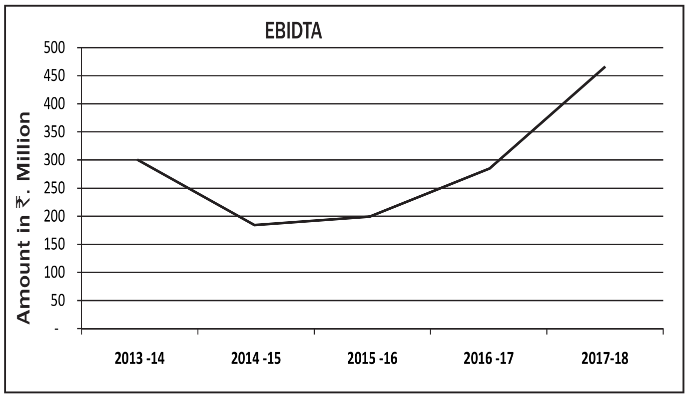
CIL Securities Ltd
214, Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad - 500 001

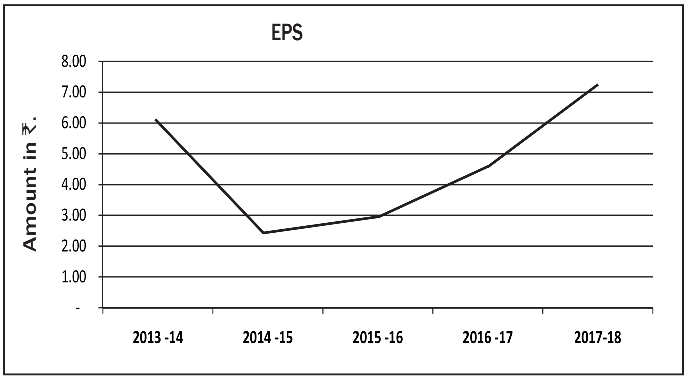
Contents

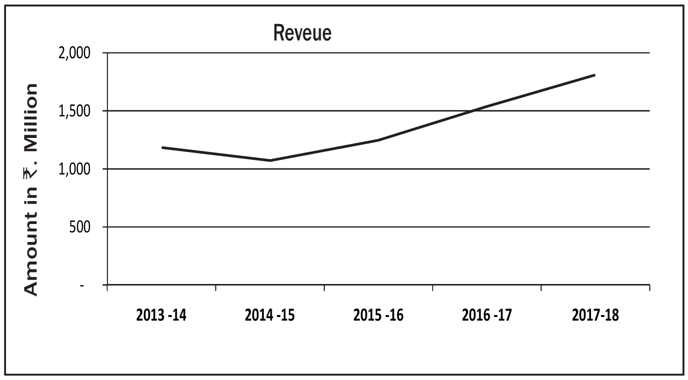
IMPORTANT COMMUNICATION TO MEMBERS

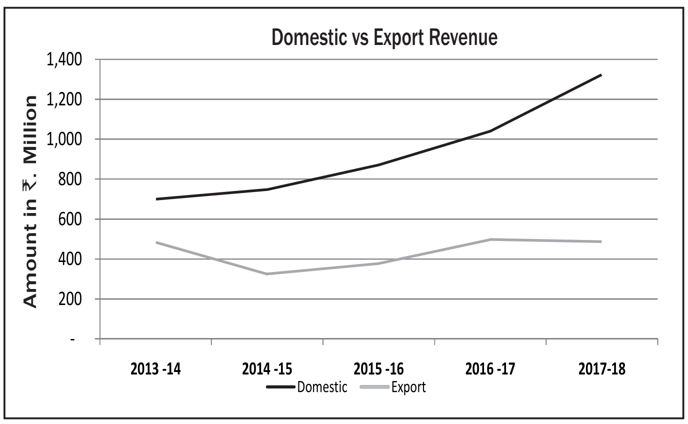
The Ministry of Company Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative 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.

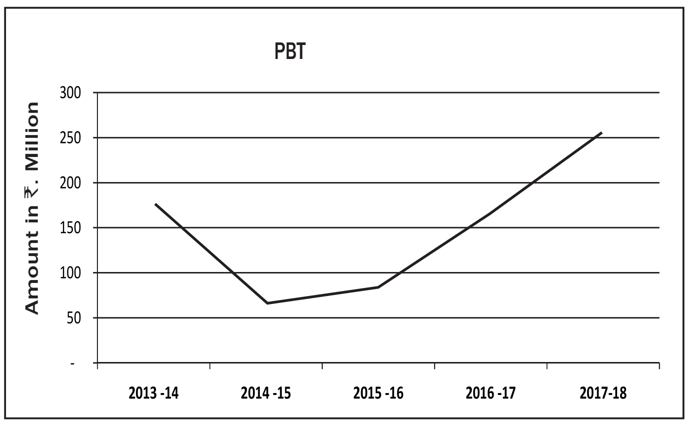

Net Worth
Amount in ₹. Million
1,600
1,500
1,400
1,300
1,200
1,100
1,000
2013 -14
2014 -15
2015 -16
2016 -17
2017-18


EBIDTA
Amount in ₹. Million
500
450
400
350
300
250
200
150
100
50
-
2013 -14
2014 -15
2015 -16
2016 -17
2017-18


EPS
Amount in ₹.
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
-
2013 -14
2014 -15
2015 -16
2016 -17
2017-18


Reveue
Amount in ₹. Million
2,000
1,500
1,000
500
-
2013 -14
2014 -15
2015 -16
2016 -17
2017-18


Domestic vs Export Revenue
Amount in ₹. Million
1,400
1,200
1,000
800
600
400
200
-
2013 -14
2014 -15
2015 -16
2016 -17
2017-18
Domestic
Export


PBT
Amount in ₹. Million
300
250
200
150
100
50
-
2013 -14
2014 -15
2015 -16
2016 -17
2017-18

To
The Members of VIMTA LABS LIMITED

Your Directors have pleasure in presenting the 28th Annual Report and audited financial statements of your Company for the year ended March 31, 2018.

FINANCIAL SUMMARY

(₹ in Millions)

	For the Year 2017-18	For the Year 2016-17
Income	1822.91	1547.89
Profit before Interest & Finance cost, Depreciation and Tax expense	464.64	282.52
Interest & Finance cost	52.00	20.87
Depreciation	157.00	96.30
Profit before Tax	255.64	165.35
Tax expenses (current & deferred)	91.31	59.43
Profit for the year including other comprehensive income	159.05	100.44
EPS (in ₹.)	7.43	4.79

FINANCIAL HIGHLIGHTS

- Close to 18% growth in revenues compared to previous financial year.
- EBITDA for the year stood at ₹.464.64 million as compared to ₹.282.52 million in the previous year, that resulted in a PAT of ₹.159.05 million, which is close to 58% increase over the previous year profits.
- Strong increase of 55% in the earnings per share, at ₹.7.43.

FIRST-TIME ADOPTION OF Ind-AS.

Your Company has prepared its first Indian Accounting Standards (Ind AS) compliant Financial Statements for the period commencing April 1, 2017 with restated comparative figures for the year ended March 31, 2017. These financial statements are prepared in accordance with Indian Accounting Standards notified under the provisions of Companies Act, 2013 read with Rules made thereunder.

BUSINESS - MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Vimta Labs is India's leader in contract research and testing services for the food, environment and pharmaceutical products testing. It offers preclinical research, clinical research and analytical services. The Company is also in the business of providing clinical diagnostic services and third party analytical laboratory services to various other industries. Vimta has a network of 17 laboratories in India, including multiple branch laboratories for food testing and clinical diagnostics.

Our Vision

To be seen as an Indian organization with a global perspective that has created an integrated, quality driven, customer sensitive, Contract Research and Testing centre, that is the most comprehensive of its kind across the globe.

Our Core Values

- Integrity of service through honesty, responsibility and an uncompromising commitment to Quality and Customer service.
- Respect for all our team members, partners, customers, suppliers and all other people our business interacts with.

A strong leadership position is built by Vimta through the following core strategies :

- Quality & Compliance - This is the foundation of our business and remains the core of our processes. Quality principles and continuous improvement towards best practices are integrated into all our activities.
- Innovation - Constantly creating new services aiming to deliver end-to-end laboratory services to the customers.
- Technology - Use of advanced technologies supported by robust IT solutions.
- Knowledge - People are the strength of Vimta. The diverse education, skills and experience of our team is harnessed for operational excellence and to deliver trusted results and scientifically reliable data.

Industry Overview & Trends

In the pharmaceutical, biopharmaceutical and medical device industries, products must conform to applicable national and international regulations. Regulations are constantly revised to upgrade the safety and efficacy information on products, and therefore the need for more safety assessments and testing continues to grow. This is a positive trend for our business, since the product developers and manufacturers increasingly depend on third party services to ensure their products comply with the regulations and continuously meet the quality and safety standards set by the Regulators. The service providers are varying in the scope and size of their business and not in very large numbers with many players offering a limited range of services. Vimta provides vital support and expertise for pharmaceutical, biopharmaceutical and medical device products throughout various stages of their development, production and distribution. Vimta being an integrated service provider, and with a strong regulatory audit track record, is one of the leaders in this segment.

In the food and agri industry, the strengthening regulatory landscape in India, increasing consumer awareness on product quality and safety, and the robust trade between India and other countries, continues to propel the need for assurance of product safety and quality at every stage of the food production and trade process. These too, are positive market factors and trends for our business. Our services build trust, and reduce risk across diverse agriculture and food supply chains. Vimta offers routine as well as specialized testing services for food and agri products to assist with regulatory compliance, trade and internal quality requirements. Vimta has food testing laboratories in 10 cities across India, which is the largest network in the country, and has received all required approvals from quality accreditation and regulatory bodies. This now enables us to gain more access to the markets and leverage our pan India presence to grow the business within the food industry.

Clinical diagnostics is a large market in India that continues to grow with the growth in economy and public's increasing healthcare awareness and access to healthcare infrastructure. Sophisticated technologies are constantly brought into the market by global vendors. Competition is very high and local, further this is a very price sensitive one. The service providers in this business are highly fragmented and of varying sizes offering either routine, or specialized or combination services. Vimta enjoys a strong quality brand in the country and has a pan India presence offering both routine and specialized diagnostic services. We continue to invest in expanding our geographic reach and building specialized test capabilities to grow in this growing market.

India is a part of the global community that is beginning to put greater focus on developing sustainable economies. Protecting the environment and its natural resources is a key agenda for India. This focus retains the need for quality environmental impact assessment and environment testing services. Vimta has always been a leader in this business for over three decades, due to its wide expertise, the quality of its services, and its reputation for integrity of data.

Given the above business environment, we believe VIMTA is well poised to leverage the market opportunities available and continue the robust growth journey that it has embarked on. Having stated this, there is no guarantee that these market trends will all continue to be positive for our business, as there could be several risks and events that could negatively impact the opportunities and business factors for Vimta.

Risk Management

The Risk Management Committee duly constituted by the Board had formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure will be reviewed periodically by the Audit Committee and the Board.

Risks are inherent to any business. They are managed by your Company through a risk management process of risk identification and risk mitigation, through risk reduction strategies & plans and continuous monitoring of the effectiveness of the risk mitigation measures to control them.

Your company continues to strive to stay ahead on the competition curve through creation of new service opportunities, operational excellence and its uncompromising commitment to quality, regulatory compliance and customer service. However, there may be certain factors that are beyond Vimta's control that could adversely impact business. A few that generally could impact most of the companies in this industry include, change in regulations and regulatory environment; downturn in economies that our business operates in; steep drop in service prices from competition; increase in prices of input material; changes in laws such as tax laws etc., that could adversely impact the competitiveness of Vimta in global markets; foreign exchange risks; interest rate risks; risks from terrorism etc. There could be many more risks from external factors, which management currently doesn't foresee to be material.

Other risks and mitigations

Quality related risks - Poor performance in regulatory audits and accreditation body audits could adversely impact Vimta's business. Maintaining quality and compliance is part of every activity in the organization. Your company's management leads the quality culture understanding very well that this is critical for business success and survival. However, surprises from poor or inadequate performance by employees could lead to regulatory risks. There are adequate built in controls and checks to mitigate this risk. Nevertheless, these risks cannot be completely ruled out.

Financial risks - Vimta makes continuous investments in capacity expansion, market reach and new business streams. These investments are based on good business judgement through market study, backed up by strong planning and risk mitigation measures. However, time factors and market dynamics could delay results and/or create risks in obtaining returns on such investment. Other financial risks include, bad debts from customers for various reasons; and liquidity risks as a result of any poor cash flows that could further lead to non-servicing of loans. Your company has dedicated groups for customer relations management and credit control. There are adequate checks to identify risky customer accounts and control business with them to minimize risks. Nevertheless, these risks cannot be completely ruled out.

Data risks - As a third party provider of services, we often get into various service agreements, with customers including requirements on data confidentiality, data security and IP protection. Given the large scale of human resources involved in our organization, and the inherent vulnerability of IT solutions deployed, company may be at risk as a result of unintentional violations of customer contracts and agreements, which could further lead to significant legal risks for the business. This is mitigated through strong physical security and electronic security systems; trainings to employees, business continuity processes such as electronic data disaster recovery systems; confidentiality oaths from employees; well propagated whistle blower policies etc.

Other risks include : Critical equipment breakdowns, power breakouts, short supply of any input material or consumable fire and natural calamities. These are handled through a robust business continuity plan where adequate backups are created and tested from time to time for their effectiveness.

It is possible that the above risk analysis does not cover all risks exhaustively. But being an experienced organization, the mitigation measures in-built into the organization, its strategy and processes, so far have helped the organization go through, and grow through, various phases of business and the market situations. It will be management's continuous endeavour to develop strategies that would help the organization de-risk its business.

Cautionary Statement

Statements in the Management Discussion are forward looking and actual factors that come into play for the business and the consequent results might differ materially from those expressed or implied.

STATE OF COMPANY'S AFFAIRS

Performance

Gross revenue for the year 2017-18 is ₹.1822.91 million as compared to ₹.1547.89 million in the previous year. During the year under review, the sales have gone up by 18% as compared to the previous year. Net Profit before tax is ₹. 255.64 million as compared to ₹. 165.35 million in the previous year. Profit for the year including other comprehensive income stood at ₹.159.05 million as compared to ₹. 100.44 million of previous year.

Material Changes and Commitments

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate, and the date of this report.

Dividend

Your Directors have recommended a dividend of ₹. 2/- per equity share of ₹. 2/- each for 2017-18 fiscal.

Transfer to Reserves

Your Directors have decided not to transfer any portion of its current year's profits to the Reserves.

BOARD

Particulars of Board of Directors and its Committees : Composition and particulars of Board of Directors, its Committees along with terms of reference and meetings held during the year under review are given in detail in the report on corporate governance. During the period under review the Board has accepted all the recommendations of Audit Committee.

Particulars of changes in Directorship and Key Managerial Personnel

Dr. Subba Rao Pavuluri, Independent Director has resigned from the Board on account of his pre-occupation with other assignments. Your Board has placed on record the valuable contribution made by him to the Company as a member of the Board and its Committees during his tenure.

Consequent to the resignation of Dr. Subba Rao, Mrs. Y. Prameela Rani was appointed as an Additional Director by your Board in their meeting held on 01.12.2017 to hold her office of Independent Director up to the ensuing Annual General Meeting of the Company. The detailed profile of Mrs. Prameela Rani is attached to the notice calling Annual General Meeting. In the opinion of the Board, she fulfills the conditions for her appointment as Independent Director as specified in the Act and Listing Regulations. Your Directors commend her appointment.

Further Dr S P Vasireddi, the Executive Chairman has conveyed his intention not to continue as Whole-time Director on attaining the age of 70. Accordingly, on the recommendations of Nomination & Remuneration Committee, the Board at its meeting held on June 30, 2018 has re-appointed him as Non-Executive Director & Chairman of the Company w.e.f. July 01, 2018, subject to approval of the members.

Your Board has placed on record the valuable contributions made by Dr. S P Vasireddi to the Company as Executive Chairman.

Mr A Venkata Ramana, the Company Secretary& Compliance Officer has resigned and would be relieved from the services on August, 31 2018. Your Board has placed on record the valuable contribution made by him to the Company.

Consequent to the resignation of Mr A Venkata Ramana, your Board has appointed Mrs. Sujani Vasireddi as Company Secretary & Compliance Officer to take charge w.e.f. August 31, 2018.

Declaration by Independent Directors

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

Nomination and Remuneration Policy

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges, the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to appointment/ nomination and remuneration payable for the Directors, Key Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same is attached as Annexure-II to the Board's Report and also placed it on Company's website www.vimta.com.

Board Evaluation

The Board and the Independent Directors have carried out evaluations for the year 2017-18 w.r.t. performance of the Board, its Committees, the individual Directors and the Chairperson in compliance to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation reports are meeting the expectations of the Board. Further the Nomination and Remuneration Committee has also evaluated the performance of each Director.

The evaluation criteria have been explained in the report on corporate governance appended to the Board's report.

Training of Independent Directors

There is a system for every Director inducted newly to the Board to undergo an orientation program in order to get familiarized with the strategy, operations and functions of the Company. The Executive Directors / senior personnel make presentations to the inductees about the Company's strategy, operations, service offerings, markets, organization structure, finances, human resources, technology, facilities, risk management, etc.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his / her role, functions, duties and responsibilities as an Independent Director. The contents of the letter of appointment is available on Company's website www.vimta.com. During the year under review necessary training was given to Mrs. Y Prameela Rani, Additional Director who was inducted newly to the Board.

Statement of particulars of Appointment and Remuneration of Managerial personnel & Particulars of Employees

Pursuant to Section 197 (12) read with Rule 5(1) and 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of remuneration of managerial personnel and particulars of employees are appended as Annexure III to the Board's report and form part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 (the Act) your Board of Directors state that:

a) In the preparation of annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;

b) They have selected such accounting policies 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 and of the profit and loss for that period;

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis;

e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DSIR RECOGNITION

The Company has been recognized by DSIR (Department of Scientific and Industrial Research) as in-house R&D unit vide approval F.No.TU/IV-RD/2833/ 2017 and pursuing its goal to continuously innovate or increase efficiency of its services by allocating dedicated scientific personnel and purpose design facility to realize its vision of adding new services and research programs for expansion and diversification to meet changing global industry requirements, and new scientific and technological advancements.

PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into by the Company with the Related Parties as defined in the Companies Act, 2013 were in the ordinary course of business and are on arm's length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed and consented by the Board of Directors.

These related party transactions are not materially significant and not in conflict with the interest of the Company. Details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 are given as Annexure-I to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

There are no subsidiary Companies. Hence, disclosure under A (2) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.

INTERNAL CONTROL SYSTEMS

The Company has well-defined and effective internal financial controls which are adequate and commensurate with the size and nature of its business. The controls are adequate for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of fraud and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company is providing services of Testing and Contract Research in the fields of Clinical Research, Pre-Clinical Research, Clinical Diagnostics, Bio-pharma services, Analytical Testing & Research and Environmental studies. Since the inherent nature of all these services are inter related and governed by similar set of risks and returns and operating in the same economic environment, segment reporting is not applicable. Accordingly, for reporting purposes, all these services are treated as single business and geographical segment. The said treatment is in accordance with Ind-As 108 Segment Reporting.

HUMAN RESOURCES

Human Resource is one of the key strength of the Company. At the end of the financial year 31.03.2018, the Company had 1081 employees including 26 medical doctors; 37 PhDs and 1018 science graduates, post graduates, engineers, technicians and other administrative staff.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy provides adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that during the year, no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither directly / indirectly given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies.

SAFETY, HEALTH AND ENVIRONMENT

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, reduction in paper usage, training of staff at all levels w.r.t. safety, health and environment.

FOREIGN EXCHANGE FLUCTUATIONS

The net loss during the year on account of Foreign exchange fluctuations against overseas customers, Vendors and Book balances was ₹.2.63 million. The same was accounted under the head Other Expenses in the statement of Profit and Loss.

AUDITORS

Statutory Auditors

The Members in their Annual General Meeting held on 27.09.2017 have appointed M/s Gattamaneni & Co, Chartered Accountants (Firm Reg. No:009303S) as Statutory Auditors of the Company to hold office for a period of 5 years until the conclusion of the Annual General Meeting to be held in the calendar year 2022. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the said appointment of M/s Gattamaneni & Co, Chartered Accountants, as statutory auditors of the Company is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Act. The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Audit Report

The Statutory Auditors have given their report dated 11.05.2018 on financial statements of your Company relating to financial year 2017-18 and the same form part of the Annual Report.

Their report does not contain any qualifications, reservations or adverse remarks or disclaimer.

No frauds were reported by the Statutory Auditors either to the Central Government or to the Audit Committee / the Board in terms of section 143(12) of the Companies Act, 2013.

Internal Auditors

On the recommendations of the Audit Committee, in pursuance of Section 138 of the Companies Act, 2013 read with rules made thereunder, the Board has appointed M/s JVSL & Associates, Chartered Accountants (Firm Reg.No. 015002S) as Internal Auditors of the Company to carry out internal auditing of books of accounts periodically.

Cost Auditors

In pursuance of Section 148 of the Companies Act, 2013 read with rules made thereunder, based on the recommendations of the Audit Committee, the Board has appointed M/s U S Rao & Co (Registration No. 102629), Cost Accountants as Cost Auditors of the Company to carry out the audit of cost records maintained by the Company.

In pursuance of rule 4 (a) (ii) of Companies (Audit and Auditors) rules 2014 the remuneration for the financial year 2018-19 fixed by the Board of Directors which is payable to Cost Auditors needs a ratification by the shareholders of the Company. Accordingly, remuneration fixed by the Board is placed for ratification before the shareholder.

Secretarial Auditors

In pursuance of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board has appointed M/s D Hanumantha Raju & Co, Practicing Company Secretaries as Secretarial Auditors of the Company to carry out the secretarial audit.

The Secretarial Audit Repot for the year ended March 31, 2018 issued in Form MR-3 is Annexed-IV to this report. There are no qualifications, reservations and or adverse remarks in the report.

OTHER INFORMATION IN PURSUANCE OF RULE 8 (5) OF COMPANIES (ACCOUNTS) RULES, 2014

- The financial summary and the changes in Directors and Key Managerial Personnel were given supra. During the year under review, there is no change in the nature of business of the Company and it has no subsidiaries, joint ventures or associate companies.
- During the year under review, the Company has not accepted any deposits in terms of Section 73 of the Companies Act, 2013 and the rules made thereunder and hence providing compliance statement with respect to the provisions of Chapter V of the Act is not applicable.
- During the year under review, there are no orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- Following are the details in respect of adequacy of internal financial controls with reference to the Financial Statements:
- The Company has well-defined and effective internal financial controls which are adequate and commensurate with the size and nature of its business.

RISK MANAGEMENT

This was discussed supra under "Business - Management Discussion and Analysis".

ANTI SEXUAL HARASSMENT

A Committee was framed in compliance to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 in order to curb sexual harassment, if any, at work place of the Company. There were no complaints received by the Company during the year under review.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as Annexure-V to the Board's Report. The Annual Return are placed on Company's website www.vimta.com.

CORPORATE GOVERNANCE

The Company, as a policy believes that its corporate governance goes beyond the regulatory requirement and has laid strong emphasis on the transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all of its operations.

A separate section on Corporate Governance along with a Certificate from the Auditors confirming the compliance is appended to the Board's Report and forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is commitment of the Company to the community and society at large. The Company believes that CSR plays an important role in an organization's existence, sustained growth and for overall development of all stakeholders & the society at large. In line with this, the Board has constituted CSR Committee and adopted a CSR policy on the recommendations of the Committee. The policy is placed on Company's website www.vimta.com.

During the year under review your Company has supported the Akshaya Patra Foundation's mid-day meals program, which serves lunch to children in government and government-aided schools through procurement of a customised vehicle, worth ₹.1.33 Million for meals transportation. Further, your Company has contributed an amount of ₹.0.57 Million to M/s Narsingh Swain Memorial Trust for providing medical aid to differently abled people, on charitable basis, who belong to economically weaker sections of the society; ₹. 0.5 Million was contributed to M/s Public Health Foundation of India for medical research activities and ₹. 0.2 Million to Trust for Education and Rehabilitation of Disabled, Orphans and Destitutes (TERDOD) for rehabilitation of disabled & orphans.

Report on CSR activity is enclosed as Annexure-VI to the Board's Report in compliance to Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

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 the Company are listed with BSE Limited and National Stock Exchange of India Limited and the respective listing fees was paid in time and no amount is 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 AND SHARES

The Company has transferred unclaimed dividend for the year up to 2009-10 to Investor Education and Protection Fund (IEPF). The details of unclaimed dividends and due dates for transfer to the said fund account for other financial years are disclosed in the report on corporate governance.

Further, in pursuance of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the shares of the relevant shareholders who have not claimed their dividend amount relating to 2008-09 & 2009-10 were transferred to IEPF Authorities.

The members may claim the dividend amount and / or the shares so transferred by making an application with IEPF authorities in the prescribed form.

CODE OF CONDUCT

The Company has adopted Code of Conduct for the Board and for the senior level employees of the Company and they are complying with the said code. A declaration by the Managing Director to this effect is furnished as Annexure-VII to the Board's Report.

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is appended hereto as Annexure-VIII and forms part of the Board's Report.

ACKNOWLEDGMENTS

The Directors wish to place on record, their appreciation for the contribution made by the employees at all levels, for their sincerity, hard work, solidarity and dedicated support to the Company. The Directors also wish to place on record their gratitude to shareholders and thank the customers, vendors, franchisees, bankers and legal advisors for their continued support to the Company's growth.

For and on behalf of the Board

Place : Hyderabad DR S P VASIREDDI
Date : 30.06.2018 EXECUTIVE CHAIRMAN

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 Corporate Governance goes beyond regulatory requirement, and has laid strong emphasis on transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all of its operations.

BOARD OF DIRECTORS

Composition

The Company's Board has an optimum combination of executive and non-executive directors. Out of the total strength of the Board, four members are executive and another four members are non-executive independent directors. Two of the Board members are Women Directors. The Chairman of the Board is an executive member. The Independent Directors on the Board are senior, competent and highly qualified from different fields. Active participation of the Independent Directors does add value in the decision making process of the Board.

Attendance and other Directorships

During the year ended March 31, 2018 the Board of Directors met five times. These meetings were held on April 22, 2017; August 3, 2017; August 17, 2017; December 1, 2017 and January 31, 2018. The Directors' attendance and their Directorships during the year ended March 31, 2018 are as under:

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, Executive Chairman	5	Present	-----	-----
Harita Vasireddi Managing Director	3	Present	1	2
V Harriman Promoter, Executive Director-Operations	5	Present	-----	2
V V Prasad Promoter, Executive Director-Admn.	5	Present	1	1
II) NON-EXECUTIVE & INDEPENDENT DIRECTORS				
T S Ajai	5	Present	1	3
Dr Subba Rao Pavuluri*	3	Absent	-----	3
Prof D Balasubramanian	5	Absent	2	1
Rao Purnachandra Potharlanka	4	Absent	-----	3
Y Prameela Rani**	2	NA	2	2

*Resigned w.e.f. 10.10.2017 ** Joined w.e.f. 01.12.2017

Selection of new Directors

Based on the recommendations of the remuneration and nomination committee, the Board will select a new Director for induction to the Board. Before its recommendations, the committee will carryout the screening and selection process involved in selecting new Directors.

Performance evaluation mechanism

It is the responsibility of the Board to monitor and review the board evaluation framework. The remuneration and nomination committee formulates the criteria of performance evaluation procedure of the Directors and the Board as a whole. Each Board member is required to evaluate the effectiveness of the Board in terms of its dynamics and relationships, information flow, decision making, relationship to stakeholders, Company performance, Company strategy and the effectiveness of the whole Board and its various committees.

The performance indicators for evaluating the individual / independent directors are:

- Their ability to contribute and monitor the implications of Company's corporate governance practice.
- Their ability to contribute by introducing best practices of the industry and to address top-management issues.
- Their active participation in long-term strategic planning
- Their commitment to the fulfillment of obligations as a director, fiduciary responsibilities and participation in Board and committee meetings.

Details of remuneration paid to the Directors:

(₹ in Millions)

Name of the Directors	Salary	Sitting Fee	Total
Dr S P Vasireddi	13.44	–	13.44
Harita Vasireddi	9.41	–	9.41
V Harriman	9.41	–	9.41
V V Prasad	9.41	–	9.41
T S Ajai	–	–	---
Dr Subba Rao Pavuluri	–	–	---
Prof. D Balasubramanian	–	0.13	0.13
Rao Purnachandra Potharlanka	–	–	–
Y Prameela Rani	–	0.05	0.05

Note :

1. Salary includes Basic Salary and Allowances. During the year the whole-time Directors were paid remuneration under the provisions of Schedule V Part II Section II of the Companies Act, 2013 as amended to date.
2. The term of the executive directors is three years and that of independent directors is five years effective from their appointment respectively. There is no notice period and severance fee, other than payment of gratuity and leave encashment to the executive directors as per the Company policy.
3. During the Financial Year 2017-18
   - There are no pecuniary relationships or transactions of the Non-Executive Directors' vis-à-vis the Company
   - No payments were made to Non-Executive / Independent Directors other than sitting fee as detailed herein above.
   - None of the Independent Directors are holding shares of the Company.
   - Familiarization program was imparted to independent director Mrs. Y Prameela Rani, who was inducted newly to the Board.

COMMITTEES OF THE BOARD

Audit Committee

Terms of Reference

The terms of reference of the Audit Committee is as per the guidelines set out in the Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is mainly responsible for

- Monitoring of the Company's financial reporting process, disclosure of its financial information and to ensure the correctness & credibility of the financial statements;
- Recommending for appointment, remuneration and terms of appointment of statutory, internal and cost auditors of the Company;
- Reviewing, with the Management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for its approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing and providing its recommendations to the board w.r.t. transactions of the Company with related parties;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of statutory and internal auditors and the adequacy of the internal control systems;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; and
- Reviewing the functioning of the Whistle Blower mechanism.

Composition

The Committee comprises of three members and are nonexecutive & independent directors of the Company. The Chairman of the Committee T S Ajai is a senior Chartered Accountant in practice. The other members are Rao Purnachandra Potharlanka and Y Prameela Rani and they are financially literate.

Meetings and Attendance

During the year ended March 31, 2018 the Audit Committee met four times. These meetings were held on April 22, 2017; August 17, 2017; December 1, 2017 and January 31, 2018.

Composition and attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	4	4
Dr Subba Rao Pavuluri *	2	2
Rao Purnachandra Potharlanka	4	4
Y Prameela Rani **	2	2

* Resigned w.e.f. 10.10.2017

** Joined w.e.f. 01.12.2017

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

Nomination and Remuneration Committee

The role of the Committee is to

- Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other senior level employees of the Company.
- Selection of new Directors and key managerial personnel.
- Formulate criteria for evaluation of Directors and the Board as a whole.

Composition

The Committee comprises of three non-executive and Independent Directors namely, Mr T S Ajai, Chairman, Prof. D Balasubramanian and Rao P Potharlanka as Members.

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

Meetings & Attendance

During the year ended March 31, 2018 the Nomination and Remuneration Committee met on December 1, 2017.

Attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	1	1
Prof. D Balasubramanian	1	1
Dr S P Vasireddi	1	1

Remuneration Policy

The Committee has laid down a policy on the Nomination and Remuneration of Directors, key managerial personnel and other employees of the Company at senior level. The said policy is in line with the provisions of Section 178(4) of the Companies Act read with rules made thereunder, and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objectives and purpose of this policy are

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director; and
- To formulate remuneration principles for the Directors, key managerial personnel and other senior level employees of the Company.

Stakeholders' Relationship Grievance Committee

Director heading the committee : Y Prameela Rani

Compliance Officer : A Venkata Ramana Company Secretary

No. of shareholders' complaints received during the year : Nil

No. of complaints resolved : Nil
No. of pending complaints : Nil

Performance Evaluation Criteria for Independent Directors

The key areas of evaluation of individual directors, including Independent Directors are knowledge of business, diligence and preparedness, effective interaction with others, constructive contribution to discussion and strategy, concern for stakeholders, attentive to the internal controls mechanism and ethical conduct.

Corporate Social Responsibility (CSR) Committee

Philosophy

Vimta believes that business enterprises are economic organs of society and to be a truly value adding organization, Vimta should not only deliver quality scientific services but also directly nurture the society and its environment in a scale that is appropriate to its economics. In line with this belief, Vimta would be carrying out CSR activities to build a better, sustainable way of life for the weaker/needy sections of society. Programmes, projects and activities (collectively know "CSR Programmes) are independent of the normal business activities of Vimta.

Composition

The Board has constituted CSR Committee consisting of Harita Vasireddi, Managing Director as Chairperson of the Committee; Vungal Harriman, Executive Director-Operations; V V Prasad, Executive Director-Administration and Rao Purnachandra Potharlanka, Independent Director, as members of the Committee.

Risk Management Committee

Philosophy

The Board has constituted Risk Management Committee to formulate a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company outlining different kinds of risks and risk mitigating measures to be adopted. The Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

GENERAL BODY MEETINGS

The Details of Annual General Meetings held in last three years

S.No.	For F/Y	Meeting	Venue	Date	Time
1.	2016-2017	AGM	Regd. Office	27.09.2017	10.00 a.m.
2.	2015-2016	AGM	Regd. Office	02.09.2016	10.00 a.m.
3.	2014-2015	AGM	Regd. Office	21.08.2015	10.00 a.m.

There were no Extra-Ordinary General Meetings held during last three years.

All 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 conducted through postal ballot in the above General Meetings.

DISCLOSURES

- There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Suitable disclosures have been made in the Annual Report as required by the provisions of the Companies Act, 2013.
- During the last three years there have been no instances of noncompliance 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 adopted the Whistle Blower Policy and affirms 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.
- The Company has complied with all mandatory requirements of SEBI (LODR) regulations and it has adopted non mandatory requirement of the Corporate Governance clause with respect to :

i) separate posts of Chairman and Managing Director

ii) reporting of Internal Auditor to the Audit Committee

- Web link for policy on disclosure of material events and related party transactions is www.vimta.com/financials
- Commodity price risks and commodity hedging activities are not applicable being a service industry.
- The Company has complied with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) of SEBI (LODR) Regulations, 2015.

INTER-SE RELATIONSHIP BETWEEN WHOLE TIME DIRECTORS

- In respect of Dr S P Vasireddi - Executive Chairman:
  Harita Vasireddi – Managing Director is daughter of Dr S P Vasireddi
  V V Prasad – Executive Director- Administration is brother of Dr S P Vasireddi
- In respect of Harita Vasireddi – Managing Director:
  Dr S P Vasireddi – Executive Chairman is father of Harita Vasireddi
- In respect of V V Prasad - Executive Director Admn.
  Dr S P Vasireddi – Executive Chairman is brother of V V Prasad.

MEANS OF COMMUNICATION

In compliance to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board through BSE Listing Centre and NSE Electronic Application Processing System and are also placed on the Company's website http://www.vimta.com/financials. The abridged financial results are published in two newspapers within 48 hours of the conclusion of the meeting of the Board in compliance to the Regulations. Generally the results are published in Financial Express and Andhra Prabha. 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 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

Day & Date	: Saturday, August 25, 2018
Time	: 10.00 A M
Venue	: Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad - 500051 India.

Financial Calendar

Financial year	: April 1, 2018 to March 31, 2019
First quarter results	: On or before August 14, 2018
Half yearly results	: On or before November 14, 2018
Third quarter results	: On or before February 14, 2019
Fourth quarter/Annual Results	: On or before May 30, 2019
Date of Book Closure	: 20.08.2018 to 25.08.2018 (both days inclusive)
Date of dividend payment	: within 30 days from the date of declaration in AGM

Transfers to IEPF Authority

a) Unclaimed dividend

Dividend pertaining to the financial years 2001-02 to 2009-10 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 2010-11, 2012-13 to 2015-16 are due for transfer to the said fund account as detailed in the below statement and the details of which are available on Company's website www.vimta.com and on the website of Ministry of Corporate Affairs. Therefore, the members may claim their dividend before its transfer to the said Fund.

Sl. No.	Year of Dividend	Date of declaration	Due for transfer to IEPF in the month of
1	2010-2011	24.09.2011	October 2018
2	2011-2012	No dividend was declared	
3	2012-2013	31.05.2013	July 2020
4	2013-2014	07.07.2014	August 2021
5	2014-2015	21.08.2015	September 2022
6	2015-2016	02.09.2016	October 2023
7	2016-2017	No dividend was declared	

b) Shares

In pursuance of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the shares of the relevant shareholders who have not claimed their dividend amount relating to 2008-09 & 2009-10 were transferred to IEPF Authorities.

The members may claim the dividend amount and / or the shares so transferred by making an application with IEPF authorities in the prescribed form.

Listing with Stock Exchanges

Companies securities are listed with

i) BSE Limited
P J Towers Dalal Street, Mumbai - 400 001, India.
Stock Code : 524394

ii) National Stock Exchange of India Limited
"Exchange Plaza", Bandra Kurla Complex
Bandra (E) Mumbai - 400 051, India.
Stock Code : VIMTALABS

The ISIN of dematerialized shares of the Company is **“INE579C01029”**

Electronic Connectivity

i) National Securities Depository Ltd
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.

ii) Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg
Lower Parel, Mumbai 400013, India.

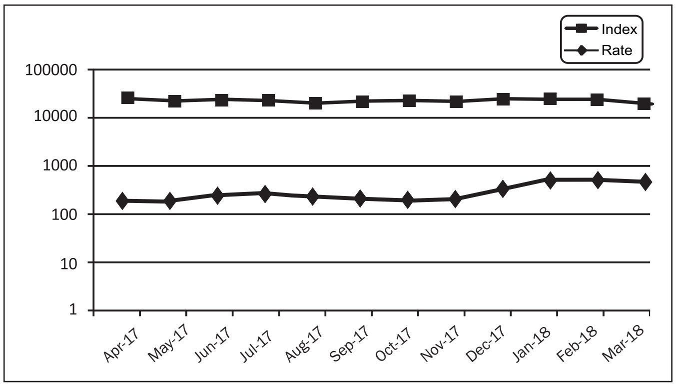
Stock Price Data

Monthly high and low share quotations on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai for the financial year 2017- 2018 were as follows :

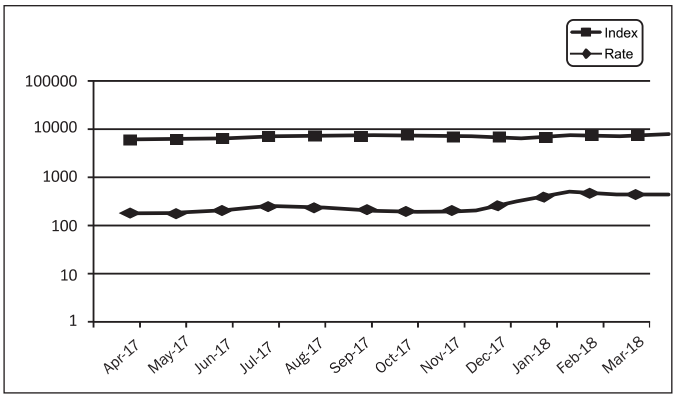
Year 2017-18	BSE Limited		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2017	138.60	111.50	138.70	132.60
May,2017	132.05	115.75	131.75	126.50
June, 2017	153.90	116.10	148.05	138.90
July,2017	164.40	138.00	164.30	155.00
August, 2017	152.35	127.90	152.20	145.70
September,2017	144.80	126.00	144.50	136.00
October,2017	139.40	125.00	138.95	131.10
November, 2017	141.00	128.50	141.75	136.00
December, 2017	182.60	137.25	182.80	173.75
January, 2018	230.20	163.00	230.90	205.60
February, 2018	220.95	179.30	221.00	210.00
March, 2018	213.95	171.90	213.50	203.00

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

BSE Limited



National Stock Exchange of India Limited



Share Transfer System

The share transfers are being dealt by the Company's Registrars and Transfer Agents (RTA), M/s CIL Securities Ltd. Share transfers which are received in physical form are processed by RTA and after necessary transfers the share certificates are returned within a period of 15 to 20 days from the date of its receipt, subject to the documents being valid and complete in all respects.

Address for Communication

For Share Transfers and related matters

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

For other matters

Vimta Labs Ltd.
Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad - 500051, India.
Phone : 040-2726 4141
Web : www.vimta.com; E-mail : shares@vimta.com
CIN : L24110TG1990PLC011977

Compliance Officer

A Venkata Ramana, Company Secretary
Vimta Labs Ltd.
Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad - 500051, India.
Phone: 040-2726 4141
Email: cs@vimta.com / shares@vimta.com

Dematerialization of shares and liquidity

Over 99.74 % of the Company's equity shares have been dematerialized as on 31.03.2018. Trading in Equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI.

Share trading

Vimta Shares are actively traded at BSE Limited and National Stock Exchange of India Limited.

Relevant turnover data for the financial year 2017-18

*(₹ in Millions)

	BSE Ltd.	National Stock Exchange of India Ltd.
Total shares traded	7320301	38002584
Turnover value*	1130.24	6018.41

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said certificate is appended to report on corporate governance and forms part of the Annual Report.

COMPANY LOCATIONS

S.No.	City	Address
Regd. Office & Central Laboratory		
1.	Hyderabad	141/2 & 142, IDA, Phase-II, Cherlapally, Pin : 500051 Phone : 040-27264141
Life Science Facility		
2.	Hyderabad	Plot No.5, MN Science & Technology Park, Genome Valley, Turkapally Village, Shameerpet, Pin : 500101 Phone : 040-67404040

Addresses of branch laboratories and liaison offices are as detailed in Company's website www.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, 2018, as stipulated in regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 ensuing 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 Regulations.
4. 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 GATTAMANENI & CO
CHARTERED ACCOUNTANTS
(Firm Regn. No. 009303S

Place : Hyderabad
Date : 30.06.2018

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

COMPLIANCE CERTIFICATE

A. We have reviewed financial statements and cash flow statements for the year 2017-18, and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, the design and operation of such internal controls. No deficiencies have been identified.

D. We have indicated to the auditors and the Audit committee

1. Significant changes in internal control over financial reporting during the year
2. That there were no significant changes in accounting policies during the year and
3. To the best of our knowledge and belief, that there are no instances of fraud involving either the management or an employee having a role in the Company's internal control system over financial reporting.

HARITA VASIREDDI
MANAGING DIRECTOR

Place : Hyderabad
Date : 11.05.2018

M MURALI MOHANA RAO
CHIEF FINANCIAL OFFICER

Disclosure of Particulars of Contract / Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. There were no materially pecuniary relationships or transactions of the Independent directors' vis-à-vis the Company.
2. Particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:

   a) There are no contracts / arrangements entered into by the Company with related parties which are not at arms length basis.

   b) There are no material contracts / arrangements entered into by the Company with related parties which are at arms length basis.

   c) Details of non-material contracts/arrangements at arm length basis with related parties for the year ended March 31, 2018 are as follow :-

Sl. No.	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/transactions	Duration of Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any	Date of approval by the Board, if any	Justification For entering into Contract / Arrangement
1.	Dr S P Vasireddi Owner of the property is Executive Chairman of the Company	Leasing of property: Residential property Obtained on lease for office purpose	2 years w.e.f. 01.04.2016	₹ 77,000 per month with annual escalation of 10% with ₹ 210,000 as advance	16.05.2016	Lease Rentals at prevailing market rates. Lease rentals paid for the year @ ₹ 77,000/- p.m.
2.	Harriman Vungal Owner of the property is Executive Director – Operations of the Company	Leasing of property: Residential property Obtained on lease for office purpose	2 years w.e.f. 01.04.2016	₹ 12,100 per month with annual escalation of 10%	16.05.2016	Lease Rentals at prevailing market rates. Lease rentals paid for the year @ ₹ 13,310/- p.m.
3.	Sireesh Chandra Vungal Son of Executive Director – Operations of the Company	Appointment to office or place of profit: Appointed as Manager – Information Technology Presently Vice President - Information Technology Group	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month Approval given by the Shareholders by special resolution to pay not exceeding ₹ 500,000/- p.m.	Board approval Dt. 17.05.2014 and Shareholders Approval Dt. 27.09.2017	Commensurate with qualification and experience an amount of ₹ 448,000 p.m. is being paid which is within the limits approved by Shareholders
4.	Satya Sreenivas Neerukonda Son-in-law of Executive Director – Administration of the Company	Appointment to office or place of profit: Appointed as Manager – Business Development Presently Senior Vice President and Global Head Business Development	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month Approval given by the Shareholders by special resolution to pay not exceeding ₹ 500,000/- p.m.	Board approval Dt. 17.05.2014 and Shareholders Approval Dt. 27.09.2017	Commensurate with qualification and experience an amount of ₹ 448,000 p.m. is being paid which is within the limits approved by Shareholders
5.	Praveena Vasireddi Daughter of Executive Chairman and sister of Managing Director of the Company	Appointment to office or place of profit: Appointed as Executvie – Internal Auditing	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 134,400 p.m. is being paid
6.	Sudeshna Vungal Daughter of Executive Director – Operations of the Company	Appointment to office or place of profit: Appointed as Bio Chemist Present capacity - Dy. Manager - Operations	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 128,800 p.m. is being paid
7.	Sujani Vasireddi Daughter of Executive Director – Administration of the Company	Appointment to office or place of profit: Appointed as Manager – Legal & Admn. Present capacity General Manager- Commercial	w.e.f.18.08.2016	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month	12.11.2016	Commensurate with qualification and experience an amount of ₹ 140,000 p.m. is being paid

Place : Hyderabad
Date : 30.06.2018

Dr S P Vasireddi
Executive Chairman

Nomination and Remuneration policy

Introduction

The Company's policy on the appointment and remuneration of Directors and key managerial personnel provides a framework for payment of suitable remuneration to the Directors, Key Managerial Personnel (KMP) and senior level employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company. The nomination and remuneration policy provided herewith is in line with the requirements of Section 178(4) of the Companies Act read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Objective and purpose of the policy

The objectives and purpose of this policy are

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate remuneration principles for the Directors, key managerial personnel and other senior level employees of the Company.

The committee

The Board has constituted the nomination and remuneration committee of the Board on October 10, 2014. This is in line with the requirements of Companies Act, 2013 ('the Act') and the listing agreement entered in to with Stock Exchanges.

The Board has authority to reconstitute this committee from time to time.

Definitions

'The Board' means Board of Directors of the Company.
'Directors' means Directors of the Company.
'The Committee' means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.
'The Company' means Vimta Labs Limited.
'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013 and rules made thereunder

'Key Managerial Personnel (KMP)' means:

- the Managing Director or the Chief Executive Officer and Whole-time Director;
- the Company Secretary and
- the Chief Financial Officer

'Senior level employees' means personnel of the Company just below the level of executive directors & KMPs i.e. at the level of President and Executive Vice President

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the same meaning respectively assigned to them therein.

The Policy

This policy is divided into three parts

Part - A: Covers the matters to be dealt with and to recommend to the Board
Part - B: Covers the appointment and nomination; and
Part - C: Covers remuneration and perquisites etc.

Part-A:

The following matters to be dealt with and recommended to the Board by the committee

Structure of the Board

Formulate the criteria determining qualifications, positive attributes and independence of a director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board in order to make appropriate decisions in the best interests of the Company as a whole. The committee is to assist the Board in ensuring that diversity of gender, thought, experience, knowledge and perspective is maintained in the Board nomination process, in accordance with the Board diversity requirements of the Company .

Succession plans

Establishing and reviewing Board and senior executive succession plans to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior Management.

Evaluation of performance

Make recommendations to the Board an appropriate performance criteria for the Directors. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board and in particular to the new incumbents, as and when required and to ensure that non-executive Directors are provided with adequate information regarding nature of the business, the industry and their legal responsibilities and duties.

Remuneration framework

The committee is responsible for reviewing and making recommendations to the Board on

(a) Remuneration of the Managing Director, Whole-time Directors and

(b) The remuneration policies for KMPs, other employees at senior level.

The structure of the remuneration to be made keeping the best interest of the Company in order to attract and motivate talent to pursue the Company's long-term plans.

PART-B

Appointment criteria and qualifications

The criteria for the appointment of directors, KMPs and other senior level employees are as follows :

The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior level and recommend to the Board his/ her appointment.

A person to be appointed as Director, KMP or at senior level should possess adequate qualification, expertise and experience for the position he/she is considered for appointment to. The committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

A person, to be appointed as Director should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.

The Company shall not appoint or continue the employment of any person who has attained the age of 70 years as Managing Director / Executive or Whole time Director. Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution.

A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a non-executive director in any Company.

Term /Tenure

- Managing Director / Whole-time Director

  The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term

- Independent Director

  An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

  No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

  At the time of appointment of an Independent Director, it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a whole-time (executive) Director of a listed company.

Removal

Where any of the Director becomes disqualified to be a Director of the Company due to any of the reasons of disqualifications as mentioned in the Companies Act, 2013 and rules made thereunder or under any other applicable Acts, rules and regulations, the committee may recommend to the Board, with reasons recorded in writing the removal of such Director or KMP subject to the provisions and compliance of the said Act, rules and regulations under which such disqualification arises.

Retirement

The Whole-time Directors, KMP and senior personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position or otherwise, even after attaining the retirement age, for the benefit of the Company subject to such approvals as may be required under the provisions of the Companies Act, 2013.

PART -C

Remuneration of Directors, KMPs and other senior level employees

Remuneration to Managing Director; Whole-time Directors:

The remuneration / compensation / commission to Directors will be determined by the committee and recommended to the Board for approval.

The remuneration and commission to be paid to the Managing Director and the Whole-time Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

Increments to the existing remuneration / compensation structure may be recommended by the committee to the Board which should be within the limits approved by the shareholders.

Where any insurance is taken by the Company on behalf of its Managing Director and / or of its Whole-time Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Minimum remuneration to Managing Director and Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to its Managing Director and the Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013, including any statutory modifications or amendments thereof.

Remuneration to Non-executive / Independent Directors

The remuneration payable to each Non-executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder. Such remuneration to Non-executive /Independent Directors may be paid within the monetary limits approved by shareholders, subject to the limits not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Remuneration of other KMPs and Senior level employees

At the time of appointment, the Remuneration Committee shall fix the remuneration and reward structure for other KMPs (i.e. CFO & CS) and senior level employees based on their qualifications and expertise and forward its recommendations to the Board for its approval. The annual increments to these employees to be decided and awarded by the Managing Director based on their performance and caliber so as to retain the talent in a competitive environment.

Policy review

This policy is framed in the best interest of the Company based on the provisions of the Companies Act, 2013 and rules made thereunder and requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations so amended would prevail over the policy, and the provisions in the policy would be modified in due course to make it consistent with the law.

This policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee requires approval of the Board.

Statement of particulars of appointment and remuneration of managerial personnel and particulars of employees

A) i) Details of remuneration paid to Directors and Key Managerial Personnel as per rule 5(1) of Companies (Appointment of Managerial Personnel) Rules 2014

Sl. No.	Name of the Director	Ratio of the remuneration paid to Directors to the median remuneration of the employee excluding managerial remuneration	Percentage increase in remuneration during the year	Comparison with the percentile increase in the remuneration of Directors that of employees	Comparison of remuneration against performance of the Company	
					Remuneration paid (₹ in Millions)	Performance of the Company for the year (Net Profit ₹ in Millions)
1	Dr S P Vasireddi Executive Chairman	41 : 1	Nil	NA	13.44	159.05
2	Harita Vasireddi Managing Director	32 : 1	Nil	NA	9.41	159.05
3	Vungal Harriman Executive Director - Operations	32 : 1	Nil	NA	9.41	159.05
4	V V Prasad Executive Director - Admn	32 : 1	Nil	NA	9.41	159.05
5	T S Ajai Independent Director	Nil	Nil	NA	NA	NA
6	Dr. Subba Rao Pavuluri Independent Director	Nil	Nil	NA	NA	NA
7	Prof. D Balasubramanian Independent Director	Nil	Nil	NA	NA	NA
8	Rao Purnachandra Potharlanka Independent Director	Nil	Nil	NA	NA	NA
9	Y Prameela Rani Additional Director	NA	Nil	NA	NA	NA
10	M Murali Mohan Rao CFO	NA	21.65	NA	3.31	159.05
11	A. Venkata Ramana Company Secretary	NA	5.15	NA	1.49	159.05

Note : No remuneration was paid to Independent Directors. Minimum remuneration was paid to Managing Director and other Whole-time Directors in accordance with the terms of appointment as approved by the shareholders and Part - II, Section - II of Schedule - V of Companies Act, 2013 as amended to date.

ii) There was no variable component of remuneration availed by the Directors.

iii) The remuneration paid to the Key Managerial Personnel was as per the remuneration policy of the Company.

iv) There are 1081 permanent employees on the rolls of the Company as on March 31, 2018.

The percentage increase in the median remuneration of employees in the financial year was 5.1%

v) The average increase in the salaries / remuneration of the employees during the year was 4%. Being service industry, retention of talented manpower is the key element. Hence, there was an increase in the salaries of the employees during the year.

vi) The ratio of the remuneration of the highest paid Director to that of the employee who are not Director but received remuneration in excess of the highest paid director during the year was : Not applicable

vii) The market capitalization as on 31.3.2018 at BSE was ₹. 38.79 Millions and at NSE is ₹. 38.45 Millions. The Price Earning Ratio was ₹. 23.61 as on March 31, 2018 as compared to ₹.22.53 as of March 31, 2017. The closing price of the Company's equity shares on the BSE and NSE as of March 31, 2018 was ₹ 175.45/- and ₹ 173.90/- respectively .

B) Particulars of employees pursuant to section 197 (12) read with Rule 5(2) of (Appointment of Managerial Personnel) Rules 2014

Sl. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Age	Date of Commencement of employment	Date of Cessation of employment	Last employment held before joining the company	The % of equity shares held in the company	Whether is a relative of any director of key managerial personnel of the company
1.	-------------------- Nil --------------------									

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To
The Members
VIMTA LABS LIMITED
141/2 &142, IDA Phase II
Cherlapalli, Medchal Dist.
TELANGANA - 500 051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VIMTA LABS LIMITED (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India, 1980 and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to company during the period of audit)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (Not applicable to the Company during the period of audit);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - (Not applicable to the Company during the period of audit);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the period of audit);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) Other laws specifically applicable to the Company as per the representations made by management include:

- A. The Drugs and Cosmetic Act, 1940
- B. Narcotic Drugs and Psychotropic Substances Act, 1985 and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013
- C. Good Laboratory Practices as laid down in Schedule L-1 of Drugs and Cosmetic Rules, 1945
- D. Food Safety and Standards Act, 2006
- E. The Pathology and Laboratory Act, 2007
- F. Bio-Medical Waste (Management and Handling) Rules, 1998
- G. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
- H. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- I. Explosives Act, 1884 read with Gas Cylinder Rules, 2004
- J. Selection, installation and maintenance of First-aid Fire Extinguishers - Code of Practice
- K. Contract Labor (Regulation and Abolition) Act, 1970 and Andhra Pradesh Contract Labor (Regulation and Abolition) Rules, 1971

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;

(ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited (NSE).

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

We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS D HANUMANTA RAJU
PARTNER
FCS : 4044, CP NO.: 1709

Place : Hyderabad
Date : 30.06.2018

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A'

To
The Members
VIMTA LABS LIMITED
141/2 &142,IDA Phase II
Cherlapalli, Medchal Dist.
TELANGANA - 500 051

Our report of even Date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS D HANUMANTA RAJU
PARTNER
FCS : 4044, CP NO.: 1709

Place : Hyderabad
Date : 30.06.2018

EXTRACT OF THE ANNUAL RETURN
(As on the financial year ended on 31.03.2018)

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:	L24110TG1990PLC011977
ii)	Registration Date	:	16.11.1990
iii)	Name of the Company	:	VIMTA LABS LIMITED
iv)	Category / Sub-Category of the Company	:	Service
v)	Address of the Registered office and contact details	:	141/2 & 142, IDA, PHASE-II CHERLAPALLY HYDERABAD : 500051 TELANGANA, INDIA Company Secretary 040-2726 4141 cs@vimta.com; shares@vimta.com
vi)	Whether listed company Yes / No	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	CIL SECURITIES LIMITED 214, RAGHAVARATNA TOWERS CHIRAG ALI LANE, ABIDS HYDERABAD : 500001, TELANGANA, INDIA 040-2320 3155 rta@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main product / services	NIC Code of the Product / Service	% to total turnover of the company
1	Contract Research & Testing	Not Applicable	100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
NIL					

(ii) Shareholding of Promoters and promoters group

Sl. No.	Shareholder's Name	No. of shares held at the beginning of the year 01.04.2017			No. of shares held at the end of the year 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Sivalinga Prasad Vasireddi	3598525	16.28	0	3598525	16.28	0	0.00
2	Vungal Harriman	1777166	8.04	0	1777166	8.04	0	0.00
3	Vasireddi Veerabhadra Prasad	1463515	6.62	0	1463515	6.62	0	0.00
4	Andhra Pradesh Industrial Development Corporation Ltd.	590000	2.67	0	590000	2.67	0	0.00
5	Harita Vasireddi	167964	0.76	0	167964	0.76	0	0.00
6	Praveena Vasireddi	122550	0.55	0	122550	0.55	0	0.00
7	Sujani Vasireddi	122542	0.55	0	122542	0.55	0	0.00
8	Sireesh Chandra Vungal	110000	0.50	0	110101	0.50	0	0.00
9	Swarna Latha Vasireddi	94765	0.43	0	94765	0.43	0	0.00
10	Sudheshna Vungal	100000	0.45	0	100000	0.45	0	0.00
11	Rajya Lakshmi Vasireddi	42300	0.19	0	42300	0.19	0	0.00
12	Vungal Rajeswari	80725	0.37	0	80725	0.37	0	0.00
	Total	8270052	37.41	0	8270153	37.41	0	0.00

IV. SHAREHOLDING PATTERN (Equity share capital Breakup as percentage of Total Equity)
i) Categorywise shareholding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year 01.04.2017				No. of shares held at the end of the year 31.03.2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/HUF	7680052	0	7680052	34.74	7680153	0	7680153	34.74	0.00
(b)	Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate / Govt. Corporate Bodies	590000	0	590000	2.67	590000	0	590000	2.67	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**8270052**	**0**	**8270052**	**37.41**	**8270153**	**0**	**8270153**	**37.41**	**0.00**
2	**Foreign**									
(a)	Individuals (NRI/Foreign individuals)	0	0	0	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0	0	0	0.00	0.00
(d)	Any other (Specify)	0	0	0	0	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**	**0.00**
	Total shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	**8270052**	**0**	**8270052**	**37.41**	**8270153**	**0**	**8270153**	**37.41**	**0.00**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/UTI	0	6000	6000	0.03	0	0	0	0.00	(0.03)
(b)	Financial institutions/Banks	44381	0	44381	0.20	575	0	575	0.00	(0.20)
(c)	Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Any other - Foreign Portfolio Investor	0	0	0	0.00	57439	0	57439	0.26	0.26
	Sub-Total (B)(1)	**44381**	**6000**	**50381**	**0.23**	**58014**	**0**	**58014**	**0.26**	**0.03**
2	**Non-Institutions**									
(a)	Bodies corporate	6213583	11500	6225083	28.16	7169198	7000	7176198	32.46	4.30
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹.1 lakh	6172391	473730	6646121	30.06	4959282	329229	5288511	23.92	(6.14)
	ii) Individual shareholders holding nominal share capital in excess ₹.1 lakh	756187	0	756187	3.42	1157729	0	1157729	5.24	1.82
(c)	Any other (Specify)									
	NRI-Non Repatriable	69891	0	69891	0.32	28776	0	28776	0.13	(0.19)
	NRI-Repatriable	26337		26337	0.12	91821		91821	0.42	0.30
	N A Clearing Member	63758	0	63758	0.29	36608	0	36608	0.17	(0.12)
	Sub-Total (B)(2)	**13302147**	**485230**	**13787377**	**62.36**	**13443414**	**336229**	**13779643**	**62.33**	**(0.03)**
	Total Public shareholding Group (B) = (B)(1)+(B)(2)	**13346528**	**491230**	**13837758**	**62.59**	**13501428**	**336229**	**13837657**	**62.59**	**(0.03)**
	Total (A)+(B)	**21616580**	**491230**	**22107810**	**100.00**	**21771581**	**336229**	**22107810**	**100.00**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issuesd	0	0	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	**21616580**	**491230**	**22107810**	**100**	**21771581**	**336229**	**22107810**	**100**	**0.00**

(iii) Change in Promoters' or promoters group shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		Transactions during the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	Purchase / (Sale)	% Purchase / (Sale)	No. of Shares	% of total shares of the Company
	1	2	3	4	5	6	7
1.	**SIREESH CHANDRA VUNGAL**						
	At the beginning of the year	110000	0.50	101	0.00	110101	0.50
	At the end of the year					110101	0.50

(iv) Shareholding Pattern of top ten Shareholders (other than Directors and Promoters)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		Transactions during the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	Purchase / (Sale)	% Purchase / (Sale)	No. of Shares	% of total shares of the Company
	1	2	3	4	5	6	7
1	**EUROFINS ANALYTICAL SERVICES INDIA PVT LTD**						
	At the beginning of the year	3335920	15.09				
	05.05.2017			12832	0.06	3348752	15.15
	12.05.2017			27538	0.12	3376290	15.27
	19.05.2017			35657	0.16	3411947	15.43
	26.05.2017			110789	0.50	3522736	15.93
	02.06.2017			48068	0.22	3570804	16.15
	09.06.2017			88626	0.40	3659430	16.55
	16.06.2017			27070	0.12	3686500	16.68
	23.06.2017			159310	0.72	3845810	17.40
	30.06.2017			133190	0.60	3979000	18.00
	18.08.2017			50300	0.23	4029300	18.23
	25.08.2017			54252	0.25	4083552	18.47
	01.09.2017			23701	0.11	4107253	18.58
	08.09.2017			61768	0.28	4169021	18.86
	22.09.2017			28745	0.13	4197766	18.99
	30.09.2017			30570	0.14	4228336	19.13
	06.10.2017			51413	0.23	4279749	19.36
	13.10.2017			2439	0.01	4282188	19.37
	20.10.2017			26380	0.12	4308568	19.49
	27.10.2017			29432	0.13	4338000	19.62
	04.11.2017			17835	0.08	4355835	19.70
	17.11.2017			37016	0.17	4392851	19.87
	24.11.2017			10817	0.05	4403668	19.92
	At the end of the year					4403668	19.92
2	**LCGC CHROMATOGRAPHY SOLUTIONS PRIVATE LIMITED**						
	At the beginning of the year	2083175	9.42				
	At the end of the year					2083175	9.42

	1	2	3	4	5	6	7
3	**NITIN SAXENA**						
	At the beginning of the year	176387	0.80				
	07.04.2017			7000	0.03	183387	0.83
	14.04.2017			11335	0.05	194722	0.88
	21.04.2017			2065	0.01	196787	0.89
	05.05.2017			(400)	(0.00)	196387	0.89
	26.05.2017			(21750)	(0.10)	174637	0.79
	02.06.2017			(62101)	(0.28)	112536	0.51
	09.06.2017			(10600)	(0.05)	101936	0.46
	30.06.2017			31990	0.14	133926	0.61
	07.07.2017			37461	0.17	171387	0.78
	14.07.2017			5000	0.02	176387	0.80
	21.07.2017			(500)	(0.00)	175887	0.80
	11.08.2017			(946)	(0.00)	174941	0.79
	25.08.2017			1812	0.01	176753	0.80
	08.09.2017			3376	0.02	180129	0.81
	15.09.2017			(375)	(0.00)	179754	0.81
	22.09.2017			(59685)	(0.27)	120069	0.54
	30.09.2017			(20500)	(0.09)	99569	0.45
	06.10.2017			(61248)	(0.28)	38321	0.17
	13.10.2017			(12542)	(0.06)	25779	0.12
	20.10.2017			(19811)	(0.09)	5968	0.03
	27.10.2017			(3700)	(0.02)	2268	0.01
	03.11.2017			(1525)	(0.01)	743	0.00
	08.12.2017			5000	0.02	5743	0.03
	15.12.2017			11000	0.05	16743	0.08
	22.12.2017			12000	0.05	28743	0.13
	12.01.2018			13102	0.06	41845	0.19
	19.01.2018			39168	0.18	81013	0.37
	25.01.2018			40538	0.18	121551	0.55
	09.02.2018			60067	0.27	181618	0.82
	16.02.2018			10000	0.05	191618	0.87
	23.02.2018			28987	0.13	220605	1.00
	02.03.2018			2206	0.01	222811	1.01
	09.03.2018			1200	0.01	224011	1.01
	16.03.2018			9990	0.05	234001	1.06
	30.03.2018			173	0.00	234174	1.06
	At the end of the year					234174	1.06
4	**PARAM CAPITAL RESEARCH PRIVATE LIMITED**						
	At the beginning of the year	150000					
	21.04.2017			(50000)	(0.23)	100000	0.45
	08.09.2017			(8522)	(0.04)	91478	0.41
	15.09.2017			(31138)	(0.14)	60340	0.27
	22.09.2017			(60340)	(0.27)	0	0.00
	At the end of the year					0	0.00
5	**SANJAY KUMAR**						
	At the beginning of the year	125000	0.57				
	At the end of the year					125000	0.57
6	**CHANDRA MOULI CHOWDARY S**						
	At the beginning of the year	120297					
	07.04.2017			(13641)	(0.06)	106656	
	14.04.2017			(46656)	(0.21)	60000	
	21.04.2017			(10000)	(0.05)	50000	
	23.06.2017			(50000)	(0.23)	0	
	At the end of the year					0	0.00

	1	2	3	4	5	6	7
7	**KARAN SINGH THANDI**						
	At the beginning of the year	103605	0.47				
	At the end of the year					103605	0.47
8	**DOLLY KHANNA**						
	At the beginning of the year	85898	0.39				
	07.04.2017			(4000)	(0.02)	81898	
	28.04.2017			3000	0.01	84898	
	16.06.2017			(4000)	(0.02)	80898	
	30.06.2017			3500	0.02	84398	
	15.12.2017			4450	0.02	88848	
	29.12.2017			2800	0.01	91648	
	25.01.2017			3900	0.02	95548	
	02.02.2018			100	0.00	95648	
	At the end of the year					95648	0.43
9	**RANJEET SINGH SIBIA**						
	At the beginning of the year	80000	0.36				
	At the end of the year					80000	0.36
10	**THYAGARAJAN S**						
	At the beginning of the year	65000	0.29				
	At the end of the year					65000	0.29

(iv) Shareholding of Directors and Key Management Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		Transactions during the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	Purchase / (Sale)	% Purchase / (Sale)	No. of Shares	% of total shares of the Company
	1	2	3	4	5	6	7
1	Sivalinga Prasad Vasireddi	3598525	16.28	Nil	Nil	3598525	16.28
2	Vungal Harriman	1777166	8.04	Nil	Nil	1777166	8.04
3	Vasireddi Veerabhadra Prasad	1463515	6.62	Nil	Nil	1463515	6.62
4	Harita Vasireddi	167964	0.76	Nil	Nil	167964	0.76
5	T S Ajai	0	0.00	Nil	Nil	0	0.00
6	D Balasubramanian	0	0.00	Nil	Nil	0	0.00
7	Rao Purnachandra Potharlanka	0	0.00	Nil	Nil	0	0.00
8	Y Prameela Rani	0	0.00	Nil	Nil	0	0.00
9	Mokkapati Murali Mohana Rao (CFO)	0	0.00	50	Nil	50	0.00
10	A Venkata Ramana (CS)	700	0.00	Nil	Nil	700	0.00

V. INDEBTEDNESS

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

(₹ in Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	240.87	0.80	NIL	241.67
ii) Interest due but not paid	NIL	NIL	NIL	NIL
Total (i+ii)	**240.87**	**0.80**	**NIL**	**241.67**
Change in Indebtedness during the financial year				
i) Addition	88.94	NIL	NIL	88.94
ii) Reduction	(60.23)	(0.63)	NIL	(60.86)
Net Change	28.71	(0.63)	NIL	28.08
Indebtedness at the end of the financial year				
i) Principal Amount	267.89	0.17	NIL	268.06
ii) Interest due but not paid	1.69	NIL	NIL	1.69
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**269.58**	**0.17**	**NIL**	**269.75**

VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Dr S P Vasireddi	Harita Vasireddi	Harriman Vungal	V V Prasad	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	13.44	9.41	9.41	9.41	41.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c)iProfits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option	---	---	----	—	—
3.	Sweat Equity	---	---	---	—	—
4.	Commission					
	-as % of profit					
	- Others, specify	---	---	---	—	—
5.	Others, please specify	---	---	---	—	—
	Total (A)	**13.44**	**9.41**	**9.41**	**9.41**	**41.67**
	Ceiling as per the Act as per Schedule V Part-II Section-II	12.00*	12.00*	12.00*	12.00*	—

* Plus contribution to Provident Fund

B. Remuneration to other Directors

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		T S Ajai	Dr Subba Rao Pavuluri	Prof D Bala-subramanian	Rao P Potharlanka	Y Prameela Rani	
1.	Independent Directors Fee for attending board / committee meetings	—	—	0.13	—	0.05	0.18
	- Commission	—	—	—	—	--	---
	- Others (Scientific Advisory Committee Fee)	—	—	---	—	---	---
	Total (1)	—	**—**	**0.13***	**—**	**0.05***	**0.18**
2.	Other Non Executive Director Fee for attending board / committee meetings	—	—	—	—	—	—
	- Commission	—	—	—	—	—	—
	- Others, please specify	—	—	—	—	—	—
	Total (2)	**—**	**—**	**—**	**—**	**—**	—
	Total (B) = (1+2)						
	Total Managerial Remuneration	—	**—**	**0.13***	**—**	**0.05***	**0.18**
	Overall ceiling as per the Act	NA	NA	NA	NA	—	

* Excluding Service Tax

C. Remuneration paid to Key Managerial Personnel other then MD, Whole time Directors

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	---	1.49	3.31	4.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	—	—
2.	Stock Option	---	---	—	—
3.	Sweat Equity	---	---	—	—
4.	Commission				
	-as % of profit				
	- Others, specify	---	—	—	—
5.	Others, please specify	---	---	—	—
	Total	—	**1.49**	**3.31**	**4.80**

VII. Penalties / Punishment / Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
Penalty Punishment Compounding	Nil				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	Nil				

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

Brief outline of the Company's Corporate Social Responsibility (CSR) policy:

Vimta believes that CSR plays an important role in an organization's existence, sustained growth and for overall development of all stakeholders & the society at large. In line with this, Vimta would be carrying out CSR activities to build a better, sustainable way of life for the weaker sections of society. CSR programmes, projects and activities are independent from the normal business activities of Vimta. The core areas of CSR activities of Vimta are:

- Health care including preventive health care to the economically weaker sections and physically / differently abled people of weaker sections.
- Eradicating extreme hunger and poverty
- Promotion of education
- Combating human immuno-deficiency virus, acquired immuno-deficiency syndrome, malaria and other diseases.
- Environmental sustainability
- Social business projects
- Providing midday meals to the children at government schools
- Providing drinking water to weaker sections and to the children at government schools.
- Providing / developing necessary infrastructure at government schools including providing of books, dress material, etc.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for social economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes minorities and women.

Composition of CSR Committee

Sl.No.	Name of the Member	Designation
1	Harita Vasireddi	Chairperson
2	Vungal Harriman	Member
3	V V Prasad	Member
4	Rao Purnachandra Potharlanka	Member (Independent Director)

Details of CSR expenditure to be spent during Financial Year 2017-18

Average Net Profits for last three Financial Years:

(₹ in Millions)

Particulars	For the Financial Years ended March 31		
	2017	2016	2015
Net Profit	158.14	82.69	66.40
Average Net Profit for the preceding three Financial Years	102.41		

Minimum CSR expenditure as prescribed i.e. 2% of average net profits : 2.05
Balance amount to be spent for financial year 2016-17 : 0.55

Total amount to be spent : 2.60
Amount spent during the financial year 2017-18 : 2.60
Amount unspent during the financial year : -----

Details of the manner in which the amount spent during the financial year

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
Medical aid to the weaker sections of the society. Rehabilitation of Disabled / Orphans; providing Mid-day meals to the children and Medical Research activities.	Promoting health care including preventive health care. Rehabilitation of Disabled / Orphans; providing Mid-day meals and Medical Research.	The Company spent amount for providing medical aid to the weaker section of the society, rehabilitation of disabled / Orphans; providing Mid-day meals to the children and Medical Research activity at Hyderabad, Telangana and Chennai, Tamilnadu.	₹.2.60 Million is budgeted for the program	₹.2.60 Million	₹.2.60 Million	The company has paid an amount of ₹. 1.33 Million to The Akshaya Patra Foundation for vehicle for providing Mid-Day Meals. ₹.0.57 Million to Narsingh Swain Memorial Trust for providing medical aid to differently abled people on charitable basis who belongs to economically weaker sections of the society. ₹.0.50 Million to M/s Public Health Foundation of India for medical research activities and an amount of ₹.0.20 Million to Trust for Education and Rehabilitation of Disabled, Orphans and Destitutes (TERDOD).

Responsibility Statement

We, the members of CSR Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of CSR Committee

Place : Hyderabad
Date : 30.06.2018

Harita Vasireddi
Chairperson

Declaration by Managing Director

I, Harita Vasireddi, Managing Director of Vimta Labs Limited hereby declare that the members of Board, Key Managerial Personnel and other senior level employees 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 : 30.06.2018

Harita Vasireddi
Managing Director

Annexure - VIII to Board's Report

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information on Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo (forming part of the Board's Report for the year ended 31st March, 2018)

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 buildings are designed in such a way that during day time no artificial lighting is needed in most areas in the lab.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: No additional investments were made during the year.

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 the Company.

e) Green building certification: The preclinical 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 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.

C. Foreign exchange earnings and outgo

During the financial year, the Company has earned foreign exchange of ₹ 487.25 Millions (previous year ₹ 496.97 Millions). The Company's foreign exchange outgo was of ₹ 219.58 Millions (previous year ₹ 309.16 Millions) on import of capital goods, software, chemicals, consumables & reference standards, travel expenditure, professional charges etc.

To

The Members of Vimta Labs Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of VIMTA LABS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section-143 of the Act, we give in the Annexure - A a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income,the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
   - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - i) The Company has no any pending litigations which would impact its financial position, except the matters given in the notes to accounts (Refer to Note No.33 to the Ind AS Financial Statements).
     - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
     - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS, included in these Ind AS financial statements, have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 10 May 2018 expressed an unmodified opinion.

For GATTAMANENI & CO.
Chartered Accountants
(Firm Regn No.009303S)

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)

Place: Hyderabad
Date: 11-05-2018

Annexure - A to Independent Auditors' Report dated 11.05.2018 issued to the Members of Vimta Labs Limited
Statement on the matters specified in Paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016

I) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) The company's 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. No material discrepancies were noticed on such verification.

(c). The title deeds of immovable properties of the Company are held in the name of the company.

(ii) The inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency of verification isreasonable. No material discrepancies were noticed on physical verification between the physical stocks and the book stocks.

(iii) The Company has not granted any loans,secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/s.189 of the Companies Act, 2013. Hence, our comments on sub-clauses (a),(b) and (c)of clause (iii) of paragraph 3 of the order are Nil.

(iv) The Company has not given any loans; made investments; given guarantees to any Company to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

(v) In our opinion and according to the information and explanations given to us,the Company has not accepted deposits and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder is not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this company in any matter relating to the deposits.

(vi) As per the information and explanation furnished to us, maintenance of Cost records has been specified by the Central Government U/s.148(1) of the Act for this company and we are of the opinion that, the prescribed accounts and records have been made and maintained by the company. However, we have not conducted any audit of the same.

(vii) (a)The company is regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, Sales-Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues as applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts in respect of the above statutory dues are in arrears as at 31/03/2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of Sales Tax, Service tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added tax and Cess which have not been deposited on account of any dispute. Dues of Income tax demands, which have not been deposited on account of disputes are as under:

Name of the Statue	Nature of the dues	Amount ₹ in Millions	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	8.13	Asst. Years 2012-13, 2013-14 and 2014-15	Income Tax Appellate Tribunal	Demand gets adjusted when credit for the MAT is allowed in future years.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank and Government. The company has not issued debentures.

(ix) During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed were applied for the purposes for which those are raised.

(x) During the year under review, no fraud by the company or on the Company by its officers or employees has been noticed or reported.

(xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

(xii) The Company is not a Nidhi Company and hence our comments on clause (xii) of para 3 of the order are nil.

(xiii) As per the information and explanations given to us and based on our audit, in our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.

(xiv) During the year under review, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, compliance withthe provisions of Section 42 of the Companies Act, 2013 is not applicable.

(xv) As per the information and explanations given to us and based on our audit, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, compliance with provisions of Section 192 of Companies Act, 2013 is not applicable.

(xvi) As per the information and explanations given to us and based on our audit, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For GATTAMANENI & CO.
Chartered Accountants
(Firm Regn No.009303S)

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)

Place : Hyderabad
Date : 11.05.2018

Annexure - B to Independent Auditors' Report dated 11.05.2018 issued to the Members of Vimta Labs Limited
Report on the Internal Financial Controls over Financial Reporting in terms of Clause
(I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the Internal Financial Controls over financial reporting of VIMTA LABS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

3. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GATTAMANENI & CO.
Chartered Accountants
(Firm Regn No.009303S)

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)

Place : Hyderabad
Date : 11.05.2018

(All amounts in ₹. Millions otherwise stated)

	Note No	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	1,403.90	883.37	877.02
Capital work-in-progress	5	-	528.79	58.75
Financial assets				
- Loans	6A	29.34	28.29	21.44
Other non-current assets	7A	65.07	77.75	176.56
Total Non- Current assets		**1,498.31**	**1,518.20**	**1,133.77**
Current assets				
Inventories	8	152.17	152.10	111.67
Financial assets				
(i) Trade receivables	9	559.26	424.23	376.33
(ii) Cash and cash equivalents	10A	19.95	6.25	28.81
(iii) Bank balances other than (ii) above	10B	6.25	6.31	5.90
(iv) Loans	6B	3.75	4.46	4.45
(v) Other financial assets	11	31.27	54.89	49.98
Other current assets	7B	51.59	50.02	47.72
Total Current assets		**824.24**	**698.26**	**624.86**
Total Assets		**2,322.55**	**2,216.46**	**1,758.63**
Equity and liabilities				
Equity				
Equity share capital	12	44.22	44.22	44.22
Other equity	13	1,476.31	1,317.26	1,243.43
Total Equity		**1,520.53**	**1,361.48**	**1,287.65**
LIABILITIES				
Non-current Liabilities				
(a) Financial liabilities				
- Borrowings	14A	194.63	180.81	142.49
- Other financial Liabilities	15A	-	6.00	6.00
(b) Provisions	16A	68.40	55.23	21.93
(c) Deferred tax liabilities, net	17	21.09	11.88	15.28
(d) Other non-current liabilities	18	19.59	6.64	-
Total Non Current Liabilities		**303.71**	**260.56**	**185.70**
Current liabilities				
(a) Financial liabilities				
- Borrowings	14B	131.48	194.04	99.53
- Trade payables	19	129.74	152.74	57.96
- Other financial Liabilities	15B	160.32	223.73	88.57
(b) Other current liabilities	20	61.32	23.10	34.58
(c) Provisions	16B	15.45	0.81	4.64
Total Current liabilities		**498.31**	**594.42**	**285.28**
Total Equity and Liabilities		**2,322.55**	**2,216.46**	**1,758.63**
Accompanying Significant Accounting Policies and Notes form an intergral part of these financial statements.	1-42			

This is the Balance Sheet referred to in our report of even date.

For **Gattamaneni & Co**
Chartered Accountants
Firm Regn No: 009303S

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

Place: Hyderabad
Date: 11 May 2018

For and on behalf of the Board of **Vimta Labs Limited**

Dr. S. P. Vasireddi
Executive Chairman

Harita Vasireddi
Managing Director

V. Harriman
ED- Operations

T S Ajai
Director

A. Venkata Ramana
Company Secretary
Place: Hyderabad

M. Murali Mohana Rao
Chief Financial Officer
Date: 11 May 2018

Statement of Profit & Loss for the year ended March 31, 2018

(All amounts in ₹. Millions otherwise stated)

		Note No	Figures for the Year ended 31.03.2018	Figures for the Year ended 31.03.2017
I.	**Income**			
	Revenue from operations	21	1,810.94	1,538.48
	Other income	22	11.97	9.41
	Total income		**1,822.91**	**1,547.89**
II	**Expenses**			
	Cost of materials consumed and testing expenditure	23	502.64	506.95
	Employee benefits expense	24	536.42	463.36
	Finance costs	25	52.00	20.87
	Depreciation expense	4	157.00	96.30
	Other expenses	26	319.21	295.06
	Total expenses		**1,567.27**	**1,382.54**
III	**Profit before tax**		**255.64**	**165.35**
IV	**Tax expense**	**27**		
	(a) Current tax		76.91	61.39
	(b) Prior year tax adjustments		2.40	(1.47)
	(c) Deferred tax		12.00	(0.49)
	Total Tax expense		**91.31**	**59.43**
V	**Profit for the year**		**164.33**	**105.92**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss:			
	(a) Re-measurement of net defined benefit liability		(8.08)	(8.38)
	(b) Income tax relating to the above item		2.80	2.90
	Total Other Comprehensive Income, Net of Tax		**(5.28)**	**(5.48)**
VII	**Total Comprehensive Income for the year**		**159.05**	**100.44**
VIII	**Earnings Per Equity Share (EPES) in ₹.**	**28**		
	Basic		7.43	4.79
	Diluted		7.43	4.79
	Accompanying Significant Accounting Policies and Notes form an intergral part of these financial statements.	1-42		

This is the Statement of Profit and Loss referred to in our report of even date.

For **Gattamaneni & Co**
Chartered Accountants
Firm Regn No: 009303S

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

Place: Hyderabad
Date: 11 May 2018

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Company Secretary
Place: Hyderabad

M. Murali Mohana Rao
Chief Financial Officer
Date: 11 May 2018

Statement of Cash flow for the year ended March 31, 2018

(All amounts in ₹. Millions otherwise stated)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	255.64	165.35
Adjustments to reconcile profit before tax to net cash flows:		
- Depreciation expense	157.00	96.30
- Finance income	(5.45)	(4.71)
- Finance costs	44.60	16.74
- Bad debt written off	34.24	13.05
- Loss on sale of asset	0.05	1.17
- Liabilities no longer required written back	(3.88)	(1.70)
Adjustments for working capital :		
Increase in loans	(0.34)	(6.87)
Decrease / (increase) in other current assets	(1.57)	(2.30)
Increase in inventories	(0.07)	(40.41)
Increase in trade receivables	(169.27)	(60.94)
(Increase)/decrease in other current financial assets	23.56	(4.83)
Increase/(decrease) in trade payables	(23.00)	94.78
Increase in other financial liabilities	5.60	10.67
Increase / (decrease) in other liabilities	51.18	(4.84)
Increase in provisions	19.73	21.08
Cash generated from operations	**388.02**	**292.54**
Income taxes paid	(56.97)	(53.34)
Net cash flows from operating activities	**331.05**	**239.20**
Cash flow from investing activities		
Purchase of property, plant and equipment	(243.43)	(398.88)
Proceeds from sale of property, plant and equipment	0.20	0.55
Redemption / (investment) in fixed deposits	0.06	(0.42)
Interest income received	5.51	4.63
Net cash used in investing activities	**(237.66)**	**(394.12)**
Cash flow from financing activities		
Payment of dividend including dividend distribution tax	-	(26.61)
Repayment of long-term borrowings	(60.86)	(58.20)
Proceeds from long-term borrowings	87.25	138.78
Proceeds from / (repayment of) short-term borrowings, net	(62.56)	94.51
Finance cost paid	(43.52)	(16.12)
Net cash (used in) / from financing activities	**(79.69)**	**132.36**
Net increase / (decrease) in cash and cash equivalents	13.70	(22.56)
Cash and cash equivalents at the beginning of the year	6.25	28.81
Cash and cash equivalents at the end of the year	**19.95**	**6.25**
Accompanying Significant Accounting Policies and Notes (1-42) form an intergral part of these financial statements.		

This is the Cash Flow Statement referred to in our report of even date.

For **Gattamaneni & Co**
Chartered Accountants
Firm Regn No: 009303S

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

Place: Hyderabad
Date: 11 May 2018

For and on behalf of the Board of **Vimta Labs Limited**

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Director

A. Venkata Ramana
Company Secretary

M. Murali Mohana Rao
Chief Financial Officer

Place: Hyderabad
Date: 11 May 2018

(All amounts in ₹. Millions otherwise stated)

A) Equity share capital

Particulars	Number of Shares	Amount
Equity shares of ₹. 2 each issued, subscribed and fully paid		
As at 1st April 2016	22107810	44.22
As at 31st March 2017	22107810	44.22
As at 31st March 2018	22107810	44.22

B) Other Equity

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as of 1 April 2016	773.73	86.40	383.30	-	1,243.43
Profit for the year(16-17)	-	-	105.92	-	105.92
Other comprehensive income	-	-	-	(5.48)	(5.48)
Dividends on equity shares	-	-	(22.11)	-	(22.11)
Tax on dividend	-	-	(4.50)	-	(4.50)
Balance as of 31 March 2017	**773.73**	**86.40**	**462.61**	**(5.48)**	**1,317.26**
Profit for the year(17-18)	-	-	164.33	-	164.33
Other comprehensive income	-	-		(5.28)	(5.28)
Balance as of 31 March 2018	**773.73**	**86.40**	**626.94**	**(10.76)**	**1,476.31**

Accompanying Significant Accounting Policies and Notes (1-42) form an intergral part of these financial statements.

For **Gattamaneni & Co**
Chartered Accountants
Firm Regn No: 009303S

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

Place: Hyderabad
Date: 11 May 2018

For and on behalf of the Board of **Vimta Labs Limited**

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Company Secretary

M. Murali Mohana Rao
Chief Financial Officer

Place: Hyderabad
Date: 11 May 2018

1. **Company overview**

Vimta Labs Limited ('the Company') is a Hyderabad based leading contract research and testing services lab in India, incorporated on 16November 1990 under the erstwhile Companies Act, 1956. The registered office of the Company is situated at 141/2 &142, IDA Phase II Cherlapally,Hyderabad - 500 051. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

2. **Significant Accounting Policies**

(a) **Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act'), as amended from time to time and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Section 133 of the Act, read together with Rule 7 of the Companies(Accounts) Rules, 2014 ("Previous GAAP").

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101-First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company is provided in Note 41.

These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2018. These financial statements were authorised for issuance by the company's board of directors on 11 May 2018.

These financial statements have been prepared on historical cost convention and on accrual basis, except for the following items in the balance sheet:

- Certain Financial Assets and liabilities measured either at fair value or amortised cost depending on the classification;
- Defined employee benefit liabilities are recognised at the present value of defined benefit obligation adjusted for fair value of plan assets;

(b) **Use of Estimates**

The preparation of financial statements in conformity with Ind As requires the management of the company to make judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

(c) **Operating cycle and current and non-current classification**

The Company has assessed its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies any of the following criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of business;
- Expected to be realised within twelve months after the reporting period;
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle,
- it is held primarily for the purpose of business,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Current assets/liabilities include the current portion of noncurrent assets/liabilities respectively.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) **Fair value measurement**

The Company's accounting policies and disclosures require the measurement of fair values, for certain financial and non financial assets and liabilities based on their classification.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Property, plant and Lab equipment

Items of Property, plant and lab equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprise of purchase price, freight, non-refundable taxes and duties, specified foreign exchange gains or losses and any other cost attributable to bring the asset to its working condition for its intended use.

Expenditure directly relating to construction activity is capitalised if the recognition criteria are met. Indirect expenditure is capitalised to the extent those relate to the construction activity or is incidental thereto.

Such cost includes the cost of replacing part of the plant and equipment when it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gain or losses arising from derecognition of an assets measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and lab equipment is provided on straight-line method over their estimated useful lives which are the same as prescribed in Schedule II to the Companies Act except for plant and lab equipment. Management has assessed the useful life of the plant and lab equipment on the basis of technical expert advice and past experience in the industry. Details of assets whose useful lives assessed by the management are different from that of Schedule II to the Act are as follows:

Particulars	Management estimate (Life in Years)	Schedule II (Life in Years)
Plant and Lab Equipment	6.67	10-15

Capital work-in-progress includes cost of Property Plant and Lab equipment that are not ready for their intended use and hence not depreciated.

The residual values, useful lives and methods of depreciation of Property, Plant and Lab equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

Assets held for sale

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

(f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or 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 is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

(g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised in balance sheet when, and only when, the entity becomes party to the contractual provisions of the instrument and initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset or liability are added to or deducted from the fair value.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL) and
- Equity instruments measured at FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category covers Trade Receivables, Loans, Cash & Bank Balances and Other Receivables.

Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity instruments measured at FVTOCI

All equity investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The Company's investment in equity instruments in subsidiary are accounted for at cost in accordance with Ind AS27 Separate Financial Statements.

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for the following financial assets and credit risk exposures:

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance

b) Trade Receivables that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider -

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(h) **Taxes**

Tax expense comprises of current and deferred tax.

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current taxes are recognised in Profit or Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity in which case, the income taxes are recognised in Other Comprehensive Income or directly in equity respectively.

The Company recognises interest levied and penalties related to income tax assessments in interest expense.

ii) Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews such assets at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period. MAT paid in a year is charged to the statement of Profit and Loss as current tax.

iii) Dividend distribution tax (DDT)

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

(i) **Inventories**

Inventories consist of chemicals and consumables, stores and spares, are measured at the lower of cost and net realisable value. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. In determining the cost, First In First Out (FIFO) method is used. The carrying cost of inventories are appropriately written down when there is a decline in replacement cost of such materials.

Stores and spare parts that do not qualify to be recognised as property, plant and lab equipment, consists of engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the testing process.

(j) **Provisions and contingencies**

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities and assets are not recognised in financial statements. A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

(k) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

i) **Sale of services**

Revenues are recognized based on the percentage of completion method determined based on efforts or cost expended as a proportion to total estimated efforts or cost to be expended. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Unbilled revenue represent revenue recognized based on percentage of completion method as per policy on revenue, over and above the amount due as per the payment plans agreed with the customers.

ii) **Export incentives**

Export incentives are recognised when the right to receive the credit is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds and utilization of export incentives within its validity period.

iii) **Interest**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's gross carrying amount on initial recognition. Interest income is included in other income in the Statement of Profit and Loss.

(l) **Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(m) **Foreign currencies:**

The Company's financial statements are presented in Indian Rupees(₹), which is also the Company's functional currency.

i) **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

ii) **Conversion**

Foreign currency monetary items are converted to functional currency using functional currency closing spot exchange rates at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

iii) **Exchange differences**

Exchange differences arising on the settlement of foreign currency monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(n) **Retirement and other employee benefits**

i) **Short Term benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Liabilities recognised in respect of short-term benefits are measured at the undiscounted amount of benefits expected to be paid in exchange for the related service.

ii) **Defined benefit plans**

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The Company has subscribed to gratuity scheme of Life Insurance Corporation of India ('LIC') to which the Company makes periodic Funding. Under the said policy, the eligible employees are entitled for gratuity upon their resignation, retirement or in the event of death in lump sum after deduction of necessary taxes, as applicable. The liability in respect of defined benefit plans is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the related defined benefit obligation.

The current service cost of the defined benefit plan, recognised in the statement of profit and loss under employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Past Service costs are recognised in statement of profit and loss in the period of plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. The cost is included in the employee benefit expenses in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

iii) **Compensated absences**

The company's current policy permits employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The company measures the expected cost of accumulated absences as the additional amount that the company incurs as a result of the unused entitlements that has accumulated at the balance sheet date and charge to Statement of Profit and loss. Such measurement is based on actuarial valuation at the balance sheet date carried out by a qualified actuary.

iv) **Provident fund and employee state insurance fund contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.**

(o) **Leases**

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease agreement.

Finance Leases

A finance lease is recognised as an asset and a liability at the commencement of lease, at the lower of the fair value of an asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Leases

Assets under operating lease not recognised in the balance sheet. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(p) **Borrowing costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such asset, up to the date such assets are ready for their intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

(q) **Earnings per equity share**

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

(r) Cash dividend and non-cash distribution to equity shareholders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS108 'Operating Segment' and believes that the Company has only one reportable segment namely "Contract Research and Testing Services".

(u) Standards issued but not yet effective

The amendments to standards that are issued and the new standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 115- Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhances disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition :

- Retrospective approach - under this approach, the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial period beginning on or after 1 April 2018. The company is evaluating the requirements of the new standard and the effect on the financial statements.

Amendments to Ind AS 112- Disclosure of Interest in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.These amendments are not applicable to the Company.

Amendments to Ind AS 12- Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that in the scope of the amendments.

Transfers of Investment Property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since the Company's does not hold any investment property, there is no effect on its financial statements.

Ind AS 28- Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (v) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognized on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.

3. Key accounting estimates and judgments

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Leases

The Company has evaluated each lease agreement for its classification between finance lease and operating lease. The Company has reached its decisions on the basis of the principles laid down in Ind AS 17 "Leases" for the said classification.

Deferred income taxes

The assessment of the probability of future taxable profit in which deferred tax assets can be utilised is based on the Company's latest approved forecast, which is adjusted for significant non-taxable profit and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdiction in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable profit indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

Research and Developments Costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgment is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development

Useful lives of various assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

Current income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Revenue and inventories

The Company recognises revenue using the percentage of completion method. This requires forecasts to be made of the outcomes of service contracts, which require assessments and judgments to be made on changes in work scopes to the extent they are probable and they are capable of being reliably measured.

Accounting for defined benefit plans

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount to determine the recoverable amount, management estimates expected future cash flows from each asset or cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

4. Property, Plant and Equipment

(All amounts in ₹. Millions otherwise stated)

Particulars	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installation	Computers	Total
Gross block									
As at 1 April 2016	**21.88**	**565.27**	**172.96**	**50.87**	**20.86**	**10.00**	**30.85**	**4.33**	**877.02**
Additions during the year	-	-	94.89	0.48	-	0.54	-	8.45	104.36
Disposals during the year	-	-	-	-	1.77	-	-	-	1.77
As at 31 March 2017	**21.88**	**565.27**	**267.85**	**51.35**	**19.09**	**10.54**	**30.85**	**12.77**	**979.61**
Additions during the year	-	-	584.85	56.12	8.48	5.50	-	22.83	677.78
Disposals during the year	-	-	-	-	0.30	-	-	-	0.30
As at 31 March 2018	**21.88**	**565.27**	**852.70**	**107.47**	**27.27**	**16.04**	**30.85**	**35.61**	**1,657.09**
Accumulated depreciation									
Up to 1 April 2016	-	-	-	-	-	-	-	-	-
Charge for the year	-	12.46	50.39	9.31	3.05	2.77	14.44	3.88	96.30
Disposals	-	-	-	-	0.06	-	-	-	0.06
Up to 31 March 2017	-	**12.46**	**50.39**	**9.31**	**2.99**	**2.77**	**14.44**	**3.88**	**96.24**
Charge for the year	-	12.45	112.10	13.20	3.27	3.72	3.80	8.46	157.00
Disposals for the year	-	-	-	-	0.05	-	-	-	0.05
Up to 31 March 2018	-	**24.91**	**162.49**	**22.51**	**6.21**	**6.49**	**18.24**	**12.34**	**253.19**
Net block									
As at 31 March 2018	**21.88**	**540.36**	**690.21**	**84.96**	**21.06**	**9.55**	**12.61**	**23.27**	**1,403.90**
As at 31 March 2017	**21.88**	**552.81**	**217.46**	**42.04**	**16.10**	**7.77**	**16.41**	**8.90**	**883.37**
As at 1 April 2016	**21.88**	**565.27**	**172.96**	**50.87**	**20.86**	**10.00**	**30.85**	**4.33**	**877.02**

Finance leases

The carrying value of office equipment held under finance leases at 31 March 2018 was ₹.0.88 Million (31 March 2017: ₹.1.24 Million, 1 April 2016: ₹.1,61 Million).

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2018 was ₹. Nil (31 March 2017: ₹.26.46 Million, 1 April 2016: ₹. 2.84 Million).

(All amounts in ₹. Millions otherwise stated)

5. Capital work-in-progress

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Opening balance	528.79	58.75	-
Additions during the year	26.04	470.04	58.75
Capitalised during the year	(554.83)	-	-
Closing balance	**-**	**528.79**	**58.75**

Capital work-in-progress ('CWIP') comprises of expenditure incurred for setting-up food testing laboratories at various locations and new equipement which are not yet ready for their intended use as at the reporting date.

6. Loans

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(A) Non-current (Unsecured, considered good)			
Security deposits - Others	29.32	28.25	21.40
Security deposits to Directors(Deposit for leased premises)	0.02	0.04	0.04
	29.34	**28.29**	**21.44**
(B) Current (Unsecured, considered good)			
Security deposits	2.67	2.69	2.44
Other Loans (Employees)	1.08	1.77	2.01
	3.75	**4.46**	**4.45**

Excepting the security deposit referred to at (A) above, loans due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 Mar 2018 - NIL (31 Mar 2017 - NIL , 1 Apr 2016 - NIL)

7. Other Assets

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(A) Other Non-Current assets (Unsecured, considered good)			
Capital advances	11.70	2.04	94.26
Income tax assets, net	53.37	75.71	82.30
	65.07	77.75	176.56

Amounts due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 Mar 2018 - NIL (31 Mar 2017 - NIL , 1 Apr 2016 - NIL)

(B) Other Current Assets (Unsecured, considered good)			
Prepaid expenses	20.34	19.22	14.43
Advance for services and supplies	12.36	17.01	24.14
Balance with government authorities	2.75	7.25	4.17
Export incentives	7.95	-	-
Other advances	8.19	6.54	4.98
	51.59	50.02	47.72

Amounts due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 Mar 2018 - NIL (31 Mar 2017 - NIL , 1 Apr 2016 - NIL)

(All amounts in ₹. Millions otherwise stated)

8. Inventories

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Valued at the lower of cost and net realisable value			
Chemicals and consumables	142.11	142.97	103.83
Stores and spares	10.06	9.13	7.84
	152.17	**152.10**	**111.67**

9. Trade Receivables

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured and considered good	559.26	424.23	376.33
	559.26	**424.23**	**376.33**

Debts due by directors or other officers of the company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 Mar 2018 - NIL (31 Mar 2017 - NIL , 1 Apr 2016 - NIL)

10. Cash and cash equivalents

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(A) Cash and Cash equivalents			
(i) Balances with banks			
- Current Accounts	18.11	5.26	25.47
- EEFC Accounts	0.93	0.27	1.27
(ii) Cash on hand	0.91	0.72	2.07
	19.95	**6.25**	**28.81**
(B) Bank balances other than (A)(i) above			
- Deposits held as security for bank guarantees (With Maturity of 3-12 Months)	4.44	4.20	3.91
- Unclaimed Dividend accounts	1.81	2.11	1.99
	6.25	**6.31**	**5.90**

11. Other financial assets

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current -Unsecured, considered good			
Interest accrued on deposits	0.80	0.86	0.77
Unbilled Revenue	30.47	54.03	49.21
	31.27	**54.89**	**49.98**

Amounts due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 Mar 2018 - NIL (31 Mar 2017 - NIL , 1 Apr 2016 - NIL)

12. Equity Share Capital

Particulars	31.03.2018		31.03.2017		01.04.2016	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million	No. of Shares	₹ in Million
Authorized						
Equity shares of ₹.2 each	3,50,00,000	70.00	3,50,00,000	70.00	3,50,00,000	70.00
Issued, subscribed and fully paid-up						
Equity shares of ₹.2 each	22,10,78,810	44.22	22,10,78,810	44.22	22,10,78,810	44.22

a) **Reconciliation of equity shares outstanding at the beginning and end of the reporting period**

Particulars	31.03.2018		31.03.2017		01.04.2016	
	No. of Shares	₹ in Million	No. of Shares	₹ in Million	No. of Shares	₹ in Million
At the beginning of the year	22,10,78,810	44.22	22,10,78,810	44.22	22,10,78,810	44.22
Issued during the year	-	-	-	-	-	-
Balance at the end of the year	**22,10,78,810**	**44.22**	**22,10,78,810**	**44.22**	**22,10,78,810**	**44.22**

b) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing general meeting.

The board of directors of the company have recommended a dividend of Rs 2/- per equity share of Rs 2/ each for the financial year 2017-18, subject to approval of the share holders at the ensuring Annual General Meeting.

c) **Details of shareholders holding more than 5% equity shares in the Company**

Particulars	31.03.2018		31.03.2017		01.04.2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Eurofins Analytical Services India Private Limited	44,03,668	19.92	33,35,920	15.09	33,35,920	15.09
Sivalinga Prasad Vasireddi	35,98,525	16.28	35,98,525	16.28	35,98,525	16.28
LCGC Chromatography Solutions Pvt. Ltd	20,83,175	9.42	20,83,175	9.42	20,56,225	9.30
Vungal Harriman	17,77,166	8.04	17,77,166	8.04	17,77,166	8.04
Vasireddi Veerbhadra Prasad	14,63,515	6.62	14,63,515	6.62	14,63,515	6.62

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(All amounts in ₹. Millions otherwise stated)

13. Other equity

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security premium reserve			
Balance at the beginning and end of the year	773.73	773.73	773.73
General Reserve			
Balance at the beginning of the year	86.40	86.40	79.90
Add: Transfer from Statement of Profit and Loss	-	-	6.50
	86.40	**86.40**	**86.40**
Retained Earnings			
Balance at the beginning of the year	462.61	383.30	351.98
Add: Profit for the year	164.33	105.92	64.35
Less: Transfer to General Reserve	-	-	6.50
Less: Dividend on equity shares	-	22.11	22.11
Less: Tax on dividend	-	4.50	4.42
	626.94	**462.61**	**383.30**
Other Comprehensive Income			
Balance at the beginning of the year	(5.48)	-	-
Add: Other comprehensive income for the year	(5.28)	(5.48)	-
Balance at the Closing of the year	**(10.76)**	**(5.48)**	**-**
Total other equity	**1,476.31**	**1,317.26**	**1,243.43**

a) **Nature and purpose of reserves**

Security premium reserve : This is the premium received on issue of equity shares. It will be utilised as per the applicable provisions of the Act.

General reserves : This is the amount transferred from retained earnings as per the provisions of Companies Act. It will be utilised as per the applicable provisions of the Act.

b) **Distribution made and proposed**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Proposed dividends on equity shares			
Proposed final equity dividend	-	-	22.11
Tax on proposed final equity dividend	-	-	4.50
	-	**-**	**26.61**

14. Borrowings

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(A) Non-current Borrowings			
Secured			
Term loans From Banks			
- New Rupee loan (refer note 14(a))	84.00	-	-
- Existing Rupee loans - (refer note 14(b))		240.87	159.40
- Foreign Currency loan (refer note 14(b))	183.90	-	-
	267.90	**240.87**	**159.40**
Unsecured			
Finance lease obligations (refer note 14(c))	0.17	0.80	1.68
	268.07	**241.67**	**161.08**
Less: Current maturities (refer note 15)	(73.44)	(60.86)	(18.59)
	194.63	**180.81**	**142.49**
(B) Current Borrowings			
Secured, loans repayable on demand			
- Working capital loans from banks (refer note 14(e)	131.48	194.04	99.53
	131.48	**194.04**	**99.53**

a) Terms and conditions of secured rupee term loans and nature of security

I) New rupee term loan of ₹84 Million (31 March 2017: ₹Nil, 1 April 2016: ₹Nil) is secured by way of first charge on fixed assets of the Company and structures thereon (present and future) by way of Hypothecation and Equitable Mortgage and second charge on all chargeable current assets of the Company (present and future).

ii) The above New rupee term loan carries interest of 3.00% above MCLR (i.e. 11.00% p.a) and repayable in 14 equal quarterly instalments commencing from November 2018.

iii) The existing rupee term loan of ₹195.74 Million (Balance on the date of conversion) was converted into foreign currency term loan during the current financial year and the said rupee term loan of ₹Nil (31 March 2017: ₹240.87 Million 1 April 2016: ₹159.40 Million) was secured by first charge on fixed assets of the Company and structures thereon (present and future) and second charge on all chargeable current assets of the Company (present and future) by way of hypothecation and equitable mortgage.

iv) The existing rupee term loan carried interest at : (31 March 2017: 12.25% p.a. which is 2.50% above base rate, 1 April 2016: 12.25% p.a. which is 2.50% above base rate).

b) Terms and conditions of secured foreign currency term loan and nature of security

i) The existing Rupee Term Loan (Sanctioned limit of ₹ 271 Million) carried interest at the rate of 2.5% above MCLR was converted into Foreign currency term loan during Nov 2017.

ii) The foreign currency term loan (as converted above) is secured by first charge on fixed assets of the Company and structures thereon (present and future) by way of Hypothecation and Equitable Mortgage and second charge on all chargeable current assets of the Company (present and future) and carries interest at 4.00% over six months LIBOR and repayable in USD in 14 equal quarterly instalments commencing from Dec 2017.

c) Terms and conditions of unsecured loans

The finance lease carries interest of 8.21% p.a. (31 March 2017: 8.21% p.a., 1 April 2016: 8.21% p.a.) and repayable in 12 Quarterly instalments, the last of which is repayable in May 2018.

d) Maturity profile of long-term borrowings

(All amounts in ₹. Millions otherwise stated)

Particulars	Within 1 Year	1 - 2 Years	2 - 5 Years	Total
31.03.2018				
Rupee term loan	12.00	24.00	48.00	84.00
Foreign currency term loan	61.27	61.27	61.36	183.90
Finance lease obligation	0.17	-	-	0.17
	73.44	**85.27**	**109.36**	**268.07**
31.03.2017				
Rupee term loan	60.23	60.22	120.42	240.87
Finance lease obligation	0.63	0.17	-	0.80
	60.86	**60.39**	**120.42**	**241.67**
01.04.2016				
Rupee term loan	17.71	35.42	106.27	159.40
Finance lease obligation	0.88	0.63	0.17	1.68
	18.59	**36.05**	**106.44**	**161.08**

e) Details of security of short-term borrowings :

Working capital facility from State Bank of India carries an interest of 2.00% above MCLR i.e. 10.00% p.a. (31 March 2017: 11.05% p.a., 1 April 2016: 11.05% p.a.) and secured by first charge on all chargeable current assets of the Company (both present and future) and second charge on all the fixed assets of the Company (both present and future) by way of hypothecation and equitable mortgage.

(All amounts in ₹. Millions otherwise stated)

15. Other financial liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(A) Other Non-current Financial Liabilities (Unsecured)			
Security deposits	-	6.00	6.00
	-	**6.00**	**6.00**
(B) Other Current Financial Liabilities (Unsecured)			
Current maturities of long-term borrowings (refer note 14)	0.17	0.63	0.88
Current maturities of finance lease obligations (refer note 14)	73.27	60.22	17.71
Interest accrued	1.69	0.61	-
Unpaid dividends	7.60	92.39	9.07
Creditors for capital expenditure	1.81	2.11	1.99
Security deposits	6.00	-	-
Others -Dues for revenue expenses	69.78	67.77	58.92
	160.32	**223.73**	**88.57**

(Unclaimed Dividend amounts are being transferred to Investor Protection and Education Fund after seven years from the due date.)

16. Provisions

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(A) Non-current			
Provision for employee benefits			
- Gratuity (refer note 24(b))	41.71	33.03	19.79
- Compensated absences	26.69	22.20	2.14
	68.40	**55.23**	**21.93**
(B) Current			
Provision for employee benefits			
- Gratuity (refer note 24(b))	6.61	0.60	0.49
- Compensated absences	8.84	0.21	4.15
	15.45	**0.81**	**4.64**

17. Deferred tax liabilities (Net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred tax liabilities			
On account of property, plant and equipment	58.39	31.28	24.06
	58.39	31.28	24.06
Deferred tax asset - On account of Employee Benefits expense			
- Gratuity	16.72	11.65	6.71
- Compensated absences	12.30	7.75	2.07
- Bonus	8.28	-	-
	37.30	19.40	8.78
Total deferred tax liabilities, net	**21.09**	**11.88**	**15.28**

(All amounts in ₹. Millions otherwise stated)

Movement in the deferred tax liabilities / (assets)

Particulars	Employee benefits expenses	Property, plant and equipment	Total
As at 1 April 2016	**(8.78)**	**24.06**	**15.28**
Charged/(credited)			
- to profit or loss	(7.71)	7.22	(0.49)
- to OCI	(2.90)	-	(2.90)
As at 31 March 2017	**(19.39)**	**31.28**	**11.89**
Charged/(credited)			
- to profit or loss	(15.11)	27.11	12.00
- to OCI	(2.80)	-	(2.80)
As at 31 March 2018	**(37.30)**	**58.39**	**21.09**

18. Other non-current liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred grant income related to property, plant and equipment (refer note (a) below)	17.46	6.64	-
Deferred grant income related to revenue (refer note (b) below)	2.13	-	-
	19.59	**6.64**	**-**

Note:

(a) During the year ended 31 March 2017, the company received an in-principle approval of a grant-in-aid of ₹ 22.49 Million from the Agricultural Engineering Division of the India Council of Agricultural Research, Ministry of Food Processing Industries ,GOI for setting up food testing laboratory in Ahmedabad. Towards this, the company received ₹ 15.85 Million in 2017-18 (2016-17 - ₹ 6.64 Million).

(b) During the year ended 31 March 2018,the company received an in-principle approval of a grant-in-aid of ₹ 7.1 Million from the Biotechnology Industry Research Assistance Council ('BIRAC'), GOI, for project on "preclinical evaluation of clinical grade vaccine". Towards this, during the year ended 31 March 2018, the Company received ₹ 2.13 Million (31 March 2017: ₹NIL).

19. Current Liabilities - Trade payable

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Due to Micro, small and Medium enterprises	-	-	-
Others	129.74	152.74	57.96
	129.74	**152.74**	**57.96**

(i) Trade payables are non-interest bearing and are normally settled based on the agreed payment terms.

(ii) There are no Micro, Small and Medium enterprises to whom the Company owe dues as at 31 March 2018 (31 March 2017: ₹.Nil, 1 April 2016: ₹.Nil). The Micro, Small and Medium enterprises have been identified by the Management on the basis of information available with the Company and have been relied upon by the auditors.

20. Other Current Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred grant income related to property, plant and equipment (refer note 18(a))	3.35	-	-
- Advances from customers	30.22	9.27	6.77
Others -Statutory dues	27.75	13.83	27.81
	61.32	**23.10**	**34.58**

(All amounts in ₹. Millions otherwise stated)

21. Revenue from operations

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sale of services - Testing and analysis	1,782.29	1,538.48
Other operating revenue : Export incentives	28.65	-
	1,810.94	**1,538.48**

22. Other income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
i) Interest income on		
- Bank deposits	0.24	0.29
- Deposits with State Electricity Corporations	0.80	0.86
- Income tax refunds	4.21	3.31
- Employees loans	0.19	0.25
	5.44	**4.71**
ii) Other non-operating income (Net of expenses directly attributable)		
- Liabilities no longer required written in	3.88	1.70
- Bad debts recovered	-	0.33
- Rent	0.97	2.67
- Grant income	1.68	-
	6.53	**4.70**
Total Other Income	**11.97**	**9.41**

23. Cost of materials consumed and testing expenditure

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(a) Cost of materials consumed		
Inventory at the beginning of the year	152.10	111.68
Add: Purchases	295.38	344.36
	447.48	**456.04**
Less: Inventory at the end of the year	152.17	152.10
	295.31	**303.94**
(b) Testing expenditure		
Sample preparation, data generation, inspection and testing expenditure	110.99	114.05
Carriage inwards	3.63	3.16
Power and fuel	87.80	81.41
Water charges	4.91	4.39
	207.33	**203.01**
Total	**502.64**	**506.95**

24. Employee benefits expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries and wages	418.98	368.83
Directors remuneration	41.65	31.88
Contribution to provident and other funds (note 24(a))	28.00	21.42
Gratuity	11.12	5.35
Compensated absences	22.22	19.12
Staff welfare expenses	14.45	16.76
	536.42	**463.36**

a. **Defined contribution plan**
During year ended 31 March 2018, the Company contributed ₹23.42 Million (31 March 2017: ₹18.67 Million) to Provident Fund and ₹4.57 Million (31 March 2017: ₹2.75 Million) towards Employee State Insurance fund.

b. **Defined benefit plan**

(i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age.

The amounts recognized in the statement of profit and loss are as follows:

(All amounts in ₹. Millions otherwise stated)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Current service cost	6.47	3.39
Past service cost	1.96	-
Premium expenses	-	0.34
Net interest cost	2.69	1.62
Total amount recognised in the statement of profit and loss	**11.12**	**5.35**

Amounts recognized in the other comprehensive income are as follows :

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Actuarial losses	7.57	8.28
Return on plan assets, excluding amount recognised in net interest expense	0.51	0.10
Total amount recognised in the other comprehensive income	**8.08**	**8.38**

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :

Particulars	As at 31.03.2018	As at 31.03.2017
Present value of defined benefit obligation at beginning of the year	43.89	32.35
Current service cost	6.47	3.39
Past service cost	1.96	-
Interest cost	3.51	2.59
Benefits paid	(2.39)	(2.72)
Re-measurement of actuarial losses on obligation	7.57	8.28
Present value of defined benefit obligation at end of the year	**61.01**	**43.89**
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	10.26	12.07
Investment income	0.82	0.97
Employer's contribution	4.50	0.39
Benefits paid	(2.39)	(2.72)
Return on plan assets, excluding amount recognised in net interest expense	(0.51)	(0.45)
Fair value of plan assets at the end of the year	**12.68**	**10.26**
The net liability disclosed above relates to funded and unfunded plans are as follows		
Present value of defined benefit obligation	61.01	43.89
Fair value of plan assets	12.68	10.26
Deficit of gratuity plan	**(48.33)**	**(33.63)**
The assumptions used in accounting for the gratuity plan are set out as below		
Discount rate	7.35%	8.00%
Retirement age	60 and 70 years as per Company's policy	60 and 70 years as per Company's policy
Salary escalation	4.00%	4.00%
Attrition rate	20.00%	20.00%
Mortality rate	100.00%	100.00%
Expected rate of return	7.35%	8.00%

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

(All amounts in ₹. Millions otherwise stated)

Impact on defined benefit obligation

Particulars	As at 31.03.2018	As at 31.03.2017
Assumptions		
Sensitivity level		
- Discount rate : 1.00% increase	58.95	42.40
- Discount rate : 1.00% decrease	63.18	45.45
- Future salary : 1.00% increase	63.10	45.39
- Future salary : 1.00% decrease	58.97	42.42
- Attrition rate : 50.00% increase	61.86	44.50
- Attrition rate : 50.00% decrease	58.12	41.81

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(a) **Asset volatility :** The plan liabilities are calculated using a discount rate set with reference to current investment patterns in the economy; if plan assets underperform this yield, this will create a deficit. The plan asset investments are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the investments. The Company intends to maintain the investment pattern in the continuing years.

(b) **Changes in bond yields :** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(c) **Life expectancy :** The defined benefit obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit liability and employer contributions

The following contributions and expected undiscounted future benefit payments are expected as at 31 March 2018:

Expected future benefit payments	Amount ₹ in Millions
Within 1 year	19.28
2 - 5 years	38.46
6 - 10 years	15.97
Beyond 10 years	7.66

The average duration of the defined benefit plan obligation at the end of the reporting period is 3 years (31 March 2017: Nil years).

ii) The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

25. Finance Costs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest on working capital loans	20.60	16.62
Interest on term loans	23.94	-
Interest on finance lease obligations	0.06	0.11
Exchange differences regarded as an adjustment to borrowing costs	3.16	-
Bank charges	4.24	4.14
	52.00	**20.87**

(All amounts in ₹. Millions otherwise stated)

26. Other expenses

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sitting fee to directors	0.18	0.05
Rent	22.43	21.68
Rates, taxes, duties and levies	19.11	14.38
Insurance	6.29	4.08
Repairs and maintenance:		
- Plant and machinery	60.79	59.30
- Buildings	14.37	22.58
- Vehicles	4.06	4.01
Advertising and sales promotion	5.29	4.61
Commission	8.92	10.62
Traveling and conveyance	55.63	45.75
Communication expenses	18.20	15.70
Printing and stationery	5.91	13.10
Books and periodicals	0.13	0.17
Operating lease charges	-	0.34
Professional and consultancy charges	34.48	34.03
Membership and subscriptions	0.54	0.94
House keeping and premises maintenance	10.77	9.39
Security charges	6.63	5.97
Recruitment & training expenses	1.42	2.03
Payment to auditors :		
- as auditors	1.00	1.00
- for taxation matters	0.28	0.28
- reimbursement of expenses	0.03	0.04
Software charges	1.69	3.63
Net loss on foreign currency transaction and translation	2.63	3.74
Loss on exchange fluctuations	0.05	1.17
Bad debts written off	34.24	13.05
Corporate social responsibility expenses	2.60	1.63
Miscellaneous expenses	1.54	1.79
	319.21	**295.06**

27. Tax Expense

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(a) Income tax expense recognised in the statement of profit and loss		
Current taxes	76.91	61.39
Prior year tax adjustments	2.40	(1.47)
Deferred taxes	12.00	(0.49)
	91.31	**59.43**
(b) Tax expense recognised in OCI / Other Equity		
Tax effect of re-measurement of post-employment benefit obligation	2.80	2.90
	2.80	**2.90**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Profit before tax	255.64	165.35
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	88.47	57.23
Adjustments in respect of current income tax of previous years	2.40	(1.47)
Differential tax rate impact	–	--
Effect of Non-deductible expenses for tax purposes	1.42	2.92
Others	(0.98)	0.75
Income tax expense reported in the statement of profit and loss	**91.31**	**59.43**

(All amounts in ₹. Millions otherwise stated)

28. Earnings per equity share (EPES)

Basic EPES is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic EPS computations:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit attributable to equity holders	164.33	105.92
Weighted average number of equity shares in calculating basic and diluted EPES	22,107,810	22,107,810
Nominal value per equity share	₹.2	₹.2
Earnings for share		
Basic (₹.)	7.43	4.79
Diluted (₹.)	7.43	4.79

29. Details of financial assets and financial liabilities carried at amortized cost

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial assets			
Trade receivables	559.26	424.23	376.33
Cash and cash equivalents	19.95	6.25	28.81
Bank balances other than above	6.25	6.31	5.90
Loans	33.09	32.75	25.89
Other financial assets	31.27	54.89	49.98
Total	**649.82**	**524.43**	**486.91**
Financial liabilities			
Long-term borrowings	268.07	241.67	161.08
Short-term borrowings	131.48	194.04	99.53
Trade payables	129.74	152.74	57.96
Other financial liabilities	86.88	168.88	75.98
Total	**616.17**	**757.33**	**394.55**

30 Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises primarily of currency and equity risk. Financial instruments affected by market risk include trade and other receivables and derivatives. The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

(i) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017."

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) in US Dollars ('USD') and Euro, and foreign currency borrowings in USD.

(All amounts in Millions otherwise stated)

The following table analyses foreign currency risk from non-derivative financial instruments as at 31 March 2018:

Particulars	USD	Euro
Assets		
Trade receivables	112.36	10.72
	112.36	**10.72**
Liabilities		
Trade payables	2.87	-
Borrowings	183.90	-
	186.77	**-**

The following table analyses foreign currency risk from non-derivative financial instruments as at 31 March 2017:

Particulars	USD	Euro
Assets		
Trade receivables	118.30	-
	118.30	**-**
Liabilities		
Trade payables	93.45	1.58
	93.45	**1.58**

Foreign currency sensitivity

The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

(All amounts in ₹. Millions otherwise stated)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Change in USD rate - 5% increase -Effect on PBT and equity	(3.72)	1.24
Change in USD rate - 5% decrease -Effect on PBT and equity	3.72	(1.24)
Change in Euro rate - 5% increase -Effect on PBT and equity	0.54	(0.08)
Change in Euro rate - 5% decrease -Effect on PBT and equity	(0.54)	0.08

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Further, the Company's investments in deposits is with banks and electricity authorities and therefore do not expose the Company to significant interest rates risk. The Company's variable rate borrowing is subject to interest rate risk. Below is the details of exposure to fixed rate and variable rate instruments:

Particulars	31.03.2018	31.03.2017	01.04.2016
Fixed rate instruments			
Financial assets	39.34	39.06	31.79
Financial liabilities	6.00	6.00	6.00
Variable rate instruments			
Financial liabilities	399.38	434.91	258.93

(All amounts in ₹. Millions otherwise stated)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars*	31.03.2018	31.03.2017
Interest rates increase by 100 bps	3.59	3.91
Interest rates decrease by 100 bps	(3.59)	(3.91)

* Holding all other variables constant

The Company's investments in term deposits (i.e., certificates of deposit) with banks and therefore do not expose the Company to significant interest rates risk.

b) **Credit risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) were past due or impaired as at 31 March 2018.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 - 180 days. The aging of trade receivables that are not due and past due but not impaired is given below:

Period in days	As at 31.03.2018	As at 31.03.2017
0 - 180 days	452.59	342.30
More than 180 days	106.67	81.93
	559.26	**424.23**

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's finance team in accordance with the Company's policy. Investments of surplus funds are made only with approved and reputed banks and within credit limits assigned to each bank. The amounts invested and details of relevant banks are reviewed by the Company's Board of directors on annual basis.

c) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Company in accordance with practice and limits set by the management. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company had following working capital at the end of the reporting years :

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current assets	824.24	698.26	624.86
Current liabilities	498.31	594.42	285.28
Working capital	**325.93**	**103.84**	**339.58**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments at the reporting period.

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Less than 1 year			
- Borrowings	204.92	254.90	118.12
- Trade payables	129.74	152.74	57.96
- Other financial liabilities	86.88	162.87	69.98
1 to 2 years			
- Borrowings	85.27	60.39	36.05
- Other financial liabilities	-	6.00	6.00
2 to 5 years			
- Borrowings	109.36	120.42	106.44

d) **Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

31. Capital management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio :

Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet).The gearing ratios were as follows:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Long-term borrowings (note 14)	268.07	241.67	161.08
Short-term borrowings (note 14)	131.48	194.04	99.53
Trade payables (note 19)	129.74	152.74	57.96
Other financial liabilities (note 15)	86.88	168.88	75.98
Less: Cash and cash equivalents (note 10)	(19.95)	(6.25)	(28.81)
Net debt	**596.22**	**751.08**	**365.74**
Equity share capital	44.22	44.22	44.22
Other equity	1,476.31	1,317.26	1,243.43
Total capital	**1,520.53**	**1,361.48**	**1,287.65**
Capital and net debt	**2,116.75**	**2,112.56**	**1,653.39**
Gearing ratio	**28%**	**36%**	**22%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

(All amounts in ₹. Millions otherwise stated)

32. Fair value Measurements

The carrying value and fair value of financial instruments by categories are as follows :

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Loans	33.09	33.09	32.75	32.75	25.89	25.89
Trade receivables	559.26	559.26	424.23	424.23	376.33	376.33
Cash and cash equivalents	19.95	19.95	6.25	6.25	28.81	28.81
Bank balances other than above	6.25	6.25	6.31	6.31	5.90	5.90
Other financial assets	31.27	31.27	54.89	54.89	49.98	49.98
Total	**649.82**	**649.82**	**524.43**	**524.43**	**486.91**	**486.91**
Financial liabilities						
Long-term borrowings	268.07	268.07	241.67	241.67	161.08	161.08
Short-term borrowings	131.48	131.48	194.04	194.04	99.53	99.53
Trade payables	129.74	129.74	152.74	152.74	57.96	57.96
Other financial liabilities	86.88	86.88	168.88	168.88	75.98	75.98
Total	**616.17**	**616.17**	**757.33**	**757.33**	**394.55**	**394.55**

The management assessed the fair value through amortised cost of Loans,cash and cash equivalents, bank balances, trade receivables, trade payables, borrowings, other financial assets and other financial liabilities, which are approximate to their carrying amounts.

33. Contingent Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017
Claims against the Company not acknowledged as debts in respect of :		
(i) Guarantees issued by bank, not provided for	36.91	18.66
(ii) Income-tax demands not provided for - in appeals:		
(a) Assessment year 2012-13 , 2013-14 and 2014-15 (before Income Tax Appellate Tribunal 'ITAT')	8.13	8.13
(iii) Employees provident fund - demand raised - (appeal before Tribunal)	8.70	8.70

Note: In respect of items (ii) and (iii) above, the legal counsel confirmed the validity of the company's stand.Although there can be no assurance regarding the outcome of the appeals referred to at (ii) & (iii) above, the company does not except them to have a materially adverse effect on its financial position, as it believes that the likelihood of loss in excess of amounts accrued (if any) is not probable.

34. Commitments

Particulars	As at 31.03.2018	As at 31.03.2017
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	Nil	Nil

35. Lease

Operating lease

The Company's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements are generally cancellable leases which range between 1 years to 3 years and are usually renewable by mutual consent on agreed terms. Rental expenses under cancellable leases are ₹.22.42 Million (2017: ₹.21.68 Million).

36. Related Party disclosures

a) Name of the related parties and nature of relationship

Name of the related parties	Nature of relationship
(i) Key Management Personnel	
Dr S P Vasireddi	Executive Chairman
Harita Vasireddi	Managing Director
V Harriman	Executive Director - Operations
V V Prasad	Executive Director - Admn.
T S Ajai	Independent Director
Dr Subba Rao Pavuluri	Independent Director (upto 10/10/2017)
Prof D. Balasubramanian	Independent Director
Rao Purnachandra Potarlanka	Independent Director
Y Prameela Rani	Independent Director (w.e.f 01/12/2017)
A Venkataramana	Company Secretary
Murali Mohana Rao Mokkapati	Chief Financial Officer
(ii) Relatives of Key Management personnel	
Sireesh Chandra Vungal	Son of ED - Operations
Sudheshna Vungal	Daughter of ED - Operations
Satya Sreenivas Neerukonda	Son-in-law of ED - Admn.
Praveena Vasireddi	Daughter of Executive Chairman
Sujani Vasireddi	Daughter of ED - Admn.
(iii) Others	
Ananth Technologies Limited	Public company in which one of the directors of the company is a director.

b) Transactions with related parties

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(i) Remuneration to Key Management Personnel (including provident fund)		
Dr S P Vasireddi	13.44	9.52
Harita Vasireddi	9.41	7.45
V Harriman	9.41	7.45
V V Prasad	9.41	7.45
A Venkataramana	1.49	1.42
Murali Mohana Rao Mokkapati	3.31	2.84
(ii) Remuneration to relatives of Key Management Personnel		
Sudheshna Vungal	1.51	1.12
Satya Sreenivas Neerukonda	4.19	2.99
Praveena Vasireddi	1.59	1.27
Sireesh Chandra Vungal	4.19	2.97
Sujani Vasireddi	1.40	0.66
(iii) Rent paid to Key Management Personnel		
Dr S P Vasireddi	0.92	0.92
V Harriman	0.16	0.15
(iv) Sitting Fees to KMP - Independent Directors		
Prof D. Balasubramanian	0.13	0.05
Y Prameela Rani	0.05	-

(All amounts in ₹. Millions otherwise stated)

c) **Balances receivable / (payable)**

Particulars	As at 31.03.2018	As at 31.03.2017
(i) **Security deposits with**		
Dr S P Vasireddi	0.21	0.21
Ananth Technologies Limited	-	0.15
(ii) **Dues payable to KMPs and their relatives (Remuneration)**		
Dr S P Vasireddi	(0.07)	(0.93)
Harita Vasireddi	(0.18)	(0.69)
V Harriman	(0.19)	(0.77)
V V Prasad	(0.15)	(6.55)
A Venkataramana	(0.05)	(0.07)
Murali Mohana Rao Mokkapati	(0.13)	(0.10)
Sudheshna Vungal	(0.07)	(0.07)
Sujani Vasireddi	(0.09)	(0.07)
Satya Sreenivas Neerukonda	(0.04)	(0.14)
Praveena Vasireddi	(0.08)	(0.08)
Sireesh Chandra Vungal	(0.24)	(0.15)

37. Earnings in foreign currency

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Export of testing services (on FOB basis)	487.25	496.97

38. Expenditure in foreign currency

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
- Travelling and conveyance	3.71	6.21
- Licences and fees	3.89	0.42
- Commission	6.14	7.46
- Interest on foreign currency loan to banks	3.18	0.00
- Inspection charges	1.47	0.41
- Business promotion	0.99	1.20
- Staff welfare expense	-	0.48
	19.38	**16.18**

39. Value of imports on cost insurance freight (CIF) basis

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Chemicals and consumables, and others	14.30	24.02
Components and spare parts	1.46	3.92
Software	1.36	4.74
Capital goods	183.09	260.30
	200.21	**292.98**

40. Corporate social responsibility expenditure (CSR)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Amount required to be spent during the year	2.05	2.18
Unspent amount brought forward from pervious year	0.55	-
Actual amount spent during the year	2.60	1.63
Balance Amount to be spent in future year	**-**	**0.55**

41 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

A. Exemptions and exceptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

(i) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

(ii) Estimates

The estimates as at 1 April 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016 (transition date) and 31 March 2017.

(iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(iv) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(v) Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

B. The following reconciliations provides the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101 - First-time adoption of Ind AS.

(a) **Reconciliation of equity as at 1 April 2016:**

(All amounts in ₹. Millions otherwise stated)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		877.02	-	877.02
Capital work-in-progress		58.75	-	58.75
Financial assets				
- Loans		21.44	-	21.44
Other non-current assets		176.56	-	176.56
		1,133.77	**-**	**1,133.77**
Current assets				
Inventories		111.67	-	111.67
Financial assets				
- Trade receivables		376.33	-	376.33
- Loans		4.45	-	4.45
- Cash and cash equivalents		28.81	-	28.81
- Bank balances other than above		5.90	-	5.90
- Other financial assets		49.98	-	49.98
Other current assets		47.72	-	47.72
		624.86	**-**	**624.86**
Total assets		**1,758.63**	**-**	**1,758.63**
Equity and liabilities				
Equity				
Equity share capital		44.22	-	44.22
Other Equity	i	1,216.82	26.61	1,243.43
Total equity		**1,261.04**	**26.61**	**1,287.65**
Non-current Liabilities				
Financial liabilities				
- Borrowings		142.49	-	142.49
- Other financial liabilities		6.00	-	6.00
Provisions		21.93	-	21.93
Deferred tax liabilities, net		15.28	-	15.28
		185.70	**-**	**185.70**
Current liabilities				
Financial liabilities				
-Borrowings		99.53	-	99.53
-Trade payables		57.96	-	57.96
-Other financial liabilities		88.57	-	88.57
Provisions	i	31.25	(26.61)	4.64
Other current liabilities		34.58	-	34.58
Total liabilities		**311.89**	**(26.61)**	**285.28**
Total equity and liabilities		**1,758.63**	**(0.00)**	**1,758.63**

*previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(All amounts in ₹. Millions otherwise stated)

(b) Reconciliation of equity as at 31 March 2017:

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		883.37	-	883.37
Capital work-in-progress	ii	522.15	6.64	528.79
Financial assets				
- Loans		28.29	-	28.29
Other non-current assets		77.75	-	77.75
		1,511.56	**6.64**	**1,518.20**
Current assets				
Inventories		152.10	-	152.10
Financial Assets				
- Trade receivables		424.23	-	424.23
- Loans		4.46	-	4.46
- Cash and cash equivalents		6.25	-	6.25
- Bank balances other than above		6.31	-	6.31
- Other financial assets		54.89	-	54.89
Other current assets		50.02	-	50.02
		698.26	**-**	**698.26**
Total assets		**2,209.82**	**6.64**	**2,216.46**
Equity and liabilities				
Equity				
Equity share capital		44.22	-	44.22
Other Equity		1,317.26	-	1,317.26
Total equity		**1,361.48**	**-**	**1,361.48**
Non-current Liabilities				
Financial liabilities				
- Borrowings		180.81	-	180.81
- Other financial liabilities		6.00	-	6.00
Provisions		55.23	-	55.23
Deferred tax liabilities, net		11.88		11.88
Other non-current liabilities	ii	-	6.64	6.64
		253.92	**6.64**	**260.56**
Current liabilities				
Financial liabilities				
-Borrowings		194.04	-	194.04
-Trade payables		152.74	-	152.74
-Other financial liabilities		223.73	-	223.73
Provisions		0.81	-	0.81
Other current liabilities		23.10	-	23.10
Total liabilities		**594.42**	**-**	**594.42**
Total equity and liabilities		**2,209.82**	**6.64**	**2,216.46**

*previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(All amounts in ₹. Millions otherwise stated)

c) **Reconciliation of total comprehensive income for the year ended 31 March 2017**

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Continuing operations				
Revenue from operations		1,538.48	-	1,538.48
Other income		9.41	-	9.41
Total income		**1,547.89**	**-**	**1,547.89**
Expenses				
Cost of material consumed and testing expenditure		506.95	-	506.95
Employee benefits expense	vi	471.74	(8.38)	463.36
Finance costs		20.87	-	20.87
Depreciation and amortization expense		96.30	-	96.30
Other expenses		295.06	-	295.06
Total expense		**1,390.92**	**(8.38)**	**1,382.54**
Profit before tax from continuing operations		**156.97**	**8.38**	**165.35**
(a) Current tax		61.39	-	61.39
(b) Prior period tax adjustments		(1.47)	-	(1.47)
(c) Deferred tax (benefit)/expense	vi	(3.39)	2.90	(0.49)
Income tax expense		**56.53**	**2.90**	**59.43**
Profit for the year		**100.44**	**5.48**	**105.92**
OCI				
Items that will not be reclassified subsequently to profit or loss				
(a) Remeasurement of the net defined benefit liability		-	(8.38)	(8.38)
(b) Income tax relating to the items		-	2.90	2.90
Other comprehensive income for the year		**-**	**(5.48)**	**(5.48)**
Total comprehensive income		**100.44**	**0.00**	**100.44**

*previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(d) **Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

Particulars	As at 31.03.2017	As at 31.03.2016
Total equity (shareholder's funds) as per Previous GAAP	**1,361.48**	**1,261.03**
Adjustments:		
Proposed dividend	-	22.11
Tax effects of adjustments	-	4.50
Total adjustments	**-**	**26.61**
Total equity as per Ind AS	**1,361.48**	**1,287.64**

(e) **Reconciliation of other comprehensive income for the year ended 31 March 2017**

Particulars	Amount
Profit after tax as per previous GAAP	**100.44**
Adjustments:	
Remeasurements of post-employment benefit obligations	8.38
Tax effects of adjustments	(2.90)
Total adjustments	**5.48**
Profit after tax as per Ind AS	**105.92**
Other comprehensive income	(5.48)
Total comprehensive income as per Ind AS	**100.44**

C. Notes to first-time adoption:

(I) Proposed dividend (including dividend distribution tax)

Under Indian GAAP, proposed dividends including dividend distribution tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of ₹.26.60 Millions for the year ended on 31 March 2016 recorded for dividend has been derecognised against retained earnings. Consequently, the total equity increased by an equivalent amount.

(ii) Government grant

Under Indian GAAP, government grants could be recognised under the capital approach or the income approach. However, Ind AS requires government grants to be recognised using the deferred income approach. The Company received a grant of ₹.6.64 millions during the year ended 31 March 2017. Consequently, the capital work-in-progress and corresponding deferred grant income has increased by an equivalent amount.

(iii) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to different temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of ₹Nil (1 April 2016 : ₹Nil).

(iv) Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Under Indian GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. As per the management's assessment, due to ECL model, there is no additional impact on the allowance for doubtful debts.

(v) Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under Indian GAAP, these transaction costs incurred in connection with borrowings are amortised and charged to profit or loss thereon over the period of borrowings. There is no impact on borrowings, total equity and profit for the year on account of the aforesaid adjustment.

(vi) Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit is reduced by Rs.8.38 Millions (corresponding tax impact of ₹ 2.90 Million has been considered) and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

(vii) Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(viii) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

(ix) Statement of cash flows

The transition from Indian GAAP to Ind AS had no material impact on the statement of cash flows.

(All amounts in ₹. Millions otherwise stated)

42. Research and development expenditure

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Aggregate amount of research and development expenditure recognised as an expense during the year.		
Employee benefits expenses	2.38	4.69
Materials and stores and spares consumption	4.14	6.95
Other expenses	1.50	5.71
Total	**8.02**	**17.35**

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Gattamaneni & Co**
Chartered Accountants
Firm Regn No: 009303S

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

Place: Hyderabad
Date: 11 May 2018

For and on behalf of the Board of **Vimta Labs Limited**

Dr. S. P. Vasireddi
Executive Chairman

Harita Vasireddi
Managing Director

V. Harriman
ED- Operations

T S Ajai
Director

A. Venkata Ramana
Company Secretary

M. Murali Mohana Rao
Chief Financial Officer

Place: Hyderabad
Date: 10 May 2018

Notes

Notes

www.vimta.com

Registered Office :

Vimta Labs Limited
Plot Nos.: 141/2 & 142
IDA Phase II, Cherlapally
Medchal District
Hyderabad - 500 051, India
Phone : +91 40 27264141

Life Sciences Facility :

Vimta Labs Limited
Plot No. 5
MN Science & Technology Park
Genome Valley, Turkapally Village
Shameerpet Mandal, Medchal District
Hyderabad - 500 101, India
Phone : +91 40 67404040