





Annual Report
Year 2008 - 09

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BOARD OF DIRECTORS

Dr S P VASIREDDI
Chairman & Managing Director

V HARRIMAN
Director Technical

V V PRASAD
Executive Director

HARITA VASIREDDI
Director Quality

T S AJAI
Director

Dr SUBBA RAO PAVULURI
Director

Prof. D BALASUBRAMANIAN
Director

Prof. K RAMCHANDRAN
Director

COMPANY SECRETARY & VP - CORPORATE AFFAIRS

A VENKATA RAMANA

VP - FINANCE & CFO

P SANKARAI AH

BANKERS

State Bank of India
Overseas Branch, 5-9-300, Abids
Hyderabad - 500 001.

The Hongkong and Shanghai
Banking Corporation Limited
6-3-1107 & 1108, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.

AUDITORS

Sarathy & Balu
Chartered Accountants
12, Master Sai Apartments,
Somajiguda, Hyderabad - 500 082.

LISTED WITH

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

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

SHARE TRANSFER AGENTS

CIL Securities Ltd.
214, Raghavaratna Towers,
Chirag Ali Lane, Abids,
Hyderabad - 500 001.

To
The Members of
VIMTA LABS LIMITED

Your Directors have pleasure in presenting the 19th Annual Report and audited accounts of your Company for the year ended March 31, 2009.

FINANCIAL RESULTS

Financial Results for the year under review are as follows :

	(Rs. in lakhs)	
	For the Year 2008-2009	For the Year 2007-2008
Profit before Interest, Depreciation & Taxes	2401.46	2771.80
Less : Finance Charges & Interest	262.60	281.30
Depreciation	<u>1483.28</u>	<u>1461.185</u>
Profit before Amortization, Prior year adjustments & Taxes	655.58	1028.65
Less : Amortization of Preliminary Expenses	40.18	40.18
Less/(Add) : Prior year adjustments	<u>(12.53)</u>	<u>(2.26)</u>
Profit before tax	627.93	990.73
Less : a) Provision for Tax (regular)	225.00	354.00
b) Fringe Benefit Tax	15.00	15.00
c) Deferred Tax Liability/(Asset)	<u>(16.50)</u>	<u>(2.84)</u>
Profit after Tax	404.43	624.57
Add : Surplus brought forward from previous years	<u>4137.84</u>	<u>3785.19</u>
Amount available for appropriations	<u>4542.27</u>	<u>4409.76</u>
APPROPRIATIONS		
Transfer to General Reserve	42.00	65.00
Proposed dividend	176.86	176.86
Provision for tax on proposed dividend	30.06	30.06
Surplus carried to Balance sheet	<u>4293.35</u>	<u>4137.84</u>
	<u>4542.27</u>	<u>4409.76</u>

OPERATIONS

Earnings before interest, taxes, depreciation and amortization (EBIDTA) for the year are Rs. 2401.46 lakhs as compared to the previous year earnings of Rs.2771.80 lakhs. Profit after tax (including deferred tax) stood at Rs.404.43 lakhs as against Rs.624.57 lakhs of previous year.

FUTURE OUTLOOK

Having been successful in adjusting to the global recession during the last fiscal, your Company's prospects seem to be better in the next couple of years due to the following:

- ➔ Increasing intent from Pharma MNCs on outsourcing and India as a favorable destination.
- ➔ The two partnerships that commenced in 2007-08 and 2008-09 with Pharma MNCs have been satisfactory and expected to go stronger.
- ➔ In-house R&D activities launched recently by your Company are expected to provide new assays and cost effective tests for the clinical laboratory services.
- ➔ The integrated food law being implemented by the Govt. of India is likely to drive the food safety testing business for your Company, subject to adequate regulatory push.

- ➔ The pre-clinical services being launched at the Life Sciences Facility are receiving good attention of Pharma & Biotech companies. These are expected to make a niche for your Company in supporting early stage drug development activities.
- ➔ New team established to focus on clinical trials Phase II-IV and Pharmaco-Vigilance activities.

DIVIDEND

Your Directors are pleased to recommend a dividend of 40% i.e. 80 Paise per each equity share of Rs.2/- each for the financial year 2008-09.

Transfer to Reserves

Your Directors propose to transfer Rs.42 lakhs to General Reserves. An amount of Rs.4293.35 lakhs is proposed to be retained in Profit & Loss Account.

UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ISSUE

During the year the Company has utilized an amount of Rs.150 lakhs left over out of the capital raised through preferential allotment. The balance at the end of the financial year is Rs.Nil

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Dr Subba Rao Pavuluri and Prof K Ramachandran, Directors of the Company would retire by rotation at the ensuing Annual General Meeting, and are eligible for re-appointment. Dr Subba Rao Pavuluri and Prof K Ramachandran have opted themselves for re-appointment.

Your Directors recommend the re-appointment of Dr Subba Rao Pavuluri and Prof K Ramachandran, as Directors subject to retirement by rotation.

AUDITORS

M/s Sarathy & Balu, Chartered Accountants, Auditors of the Company would hold their office till the conclusion of the ensuing Annual General Meeting. They have given their consent for re-appointment and further stated that they are eligible to take up the appointment within the provisions of Section 224 (1-B) of the Companies Act, 1956. It is proposed to re-appoint the same auditors to hold the office from the conclusion of the ensuing Annual General Meeting till the conclusion of subsequent Annual General Meeting.

PARTICULARS OF EMPLOYEES

List of employees of the Company who have received remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956 read with the rules made there under is enclosed hereto as Annexure-I and forms part of this report.

INFORMATION ON ENERGY CONSERVATION & TECHNOLOGY ABSORPTION

Pursuant to the Provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the relevant information pertaining to Energy Conservation, Technology Absorption, Foreign Exchange earnings and outgo is enclosed hereto as Annexure -II and forms part of this report. Your Company is seeking green building certification for the new pre-clinical building at Life Sciences campus.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. The applicable accounting standards have been followed in preparation of the annual accounts and there are no material departures during the year under review.
- ii. They have selected the accounting standards and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the period.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 to safeguard the assets of your Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

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

Industry Overview

VIMTA LABS LIMITED is engaged in Contract Research and Testing activities in the following streams:

- i) Clinical Research
- ii) Pre-Clinical Research
- iii) Clinical Reference Laboratory Services
- iv) Analytical testing of Food & Drugs
- v) Advanced Molecular Biology Services
- vi) Environmental Monitoring and Impact Assessments
- vii) In-house R&D

As seen above your Company's focus is majorly on Pharma and health care.

Scope and Potential

Globally drug development costs have been on rise and pharma companies are under pressure to reduce costs. Outsourcing to India seems to be a good value proposition that's leading to functional and strategic collaborations with Contract Research Organizations (CROs). It is a great opportunity for your Company and the success lies only in long term partnerships with the customers. It is also a matter of successful delivery at proof of concepts and trial orders.

Your Company is well positioned and right in time to respond to the opportunities cited above. The Pre-Clinical Research resuming in 2009 has good potential to support early stage drug development activities of Pharma & Biotech Companies. The capabilities developed and being developed by your Company through in-house R&D, Advanced Molecular Biology and Clinical lab would also support Bio-Similars and large molecule development programs for customers.

Existing partnerships with Pharma majors are already helping your Company to fine tune the systems and acquire new capabilities.

More than half of your Company's business in future is going to come from a few big customers. Successful partnerships are the only key to sustainability. The proportion of overseas business is likely to increase and your Company has to adjust to global competition & challenges.

Strengths

Your Company's business has been very resilient owing to its integrated and multi-disciplinary nature. It entered the Silver Jubilee year reflecting the successful path and has traveled from a single bench laboratory to a World Class Organisation. Your Company is financially stable. It has not leveraged its balance sheet.

Threats

Competition is inherent threat for any business. More and more players are likely to walk into the field of operations Vimta is engaged in. Multinational Contract Testing and Research organizations are anchoring in India to reduce their service costs. To mitigate the threats Vimta is always looking for continuous innovation of new portfolios thus giving itself a clear lead of 2-3 years.

Outlook

Considering the market potential and increasing intent from Pharma MNCs on outsourcing to Indian CROs, the Company is confident of maintaining higher growth rates in the years to come.

Risks and Concerns

The increasing demand for Vimta's services has been putting a lot of pressure on human resources. Availability of talented and trained manpower is scarce and the Company is doing its best to employ

qualified people and impart on job training to cope-up with the increasing work loads. Further, steep increase in the input costs due to high inflation is a major concern. Vimta is making all its efforts to reduce the expenditure to off set the effect of inflation to maintain the profitability levels.

Safety, Health and Environment

As a part of Vimta's commitment towards the principles of sustainable development; safety, health and environment continue to be priority areas by the Company. Some of the major activities in these areas have been recycling of waste water working towards green building recognition and safety training of staff at all levels. The Life Sciences facility has been created with required standards to ensure the safety and health of the personnel.

Foreign exchange fluctuations

Foreign currency transactions pertaining to the invoices raised on customers are accounted at the exchange rates prevailing on dates of the respective transactions. The outstanding receivables as on balance sheet date are translated at year end rates. The exchange differences arising on actual date of receipts from the customers settled during the year resulted a gain of Rs 253.31 lakhs.

Monetary liabilities denominated in foreign currency pertaining to term loan as at balance sheet date is translated at year end exchange rate. The resultant exchange loss during the year is Rs 327.95 lakhs.

The net loss during the year on account of the above transactions amounting to Rs 74.64 lakhs has been charged to Profit & Loss Account.

Segment-wise or Product-wise Performance

The Company is engaged in the business of Testing and Contract Research in the fields of Clinical and Pre Clinical Studies, Clinical Reference, Analytical Testing, Advanced Molecular Biology and Environmental studies. Since the inherent nature of all these activities are integrated and governed by the same set of risks and returns and operating in the same economic environment, these have been grouped as a single segment in the financial statements. The said treatment is in accordance with the Accounting Standard (AS) - 17 on "Segment Reporting".

Internal Control Systems

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

The Company monitors and reviews the progress on the basis of internal audit reports and through Audit Committee Meetings regularly.

Financial Performance

Gross revenue for the year 2008-09 is Rs.8173.07 lakhs as compared to the previous year of Rs. 7889.50 lakhs. The Export income increased by 4.76% in the year to reach Rs.3037.74 lakhs, as compared to the previous year of Rs. 2899.82 lakhs. The Net Profit stood at Rs.404.43 lakhs as compared to the previous year net profit of Rs. 624.57 lakhs.

Human Resources

Human Resources are very vital to your Company, as the Quality and Knowledge are two prime drivers for the business. During the last two years, the Company's main campuses have turned more people centric.

The Company is creating a more conducive environment for promoting learning & research. The memorandum of understanding with Deakin University, Australia, to promote Ph.D programs is an example. More such collaborations are in the offing.

Senior management has made the disclosure to the Board and confirmed that they had no material financial and commercial transactions that could have a potential conflict with the interest of the Company at large.

CORPORATE GOVERNANCE

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

DISCLOSURES AS PER THE LISTING AGREEMENT & SEBI REGULATIONS

Cash Flow Statements

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

Stock Exchanges

Equity Shares of your Company are listed with the following Stock Exchanges and the listing fee was paid in time and no amounts were outstanding.

- i) Bombay Stock Exchange Limited
Phiroje Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
- ii) National Stock Exchange of India Limited
"Exchange Plaza", Bandra, Kurla Complex, Bandra (E)
Mumbai - 400 051

Share Transfer Agency

In terms of SEBI Circular No.D&CC/FITTC/Cir-15/2002 dated 27.12.2002, the Company has appointed M/s CIL Securities Ltd, 214, Raghavaratna Towers, Abids, Hyderabad - 500001 as its share transfer agency for handling both physical and electronic transfers.

Code of Conduct

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

FIXED DEPOSITS

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : Hyderabad
Date : 23.07.2009

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE - I

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975.
(Forming part of the Directors' Report for the year ended March 31, 2009)

Name	Qualification & Experience	Age in years	Designation/ Nature of Duties	Date of Commencement of employment	Gross Remuneration (Rs.)	Last Employment
Dr S P Vasireddi	M. Sc., Ph. D. 37 years.	60	Managing Director	01.04.2005	5376000	i) Mineral Exploration Corp. Ltd., Nagpur ii) Vimta Labs
V V Prasad	B.Com 32 years.	58	Executive Director	01.04.2005	4332000	Vimta Labs
V Harriman	D. Tech in Elect., Toronto, Canada 32 years.	58	Director - Technical	01.04.2005	4332000	i) GB Electronics, Bangalore ii) Vimta Labs
Harita Vasireddi	B.Pharm, MBA 11 years.	34	Director - Quality	01.04.2005	3610000	Vimta Rostest Pvt. Ltd.
Dr N V Rama Rao	M.Sc. Ph.D 39 years.	62	President-Life Sciences	11.10.2006	2887800	Indian Medicines Pharmaceuticals Corp. Ltd.
Dr Mahanand-swara Gattu	M.Sc. Ph.D 16 years.	41	Vice President - R&D	30.05.2008	2277096	i) Schering Plough Research Institute ii) Glaxo SmithKline, USA
Dr Jyothi Ganti	M.Sc. M.Tech. Ph.D 19 years.	46	Vice President Analytical	10.11.2008	1028125	i) Matrix Laboratories Ltd ii) Mayne Pharma, Australia

NOTES :

- 1 Nature of employment of Managing Director and other Wholetime Directors are contractual.
2. Remuneration includes salary, commission, reimbursement of medical expenses, leave travel facility as applicable and perquisites like Contribution to Provident/ Superannuation Fund, Leave Encashment.

For and on behalf of the Board

Place : Hyderabad
Date : 23.07.2009

Dr S P VASIREDDI
Chairman & Managing Director

ANNEXURE - II

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

(Forming part of the Directors' Report for the year ended 31st March, 2009.)

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 substances. Testing is performed using different instruments. It may be that a particular substance needs to be tested on different instruments for various parameters simultaneously as required by the customer. Most of the test equipments are micro-processor 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 the power distribution system perfectly well to utilize the power at optimum level of requirement.
- ii) The Laboratory building is designed in such a way that during day time no artificial lighting is required in most areas in the lab.
- iii) Occupancy sensors are installed at the Life Sciences Facility to control artificial lighting.

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

An integrated building management system from SIEMENS is also installed at the Pre-Clinical facility to help conservation of energy.

c) Impact of the measures at (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.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure :

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

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 guidelines such as those of DCGI, USFDA, ICH etc.

Latest technologies absorbed include : Micro-Arrays, DNA Sequencers, Maldi TOF-TOF Proteomics analyzer and Dioxin Analyzer based on high resolution GCMS.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year, the Company has earned foreign exchange of Rs.3037.74 lakhs (previous year Rs. 2899.93 lakhs). The Company's foreign exchange outgo was of Rs.833.30 lakhs (previous year Rs. 1064.85 lakhs) on import of capital goods, software, chemicals, consumables & reference standards, and travel expenditure, professional charges etc.

For and on behalf of the Board

Place : Hyderabad
Date : 23.07.2009

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

Declaration by Managing Director

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

Place : Hyderabad
Date : 23.07.2009

DR S P VASIREDDI
CHAIRMAN & MANAGING DIRECTOR

Report on Corporate Governance

1. INTRODUCTION

Company Philosophy on Corporate Governance

Vimta Labs Limited ("Vimta" or "The Company") believes that Corporate Governance goes beyond being a regulatory requirement and has hereby laid strong emphasis on the transparency of its operations. Vimta is confident that these practices will enable it to establish enduring relationships with all its stakeholders and optimize its sustained growth.

2. BOARD OF DIRECTORS

2.1 Composition

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

The Composition of the Board during the year ended March 31, 2009 and as on the date of the Report along with their brief resume is given below :

Name of Directors	Brief Resume
Dr S P Vasireddi Promoter Executive Director	Ph.D. in Chemistry with over 37 years of experience. He is one of the promoter Director of the Company and has been its Chairman & Managing Director since inception. He is a member on the Governing Boards of several scientific bodies.
V Harriman Promoter Executive Director	D.Tech. from Toronto, Canada with over 32 years of experience. He is one of the promoter Director of the Company and has been its Director-Technical since inception.
V V Prasad Promoter Executive Director	A Graduate in commerce with over 32 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.
Harita Vasireddi Executive Director	A graduate in Pharmaceutical Sciences and an MBA (USA) in Service Operations Management with 11 years of experience. She worked with Vimta Rostest (P) Ltd. as Manager Operations for four years. Currently she is Director-Quality.
T S Ajai Non-Executive & Independent Director	A Chartered Accountant. Specializing in direct tax laws and business and commercial laws. He has wide experience and expertise in the areas of Company Law, Income Tax, Investment Regulations, Other Corporate Laws, and foreign collaborations. Inducted to the Board in 2002.
Dr Subba Rao Pavuluri Non-Executive & Independent Director	He is a technologist and an entrepreneur having extensive knowledge and experience in Indian Space Program. He has more than 17 years of business experience in design, develop and fabrication of systems and subsystems for Indian space Programme (ISRO) and Defence Program (DRDO). He is a member of more than 15 professional societies and visiting Scientist, domestic and international. He has received national award for "Entrepreneur ship for the year 2000" by Government of India apart from several other awards from various government departments and institutions. Inducted to the Board in 2003.
Prof D Balasubramanian Non-Executive & Independent Director	He is a Ph.D. in Chemistry from Columbia University, New York. He is an eminent Scientist and former Director of Center for Cellular & Molecular Biology (CCMB), Hyderabad and Prof. & Dean, University of Hyderabad. He was honoured "Padma Sri" in 2002 and Chevalierde l' Ordre National de Merite" by President of France in 2002.
Prof K Ramachandran Non-Executive & Independent Director	He is the Thomas Schmidheiny Chair Professor of Family Business and Wealth Management at the Indian School of Business. He has done extensive research on family business, entrepreneurship and strategy and has published extensively in reputed Indian and overseas journals. He has over 33 years of experience as an academic. Prior to that he was a professor at the Indian Institute of Management Ahmedabad for fifteen years. He has written several management cases, and has conducted training programmes on strategic management and entrepreneurship for entrepreneurs and senior and top managers. He has been on various advisory committees of the Government of India, World Bank, Securities and Exchange Board of India on entrepreneurship and strategy.

2.2 Meetings and Attendance Record of each Director

The attendance record of the Directors at the Board Meetings during the year 2008-2009 and the Annual General Meeting held on September 04, 2008, is as under :-

Name of the Directors	Attendance at	
	Board Meeting	A G M
Dr S P Vasireddi	4	Present
V Harriman	4	Present
V V Prasad	4	Present
Harita Vasireddi	4	Present
T S Ajai	3	Absent
Dr Subba Rao Pavuluri	2	Present
Prof D Balasubramanian	2	Present
Prof K Ramachandran	2	Absent

2.3 Other Directorships etc.

The details of Directorships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) held by the Directors as on the date of the Report are given below :

Name of the Directors	No. of other Director-ships in other Public Limited Co.
Dr S P Vasireddi	1
V Harriman	1
V V Prasad	1
Harita Vasireddi	-Nil-
T S Ajai	-Nil-
Dr Subba Rao Pavuluri	2
Prof D Balasubramanian	-Nil-
Prof K Ramachandran	1

2.4 Number of Board Meetings

During the year ended March 31, 2009 the Board of Directors met four times. These were held on April 21, 2008; July 30, 2008; October 30, 2008 & January 16, 2009.

2.5 Re-appointment of Directors

The Directors Dr Subba Rao Pavuluri and Prof K Ramachandran shall retire by rotation at the ensuing Annual General Meeting, and are eligible for re-appointment.

The brief particulars/resume and other directorships of the Directors retiring by rotation at the ensuing Annual General Meeting have been provided in paragraph 2.1 and 2.3 above.

3 AUDIT COMMITTEE

3.1 Terms of Reference

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

The Chief Financial Officer attends all the Committee Meetings and briefs the Committee on all the points covered in the Report as well as the other issues which come up during discussion.

3.2 Composition

T S Ajai : Chairman
Dr Subba Rao Pavuluri : Member
K Ramachandran : Member

The Company Secretary & VP- Corporate Affairs A Venkata Ramana acts as Secretary to the Committee.

3.3 Attendance

During the year the Audit Committee has met 4 times on April 21, 2008; July 30, 2008; October 30, 2008; and January 16, 2009.

Name of the Member	Attendance
T S Ajai	4
Dr Subba Rao Pavuluri	3
Prof. K Ramachandran	2

4. REMUNERATION COMMITTEE

4.1 Terms of Reference

The remuneration committee of the Company recommends the compensation package and other terms and conditions of Managing Director, Whole time Directors and other senior managers.

4.2 Composition

Prof K Ramachandran : Chairman
T S Ajai : Member
Dr Subba Rao Pavuluri : Member

The Company Secretary & VP- Corporate Affairs, A Venkata Ramana acts as Secretary to the Committee.

4.3 Attendance

During the year, the Remuneration Committee has met one time and T S Ajai and Dr Subba Rao Pavuluri have attended for the meeting.

4.4 Remuneration Policy

The Managing Director and other three whole time directors are paid remuneration as per the compensation package approved by the Board and members of the Company read with respective agreements entered into with the Company. The other non-Executive Directors are paid sitting fees for attending the Board Meetings. The members of the committees have decided not to take any sitting fee for the time being for committee meetings. In addition Dr Subba Rao Pavuluri has decided not to take any sitting fee for the Board Meetings as well.

The Details of Remuneration paid to the Managerial Personnel During the Year

(In Rupees)

Name of the Directors	Salary	Perqui-sites	Commi-ssion	Total
Dr S P Vasireddi	4800000	576000	---	5376000
V Harriman	3900000	432000	---	4332000
V V Prasad	3900000	432000	---	4332000
Harita Vasireddi	3250000	360000	---	3610000

Note : a) Salary includes Basic Salary, Allowances, Perquisites like Contribution to Provident Fund, Gratuity, Leave Encashment and other non-monetary benefits.

Report on Corporate Governance

- b) Portion of the salaries paid to the Managing Director and other whole time directors have been capitalized for their time spent on the new project at Plot No.5, Genome Valley, Turkapally Village, Shameerpet Mandal.

4.4.2 Sitting fee paid to Non-Executive Directors

(In Rupees)

Name of the Directors	Sitting fee
T S Ajai	15000
Dr Subba Rao Pavuluri	-Nil-
Prof D Balasubramanian	10000
Prof K Ramachandran	10000

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

5.1 Composition

V V Prasad	: Chairman
T S Ajai	: Member
Dr Subba Rao Pavuluri	: Member

5.2 Name & Designation of Compliance officer

A Venkata Ramana

Company Secretary & VP - Corporate Affairs

5.3 Scope

The Committee is formed to review and redress all the grievances of Shareholders/Investors of the Company.

The redressal of Shareholders/Investors complaints are attended to by the Compliance Officer, A Venkata Ramana, Company Secretary & VP-Corporate Affairs on day-to-day basis under the supervision of the Chairman of the Committee. The major grievances if any, are referred to the committee for redressal. The nature of the complaints / grievances and the action taken are as under :

Nature of Complaints / Queries	Received	Resolved
Transfer of Share Certificates	1	1
Non-Receipt of balance sheet	--	--
Non-Receipt of declared dividend	4	4
Letters from S E B I	1	1
Letter from Stock Exchange	-	-

5.4 Attendance

During the year the Committee has met on April 21, 2008; July 30, 2008; October 30, 2008 and January 16, 2009. While V V Prasad and T S Ajai attended all the meetings, Dr Subba Rao Pavuluri has attended three meetings.

6. GENERAL BODY MEETINGS

6.1 The Details of Annual General Meetings held in last three years

S.No.	Year	Meeting	Venue	Date	Time
1.	2005-2006	AGM	Plot No. 5, Genome Valley, S P Bio-tech Park, Turkapally Village, R.R. Dist.	09.06.2006	11.00 a.m.
2.	2006-2007	AGM	Regd. Office	09.08.2007	10.30 a.m.
3.	2007-2008	AGM	Regd. Office	04.09.2008	10.00 a.m.

There were no Extra Ordinary General Meetings (EGMs) during the Financial Year 2008-2009.

- 6.2 All the special resolutions placed before the shareholders at the above meetings were approved.
- 6.3 No resolutions were circulated by postal ballot in the above Annual General Meetings.
- 6.4 No resolutions were proposed which are to be conducted through Postal ballot.

7. DISCLOSURES

- 7.1 There are no materially significant transactions with the related parties viz., Promoters, Directors or the Management, their subsidiaries, or relatives, conflicting with Company's interest. Suitable disclosures as required by the Accounting Standard (AS18), Related party Transactions have been made in the Annual Report.

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

- 7.2 During the last three years there have been no instances of Non-compliance by the Company, 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.
- 7.3 The Company has complied with all mandatory requirements of the Corporate Governance clause of the listing agreement. The Company has adopted Remuneration committee requirements out of the non mandatory requirements of the corporate governance clause of the listing agreement.
- 7.4 The Company has not adopted the whistle Blower Policy which is one of the non mandatory requirements of the corporate governance clause of the listing agreement. However, it is affirmed that no 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.
- 7.5 In the preparation of financial statements, the Company has followed the accounting Standards as prescribed by the Central Government under the Companies (accounting Standards) Rules, 2006.
- 7.6 The Company has laid down procedures for the risk assessment and minimization of risks. These were reviewed by the Board to ensure that Executive Management controls risk through means of a properly defined framework.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board, by fax, e-mail and by courier. These are published in two newspapers within 48 hours of the conclusion of the meeting of the Board. Generally the results are published in Eenadu and Financial Express. The results are also placed on the Company's website www.vimta.com & EDIFAR website maintained by National Information Centre (NIC), online, as specified by SEBI. Further the material information 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 and analysts, and several other details / information of interest to various stakeholders.

9. COMPLIANCE TO INSIDER TRADING NORMS

The Company has adopted the code of internal procedures and conduct for Listed Companies 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.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting

Date : 19.09.2009
 Time : 10.00 AM
 Venue : Plot No. 141/2 & 142, IDA Phase-II, Charlapally, Hyderabad - 500 051

10.2 Financial Calendar

Financial year : 01.04.2009 to 31.03.2010
 First quarter results : July,2009
 Half yearly results : October,2009
 Third quarter results : January,2010
 Fourth quarter / Annual Results : April,2010

10.3 Date of Book Closures : 14.09.2009 to 19.09.2009 (both days inclusive)

10.4 Date of dividend payment : Within 30 days from declaration by the members in their meeting to be held on 19.09.2009

10.5 Listing with Stock Exchanges

Name of the Stock Exchanges & Address

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

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

Electronic Connectivity

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

10.6 Stock Price Data

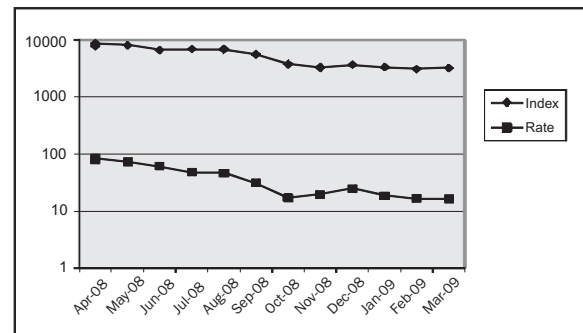
Monthly high and low share quotations on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai for the financial year 2008- 2009 are as follows :

(In Rupees)

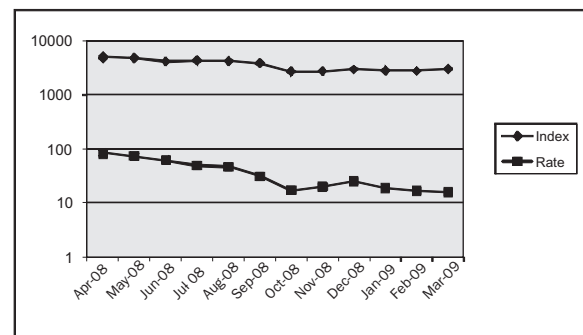
Year 2008-09	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April,2008	102.00	78.00	102.00	77.25
May'2008	89.95	72.10	89.10	72.10
June'2008	84.00	60.00	83.00	55.60
July'2008	72.00	44.00	65.00	45.10
August'2008	54.40	45.35	54.50	43.00
September'2008	49.65	28.15	49.70	29.00
October'2008	37.60	16.10	37.30	16.00
November'2008	27.00	17.65	28.00	17.60
December'2008	25.80	18.00	25.95	18.50
January'2009	35.05	18.15	35.45	18.00
February'2009	22.60	16.15	22.65	16.00
March'2009	17.45	12.60	18.45	12.55

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

Bombay Stock Exchange Limited



National Stock Exchange of India Limited



Report on Corporate Governance

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

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

10.9 Share Transfer System

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

10.10 Distribution of shareholding as on 31.03.2009

Shares held From - To	Shareholders		No. of Shares	
	No.	%	No.	%
Upto 5000	7372	97.53	3255091	14.72
5001-10000	87	1.15	640860	2.90
10001-20000	43	0.57	620286	2.81
20001-30000	13	0.17	348510	1.58
30001-40000	4	0.05	133190	0.60
40001-50000	6	0.08	280103	1.27
50001-100000	6	0.08	448550	2.03
100001 and above	28	0.37	16381220	74.10
Total	7559	100	22107810	100

10.11 Categories of shareholders as on 31.03.2009

Category	No. of Shares	%
Shareholding of Promoter & Promoter Group		
Indian	8141286	36.83
Foreign	Nil	Nil
Public Shareholding		
Institutional Investors	6676057	30.20
Non - Institutional Investors	7290467	32.97
TOTAL	22107810	100.00

10.12 Dematerialization of shares and liquidity

Over 96.31% of the Company's equity shares have been dematerialised as on 31.03.2009. Trading in Equity shares of the Company is permitted only in dematerialised form as per notification issued by SEBI.

Vimta Shares are actively traded at Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Relevant turnover data for the financial year 2008-09 is

(Rs. in lakhs)*

	Bombay Stock Exchange Ltd.	National Stock Exchange of India Ltd.
Total shares traded	4422785	4561121
Turnover value*	1762.23	1799.77

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

10.14 Company locations :

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

Life Sciences Facility Plot No.5
S P Biotech Park
Genome Valley
Turkapally-500078
Shameerpet Mandal
Phone : 040-39848484

Regional Laboratory

Noida Plot No.58, Block C
Sector VIII
NOIDA-201301

Satellite Laboratories

Vijayawada 29-5-1, Shyam Enclave
Opp. Glaxo, Cherukupalli Vari St.
Prakasam Road, Governerpet
Vijayawada-520002
Phone : 0866-2438122

Visakhapatnam 14-37-41/2 Krishna Nagar
Maharanipet
Visakhapatnam-530002
Phone : 0891-5560271

Madurai 24-A, Kakkan Street
Shenoy Nagar
Madurai-625020

Coimbatore

- 1) 47 & 48, Cowley Brown Road
R S Puram
Coimbatore-641002
- 2) 107-A-1, NSR Road
Saibaba Colony
Coimbatore-641002
- 3) Abinand Hospital
Sundarapuram
Coimbatore-641024
- 4) 8, Azad Road, R S Puram
Coimbatore-641002

10.15 Address for correspondence

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

AUDITORS' CERTIFICATE

To
The Members of Vimta Labs Limited

1. We have examined the compliance of conditions of Corporate Governance by Vimta Labs Limited, for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for 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 Agreement.
4. We state that no investor grievances are pending for a period exceeding one month against the Company as on March 31, 2009 as per the records maintained by the Shareholders/Investors Grievances Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for SARATHY & BALU
CHARTERED ACCOUNTANTS

Hyderabad
Date : 23.07.2009

J VENKATESWARLU
PARTNER
ICAI Ms.No.022481

Auditor's Report

To
The Members of VIMTA LABS LIMITED

1. We have audited the attached Balance Sheet of VIMTA LABS LIMITED ("the Company") as at 31st March 2009, the Profit and Loss account and the Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, as amended from time to time, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches and offices not visited by us;

- iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement together with the Significant Accounting Policies and Notes on Accounts dealt with by this report, are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement together with the Significant Accounting Policies and Notes on Accounts dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 - b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2009, taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director of the Company under Section 274 (1)(g) of the Companies Act, 1956.

for SARATHY & BALU,
Chartered Accountants

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Place: Hyderabad
Date: 27.04.2009

Annexure to Audit Report dated 27.04.2009

(Referred to in paragraph 3 of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
(c) According to the information and explanations given to us and in our opinion, the Company has not disposed off substantial part of its fixed assets during the year affecting the going concern status of the Company.
- ii) (a) According to the information and explanations given to us, the inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us and in our opinion, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification of inventory as compared to the book records.
- iii) The Company has neither granted nor accepted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As such, sub-clauses (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the current year.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and Services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

- | | |
|--|--|
| <p>v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained U/s.301 of the Companies Act, 1956 have been so entered.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made during the year by the Company in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.</p> <p>vi) According to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Clause (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the current year.</p> <p>vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>viii) According to the information and explanations furnished to us, the Central Government has not prescribed maintenance of cost records U/s.209(1)(d) of the Companies Act, 1956 to this Company.</p> <p>ix) (a) According to the information and explanations furnished to us and as per the records of the Company, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other statutory dues as applicable to it with the appropriate authorities and the Company is not required to transfer any amount to the investor education and protection fund during the year covered under audit. Further, there are no undisputed arrears of statutory dues as at 31-3-2009 which are outstanding for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, as at 31-03-2009, there are no dues of sales tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.</p> <p>x) The Company has no accumulated losses as at the end of the financial year under audit and it has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.</p> <p>xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks and the Company has not issued any debentures.</p> <p>xii) Based on our examination of documents and records and as per the information and explanations given to us, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>xiii) Based on our audit procedures and as per the information and explanations given to us, we are of the opinion that the Company is not a Chit Fund, Nidhi / Mutual Benefit Fund / Society. Therefore, provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to this Company.</p> | <p>xiv) Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to this Company.</p> <p>xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.</p> <p>xvi) According to the information and explanations given to us and based on our audit procedures performed, we are of the opinion that the term loans raised during the year have been applied for the purpose for which the loans were obtained.</p> <p>xvii) According to the information and explanations given to us and on an over all examination of the balance sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.</p> <p>xviii) According to the information and explanations furnished to us and based on the examination of the records, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>xix) According to the information and explanations furnished to us and based on the records verified by us, during the period covered by our audit report, the Company has not issued any debentures and hence creation of security or charge for the same does not arise.</p> <p>xx) According to the information and explanations furnished to us and based on the records verified during the period covered under audit, the Company has not raised any money through public issues and hence disclosure by the Management on the end usage of money raised by public issues and our comments on the same is not applicable.</p> <p>xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management of the Company, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.</p> |
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for SARATHY & BALU,
Chartered Accountants

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Place: Hyderabad
Date: 27.04.2009

Balance Sheet as at March 31, 2009

	Schedule No	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	44,215,620	44,215,620
Reserves & Surplus	2	1,257,112,985	1,237,362,167
Loan funds - Secured loans	3	246,230,600	277,967,139
Deferred Tax Liability (Net)	4	23,271,066	24,921,527
TOTAL		<u>1,570,830,271</u>	<u>1,584,466,453</u>
II APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		1,565,971,058	1,488,691,805
Less : Depreciation		<u>554,103,653</u>	<u>405,975,417</u>
Net Block		1,011,867,405	1,082,716,388
Capital Work-in-progress	6	225,195,988	125,899,902
		<u>1,237,063,393</u>	<u>1,208,616,290</u>
Current Assets, Loans and Advances	7		
Inventories		131,465,936	96,549,071
Sundry debtors		223,769,421	310,593,812
Cash & bank balances		13,374,823	26,289,682
Other current assets		854,818	843,487
Loans & advances		83,411,201	70,456,857
		<u>452,876,199</u>	<u>504,732,909</u>
Less : Current liabilities & Provisions	8		
Current liabilities		103,645,398	117,721,833
Provisions		<u>23,501,368</u>	<u>23,217,078</u>
		<u>127,146,766</u>	<u>140,938,911</u>
Net Current assets		<u>325,729,433</u>	<u>363,793,998</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)	9	8,037,445	12,056,165
TOTAL		<u>1,570,830,271</u>	<u>1,584,466,453</u>
Contingent Liabilities	10		
Significant Accounting Policies	17		
Notes on Accounts	18		

Schedules mentioned above form an integral part of the Balance Sheet.
This is the balance sheet referred to in our report of even date.

for SARATHY & BALU,
Chartered Accountants

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Place: Hyderabad
Date: 27.04.2009

For and on behalf of the Board

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

A Venkata Ramana

Place: Hyderabad
Date: 27.04.2009

Managing Director
Director Technical
Executive Director
Director

Company Secretary &
VP - Corporate Affairs

Profit & Loss Account for the year ended March 31, 2009

	Schedule No	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
IINCOME			
Income from Testing services		861,127,596	817,551,005
Less: Service Tax		<u>45,096,090</u>	<u>50,611,822</u>
Net Income	11	816,031,506	766,939,183
Other Income	12	<u>1,275,176</u>	<u>22,011,372</u>
TOTAL		<u>817,306,682</u>	<u>788,950,555</u>
EXPENDITURE			
Testing expenses	13	254,294,574	214,063,180
Payments and Benefits to Employees	14	164,785,822	144,902,035
Administration and other general expenses	15	<u>158,080,158</u>	<u>152,805,137</u>
TOTAL		<u>577,160,554</u>	<u>511,770,352</u>
Profit before interest, depreciation, amortisation and tax		<u>240,146,128</u>	<u>277,180,203</u>
Interest and Finance charges	16	26,260,035	28,130,397
Depreciation	5	<u>148,328,233</u>	<u>146,185,146</u>
TOTAL		<u>174,588,268</u>	<u>174,315,543</u>
Profit before amortisation, Prior year adjustments & Tax		<u>65,557,860</u>	<u>102,864,660</u>
Less: Amortisation of preliminary expenses		4,018,720	4,018,722
Add : Prior year tax adjustments (excess provision in earlier years)		<u>1,253,245</u>	<u>226,066</u>
Profit before tax		<u>62,792,385</u>	<u>99,072,004</u>
Less : Provision for			
Current tax		22,500,000	35,400,000
Fringe benefit tax		1,500,000	1,500,000
Deferred tax Liability/(Asset)		<u>(1,650,461)</u>	<u>(284,777)</u>
Profit After Tax		<u>40,442,846</u>	<u>62,456,781</u>
Add : Balance brought forward		<u>413,783,777</u>	<u>378,519,024</u>
Balance available for appropriations		<u>454,226,623</u>	<u>440,975,805</u>
APPROPRIATIONS :			
Transfer to General Reserve		4,200,000	6,500,000
Proposed dividend		17,686,248	17,686,248
Provision for tax on dividend		3,005,780	3,005,780
Balance carried to Balance Sheet		<u>429,334,595</u>	<u>413,783,777</u>
TOTAL		<u>454,226,623</u>	<u>440,975,805</u>
COMPUTATION OF EARNINGS PER SHARE			
a) Net Profit for the year		Rs.40,442,846	Rs.62,456,781
b) Weighted average no.of shares outstanding during the year		22,107,810	22,107,810
c) Basic and diluted earnings pershare (a / b)		Rs.2/-	Rs.3/-
d) Nominal value of shares (fully paid up)		Rs.2/- each	Rs.2/- each
Significant Accounting Policies	17		
Notes on Accounts	18		

Schedules mentioned above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of the Board

for SARATHY & BALU,
Chartered Accountants

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

Managing Director
Director Technical
Executive Director
Director

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

A Venkata Ramana
Place: Hyderabad
Date: 27.04.2009

Company Secretary &
VP - Corporate Affairs

Place: Hyderabad
Date: 27.04.2009

Schedules to Accounts

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1. SHARE CAPITAL		
Authorised :		
35000000 Equity Shares of Rs.2/- each (Previous year 35000000 equity shares of Rs.2/- each)	<u>70,000,000</u>	<u>70,000,000</u>
Issued, Subscribed and Paid up		
22107810 equity shares of Rs.2/- each fully paid up (Previous year 22107810 shares of Rs.2/- each fully paid up)	44,215,620	44,215,620
TOTAL	<u>44,215,620</u>	<u>44,215,620</u>
2. RESERVES AND SURPLUS		
i) Securities Premium Account - as in last year	<u>773,728,390</u>	<u>773,728,390</u>
ii) General Reserve		
As per last Balance Sheet	49,850,000	43,350,000
Add : Transfer from Profit & Loss Account	<u>4,200,000</u>	<u>6,500,000</u>
	54,050,000	49,850,000
iii) Surplus in Profit & Loss Account	<u>429,334,595</u>	<u>413,783,777</u>
TOTAL	<u>1,257,112,985</u>	<u>1,237,362,167</u>
3. SECURED LOANS		
A) Loans & Advances from Banks		
i) Cash Credit - Rupee loan	109,522,960	88,101,504
ii) Foreign Currency Term loans (due for repayment within one year - Rs.86892334 previous year Rs.87635412)	102,356,168	143,606,614
SUB TOTAL	<u>211,879,128</u>	<u>231,708,118</u>
B) Other Loans & Advances		
Soft Loan from Technology Development Board (due for repayment within one year - Rs. 11678128 previous year Rs.11907549)	34,351,472	46,259,021
TOTAL	<u>246,230,600</u>	<u>277,967,139</u>
4 DEFERRED TAX LIABILITY		
Liability as per last Balance Sheet	24,921,527	25,206,304
Less : Asset for the year	(1,650,461)	(284,777)
TOTAL	<u>23,271,066</u>	<u>24,921,527</u>

5. FIXED ASSETS

Sl. No.	Description	As at 01.04.2008		Gross Block Additions		Total as at 31.03.2009		Upto 31.03.2008		Depreciation		Net Block	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Goodwill	3,550,000	-	-	3,550,000	254,792	355,000	-	609,792	2,940,208	3,295,208		
2	Freehold Land & Site Development	21,877,668	-	-	21,877,668	-	-	-	-	21,877,668	21,877,668		
3	Buildings	435,687,492	5,853,617	-	441,541,109	14,724,439	7,173,267	-	21,897,706	419,643,403	420,963,053		
	Staff Quarters	944,264	-	-	944,264	232,152	15,392	-	247,544	696,720	712,112		
4	Plant & Machinery	882,765,520	58,604,613	-	941,370,133	355,795,285	128,250,632	-	484,045,917	457,324,216	526,970,235		
5	Electrical Installation	46,745,086	528,450	-	47,273,536	5,795,185	2,236,193	-	8,031,378	39,242,158	40,949,901		
6	Office Equipment	5,249,980	1,742,902	-	6,992,882	1,454,324	293,175	-	1,747,499	5,245,383	3,795,656		
7	Computers	28,217,237	4,469,031	-	32,686,268	14,381,100	5,035,269	-	19,416,369	13,269,899	13,836,137		
8	Furnitures & Fixtures	40,165,830	5,509,316	-	45,675,146	6,091,421	2,728,749	-	8,820,170	36,854,976	34,074,409		
9	Vehicles	23,488,728	1,002,088	-	24,060,052	7,246,719	2,240,556	-	9,287,278	14,772,774	16,242,009		
	Total :	1,488,691,805	77,710,017	430,764	1,565,971,058	405,975,417	148,328,233	199,997	554,103,653	1,011,867,405	1,082,716,388		
	Previous year	1,347,442,630	141,249,175	-	14,888,691,805	259,790,271	146,185,146	-	405,975,417	1,082,716,388	1,087,652,359		

6. CAPITAL WORKS-IN-PROGRESS

S.No.	Description of the Asset	As at 01.04.2008		Gross Block		Balance as at 31.03.2008	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Expansion Project at S.P.Biotech Park, Genome valley, Hyderabad	37,963,917	16,585,854	4,491,116	50,058,655	37,963,917	
	i) Advance for Capital Items	82,235,651	80,645,819	5,853,617	157,027,853	82,235,651	
	ii) Building under construction	2,166,000	4,219,800	-	6,385,800	2,166,000	
	iii) Expenditure pending allocation :	721,023	311,667	-	1,032,690	721,023	
	- Managerial remuneration	520,078	504,191	-	1,024,269	520,078	
	- Professional charges	-	208,710	-	208,710	-	
	- Travelling & conveyance	2,293,233	6,583,236	-	8,876,469	2,293,233	
	- Recruitment & training	-	581,542	-	581,542	-	
	- Employee benefits	-	-	-	-	-	
	- Bank charges	-	-	-	-	-	
	Total :	125,899,902	109,640,819	10,344,733	225,195,988	125,899,902	
	Previous year	61,565,963	193,367,762	129,033,823	125,899,902	61,565,963	

Schedules to Accounts

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
7 CURRENT ASSETS, LOANS & ADVANCES		
a) Inventories (valuation as per Accounting Policy No. F)		
Chemicals & Consumables	93,166,840	59,675,035
Components, Stores & Spares	1,407,545	1,131,386
Works-in-progress	36,891,551	35,742,650
TOTAL	<u>131,465,936</u>	<u>96,549,071</u>
b) Sundry Debtors		
(Debts considered good for which the Company holds no security other than the debtors' personal security)		
Debts outstanding for a Period exceeding six months	35,227,213	35,560,444
Other debts	188,542,208	275,033,368
TOTAL	<u>223,769,421</u>	<u>310,593,812</u>
c) Cash & Bank Balances		
Cash balance on hand	631,609	844,459
Balances lying with Scheduled Banks in India:		
On Current Accounts	8,071,063	5,153,442
On Deposit Accounts		
- unutilised monies out of the further issue of capital	-	15,000,000
- others	2,551,255	3,894,191
Cheques on hand	500,875	-
Unclaimed dividend account	1,620,021	1,397,590
TOTAL	<u>13,374,823</u>	<u>26,289,682</u>
d) Other Current Assets		
Interest accrued on deposits with banks	300,000	384,669
Retention money with customers	554,818	458,818
TOTAL	<u>854,818</u>	<u>843,487</u>
e) Loans and Advances		
(Considered good for which the Company holds no security other than the personal security of parties)		
Loans to employees (including accrued interest)	2,726,004	3,289,159
Advances recoverable in cash or in kind or for value to be received		
- Employees	3,401,003	3,994,733
- Others (for Services & supplies)	3,159,250	10,507,882
- Prepaid expenses	6,424,072	4,504,932
Deposits	13,129,416	7,856,139
Income-tax paid under protest (relating to earlier years)	8,989,830	8,989,830
Advance tax and tax deducted at source (net of tax payable)	45,581,626	21,409,213
CENVAT input credit	-	9,904,969
TOTAL	<u>83,411,201</u>	<u>70,456,857</u>
The above loans and advances include -		
i) Loans due from officers of the Company	916,940	1,133,000
Maximum amount outstanding at any time during the year	1,133,000	1,133,000
ii) Due from Vimta Specialities Ltd, a Company under the same management within the meaning of Sec. 370(1B)		
- For Services & Supplies	1,547,180	1,656,955
- Rent deposit	3,000,000	-
Maximum amount outstanding at any time during the year		
- For Services & Supplies	3,699,650	3,699,650
- Rent deposit	3,000,000	-

Schedules to Accounts

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
8 CURRENT LIABILITES & PROVISIONS		
A) Current Liabilities		
Sundry Creditors for services & supplies :		
- dues to SSI Undertakings	—	—
- dues to Micro & Small Enterprises	—	—
- dues to others (other than to directors)	51,873,179	53,129,317
Sundry creditors for Capital expenditure		
- dues to SSI Undertakings	—	—
- dues to Micro & Small Enterprises	—	—
- dues to others (other than to directors)	16,306,990	20,313,184
Advances from customers	7,020,050	3,674,368
Other Liabilities (other than to directors)	26,830,078	39,212,294
Unclaimed dividend	1,615,101	1,392,670
SUB TOTAL	<u>103,645,398</u>	<u>117,721,833</u>
B) Provisions		
Proposed dividend	17,686,248	17,686,248
Tax on proposed dividend	3,005,780	3,005,780
Leave encashment	2,809,340	2,525,050
SUB TOTAL	<u>23,501,368</u>	<u>23,217,078</u>
TOTAL	<u>127,146,766</u>	<u>140,938,911</u>
9 MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary expenses (in connection with further issue of capital)		
Balance as per last balance sheet	12,056,165	16,074,887
Less : Written off during the year to Profit & Loss Account	4,018,720	4,018,722
TOTAL	<u>8,037,445</u>	<u>12,056,165</u>
10 CONTINGENT LIABILITIES		
Estimated amount of contracts remaining to be executed on capital account and not provided for	65,917,670	70,762,167
Disputed Income tax demand (Appeal pending before ITAT)	8,989,830	8,989,830
Guarantees issued by bank	11,383,857	7,665,395
Letters of credit issued by bank	11,201,680	-
Future minimum lease payments under operating lease	984,480	6,458,192
TOTAL	<u>98,477,517</u>	<u>93,875,584</u>
11 INCOME FROM TESTING SERVICES		
Domestic	512,257,308	476,956,283
Exports	303,774,198	289,982,900
TOTAL	<u>816,031,506</u>	<u>766,939,183</u>
12 OTHER INCOME		
Interest on Deposits with Banks (including TDS of Rs.Nil Previous year Rs.5,09,795)	634,589	5,655,758
Foreign exchange fluctuation (net)	-	15,601,866
Interest on electricity consumption deposit	300,000	293,772
Miscellaneous receipts	340,587	459,976
TOTAL	<u>1,275,176</u>	<u>22,011,372</u>
13 TESTING EXPENSES		
Chemicals & Consumables,	129,683,264	114,690,576
Stores, Spares & Components	4,918,464	4,299,185
Sample preparation, Data Generation, Inspection and Testing Exps.	85,589,712	62,698,120
Power & Fuel	34,178,598	34,423,092
Water Charges	1,073,437	1,297,910
Sub-total	<u>255,443,475</u>	<u>217,408,883</u>
Add: Opening Works-in-Progress	35,742,650	32,396,947
Less : Closing Works-in-Progress	36,891,551	35,742,650
TOTAL	<u>254,294,574</u>	<u>214,063,180</u>

Schedules to Accounts

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
14 PAYMENTS AND BENEFITS TO EMPLOYEES		
Salaries, Wages & Bonus	147,368,830	130,287,395
Contribution to Provident & Other Funds	10,613,721	8,974,030
Staff Welfare Expenses	6,803,271	5,640,610
TOTAL	164,785,822	144,902,035
Note : Expenditure not included above and charged to CWIP	<u>6,583,236</u>	<u>3,058,203</u>
15 ADMINISTRATION & OTHER EXPENSES		
Managerial remuneration	13,430,200	14,608,796
Sitting fees to directors	35,000	70,000
Rent	1,718,058	1,138,370
Rates, taxes, licences & renewals	7,585,466	1,579,853
Insurance	5,770,299	6,423,547
Travelling & conveyance	22,016,693	25,244,350
Advertisement & business promotion	8,492,554	6,863,017
Communication expenses	11,818,581	11,267,705
Printing & Stationary	4,252,521	9,180,532
Repairs & Maintenance	11,879,281	10,310,823
Payment to auditors	642,430	592,920
Books & Periodicals	73,404	245,114
Vehicle maintenance	3,293,199	2,450,452
Operating lease charges	6,474,602	19,984,227
Professional and consultancy charges	20,795,771	13,580,978
Membership & subscriptions	497,796	359,272
House keeping & premises maintenance	5,432,378	4,817,258
Security charges	3,561,418	2,604,138
Recruitment & training expenses	2,317,402	1,300,536
Commission	15,116,360	9,151,903
Software charges	4,549,177	10,261,992
Bad debts written off	0	250,000
Loss on sale of assets	73,767	0
Foreign exchange fluctuation (net)	7,464,276	0
Miscellaneous expenses	789,525	519,354
TOTAL	158,080,158	152,805,137
Note : Expenditure not included above and charged to CWIP		
Managerial remuneration	4,219,800	3,146,804
Professional charges	311,667	517,290
Travelling & conveyance	504,191	-
Recruitment & training	208,710	-
16 INTEREST AND FINANCE CHARGES		
i) Interest		
a) To Banks		
- On Foreign currency term Loans	9,748,253	14,698,466
- On Working capital loans	12,364,659	10,003,553
b) To others, other than directors, on fixed loans	1,828,884	2,338,944
ii) Bank charges	2,318,239	1,089,434
TOTAL	26,260,035	28,130,397
Note : Expenditure not included above and charged to CWIP		
Bank charges	<u>581,542</u>	<u>-</u>

17. SIGNIFICANT ACCOUNTING POLICIES :**A) Basis of Preparation of Financial Statements :**

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

B) Use of Estimates :

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

C) Fixed Assets and Capital Work-in-Progress :

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

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

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

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

iii) **Capital Work-in-Progress** : Advances paid towards acquisition of fixed assets and the cost of assets not ready for use at the Balance Sheet date is disclosed under the head Capital Work-in-Progress at cost.

D) Depreciation and Amortization :

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

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

iii) Good will is amortized over a period of ten years in equal installments commencing from the year in which the goodwill is recognized.

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

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

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

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

G) Revenue recognition : Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Revenue from Testing and Analysis Services is recognized as the service is performed in accordance with the methods prescribed in AS -9, Revenue Recognition.

ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

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

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

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

Schedules to Accounts

Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus, annual leave and other non-monetary benefits are provided for as per Company's Rules on best estimate basis.

K) Foreign Currency Transactions : Transactions in Foreign Currencies are recorded at the exchange rates prevailing on the date of the respective transactions. Foreign Currency monetary Assets and Liabilities are restated at year end exchange rates. Exchange difference arising on settlement or restatement of monetary items is recognized as income or expense in the year in which they arise. The Company has not exercised the "Option" allowed in AS - 11 (Paragraph 46) in respect of treatment of exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded.

L) Miscellaneous Expenditure (to the extent not written off or adjusted):

Expenditure incurred in relation to issue of further capital is written off over a period of 5 years in equal installments commencing from the year in which the funds raised are utilized.

M) Tax Expense : Tax expense comprises of current, deferred and Fringe Benefit Tax.

(i) Current Income tax and Fringe Benefit Tax is measured as per the provisions of Income Tax Act, 1961 and the rules made thereunder.

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

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

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

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

share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.

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

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

18. NOTES ON ACCOUNTS :

1. Secured Loans

i) Cash credit (working capital facility) (limit Rs.1000 lakhs, Outstanding - Rs.1095.23 lakhs) (previous year Rs.700 lakhs and Rs.881.01 lakhs respectively) from State Bank of India is secured by hypothecation of all the current assets of the Company as primary security and extension of charge on land, buildings and fixed assets of the Company, other than the assets which are acquired with Hire Purchase loans, Soft loan from Technology Development Board and grants from Government and other Institutions.

ii) Foreign Currency Term Loans from State Bank of India (limit Rs.3300 lakhs; outstanding Rs.868.92 lakhs) (previous year Rs.3300 lakhs and Rs.1436.07 lakhs respectively) are secured by equitable mortgage of land and hypothecation of buildings situated at Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, Hyderabad and Plot No: 5, S P Biotech Park, Genome Valley, Turkapally, Hyderabad and hypothecation of equipment procured with the term loans as primary security and extension of charge on other fixed assets of the Company situated at other places, other than the assets which are acquired with Hire Purchase loans, Grants and Soft loans from Government and other institutions.

Note : During the year under review, the State Bank of India ceded pari passu charge on the movable fixed assets and current assets of the Company in favour of HSBC Bank for the term loan and working capital sanctioned by them to the Company. Consequently, the working capital limits with SBI stands revised to Rs. 600 lakhs including standby limit of Rs. 100 lakhs. Modification to the charge is in progress.

iii) Foreign Currency Term Loan from The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) [limit of Rs.1000 lakhs and outstanding of Rs.154.64 lakhs] (previous year Rs. Nil) is secured by first pari passu charge on entire movable fixed assets of the Company both present and future and second pari passu charge on entire current assets of the Company both present and future.

iv) Working capital facilities from HSBC Bank repayable in foreign currency (Limit Rs.650 lakhs and outstanding of Rs. Nil) (Previous year Rs.Nil) is secured by first pari passu charge on entire current assets of the Company both present and future and second pari passu charge on movable fixed assets of the Company both present and future.

v) Soft loan from Technology Development Board (Limit Rs.485 lakhs; Outstanding Rs. 343.51 lakhs, (previous year Rs.485 lakhs and Rs.462.59 lakhs respectively) is secured by hypothecation of plant and equipment procured with the said loan.

2. Current Liabilities and Provisions

a) Sundry Creditors

- i) Name(s) of small scale industrial undertakings to whom the Company owe any sum together with interest outstanding for more than 30 days - Nil (Previous year Nil)
- ii) The amount due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (as disclosed in schedule 8, Current Liabilities) has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at 31st March, 2009 are as under :-

Sl. No.	Description	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
1.	The principal amount remaining unpaid at the end of accounting year	Nil	Nil
2.	The interest due thereon remaining unpaid to supplier as at the end of accounting year	Nil	Nil
3.	The amount of interest paid in terms of Section 16, along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
4.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
5.	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	Nil	Nil
6.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

Note : Information on SSI Units and the Units covered under Micro, Small and Medium Enterprise Development Act, 2006 is based on the information collected by the Management from the vendors and relied upon by the auditors.

b) Income Tax Demand

A total Income Tax demand of Rs.89.90 lakhs has been raised on the Company in the assessments completed for assessment years 2002-03 to 2004-05, rejecting the claim of the Company for deduction of income from exports from its total income. The Company's legal counsel has confirmed the validity of the deductions claimed by the Company. The Company has deposited the demands in full under protest and disputed before the Appellate Authorities and the same are pending before ITAT, Hyderabad as on date. In view of the above, no provision is made for the said demand of Rs.89.90 lakhs in the books of account. The same is reflected in the contingent liabilities.

c) Export Obligations

In order to obtain Import Licenses under the Export Promotion Capital Goods Scheme of Government of India, the Company has given an undertaking to fulfill certain quantified export obligations. In case of non-fulfillment of such obligations, the Company shall be liable to pay the concessions in duty availed and interest on unfulfilled export obligations under the said scheme. Till 31.03.2009, the Company has fulfilled the required export obligations under the scheme and hence no liability is foreseen on account of this. Accordingly no liability is provided for on account of this.

d) Cess U/s.441A of Companies Act, 1956

As the Central Government has not yet notified the date for levy of Cess u/s 441A of the Companies Act, 1956, no provision is made for the same.

e) Foreign currency exposure not hedged

Foreign currency exposure not hedged by a derivative instrument or otherwise on account of Borrowings from Banks, including interest accrued thereon - USD 2109000 (Previous year USD 3740540).

3. Current Assets, Loans & Advances

In the opinion of Management, Current Assets, Loans & Advances have a value and realization that will be equal to the amount at which they are stated in the Balance Sheet, and provision for all known unrecoverable items has been made.

4. Deferred Tax

- i) Computation of Deferred Tax as per Accounting Standard - "Accounting for taxes on Income", is as under :-

	(Rs. in lakhs)	
	As on 31.03.2009	As on 31.03.2008
A) Timing Differences		
i) Depreciation	712.74	758.45
ii) Leave encashment	(28.09)	(25.25)
Net timing differences	<u>684.65</u>	<u>733.20</u>
B) Deferred tax on the above timing differences	232.71	249.21
Less : Opening balance b/f.	249.21	252.07
Liability/(Asset) recognized for the year	<u>(16.50)</u>	<u>(2.86)</u>

- ii) Component wise break up of deferred tax liability/ (asset) :

	(Rs. in lakhs)	
	As on 31.03.2009	As on 31.03.2008
A) Deferred tax liability on timing differences of depreciation	242.26	257.80
B) Deferred tax asset on Leave encashment	(9.55)	(8.59)
C) Net liability as at the year end	<u>232.71</u>	<u>249.21</u>

5. Related party disclosures :

Pursuant to Accounting Standard-18 (AS-18) issued by the ICAI, the names of the related parties and nature of relationships and particulars of transactions with the said related parties during the year are as follows :

Schedules to Accounts

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

A) Key Management Personnel	Dr S P Vasireddi	Chairman & Managing Director
	V Harriman	Director - Technical
	V V Prasad	Executive Director
	Harita Vasireddi	Director - Quality
B) Relatives of Key Management Personnel	V Swarnalatha	General Manager
	V Sireesh Chandra	Dy. Manager-IT
	V Sujani	Asst. Manager-Fin. & Admn.
C) Associates	Vimta Specialities Limited L V Prasad Eye Institute (Being one of the group institutions of L V Prasad Eye Research Foundation in which the Managing Director Dr. S P Vasireddi and Director Dr D Balasubramanian are members of the Governing body).	

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

ii) Aggregate Related Party transactions for the year 2008 - 2009

(In Rupees)

	Key Management Personnel	Relatives of Key Management Personnel	Associates	Total
Remuneration Paid (Previous Year)	17,650,000 (17,755,600)	1,667,490 (1,663,706)	---	19,317,490 (19,419,306)
Services rendered (Previous Year)	---	---	2,141,932 (2042955)	2,141,932 (2042955)
Services availed (Previous Year)	---	---	6,693,448 (5,177,615)	6,693,448 (5,177,615)
Rent deposit (Paid) (Previous Year)	---	---	3,000,000 (Nil)	3,000,000 (Nil)

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

6. Operating Leases:

The Company has taken certain equipment under non cancelable operating lease agreements for a period of 36 months. The lease rental charge grouped under operating lease charges during the year ended March, 2009 is Rs.64.75 lakhs (Previous year Rs.199.84 lakhs) and maximum obligation on long-term non-cancelable operating lease payable as per the rentals stated in respective agreements are as follows:

(Rs. in lakhs)

	As on 31.03.2009	As on 31.03.2008
l) Obligation on Non-cancelable operating leases:		
a) not later than one year	9.88	64.58
b) later than one year and not later than five years	Nil	Nil
c) later than five years	Nil	Nil

(Rs. in lakhs)

	As on 31.03.2009	As on 31.03.2008
ii) Total of minimum sub-lease payments expected	Nil	Nil
iii) Lease payments recognized in the statement of Profit & Loss for the Period	64.75	199.84
iv) Sub lease payments received or receivable recognized in P&L A/c during the period	Nil	Nil
v) General description of significant leasing arrangements		
a) Description of the assets taken on operating lease	IBM Servers, Laptops, Software etc.	
b) Basis on which contingent rent payments are determined	As per the terms of the lease agreement	
c) Terms of renewal or purchase options and escalation clauses of lease arrangements	As per the terms of the lease agreement	
d) Restrictions imposed by lease agreements, if any	Nil	Nil

7. Disclosures in terms of Accounting Standard - 15 "Employee Benefits"

(In Rupees)

	As on 31.03.2009	As on 31.03.2008
i) Defined contribution plan :		
• Contributions to Provident Fund	7,578,013	6,116,019
ii) Defined Benefit Plans :		
• Gratuity		
A ASSUMPTIONS		
Discount Rate	8%	8%
Salary Escalation	4%	5%
B Table showing the changes in present value of obligations		
a) Present value of obligations at the beginning of the year	5,391,083	6,265,084
b) Interest cost	431,287	532,532
c) Current service cost	883,073	1,869,973
d) Benefits paid- Actuals	1,666,340	1,717,334
e) expected liability at the year end	5,039,103	6,950,255
f) Present value of obligations at the end of the year	6,025,383	5,391,083
g) Actuarial Loss / Gain	(986,280)	1,559,172
C Changes in fair value of Assets		
a) Fair value of Assets at the beginning of the year	3,031,183	3,110,139
b) Expected return on plan assets	219,540	196,666
c) Contributions	1,800,379	1,441,712
d) Benefits paid- Actuals	1,666,340	1,717,334
e) Actuarial gain/loss on plan assets	Nil	Nil
f) Fair value of assets at the end of the year	3,384,762	3,031,183
D Table showing fair value of plan assets		
a) Fair value of plan assets at the beginning of the year	3,031,183	3,110,139
b) Actual return on plan assets	219,540	196,666
c) Contributions	1,800,379	1,441,712
d) Benefits paid	1,666,340	1,717,334
e) Fair value of plan assets at the end of the year	3,384,762	3,031,183
f) Funded status	(2,640,621)	(2,359,900)
g) Excess of actual over estimated return on plan assets	Nil	Nil

(In Rupees)		
	As on 31.03.2009	As on 31.03.2008
E Actuarial Loss or Gain recognised		
a) Actuarial loss for the year - Obligation	(986,280)	1,559,172
b) Actuarial loss for the year - plan assets	0	0
c) Total loss for the year	(986,280)	1,559,172
d) Actuarial loss recognised	(986,280)	1,559,172
F Amounts to be recognised in the Balance Sheet and statements of P&L		
a) PV of obligations as at the end of the year	6,025,383	5,391,083
b) Fair value of assets at the end of the year	3,384,762	3,031,183
c) Funded status	(2,640,621)	(2,359,900)
d) Net Liability / asset recognised in balance sheet	(2,640,621)	(2,359,900)
G Expenses recognised in statement of P&L		
a) Current service cost	883,073	1,869,973
b) Interest cost	431,287	532,532
c) Expected return on plan assets	219,540	196,666
d) Net actuarial loss recognised in the year	(986,280)	1,559,172
e) Expenses recognised in statement of Profit & Loss	2,081,100	646,667

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

8. Disclosures in terms of Accounting Standard "Impairment Losses"

(Rs. in lakhs)		
	As on 31.03.2009	As on 31.03.2008
i) Amount of impairment losses recognized in the Profit & Loss A/c.	Nil	Nil
ii) Amount of reversal of impairment losses recognized in the Profit & Loss A/c.	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

9. Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable to the Company

(Rs. in lakhs)

	Current year	Previous year
a) Value of Imports calculated on CIF Basis in respect of:		
i) Capital Goods	366.13	595.76
ii) Chemicals & Consumables	56.09	87.59
iii) Components and spare parts	60.25	34.97
iv) Reference Standards / Proficiency testing	65.35	43.58
v) Software	16.43	0.74
b) Expenditure in Foreign Currency on account of:		
i) Travelling expenses	37.09	40.26
ii) Membership & Subscriptions	3.40	3.56
iii) Books & Periodicals	-	0.17
iv) Professional charges	-	38.87
v) Commission	131.08	72.37
vi) Interest on Foreign Currency Term Loan paid to Bank	97.48	146.98
c) i) Amount remitted during the year in foreign currency on account of dividends	-	-
ii) Number of Non-Resident Shareholders	77	63
iii) Number of shares held by them	160641	113316
iv) Year to which the dividends related (Dividend was paid to NRI shareholders in Indian Rupees only)	2007-08 1.29	2006-07 0.91
d) Earnings in foreign exchange : Export Income from testing services	3037.74	2899.83

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

The Company is not carrying on any manufacturing activities but engaged in the business of testing and Contract Research in the fields of Clinical and Pre Clinical Studies, Clinical Reference, Analytical Testing, Advanced Molecular Biology and Environmental studies. The Company's business requires variety of chemicals and consumables in small quantities and does not require any raw materials. It is not practicable to furnish the quantitative details of these chemicals & consumables as number of small quantities are consumed. Hence, aggregate value of all imported and indigenous chemicals & consumables and spares & components consumed and the percentage of each to the total consumption are furnished below:

Schedules to Accounts

(Rs. in lakhs)

	Current year		Previous year	
	Consumption	% to total	Consumption	% to total
a) Chemicals & Consumables				
- Indigenous	1206.73	95	1050.19	93
- Imported	57.61	5	84.26	7
Total	1264.34	100	1134.45	100
b) Spares & Components				
- Indigenous	39.17	80	35.23	82
- Imported	10.01	20	7.77	18
Total	49.18	100	43.00	100

f) Managerial Remuneration

Managerial remuneration U/s. 198 of the Act paid/payable to the Managing Director and other Whole-time Directors is as follows :

(In Rupees)

	Dr S P Vasireddi Managing Director	V Harriman Director-Technical	V V Prasad Executive Director	Harita Vasireddi Director Quality	Total
Salary & Allowances	4800000 (4800000)	3900000 (3900000)	3900000 (3900000)	3250000 (3250000)	15850000 (15850000)
Perquisites	576000 (602400)	432000 (458400)	432000 (458400)	360000 (386400)	1800000 (1905600)
Total	5376000	4332000	4332000	3610000	17650000
Prev. year	5402400	4358400	4358400	3636400	17755600

Notes:

- The above remuneration is paid in accordance with the terms of appointment approved by the Board and requires approval of shareholders by way of Special resolution.
- As the net profit computed in accordance with the provisions of Sec.349 of the Companies Act, 1956 is inadequate to pay the remuneration and commission to the Managing Director and other whole-time directors as per Section 198, minimum remuneration permissible under Clause B of Section II of Part II of Schedule XIII to the Companies Act, 1956 is paid.
- Out of the above remuneration, based on the time spent by the Directors on the expansion project, an amount of Rs.42.20 lakhs (previous year Rs.31.47 lakhs) has been capitalized.
- Perquisites include Company's contribution towards PF and other non-monetary benefits valued as per Income Tax Rules.
- As the liability for Gratuity is provided on actuarial basis for all the employees of the Company as a whole, the amount pertaining to the Directors is not ascertainable and therefore not included above.
- Figures in brackets relate to the previous year.

g) Repairs & Maintenance

(In Rupees)

Particulars	Current Year	Previous Year
a) On Buildings	2802398	5208772
b) On Plant & Machinery	5798366	2354288
c) On other Assets	3278517	2747763
Total	11879281	10310823

h) Payment to Auditors

(In Rupees)

Particulars	Current Year	Previous Year
i) As auditors	551500	524720
ii) As advisors or in any other capacity, in respect of :		
- Taxation matters	58708	45000
- Management Services	22472	15000
iii) Out of pocket expenses	9750	8200
Total	642430	592920

10. Information to be furnished under Sec. 22 of Micro, Small and Medium Enterprises Development Act, 2006 in relation to dues and interest payable on the dues to micro, small and medium enterprises is – Nil
11. As per the provisions of Income tax Act, 1961 applicable for the current year, no tax needs to be deducted at source from the proposed dividend on equity shares.
12. Previous year's figures have been regrouped / recasted wherever considered necessary to conform to the layout of the accounts adopted in the current year.
13. Paise are rounded off to the nearest rupee.
14. Information pursuant to the provisions of part IV of schedule VI of the companies Act, 1956.

i. Registration details	
Registration No.	11977
State Code	01
Balance Sheet Date	31.03.2009

(Rs. in thousands)

	Current Year	Previous Year
ii. Capital raised during the year		
Public Issue	Nil	Nil
Bonus Issue	Nil	Nil
Right Issue	Nil	Nil
Private placement	Nil	Nil

(Rs. in thousands)

	As at 31.03.2009	As at 31.03.2008
iii. Position of mobilization and deployment of funds		
Total Liabilities	1570830	1584466
Sources of funds		
Paid-up Capital	44216	44216
Reserves & Surplus	1257113	1237362
Secured Loans	246230	277967
Deferred Tax	23271	24921
Total Assets	1570830	1584466
Application of funds		
Net fixed assets	1237063	1208616
Net Current Assets	325729	363794
Misc. Expenditure	8038	12056

(Rs. in thousands)

	Current Year	Previous Year
iv. Performance of Company		
Turnover	816031	766939
Total Expenditure	754514	689878
Profit before tax	62792	99072
Profit after tax	40443	62457
Earning per share (Rs.)	2	3
Dividend Rate	40%	40%

- v. Item code No. : —
Product description : Contract research & testing services

Schedules 1 to 18 referred to above form an integral part of the Balance Sheet and Profit & Loss Account

for SARATHY & BALU,
Chartered Accountants

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

Place: Hyderabad
Date: 27.04.2009

For and on behalf of the Board

Dr S P Vasireddi	Managing Director
V Harriman	Director Technical
V V Prasad	Executive Director
T S Ajai	Director

A Venkata Ramana	Company Secretary & VP - Corporate Affairs
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Place: Hyderabad
Date: 27.04.2009

Cash Flow Statement

(Rs. In lakhs)

Particulars	31.03.2009	31.03.2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and Extraordinary items	627.92	990.72
Adjustment for :		
Depreciation	1483.28	1461.85
Interest debited to P & L Account	262.60	281.30
Amortisation of preliminary expenses	40.18	40.18
Prior year tax adjustments	-12.53	-2.26
Loss on sale of assets	0.74	0.00
	1774.27	1781.07
Operating profit before working capital changes	2402.19	2771.79
Adjustments for :		
Trade and other receivables	-738.59	1002.79
Inventories	349.17	296.57
Trade payables	137.92	-180.72
	-251.50	1118.64
Cash generated from operations	2653.69	1653.15
Taxes paid (including FBT)	240.00	369.00
Prior year tax adjustments	-12.53	-2.26
Cash flow before extraordinary items	2426.22	1286.41
NET CASH FLOW FROM OPERATING ACTIVITIES	2426.22	1286.41
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (after adjustments)	-1770.05	-2055.84
Sale of fixed assets	1.57	0.00
NET CASH USED IN INVESTING ACTIVITIES	-1768.48	-2055.84
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid on term loans	-262.60	-281.30
Proceeds from long term borrowings from HSBC	154.64	0.00
Repayment of long term borrowings	-686.23	-988.59
Dividends paid	-206.92	-206.92
Change in cash credit	214.21	257.32
NET CASH FLOW USED IN FINANCING ACTIVITIES	-786.90	-1219.49
Net increase / (decrease) in cash and cash equivalents	-129.16	-1988.92
Cash and Cash equivalents Opening Balance :		
Cash and bank balances	262.90	2251.82
Cash and Cash equivalents Closing Balance :		
Cash and bank balances	133.74	262.90

- Note: i. Cash Flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3; Cash Flow statements referred to section 211(3C) of the Companies Act, 1956.
ii. Previous year's figures have been regrouped/reclassified wherever necessary

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

For and on behalf of the Board

Dr S P Vasireddi
Managing Director

V Harriman
Director Technical

V V Prasad
Executive Director

T S Ajai
Director

Place: Hyderabad
Date: 27.04.2009

A Venkata Ramana
Company Secretary & VP - Corporate Affairs

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow statement of VIMTA LABS LIMITED, for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement entered into with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss account and the Balance sheet of the Company covered by our Report to the members of the Company.

Place: Hyderabad
Date: 27.04.2009

for SARATHY & BALU,
CHARTERED ACCOUNTANTS

J. VENKATESWARLU
PARTNER
ICAI Ms. No.022481

ELECTRONIC CLEARING SERVICES (ECS) MANDATE

To,
 M/s. CIL Securities Limited
 Unit: Vimta Labs Limited
 214, Raghava Ratna Towers,
 Chirag Ali Lane, Abids,
 Hyderabad - 500 001.

**For Shares held in physical mode
 Please complete this form and send
 it to M/s. CIL Securities Limited
 Hyderabad**

**For Shares held in Demat mode
 Please inform your Dp's directly.**

For shares held in physical form

Master Folio No.

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	FOR OFFICE USE ONLY
ECS Ref. No.	

Name of First holder											
Bank											
Branch Name & Address											
Branch Code	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> <p style="font-size: small; margin-top: 5px;">(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). (In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your savings bank passbook issue by your bank for verification of the above particulars.</p>										

Account type (Please tick)	→	Savings 10 <input type="checkbox"/>	Current 11 <input type="checkbox"/>	OD 13 <input type="checkbox"/>										
A/c. No. (As appearing in the cheque book)	→	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>												
Effective date of this mandate	→	<table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>												

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of informatin supplied as above, Vimta Labs Limited and CIL Securities Limited will not be held responsible. I have read the optional invitation letter and agree to discharge the responsibility expected of me as a participant under scheme.

I further undertake to inform the Company any change in my Bank / Branch and Account number.

Dated : _____ _____
(Signature of First holder)

Note: On dematerialisation of existing physical shares, for which you have availed ECS facility, the above form needs to be re-submitted.

Certified that the particulars furnished above are correct as per our records

Bank's Stamp _____ _____
(Signature of the Official of the Bank)

Date: _____

www.vimta.com

Registered Office :

Vimta Labs Limited

Plot Nos.: 141/2 & 142
IDA Phase II, Cherlapally
R. R. District
Hyderabad - 500 051, India
Phone : +91 40 27264141
Fax : +91 40 27263657

Life Sciences Facility :

Vimta Labs Limited

Plot No. 5, S P Biotech Park
Genome Valley, Turkapalli Village
Shameerpet Mandal
R.R. District
Hyderabad - 500 078, India
Phone : +91 40 39848484