



Annual Report 2014 - 15

Vimta Labs Limited

CIN : L24110TG1990PLC011977

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

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

BOARD OF DIRECTORS

Dr S P VASIREDDI
Executive Chairman

HARITA VASIREDDI
Managing Director

V HARRIMAN
Executive Director - Operations

V V PRASAD
Executive Director - Administration

T S AJAI
Independent Director

Dr SUBBA RAO PAVULURI
Independent Director

Prof. D BALASUBRAMANIAN
Independent Director

RAO PURNACHANDRA POTHARLANKA
Independent Director

CHIEF FINANCIAL OFFICER

M MURALI MOHANA RAO
P SANKARAI AH (Retired on 30.06.2015)

COMPANY SECRETARY

A VENKATA RAMANA

BANKER

State Bank of India
Overseas Branch
Plot No. 241/A, 2nd & 3rd Floor
Rajala Centre, Road No. 36
Jubilee Hills, Hyderabad-500 033

STATUTORY AUDITORS

JVSL & Associates
(Firm Regn. No. 15002S)
Chartered Accountants
Plot No. 443-A-22-III
Road No. 86, Jubilee Hills
Hyderabad - 500 033

SECRETARIAL AUDITORS

D Hanumantha Raju & Co.
Company Secretaries
B-13, F-1 & F-2, P.S. Nagar
Vijayanagar Colony
Hyderabad - 500 057

COST AUDITORS

U S Rao & Co.
(Firm Regn. No. 102629)
Cost Accountants
Plot No. 789, 1st Floor
Vivekananda Nagar
Kukatpally
Hyderabad - 500 072

LISTED WITH

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

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

SHARE TRANSFER AGENTS

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



Annual Report
2014 - 15

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IMPORTANT COMMUNICATION TO MEMBERS

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

NOTICE is hereby given that the twenty fifth Annual General Meeting of the members of Vimta Labs Limited will be held on August 21, 2015 at 10.00 A M at the Registered Office of the Company i.e. 141/2 & 142, IDA, Phase-II, Cherlapally, Hyderabad - 500051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2015 and Statement of Profit & Loss Account for the year ended on that date together with Cash Flow Statements, Auditors' report and the Board Report thereon.
2. To approve the Dividend.
3. To appoint a Director in place of V V Prasad who retires by rotation and being eligible, offers himself for reappointment.
4. Appointment of auditors

To consider and, if thought fit to pass the following resolution, with or without any modification(s), as an ordinary resolution ratifying the appointment of M/s JVSL & Associates, auditors of the Company to hold office from conclusion of the this meeting to the conclusion of next Annual General Meeting to be held in the calendar year 2016:

"Resolved that, pursuant to third proviso to Section 139 and other applicable provisions of the Companies Act, 2013 read with Rules made there under and pursuant to the resolution passed by the members at the Annual General Meeting held on July 7, 2014, the appointment of M/s J V S L & Associates, Chartered Accountants, Hyderabad, (Firm Regn. 15002S) be and is hereby ratified as the auditors of the Company to hold office from the conclusion of this meeting to the conclusion of next Annual General Meeting to be held in the calendar year 2016 and that the Board of Directors be and is hereby authorized to pay such remuneration, as may be determined by the Audit Committee, payable to them in addition to reimbursement of all out-of-pocket expenses in connection with audit of the accounts of the Company for the financial year ending March 31, 2016."

SPECIAL BUSINESS

5. To consider and, if thought fit to pass the following resolution, with or without any modification(s), as an ordinary resolution ratifying the remuneration payable to M/s U S Rao & Co, Cost Auditors of the Company:

"Resolved that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014 remuneration of ₹ 30,000/- (Rupees thirty thousand only) payable to M/s U S Rao & Co, Cost Auditors of the Company for the audit of cost records for the year ending March 31, 2015 which was approved by the Board of Directors be and is hereby ratified"

6. To consider and, if thought fit to pass the following resolution, with or without any modification(s), as special resolution:

"Resolved that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force the draft regulations of the Articles of Association of the Company placed before this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Article of Association of the Company."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place : Hyderabad
Date : 17.07.2015

By Order of the Board

A VENKATA RAMANA
COMPANY SECRETARY

NOTES

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of such member or number of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
5. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
8. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
9. The Register of Members and Share Transfer Books will remain closed from Monday August 10, 2015 to Friday August 21, 2015 (both days inclusive) for the purpose of Annual Closing and payment of Dividend, if approved for the financial year ended March 31, 2015.
10. Members whose shareholding is in electronic mode are requested to update the change of address, email ids and change in bank account details, if any with the respective Depository Participant(s).
11. Members who are willing to claim dividends, which remain unclaimed, are requested to correspond with the Company at its registered office address. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as per the provisions of Section 124 of the Companies Act, 2013.
12. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
13. The Annual Report 2014-15 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. The Company has appointed Mr D Hanumanta Raju, Partner, M/s D Hanumanta Raju & Co., Hyderabad, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on the Saturday August 08, 2015.
15. The instructions for e-voting, along with the Attendance slip and Proxy form are provided here with as an insertion. A copy of the same is also available on Company's website for reference.
16. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report 2014-15 is available on the Company's website, www.vimta.com. Members who require physical copies may write to us at shares@vimta.com
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
18. All documents referred to in this Notice are available for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.
19. Members are requested to bring their copy of Annual Report to the Meeting.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**Item No: 5**

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

Accordingly, on the recommendations of the Audit Committee the Board of Directors have appointed M/s U S Rao & Co, Cost Accountants to carry out cost audit of the cost records of the Company for the year ending March 31, 2015 at remuneration of ₹ 30,000/- (rupees thirty thousand only).

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

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

The Board recommends the ordinary resolution set out at Item No. 5 of the Notice for approval by the shareholders

Item No: 6

The existing regulations of Articles of Association ("AoA") of the Company were adopted when the Company was incorporated in 1991. These regulations were framed based on the Companies Act, 1956 having references to specific sections of the said Act.

The new Companies Act, 2013 is now largely in force and all most all the sections of the Act were notified by the Ministry of Corporate Affairs (MCA) and were made effective from April 01, 2014. Consequently, most of the regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 and requires major modifications / alterations to these regulations.

Since the required modifications / alterations to the existing regulations are at large, the Board of Directors considered that it is expedient to replace the existing regulations of the AoA with new set of regulations in conformity with Table 'F' of the Act which sets out the model AoA for a company limited by shares.

The proposed draft regulations of the AoA are placed on the Company's website for perusal by the shareholders. Any shareholder who would like to have a copy of the same may write to the Company.

None of the Directors are in any way concerned or interested in the special resolution set out at Item No. 6 of the Notice.

The Board recommends the special resolution set out at Item No. 6 of the Notice for approval by the shareholders

By Order of the Board

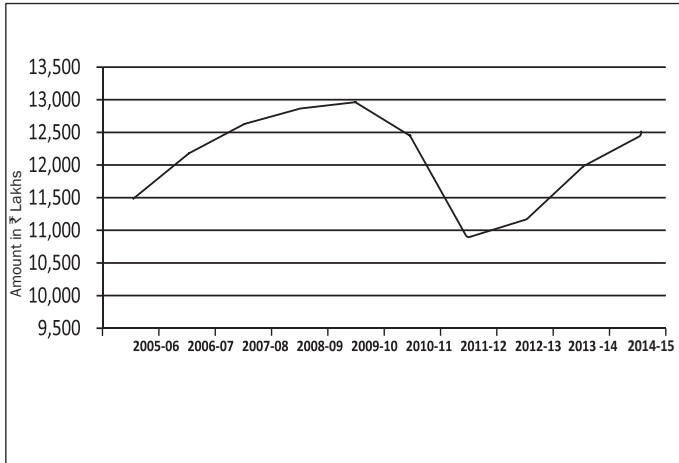
Place : Hyderabad
Date : 17.07.2015

A VENKATA RAMANA
COMPANY SECRETARY

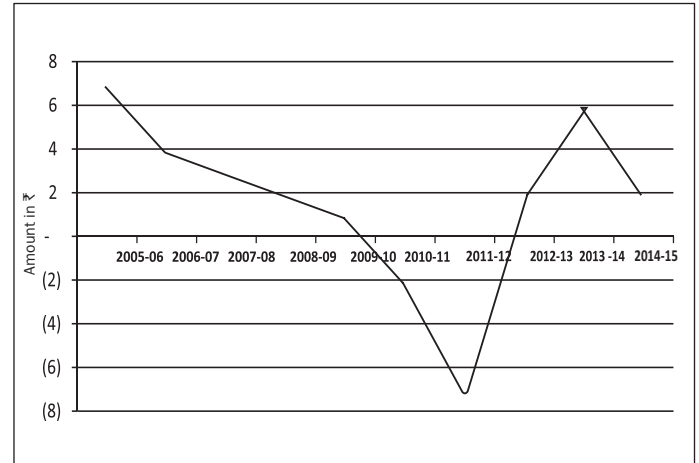
**Details of the Directors seeking reappointment at the forth coming Annual General Meeting
(In pursuance of clause 49 IV(G)(i) of the listing agreement)**

Name of the Director	Vasireddi Veerabhadra Prasad
Date of Birth	14.08.1951
Date of Appointment	15.07.2013
Expertise in specific functional areas	A graduate in commerce with over 37 years of 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.
Qualification	B.Com.
Shareholding in the company as on 30.06.2015 (No. of equity shares of ₹ 2 each)	1463515
List of other public limited companies in which directorship held	—
Chairman/Member of the Committees of the Board across all public companies of which he is a Director as on 31.03.2015	—

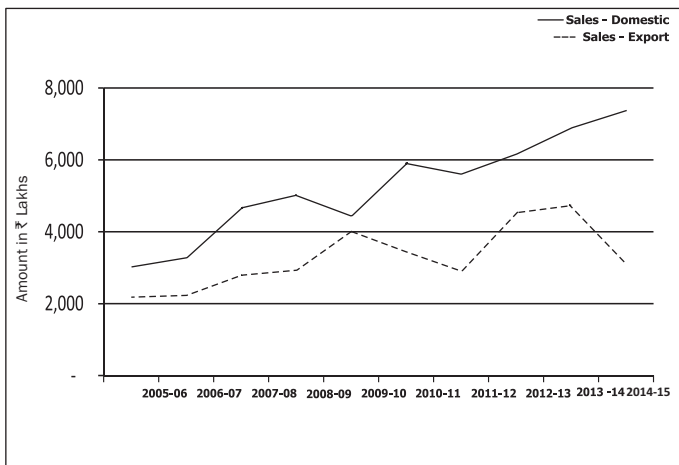
Net Worth



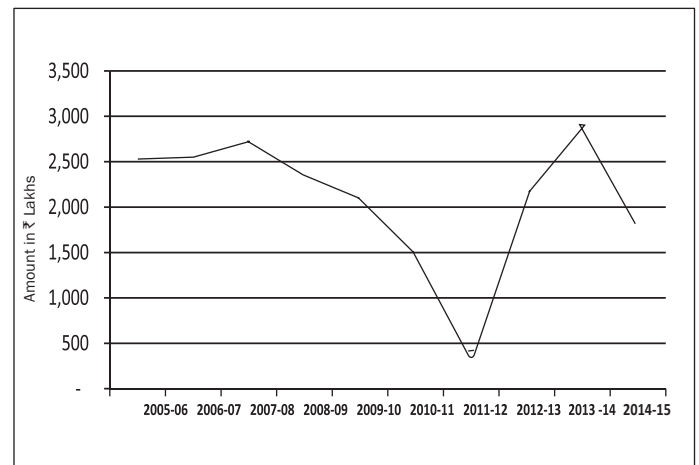
EPS



Yearly Sales Domestic vs Export



EBITDA



To
The Members of VIMTA LABS LIMITED

Your Directors have pleasure in presenting the 25th Annual Report and audited accounts of your Company for the year ended March 31, 2015.

FINANCIAL RESULTS

Financial Results for the year under review are as follows :

	(₹ in lakhs)			
	For the Year 2014-2015		For the Year 2013-2014	
1. Profit before interest, depreciation & taxes (EBIDTA)		1846.03		2938.27
Less : Finance charges & Interest	72.14		233.51	
Depreciation	<u>1109.90</u>	<u>1182.04</u>	<u>938.49</u>	<u>1172.00</u>
2. Profit /(Loss) before Amortization, Prior year adjustments & Taxes		663.99		1766.27
Less : Amortization of Preliminary Expenses	-		-	
Less/(Add) : Prior year adjustments	-	-	-	-
3. Profit /(Loss) before tax		663.99		1766.27
4. Less : a) Current Tax	139.20		370.30	
b) Prior year Tax Liability / (Credits)	(0.08)		-	
c) Deferred Tax Liability/(Asset)	<u>18.64</u>	<u>157.76</u>	<u>72.03</u>	<u>442.33</u>
5. Profit /(Loss) after Tax		506.23		1323.94
6. Add / (Less) : Surplus brought forward from previous years		*3064.64		<u>2439.69</u>
Amount available for appropriations		<u>3570.87</u>		<u>3763.63</u>
APPROPRIATIONS :				
Transfer to General Reserve		51.00		135.00
Proposed dividend		221.08		442.16
Provision for tax on proposed dividend		44.20		75.14
Surplus carried to Balance Sheet		<u>3254.59</u>		<u>3111.33</u>
		<u>3570.87</u>		<u>3763.63</u>

* After adjustment of depreciation on assets whose useful life was expired as per the new Companies Act 2013

STATE OF THE COMPANY'S AFFAIRS

Net Revenue from operations got reduced by 9.33% for the year 2014-15 compared to previous year 2013-14.

Decline in revenues was due to revised United States Food and Drugs Administration guidelines seeking additional data from industry's abbreviated new drug applications, thus reducing the total number of clinical research projects awarded during the year under review.

Earnings before interest, depreciation, taxes and amortization (EBIDTA) for the year are ₹ 1846.03 lakhs as compared to the previous year earnings of ₹ 2938.27 lakhs. Profit after tax (including deferred tax) stood at ₹ 506.23 lakhs as against a profit of ₹ 1323.94 lakhs in the previous year.

Pursuant to enactment of the Companies Act, 2013 the useful lives of fixed assets have been revised in accordance with Schedule II to the Act effective from April 1, 2014 and as a result an additional depreciation provision of ₹ 49.61 Lakhs was made for the year. Further, in line with transitional provision made under Note 7(b) of Schedule II to the Act an amount of ₹ 38.45 Lakhs (net of deferred tax asset) has been adjusted to retained earnings in respect of assets having no useful life as on April 1, 2014.

MATERIAL CHANGES AND COMMITMENTS

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

APPROPRIATIONS

Dividend

Your Directors are pleased to recommend a dividend of ₹ 1/- per equity share of ₹ 2/- each for the financial year 2014-15.

Transfer to Reserves

Out of the current year's profits your Directors propose to transfer ₹ 51 Lakhs to General Reserves.

BOARD

Particulars of Board of Directors and its Committees

The particulars of Board of Directors, its Committees along with terms of reference and meetings held during the year under review are given in detail in the report on corporate governance.

Particulars of changes in Directorship

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 read with Articles of Association of the Company, V V Prasad, Director of the Company would retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment. The Directors recommend the re-appointment of V V Prasad as Director of the Company, subject to retirement by rotation.

Except V V Prasad none of the appointments of other whole-time Directors and the Independent Directors are due for re-appointment.

Further, during the year under review there were no new appointments to the Directorship, except reappointment of Directors who retire by rotation. There were no cessations from the Directorship.

Particulars of changes in Key Managerial Personnel

P Sankaraiah, Chief Financial Officer (CFO) of the Company has retired from the services on June 30, 2015. The Board has appointed M Murali Mohana Rao as CFO effective from July 1, 2015.

The Board would like to take this opportunity to thank P Sankaraiah, outgoing CFO for his leadership and commitment since 2006, and welcome the new CFO M Murali Mohana Rao.

Directors' Responsibility Statement

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

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

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

Particulars of Contracts & Arrangements with Related Parties

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as Annexure-I to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

Particulars of Loans, Guarantees or Investments

During the financial year 2014-15 the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies.

Nomination and Remuneration policy

In compliance to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to appointment / nomination and remuneration payable for the Directors, Key Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same will form part of the Annual Report as Annexure-II to the Board's Report.

Evaluation

The Companies Act, 2013 mandates that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, as per the provisions of Schedule IV to the Act. Similarly, the Independent Directors in their separate meeting shall carry out the performance evaluation of Non-Independent Directors and the Board as a whole. Accordingly, the Board and the Independent Directors have carried out respective evaluations for the year 2014-15 and the evaluation reports are meeting the expectations of the Board.

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

Training of Independent Directors

Every new Independent Director of the Board attends an orientation program in order to get familiarize with the strategy, operations and functions of the Company. The Executive Directors / senior personnel make presentations to the inductees about the Company's strategy, operations, service offerings, markets, organization structure, finances, human resources, technology, facilities, risk management, etc.

Further, at the time of appointment of an Independent Director the Company issues a formal letter of appointment outlining his / her role, functions, duties and responsibilities as an Independent Director. The contents of the letter of appointment is available on Company's website www.vimta.com

Statement of particulars of Appointment and Remuneration of Managerial personnel & Particulars of employees:

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

Replacement of Articles of Association

The existing regulations of the Articles of Association (AoA) were framed at the time of incorporation in 1991 based on then Companies Act, 1956 and several regulations contains with reference to specific provisions of 1956 Act. Since most of the regulations are not consistent with the revised Companies Act, 2013 the Board of Directors considered that it is expedient to replace the full set of the existing regulations of the AoA with new regulations and seeks the approval of the shareholders for the same.

The proposed draft regulations of the AoA are placed on the Company's website for perusal by the shareholders. Any shareholder who would like to have a copy of the same may write to the Company.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Industry Overview

Stringent overview by regulators on pharma industry has resulted in demand for quality and integrity of data and that will bring more share of business for dependable CROs such as Vimta in long run. Further, consumer awareness for quality of food and enforcement by Food Safety Standards Authority of India is likely to create a spurt in the demand for food testing services. Growth for organized clinical diagnostics services is increasing with the life style changes and increased disease burden.

Potential and Outlook

Pharma – Service Innovation

Demand for CRO services continues to grow globally. A shift however is happening in the type of work being outsourced by the pharmaceutical industry. More and more pharma Companies are defocusing on their traditional small molecule pipelines and increasing their expenditure on Biopharma and Biologics innovations. The R&D spend from such Companies is propelling the demand for CROs services who now have the challenge of adapting to the complex scientifically and technologically advanced needs of the Biopharma and Biologics Companies.

Maintaining its spirit of adaptability to the ever changing needs of the environment in which it operates, VIMTA has established a Biopharma services division to which the industry has responded very positively.

The synergistic combination of VIMTA services including preclinical, clinical, analytical and the newly established Biopharma services are unique in India and this positions your Company well in the market to attract more customer-partners.

Food – Expansion for growth

VIMTA plans to setup a pan India network of food testing laboratories to cater to the steeply growing demand of the food industry for third party quality testing and certification needs. The Food Safety and

Standards Authority of India (FSSAI) has rolled out its new regulations in 2013 responding to global market needs and growing domestic consumer awareness on food safety and quality. VIMTA during its three decades journey has built for itself a brand synonymous with quality and trust and is well positioned to offer routine as well as highly specialized food testing services. In an earnest attempt to be more closer to the customer to provide quicker service VIMTA plans to set up branch laboratories across the country.

Risks and Concerns

- ◆ Predictability of regulatory approvals.
- ◆ Volatile currencies.
- ◆ Competition from Multinationals.

Safety, Health and Environment

Safety, health and environment continue to be the priority areas of the Company. Some of the major activities in these areas have been recycling of waste water, training of staff at all levels to the required standards of safety, health and environment.

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. Internal Audit department is put in place and adequate internal controls are established to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and all the transactions are authorized, recorded and reported correctly. SAP based controls are put in place.

Financial performance

Gross revenue for the year 2014-15 is ₹ 10831.91 lakhs as compared to the previous year of ₹ 12174.20 lakhs. During the year under review, the domestic sales have gone up by 6.95% as compared to the previous year. The Net profit stood at ₹ 506.23 lakhs as compared to the previous year net profit of ₹ 1323.93 lakhs. Key reason for the de-growth is decline in clinical research sales which faces the challenges of drying generic pharma pipelines globally and severe price competition domestically.

Foreign exchange fluctuations

The net gain during the year on account of Foreign exchange fluctuations against overseas customer accounts was ₹ 29.36 lakhs. The same was accounted under the head Other Income in the statement of Profit and Loss account.

Segment-wise or Product-wise performance

The Company is providing services of Testing and Contract Research in the fields of Clinical Research and Pre-Clinical Research studies, Clinical Diagnostics, Biopharma services, Analytical Testing & Research and Environmental studies. Since the inherent nature of all these services are inter related and governed by the same set of risks and returns and operating in the same economic environment, segment reporting is not applicable. Accordingly, for reporting purposes all these services are treated as single business and geographical segment. The said treatment is in accordance with Accounting Standard – 17 Segment Reporting.

Human Resources

Human Resource is one of the key strength of the Company. At the end of the financial year, the Company has 785 employees including 24 medical doctors; 22 PhDs and 739 scientists, engineers, technicians and other administrative staff.

SCIENTIFIC ADVISORY BOARD

VIMTA in pursuing its goal to continuously invent and innovate its services has constituted a Scientific Advisory Board (SAB) in year 2014. The purpose of SAB is to assist the Company with scientific strategy and direction to realize its vision. SAB will advise on new services and research programs for expansion and diversification by providing expert opinion on changing global industry requirements, and new scientific and technological advancements.

SAB is chaired by Prof. D. Balasubramanian, one of the Independent Directors of Vimta. Dr. KANURY V.S .RAO, founder of Drug Discovery Research Center (DDRC) and Dr. PANKAJ SHAH, Executive Director Bristol-Myers Squibb are the other independent members. The Executive Chairman, Managing Director and Executive Director Operations of Vimta are the internal members.

AUDITORS**Statutory Auditors**

At the Annual General Meeting held on July 07, 2014, M/s J V S L & Associates, Chartered Accountants (Firm Reg. No: 15002S), were appointed as Statutory Auditors of the Company to hold office for a period of three years i.e., till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the said appointment of M/s J V S L & Associates, Chartered Accountants, as statutory auditors of the Company is placed for ratification by the Shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Act. The Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Statutory Auditor's Report does not contain any qualifications, reservation or adverse remarks. This report form part of the Annual Report.

Internal Auditors

In pursuance of Section 138 of the Companies Act, 2013 read with rules made there under, the Board has appointed M/s Gattamaneni & Co., Chartered Accountants as Internal Auditors of the Company to carry out internal auditing of books of accounts periodically.

Cost Auditors

In pursuance of Section 148 of the Companies Act, 2013 read with rules made there under, the Board has appointed M/s U S Rao & Co (Registration No. 102629), Cost Accountants as Cost Auditors of the Company to carry out the audit of cost records maintained by the Company for the financial year 2014-15.

In pursuance of rule 14 (a) (ii) of Companies (Audit and Auditors) rules 2014 the remuneration fixed by the Board of Directors which is payable to Cost Auditors needs a ratification by the shareholders of the Company. Accordingly, remuneration fixed by the Board is placed for ratification before the shareholders.

Secretarial Auditors

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

The Secretarial Auditor's Report does not contain any qualifications, reservation or adverse remarks. The Secretarial Audit Report forms part of the Annual Report as Annexure-IV to the Board's Report.

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

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

The Company maintains its books of accounts in SAP system and the work flow and approvals are routed through SAP. Further, the Company has set internal control systems to maintain accurate and complete accounting records, to safeguard its assets, to prevent and detect any frauds and errors.

The Company has internal audit department and also appointed Internal Auditors in compliance to the provisions of the Companies Act, 2013 who in turn observe the set internal controls and the financial transactions of the Company. The internal audit department reviews the set controls and the financial transactions periodically and reports to the Management. On quarterly basis the Internal Auditors will present their report to the Audit Committee and the Management comments on the Internal Auditor's observations and gives its replies to the Committee. Based on the reports, the Management will take up necessary steps to mitigate the short falls, if any.

The Audit Committee periodically reviews the adequacy of internal controls with respect to financial transactions and suggests the changes, if any required to the said controls.

RISK MANAGEMENT

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

ANTI SEXUAL HARASSMENT

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

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as Annexure-V to the Board's Report.

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the year under review the Company has paid an amount of ₹ 404,000/- to Narsingh Swain Memorial Trust, Hyderabad for providing medical aid to the differently abled people on charitable basis who belong to economically weaker sections of the society as a part of their Akar Asha Project. An amount of ₹ 63,236/- is yet to be spent during the current financial year out of the total eligible amount of ₹ 467,236/- to be spent during 2014-15 fiscal.

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

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

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

DISCLOSURES AS PER THE LISTING AGREEMENT & SEBI REGULATIONS**Cash flow statement**

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

Stock exchanges

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

Share transfer agency

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

Transfer of unclaimed Dividend amount to Investor Education and Protection Fund

The Company has transferred unclaimed dividend for the years 2001-02; 2002-03; 2003-04, 2004-05 (interim & Final), 2005-06 and 2006-07 to Investor Education and Protection Fund. The details of unclaimed dividends and due dates for transfer to the said fund account for other financial years are disclosed in the report on corporate governance.

Code of conduct

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : Hyderabad
Date : 17.07.2015

DR S P VASIREDDI
EXECUTIVE CHAIRMAN

INTRODUCTION**Company philosophy on Corporate Governance**

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

BOARD OF DIRECTORS**Composition**

The Company's Board has an optimum combination of executive and non-executive directors. Out of the total strength of the Board four members are executive and another four members are non-executive and they are independent. One of the Board members is a Women Director. The Chairman of the Board is an executive member.

The Independent Directors on the Board are senior, competent and are from different fields. Active participation of the Independent Directors does add value in the decision making process of the Board.

Attendance and other Directorships

During the year ended March 31, 2015 the Board of Directors met four times. These meetings were held on May 17, 2014; July 31, 2014; November 8, 2014 and February 9, 2015. The Directors' attendance and their Directorships during the year ended March 31, 2015 are as under:

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

I) EXECUTIVE

Dr S P Vasireddi Promoter, Executive Chairman	4	Present	----	----
Harita Vasireddi Managing Director	4	Present	1	2
V Harriman Promoter, Executive Director-Operations	4	Present	----	2
V V Prasad Promoter, Executive Director-Admn.	4	Present	1	----

II) NON-EXECUTIVE & INDEPENDENT DIRECTORS

T S Ajai	3	Present	----	3
Dr Subba Rao Pavuluri	4	Present	11	3
Prof D Balasubramanian	3	Present	2	----
Rao Purnachandra Potharlanka	4	Absent	----	3

Selection of New Directors

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

Performance evaluation mechanism

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

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

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

Details of remuneration paid to the Directors:

(in ₹)

Name of the Directors	Salary	Sitting Fee	Total
Dr S P Vasireddi	6,720,000	---	6,720,000
Harita Vasireddi	5,376,000	—	5,376,000
V Harriman	5,376,000	—	5,376,000
V V Prasad	5,376,000	—	5,376,000
T S Ajai	---	25,000	25,000
Dr Subba Rao Pavuluri	—	—	---
Prof. D Balasubramanian	—	75,000	75,000
Rao Purnachandra Potharlanka	---	---	---

Note :

1. Salary includes Basic Salary, Allowances, and Perquisites. No stock options / performance linked incentives were given to any of the directors.
2. The term of the executive directors is three years effective from 15.07.2013 and that of independent directors is five years effective from 01.04.2014. There is no notice period and severance fee, other than payment of gratuity to the executive directors as per the Company policy.
3. During the Financial Year 2014-15
 - ◆ There are no pecuniary relationships or transactions of the Non-Executive Directors' vis-à-vis the Company.
 - ◆ No payments were made to Non-Executive Directors other than sitting fee as detailed herein above.
 - ◆ None of the Non-Executive Directors are holding shares of the Company.

COMMITTEES OF THE BOARD

Audit Committee

Terms of Reference

The terms of reference of the Audit Committee is as per the guidelines set out in the listing agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013. The Committee is mainly responsible for

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

Composition

The Committee comprises of three members all of them are non-executive and independent directors of the Company. The Chairman of the Committee T S Ajai is a senior Chartered Accountant in practice. The other members are Dr Subba Rao Pavuluri and Rao Purnachandra Potharlanka.

Prof. D Balasubramanian opted not to be the member of the Committee on 17.05.2014 due to his pre-occupation with his other assignments.

Meetings and Attendance

During the year ended March 31, 2015 the Audit Committee met four times. These meetings were held on May 17, 2014; July 31, 2014; November 8, 2014 and February 9, 2015.

Composition and attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	4	4
Dr Subba Rao Pavuluri	4	3
Prof. D Balasubramanian	1	—
Rao Purnachandra Potharlanka	4	4

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

Nomination and Remuneration Committee**The role of the Committee is to**

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

Composition

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

Meetings & Attendance

The Committee met at one time during the year on 09.02.2015. The attendance for the meeting was:

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

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

Remuneration Policy

The Committee has laid down a policy on the Nomination and Remuneration of Directors, key managerial personnel and other employees of the Company at senior level. The said policy is in line with the provisions of Section 178(4) of the Companies Act read with rules made there under and Clause 49(1V)(B)(4) of the Listing Agreement.

The objectives and purpose of this policy are

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

Stakeholders' Relationship, Grievance Committee

Director heading the committee : Dr Subba Rao Pavuluri
Compliance Officer : A Venkata Ramana
Company Secretary

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

Corporate Social Responsibility (CSR) Committee**Philosophy**

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

Composition

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

Risk Management Committee**Philosophy**

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

GENERAL BODY MEETINGS

The Details of Annual General Meetings held in last three years

S.No.	For F/Y	Meeting	Venue	Date	Time
1.	2013-2014	AGM	Regd. Office	07.07.2014	10.00 a.m.
2.	2012-2013	AGM	Regd. Office	31.05.2013	10.00 a.m.
3.	2011-2012	AGM	Regd. Office	14.09.2012	10.00 a.m.

The Details of Extra-Ordinary General Meetings held in last three years

S.No.	F/Y	Meeting	Venue	Date	Time
1.	2013-2014	EGM	Regd. Office	17.08.2013	10.00 a.m.
2.	2012-2013			Nil	
3.	2011-2012			Nil	

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

DISCLOSURES

- ◆ There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Suitable disclosures have been made in the Annual Report as required by the provisions of the Companies Act, 2013.
- ◆ During the last three years there have been no instances of noncompliance by the Company w.r.t. Stock Exchange and SEBI regulations. Further, no penalties, no strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matters related to Capital markets.
- ◆ The Company has adopted the Whistle Blower Policy and affirms that none of the personnel have been denied access to the Audit Committee to report their concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct or ethics policy.
- ◆ The Company has complied with all mandatory requirements of the Corporate Governance clause of the listing agreement. The Company has adopted non mandatory requirement of the Corporate Governance clause with respect to
 - separate posts of Chairman and Managing Director
 - reporting of Internal Auditor to the Audit Committee

- ◆ 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.

INTER-SE RELATIONSHIP BETWEEN DIRECTORS

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

MEANS OF COMMUNICATION

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

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

COMPLIANCE OF INSIDER TRADING NORMS

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 21.08.2015
 Time : 10.00 A M
 Venue : Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad : 500051

Financial Calendar

Financial year : April 1, 2015 to March 31, 2016
 First quarter results : On or before August 14, 2015
 Half yearly results : On or before November 14, 2015
 Third quarter results : On or before February 14, 2016
 Fourth quarter/Annual Results : On or before May 30, 2016
 Date of Book Closure : 10.08.2015 to 21.08.2015 (both days inclusive)
 Date of dividend payment : Within 30 days from declaration by the members in their meeting to be held on 21.08.2015.

Unclaimed dividend

Dividend pertaining to the financial years 2001-02, 2002-03, 2003-04, 2004-05 (Interim & Final); 2005-06 and 2006-07 which remain unclaimed for a period of seven years, was transferred to the Investor Education and Protection Fund. The unclaimed dividends for the financial years 2007-08 to 2010-11, 2012-13 and 2013-14 are due for transfer to the said fund account as detailed in the below statement. Therefore, the members may claim their dividend before its transfer to the said Fund.

Sl. No.	Year of Dividend	Date of declaration	Tentative date of transfer
1	2007-2008	04.09.2008	09.10.2015
2	2008-2009	19.09.2009	24.10.2016
3	2009-2010	30.09.2010	04.11.2017
4	2010-2011	24.09.2011	28.10.2018
5	2011-2012	No Dividend was declared	
6	2012-2013	31.05.2013	05.07.2020
7	2013-2014	07.07.2014	12.08.2021

Listing with Stock Exchanges

Companies securities are listed with

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

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

Electronic Connectivity

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

Stock Price Data

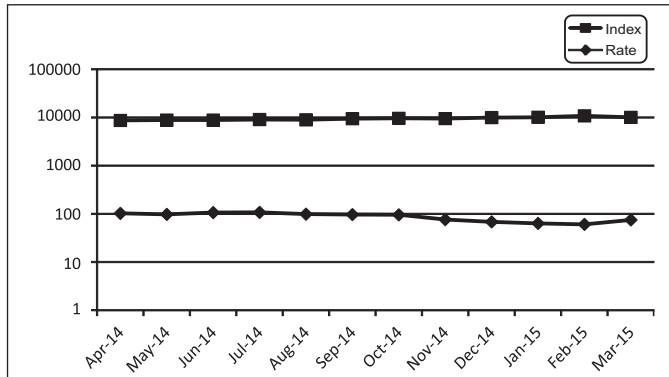
Monthly high and low share quotations on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai for the financial year 2014- 2015 were as follows :

(in ₹)

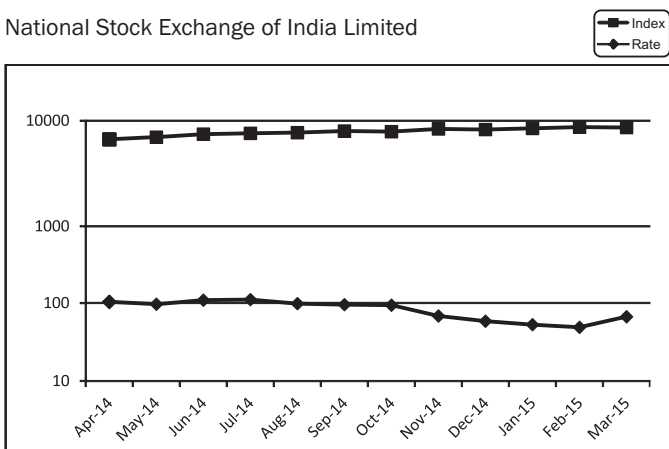
Year 2014-15	Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April 2014	110.90	55.40	111.00	55.00
May 2014	133.80	95.70	133.90	96.55
June 2014	112.80	88.00	112.60	88.70
July 2014	121.40	95.05	121.40	95.00
August 2014	106.70	90.00	106.65	89.95
September 2014	124.00	92.40	123.80	92.00
October 2014	101.70	85.00	102.00	85.10
November 2014	98.65	74.50	98.90	75.00
December 2014	78.30	58.25	79.00	58.00
January 2015	77.60	63.05	77.50	63.10
February 2015	67.20	56.20	67.30	56.20
March 2015	93.50	59.90	93.50	58.70

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

Bombay Stock Exchange Limited



National Stock Exchange of India Limited



Share Transfer System

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

Address for Communication

For Share Transfers and other related matters

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

For other matter

Vimta Labs Ltd
Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad - 500051
Phone : 040-27264141; Fax : 040-27263657
Web : www.vimta.com; E-mail : shares@vimta.com
CIN : L24110TG1990PLC011977

Compliance Officer

A Venkata Ramana, Company Secretary
Vimta Labs Limited
141/2 & 142, IDA, Phase - II, Cherlapally Hyderabad - 500 051.

Phone: 040-2726 4141
Email: cs@vimta.com / shares@vimta.com

Distribution of shareholding as on 31.03.2015

Shares held From - To	Shareholders		No. of Shares	
	No.	%	No.	%
Upto 5000	9712	97.49	4507264	20.39
5001-10000	124	1.24	909489	4.11
10001-20000	67	0.67	1018153	4.61
20001-30000	16	0.16	403910	1.83
30001-40000	12	0.12	425955	1.93
40001-50000	7	0.07	320871	1.45
50001-100000	12	0.12	889907	4.03
100001 & above	12	0.12	13632261	61.66
Total	9962	100	22107810	100

Categories of shareholders as on 31.03.2015

Category	No. of Shares	%
Shareholding of Promoter & Promoter Group		
Indian	8299399	37.54
Foreign	Nil	Nil
Public Shareholding		
Institutional Investors	31875	0.14
Non - Institutional Investors	13776536	62.32
TOTAL	22107810	100

Dematerialization of shares and liquidity

Over 97.635 % of the Company's equity shares have been dematerialized as on 31.03.2015. Trading in Equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI.

Share trading

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

Relevant turnover data for the financial year 2014-15

	*(₹ in lakhs)	
	Bombay Stock Exchange Ltd.	National Stock Exchange of India Ltd.
Total shares traded	15010607	3551688
Turnover value*	13964.64	34644.24

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

CEO/CFO Certification

The Managing Director and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges and the said certificate is appended to report on corporate governance and form part of the Annual Report.

Company locations**1. Regd. Office & Central Laboratory**

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

2. Life Sciences facility

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

Other locations**Laboratory locations**

3. 29-5-1, Shyam Enclave, Opp. Glaxo, Cherukupalli Vari Street, Prakasam Road, Governorpet, Vijayawada - 520002
4. 14-37-41/2, Krishna Nagar, Maharanipet, Visakhapatnam - 530002

Office locations

5. 5, Crescent Park Street, T Nagar, Chennai - 600017
6. 8, Azad Road, R S Puram, Coimbatore - 641002
7. G1 & G2, Ground Floor, Tulip Building, Diamond Harbour Road, Sahapur, Kolkata - 700038

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, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as on March 31, 2015 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 J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place : Hyderabad
Date : 17.07.2015

Annexure to Report on Corporate Governance**CEO / CFO CERTIFICATE**

We have reviewed financial statements and the cash flow statement for the Year ended March 31, 2015 and certify that :

- a) To the best of our knowledge and belief these statements:
 - i. do not contain any materially untrue statement or omit any material fact, or contain statements that might be misleading;
 - ii. present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee the design and operation of such internal controls. No deficiencies have been identified.
- d) We have also indicated to the Auditors and the Audit committee that there are no
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year;
 - iii. instances of fraud involving either the Management or employees having a role in the Company's internal control systems with respect to financial reporting.

HARITA VASIREDDI
MANAGING DIRECTOR

Place : Hyderabad
Date : 28.05.2015

P SANKARAI AH
CHIEF FINANCIAL OFFICER

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

Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:

1. There are no contracts / arrangements entered into by the Company with related parties which are not at arms length basis.
2. There are no material contracts / arrangements entered into by the Company with related parties which are at arms length basis.
3. There were no materially pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company.
4. Details of non-material contracts/arrangements entered into by the Company with related parties are as under.

Sl. No.	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/transactions	Duration of Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any	Date of approval by the Board, if any	Justification For entering into Contract / Arrangement
1.	Bloomedha Info Solutions Limited, Hyderabad Directors of Bloomedha are relatives of Executive Chairman; Managing Director and Executive Director-Operations of the Company	Availing of services: Administrative support for application software	3 years w.e.f. 01.04.2014	₹ 3,00,000 per month plus taxes	17.05.2014	Arms length Contract at prevailing market rates
2.	Ananth Technologies Limited Managing Director of Ananth Technologies is an Independent Director the Company	Availing of services: SAP support services	3 years w.e.f. 01.04.2014	₹ 1,25,000 per month plus taxes	17.11.2013	Arms length contract at prevailing market rates.
3.	Dr S P Vasireddi Owner of the property is Executive Chairman of the Company	Leasing of property: Residential property Obtained on lease for office purpose	2 years w.e.f. 01.04.2014	₹ 70,000 per month with annual escalation of 10%	17.05.2014	Lease Rentals at prevailing market rates
4.	Harriman Vungal Owner of the property is Executive Director - Operations of the Company	Leasing of property: Residential property Obtained on lease for office purpose	2 years w.e.f. 01.04.2014	₹ 10,000 per month with annual escalation of 10%	17.05.2014	Lease Rentals at prevailing market rates
5.	Sireesh Chandra Vungal Son of Executive Director - Operations of the Company	Appointment to office or place of profit: Appointed as Manager - Information Technology	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 191,950 p.m. is being paid
6.	Satya Sreenivas Neerukonda Son-in-law of Executive Director - Administration of the Company	Appointment to office or place of profit: Appointed as Manager - Business Development	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 191,950 p.m. is being paid
7.	Praveena Vasireddi Daughter of Executive Chairman and sister of Managing Director of the Company	Appointment to office or place of profit: Appointed as Executive - Internal Auditing	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 81,000 p.m. is being paid
8.	Sudeshna Vungal Daughter of Executive Director - Operations of the Company	Appointment to office or place of profit: Appointed as Bio Chemist	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 2,50,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 34,777 p.m. is being paid

Place : Hyderabad
Date : 17.07.2015

Dr S P Vasireddi
Executive Chairman

Nomination and Remuneration policy

Introduction

The Company's policy on the appointment and remuneration of Directors and key managerial personnel provides a framework for payment of suitable remuneration to the Directors, Key Managerial Personnel (KMP) and senior level employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company

The nomination and remuneration policy provided herewith is in line with the requirements of Section 178(4) of the Companies Act read with rules made there under and Clause 49(1V)(B)(4) of the Listing Agreement entered into with the Stock Exchanges.

Objective and purpose of the policy

The objectives and purpose of this policy are

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

The committee

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

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

Definitions

'The Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'The Committee' means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

'The Company' means Vimta Labs Limited.

'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013 and rules made there under

'Key Managerial Personnel (KMP)' means:

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

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

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

The Policy

This policy is divided into three parts

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

Part-A:

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

Structure of the Board

Formulate the criteria determining qualifications, positive attributes and independence of a director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board in order to make appropriate decisions in the best interests of the Company as a whole.

The committee is to assist the Board in ensuring that diversity of gender, thought, experience, knowledge and perspective is maintained in the Board nomination process, in accordance with the Board diversity requirements of the Company .

Succession plans

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

Evaluation of performance

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

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

Remuneration framework

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

- (a) Remuneration of the Managing Director, Whole-time Directors and
- (b) The remuneration policies for KMPs, other employees at senior level.

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

PART-B**Appointment criteria and qualifications**

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

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

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

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

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

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

Term/Tenure

- ◆ Managing Director / Whole-time Director

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

- ◆ Independent Director

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

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

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

Removal

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

Retirement

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

PART-C

Remuneration of Directors, KMPs and other senior level employees :

Managing Director; Whole-time Directors:

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

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

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

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

Minimum remuneration to Managing Director and Whole-time Directors:

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

Remuneration to Non-executive / Independent Directors Remuneration

The remuneration payable to each Non-executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

Such remuneration to Non-executive /Independent Directors may be paid within the monetary limits approved by shareholders, subject to the limits not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Remuneration of other KMPs and Senior level employees:

The remuneration and reward structure for others KMPs and senior level employees comprises two broad components - annual remuneration and long-term rewards. The committee would determine the remuneration of these personnel and formulate guidelines for the remuneration payable to the employees.

These guidelines are as under :

Annual remuneration

Annual remuneration refers to the annual compensation payable to these employees of the Company. This comprises two parts a fixed component and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's -variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of the Company.

The objective is to set the total remuneration at levels that would attract, motivate and retain high-caliber, high-potential personnel in a competitive global market.

Long-term rewards

Long-term rewards may include long term incentive plans (LTIP), under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and approval of the committee. The Company could implement various long-term awards schemes that could include LTIP spread over several years with payouts in multiple tranches linked to Company's performance.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

Policy review

This policy is framed in the best interest of the Company based on the provisions of the Companies Act, 2013 and rules made there under and requirements of Clause 49 of the Listing Agreement with the stock exchanges.

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

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

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

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

Sl. No.	Name of the Director	Ratio of the remuneration paid to Directors to the median remuneration of the employee excluding managerial remuneration	Percentage increase in remuneration during the year	Comparison with the percentile increase in the remuneration of Directors that of employees	Comparison of remuneration against performance of the Company	
					Remuneration paid (₹)	Performance of the Company for the year (Net Profit in ₹)
1	Dr S P Vasireddi Executive Chairman	29.5 : 1	Nil	NA	6,000,000	50,623,170
2	Harita Vasireddi Managing Director	23.6 : 1	Nil	NA	4,800,000	50,623,170
3	Vungal Harriman Executive Director - Operations	23.6 : 1	Nil	NA	4,800,000	50,623,170
4	V V Prasad Executive Director - Admn	23.6 : 1	Nil	NA	4,800,000	50,623,170
5	T S Ajai Independent Director	Nil	Nil	NA	NA	NA
6	Dr. Subba Rao Pavuluri Independent Director	Nil	Nil	NA	NA	NA
7	Prof. D Balasubramanian Independent Director	Nil	Nil	NA	NA	NA
8	Rao Purnachandra Potharlanka Independent Director	Nil	Nil	NA	NA	NA
9	P. Sankaraiah Chief Financial Officer	NA	10%	NA	29,62,620	5,06,23,170
10	A. Venkata Ramana Company Secretary	NA	10%	NA	11,64,400	5,06,23,170

Note: No remuneration was paid to Independent Directors. Minimum remuneration was paid to Managing Director and other Whole-time Directors in accordance with the terms of appointment as approved by the shareholders and Part - II, Section - II of Schedule - V of Companies Act, 2013 (Part - II, Section - II of Schedule - XIII of Companies Act, 1956).

- ii) There was no variable component of remuneration availed by the Directors.
- iii) The remuneration paid to the Key Managerial Personnel was as per the remuneration policy of the Company.
- iv) There are 785 permanent employees on the rolls of the Company as on March 31, 2015.
The percentage increase in the median remuneration of employees in the financial year was 2.78%.
- v) The average increase in the salaries / remuneration of the employees during the year was 9%. Being service industry, retention of talented manpower is the key element. Hence, there was an increase in the salaries of the employees during the year though the percentage of net profits was decreased as compared to the previous year.
- vi) The ratio of the remuneration of the highest paid Director to that of the employee who are not Director but received remuneration in excess of the highest paid director during the year was 1 : 1.005
- vii) The market capitalization as on 31.3.2015 increased to ₹ 165.81 crores (BSE) and ₹ 165.92 crores (NSE) from ₹ 122.7 crores (BSE) and ₹ 123.25 crores (NSE) as on 31.3.2014. The Price Earning Ratio was 37.5 as on March 31, 2015 as compared to 9.25 as of March 31, 2014. The closing price of the Company's equity shares on the BSE and NSE as of March 31, 2015 was ₹75/-.

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

Sl. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of Commencement of employment	Age	Last employment held before joining the company	The % of equity shares held in the company	Whether is a relative of any director of key managerial personnel of the company
1	Dr Nitin Mahabala Shetty Vice President - Pre Clinical	₹ 6,027,612	Permanent	M.Sc, PhD 23 yrs	27.04.2009	51	Wockhardt	Nil	No

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,
The Members,
VIMTA LABS LIMITED
141/2 & 142, IDA PHASE II
CHARLAPALLI, RR DIST
TELANGANA-500051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VIMTA LABS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to company during the period of audit)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws specifically applicable to the company as per the representations made by management include:
 - A. The Drugs and Cosmetic Act, 1940
 - B. Narcotic Drugs and Psychotropic Substances Act, 1985 and Narcotic Drugs and Psychotropic Substances (Regulation of controlled substances) Order, 2013
 - C. Good Laboratory Practices as laid down in Schedule L-1 of Drugs and Cosmetic Rules, 1945
 - D. Food Safety and Standards Act, 2006
 - E. The Pathology and Laboratory Act, 2007
 - F. Bio-Medical Waste (Management and Handling) Rules, 1998
 - G. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
 - H. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
 - I. Explosives Act, 1884 read with Gas Cylinder Rules, 2004
 - J. Selection, installation and maintenance of First-aid Fire Extinguishers - Code of Practice
 - K. Contract Labor (Regulation and Abolition) Act, 1970 and Andhra Pradesh Contract Labour (Regulation and Abolition) Rules, 1971

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.(Not notified by the Central Government hence not applicable to the Company during the period of audit)
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited (NSE). During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

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

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

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

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

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

Place : Hyderabad
Date : 17.07.2015

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

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

Annexure A'

To
The Members
VIMTA LABS LIMITED
141/2 & 142, IDA PHASE II
Charlapally, RR Dist
Hyderabad-500051

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

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

Place : Hyderabad
Date : 17.07.2015

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

EXTRACT OF THE ANNUAL RETURN
(As on the financial year ended on 31.03.2015)

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:	L24110TG1990PLC011977
ii)	Registration Date	:	16.11.1990
iii)	Name of the Company	:	VIMTA LABS LIMITED
iv)	Category / Sub-Category of the Company	:	Service
v)	Address of the Registered office and contact details	:	141/2 & 142, IDA, PHASE-II CHERLAPALLY HYDERABAD : 500051

Company Secretary
040-2726 4141
cs@vimta.com; shares@vimta.com

vi)	Whether listed company Yes / No	:	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	CIL SECURITIES LIMITED 214, RAGHAVARATNA TOWERS CHIRAG ALI LANE, ABIDS HYDERABAD : 500001 040-2320 3155 rta@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

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

(ii) Shareholding of Promoters and promoters group

Sl. No.	Shareholder's Name	No. of shares held at the beginning of the year 01.04.2014			No. of shares held at the end of the year 31.03.2015			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Sivalinga Prasad Vasireddi	3598525	16.28	0	3598525	16.28	0	0.00
2	Vangal Harriman	1776522	8.04	0	1776522	8.04	0	0.00
3	Vasireddi Veerabhadra Prasad	1463515	6.62	0	1463515	6.62	0	0.00
4	Andhra Pradesh Industrial Development Corporation Ltd	590000	2.67	0	590000	2.67	0	0.00
5	Harita Vasireddi	167964	0.76	0	167964	0.76	0	0.00
6	Praveena Vasireddi	137550	0.62	0	137550	0.62	0	0.00
7	Sujani Vasireddi	122542	0.55	0	122542	0.55	0	0.00
8	Sireesh Chandra Vungal	110000	0.50	0	110000	0.50	0	0.00
9	Swarna Latha Vasireddi	109749	0.50	0	109756	0.50	0	0.00
10	Sudheshna Vungal	100000	0.45	0	100000	0.45	0	0.00
11	Rajya Lakshmi Vasireddi	42300	0.19	0	42300	0.19	0	0.00
12	Vungal Rajeswari	39307	0.18	0	80725	0.37	0	0.19
	Total	8257974	37.35	0	8299399	37.54	0	0.19

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

i) Categorywise shareholding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year 01.04.2014				No. of shares held at the end of the year 31.03.2015				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter and Promoter Group									
1	Indian									
(a)	Individuals/HUF	7667974	0	7667974	34.68	7709399	0	7709399	34.87	0.19
(b)	Central Govt./ State Govt.	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate / Govt. Corporate Bodies	590000	0	590000	2.67	590000	0	590000	2.67	0
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(e)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	8257974	0	8257974	37.35	8299399	0	8299399	37.54	0.19
2	Foreign									
(a)	Individuals (NRI/Foreign individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	8257974	0	8257974	37.35	8299399	0	8299399	37.54	0.19
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	0	6000	6000	0.03	0	6000	6000	0.03	0
(b)	Financial institutions/Banks	16655	0	16655	0.08	25875	0	25875	0.12	0.04
(c)	Central Govt./ State Govt.	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	16655	6000	22655	0.1	25875	6000	31875	0.14	0.04
2	Non-Institutions									
(a)	Bodies corporate	5919622	12000	5931622	26.83	6814049	12000	6826049	30.88	4.05
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5693518	533241	6226759	28.17	5749271	504731	6254002	28.29	0.12
	ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh	1379128	0	1379128	6.24	499869	0	499869	2.26	-3.98
(c)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	NRI-Non Repatriable	22033	0	22033	0.1	19819	0	19819	0.09	-0.01
	NRI-Repatriable	66829	0	66829	0.3	83723	0	83723	0.38	0.08
	N A Clearing Member	200810	0	200810	0.91	93074	0	93074	0.42	-0.49
	Sub-Total (B)(2)	13281940	545241	13827181	62.54	13259805	516731	13776536	62.32	-0.22
	Total Public shareholding Group (B) = (B)(1)+(B)(2)	13298595	551241	13849836	62.65	13285680	522731	13808411	62.46	-0.19
	Total (A)+(B)	21556569	551241	22107810	100	21585079	522731	22107810	100	0
C	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	21556569	551241	22107810	100	21585079	522731	22107810	100	0

(iii) Change in Promoters' or promoters group shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2014		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Swarna Latha Vasireddi 30.06.2014 - Transfer	109749 7	0.50	109756	0.50
2	Vungal Rajeswari 19.03.2015 - Transfer	39307 41418	0.18	80725	0.37

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014		Transactions during the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	Purchase / (Sale)	% Purchase / (Sale)	No. of Shares	% of total shares of the Company
	1	2	3	4	5	6	7
1.	EUROFINS ANALYTICAL SERVICES INDIA PVT LTD At the beginning of the year 04.04.2014 31.12.2014 13.02.2015 20.02.2015 27.02.2015 06.03.2015 13.03.2015 At the end of the year	3034724	13.73	14407 3100 74174 37173 56457 17114 88116	0.07 0.01 0.34 0.17 0.26 0.08 0.40	3049131 3052231 3126405 3163578 3220035 3237149 3325265 3325265	13.79 13.81 14.14 14.31 14.57 14.64 15.04 15.04
2.	LCGC CHROMATOGRAPHY SOLUTIONS PRIVATE LIMITED At the beginning of the year 04.04.2014 16.05.2014 19.09.2014 13.02.2015 At the end of the year	1936226	8.76	4433 5 267 3628	0.02 0.00 0.00 0.02	1940659 1940664 1940931 1944559 1944559	8.78 8.78 8.78 8.80 8.80
3.	PARAM CAPITAL RESEARCH PRIVATE LIMITED At the beginning of the year At the end of the year	305000	1.38			305000	1.38
4.	RAVICHANDRAN BALAKRISHNA At the beginning of the year 13.06.2014 30.06.2014 04.07.2014 At the end of the year	180500	0.82	(27500) (42500) (18000)	(0.12) (0.19) (0.08)	153000 110500 92500 92500	0.69 0.50 0.42 0.42
5.	V SATYA NARAYANA At the beginning of the year 17.04.2014 30.04.2014 09.05.2014 16.05.2014 23.05.2014 06.06.2014 13.06.2014	169500	0.77	(10000) (17000) (5000) (5000) (12800) (2700) (3600)	(0.05) (0.08) (0.02) (0.02) (0.06) (0.01) (0.02)	159500 142500 137500 132500 119700 117000 113400	0.72 0.64 0.62 0.60 0.54 0.53 0.51

	1	2	3	4	5	6	7
	05.09.2014			(1800)	(0.01)	111600	0.50
	12.09.2014			(16992)	(0.08)	94608	0.43
	19.09.2014			(5971)	(0.03)	88637	0.40
	17.10.2014			(7637)	(0.03)	81000	0.37
	24.10.2014			(4500)	(0.02)	76500	0.35
	31.10.2014			(1363)	(0.01)	75137	0.34
	14.11.2014			10363	0.05	85500	0.39
	13.02.2015			(25500)	(0.12)	60000	0.27
	27.02.2015			(20000)	(0.09)	40000	0.18
	06.03.2015			(10637)	(0.05)	29363	0.13
	At the end of the year					29363	0.13
6	MARIO OSCAR FRANCIS LOBO						
	At the beginning of the year	187567	0.85				
	04.04.2014			(88312)	(0.40)	99255	0.45
	02.05.2014			(22782)	(0.10)	76473	0.35
	09.05.2015			(30000)	(0.14)	46473	0.21
	30.05.2014			(15618)	(0.07)	30855	0.14
	13.06.2014			(4457)	(0.02)	26398	0.12
	20.06.2014			(26398)	(0.12)	0	0.00
	At the end of the year					0	0.00
7	MASTER CAPITAL SERVICES LTD						
	At the beginning of the year	120410	0.54				
	04.04.2014			(2560)	(0.01)	117850	0.53
	11.04.2014			(1740)	(0.01)	116110	0.53
	17.04.2014			(450)	(0.00)	115660	0.52
	23.04.2014			278	0.00	115938	0.52
	25.04.2014			(323)	(0.00)	115615	0.52
	02.05.2014			(9650)	(0.04)	105965	0.48
	09.05.2014			(340)	(0.00)	105625	0.48
	16.05.2014			(49280)	(0.22)	56345	0.25
	23.05.2014			1449	0.01	57794	0.26
	30.05.2014			3570	0.02	61364	0.28
	06.06.2014			(44220)	(0.20)	17144	0.08
	13.06.2014			(1284)	(0.01)	15860	0.07
	20.06.2014			2243	0.01	18103	0.08
	30.06.2014			(7248)	(0.03)	10855	0.05
	04.07.2014			818	0.00	11673	0.05
	11.07.2014			1890	0.01	13563	0.06
	18.07.2014			(65)	(0.00)	13498	0.06
	25.07.2014			(310)	(0.00)	13188	0.06
	01.08.2014			150	0.00	13338	0.06
	08.08.2014			100	0.00	13438	0.06
	05.09.2014			1255	0.01	14693	0.07
	12.09.2014			20000	0.09	34693	0.16
	19.09.2014			(21136)	(0.10)	13557	0.06
	30.09.2014			450	0.00	14007	0.06
	10.10.2014			(50)	(0.00)	13957	0.06
	17.10.2014			1150	0.01	15107	0.07
	24.10.2014			50	0.00	15157	0.07
	31.10.2014			(400)	(0.00)	14757	0.07
	07.11.2014			(200)	(0.00)	14557	0.07
	14.11.2014			800	0.00	15357	0.07
	21.11.2014			(100)	(0.00)	15257	0.07
	28.11.2014			200	0.00	15457	0.07
	12.12.2014			(75)	(0.00)	15382	0.07
	19.12.2014			(8105)	(0.04)	7277	0.03
	09.01.2015			(1450)	(0.01)	5827	0.03
	16.01.2015			(400)	(0.00)	5427	0.02
	23.01.2015			200	0.00	5627	0.03
	30.01.2015			200	0.00	5827	0.03
	06.02.2015			(100)	(0.00)	5727	0.03

	1	2	3	4	5	6	7
	06.03.2015			435	0.00	6162	0.03
	13.03.2015			(240)	(0.00)	5922	0.03
	20.03.2015			603	0.00	6525	0.03
	27.03.2015			(4250)	(0.02)	2275	0.01
	At the end of the year					2275	0.01
8	SRIRAM VEMULAPALLI						
	At the beginning of the year	108000	0.49				
	17.04.2014			(81000)	(0.37)	27000	0.12
	18.07.2014			(15021)	(0.07)	11979	0.05
	01.08.2014			(8100)	(0.04)	3879	0.02
	08.08.2014			6921	0.03	10800	0.05
	22.08.2014			(10800)	(0.05)	0	0.00
	At the end of the year					0	0.00
9	RAKESH BHASIN						
	At the beginning of the year	105949	0.48				
	13.02.2015			(2500)	(0.01)	103449	0.47
	20.02.2015			(10823)	(0.05)	92626	0.42
	27.02.2015			(20626)	(0.09)	72000	0.33
	06.03.2015			(8000)	(0.04)	64000	0.29
	13.03.2015			(44000)	(0.20)	20000	0.09
	20.03.2015			(18000)	(0.08)	2000	0.01
	At the end of the year					2000	0.01
10	S CHANDRAMOULI CHOWDARY						
	At the beginning of the year	100297	0.45				
	19.12.2014			(50000)	(0.23)	50297	0.23
	13.03.2015			(16000)	(0.07)	34297	0.16
	At the end of the year					34297	0.16

v) Shareholding of Directors and Key Management Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2014		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Sivalinga Prasad Vasireddi	3598525	16.28	3598525	16.28
2.	Vangal Harriman	1776522	8.04	1776522	8.04
3.	Vasireddi Veerabhadra Prasad	1463515	6.62	1463515	6.62
4.	Harita Vasireddi	167964	0.76	167964	0.76
5.	T S Ajai	0	0.00	0	0.00
6.	Dr Subba Rao Pavuluri	0	0.00	0	0.00
7.	Prof D Balasubramanian	0	0.00	0	0.00
8.	Rao P Potharlanka	0	0.00	0	0.00
9.	A Venkata Ramana (cs)	700	0.00	700	0.00
10.	Sankaraiah Peram (cfo)	0	0.00	0	0.00

V. INDEBTEDNESS

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

(in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	65,610,112	NIL	NIL	65,610,112
ii) Interest due but not paid	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
Total (i+ii+iii)	65,610,112	NIL	NIL	65,610,112
Change in Indebtedness during the financial year				
" Addition	NIL	NIL	NIL	NIL
" Reduction	30,547,633			30,547,633
Net Change	30,547,633			30,547,633
Indebtedness at the end of the financial year				
i) Principal Amount	35,062,479	NIL	NIL	35,062,479
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	35,062,479	NIL	NIL	35,062,479

VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Dr S P Vasireddi	Harita Vasireddi	Harriman Vungal	V V Prasad	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6,000,000	4,800,000	4,800,000	4,800,000	20,400,000
2.	Stock Option	---	---	---	---	---
3.	Sweat Equity	---	---	---	---	---
4.	Commission -as % of profit - Others, specify	---	---	---	---	---
5.	Others, please specify	---	---	---	---	---
	Total (A)	6,000,000	4,800,000	4,800,000	4,800,000	20,400,000
	Ceiling as per the Act					

B. Remuneration to other Directors

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		T S Ajai	Dr Subba Rao Pavuluri	Prof D Bala-subramanian	Rao P Potharlanka	
1.	Independent Directors Fee for attending board / committee meetings - Commission - Others, please specify	25,000	---	75,000	---	100,000
	Total (1)	25,000	---	75,000	---	100,000
2.	Other Non Executive Director Fee for attending board / committee meetings - Commission - Others, please specify	---	---	---	---	---
	Total (2)	---	---	---	---	---
	Total (B) = (1+2)	---	---	---	---	---
	Total Managerial Remuneration	25,000	---	75,000	---	100,000
	Overall ceiling as per the Act					

B. Remuneration paid to Key Managerial Personnel other than MD, Whole time Directors

(in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	---	1,164,400	2,962,620	4,127,020
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission				
	-as % of profit	---	---	---	---
	- Others, specify	---	---	---	---
5.	Others, please specify	---	---	---	---
	Total	---	1,164,400	2,962,620	4,127,020

Vii. Penalties / Punishment/ Compounding Of Offences:

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

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014**Brief outline of the Company's Corporate Social Responsibility (CSR) policy:**

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

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

Composition of CSR Committee:

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

Details of CSR expenditure to be spent during Financial Year 2014-15:**Average Net Profits for last three Financial Years:**

(in ₹)

Particulars	For the Financial Years ended March 31		
	2014	2013	2012
Net Profit	178,526,146	39,545,959	(147,986,637)
Average Net Profit for the preceding three Financial Years	23,361,823/-		

Minimum CSR expenditure as prescribed i.e. 2% of average net profits : ₹ 467,236/-
 Amount spent during the financial year 2014-15 : ₹ 404,000/-
 Amount unspent during the financial year : ₹ 63,236/-

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

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
Medical aid to the physically / differently abled people of weaker sections of the society	Promoting health care including preventive health care	The Company spent amount for providing medical aid to the differently abled people on charitable basis who belongs to economically weaker sections of the society in Hyderabad district, State of Telangana	₹ 404,000/- is budgeted for the program	₹ 404,000/-	₹ 404,000/-	The amount was spent through Narsingh Swain Memorial Trust, "Aakar - Asha", C/o Sivananda Rehabilitation Home, Kukatpally, Hyderabad - 500 072, Telangana State, a trust established under Section 25 of Companies Act, 1956 (Section 8 as per Companies Act, 2013.

Responsibility Statement:

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

Place : Hyderabad
 Date : 17.07.2015

For and on behalf of CSR Committee

Harita Vasireddi
 Chairperson

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

Information on Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo (forming part of the Board's Report for the year ended 31st March, 2015)

A. Conservation of energy

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

- a) Energy Conservation Measures Taken:
 - i) Designed and installed an efficient power distribution system to utilize the power at optimum level of requirement.
 - ii) The Laboratory building is designed in such a way that during day time no artificial lighting is needed in most areas in the lab.
 - iii) Occupancy sensors are installed at the Life Sciences Facility to control artificial lighting.
 - iv) Solar water heaters have been provided.
 - v) An integrated building management system is installed at the Life Sciences facility to help conservation of energy.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

No additional investments were made during the year.
- c) Impact of the measures in (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods:

The energy consumption is reduced to the barest minimum requirement thus reducing costs.
- d) Total energy consumption and energy consumption per unit of production:

Furnishing of these particulars is not applicable to the Company.
- e) Green building certification:

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

B. Technology Absorption

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

C. Foreign exchange earnings and outgo

During the financial year, the Company has earned foreign exchange of ₹ 3248.03 lakhs (previous year ₹ 4837.79 lakhs). The Company's foreign exchange outgo was of ₹ 788.98 lakhs (previous year ₹ 799.99 lakhs) on import of capital goods, software, chemicals, consumables & reference standards, travel expenditure, professional charges etc.

Annexure - VIII

Declaration by Managing Director

I, Harita Vasireddi, Managing Director of Vimta Labs Limited hereby declare that the members of Board, Key Managerial Personnel and other senior level employees of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

Place : Hyderabad
Date : 17.07.2015

Harita Vasireddi
Managing Director

To
The Members of Vimta Labs Limited

Report on the Financial Statements

We have audited the accompanying financial statements of VIMTA LABS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section-143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) the Company had no branch offices during the year under audit.
 - (d) the balance sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (e) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company has no long-term contracts including derivative contracts on which provision is required to be made under the applicable law or accounting standards for any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place : Hyderabad
Date : 28.05.2015

**Annexure to Independent Auditors' Report dated 28.05.2015 issued to the Members of Vimta Labs Limited
Statement on the matters specified in Paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2015**

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The inventory has been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) 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) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book stocks.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/s.189 of the Act. Hence, our comments on clauses (iii) (a) and (b) of paragraph 3 of the order are Nil.
- 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 internal control system of the company nor have we been informed of any such continuing failures.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year under audit. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this company in any matter relating to the deposits accepted by the company.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of Cost records U/s 148(1) of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made maintained. However, we have not conducted any audit of the same.
- vii. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, Sales-Tax, Wealth-Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts in respect of Provident Fund, employees' state insurance, income tax, Sales-Tax, Wealth-Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31/3/2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value Added tax and Cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules thereunder has been transferred to such fund within time.
- viii. 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 our audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued debentures.
- x. During the period covered under our audit, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. According to the information and explanations given to us and as per the books of account audited by us, during the period covered under our audit, the company has not availed any term loans.
- xii. According to the information and explanations given to us, during the year covered under our audit, no material fraud on or by the company has been noticed or reported to us.

for J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place : Hyderabad
Date : 28.05.2015

	Note No	As at 31.03.2015 ₹	As at 31.03.2014 ₹
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	1	44,215,620	44,215,620
b) Reserves and surplus	2	<u>1,179,086,924</u>	<u>1,159,661,181</u>
		1,223,302,544	1,203,876,801
2) Non-current liabilities			
a) Deferred tax liabilities (net)	3	12,581,546	13,121,191
b) Other long-term liabilities	4	<u>6,000,000</u>	<u>6,000,000</u>
		18,581,546	19,121,191
3) Current liabilities			
a) Short-term borrowings	5	35,062,479	65,610,112
b) Trade payables	6	65,339,851	54,059,376
c) Other current liabilities	7	76,356,221	80,036,700
d) Short-term provisions	8	<u>44,813,261</u>	<u>67,568,250</u>
		221,571,812	267,274,438
TOTAL		<u>1,463,455,902</u>	<u>1,490,272,430</u>
ASSETS			
1) Non-current assets			
a) Fixed Assets	9		
i) Tangible assets		882,061,610	904,443,187
ii) Capital Work-in-Progress		-	19,440,808
b) Long-term loans and advances	10	<u>14,395,926</u>	<u>31,770,550</u>
		896,457,536	955,654,545
2) Current assets			
a) Inventories	11	155,767,658	108,679,793
b) Trade receivables	12	262,121,248	280,945,825
c) Cash and Bank balances	13	10,223,501	39,092,333
d) Short-term loans and advances	14	138,118,054	104,791,121
e) Other current assets	15	<u>767,905</u>	<u>1,108,813</u>
		566,998,366	534,617,885
TOTAL		<u>1,463,455,902</u>	<u>1,490,272,430</u>
Significant Accounting Policies & Notes to the Financial Statements	1 to 27		

Per our report of even date

for J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)J Venkateswarlu
Partner
ICAI Ms.No.022481Place: Hyderabad
Date: 28.05.2015

For and on behalf of the Board

Dr S P Vasireddi
Harita Vasireddi
V Harriman
T S Ajai
Executive Chairman
Managing Director
Executive Director - Operations
DirectorP Sankaraiah
A Venkata Ramana
Chief Financial Officer
Company SecretaryPlace: Hyderabad
Date: 28.05.2015

	Note No	Year ended 31.03.2015 ₹	Year ended 31.03.2014 ₹
I. INCOME			
Revenue from operations	16	1,072,723,948	1,183,157,366
Other Income	17	10,467,344	34,263,044
Total revenue (I)		<u>1,083,191,292</u>	<u>1,217,420,410</u>
II. EXPENSES			
Cost of materials consumed & other exp .on testing and analysis	18	388,371,587	410,308,566
Changes in inventories: Work-in-Progress	19	(28,012,722)	6,435,153
Employee benefits expense	20	310,896,377	267,673,039
Other expenses	21	227,332,781	239,176,963
Total (II)		<u>898,588,023</u>	<u>923,593,721</u>
III. Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		184,603,269	293,826,689
Depreciation and amortization expense	9	110,989,659	93,849,608
Finance costs	22	7,213,989	23,350,845
		<u>118,203,648</u>	<u>117,200,453</u>
Profit before exceptional and extraordinary items & tax		<u>66,399,621</u>	<u>176,626,236</u>
Tax expense			
Current tax		13,920,000	37,030,000
Prior year tax adjustments		(8,258)	-
Deferred tax		1,864,709	7,202,831
Total tax expense		<u>15,776,451</u>	<u>44,232,831</u>
Profit for the year		<u>50,623,170</u>	<u>132,393,405</u>
Basic and diluted earnings per share		2	6
Nominal value of shares (fully paid up)		2	2
Significant Accounting Policies & Notes to the Financial Statements 1 to 27			

Per our report of even date

for J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)J Venkateswarlu
Partner
ICAI Ms.No.022481Place: Hyderabad
Date: 28.05.2015

For and on behalf of the Board

Dr S P Vasireddi Executive Chairman
Harita Vasireddi Managing Director
V Harriman Executive Director - Operations
T S Ajai DirectorP Sankaraiah Chief Financial Officer
A Venkata Ramana Company SecretaryPlace: Hyderabad
Date: 28.05.2015

Particulars	Financial Year 2014-15 (₹)	Financial Year 2013-14 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	66,399,621	176,626,236
- Adjustments for :		
Depreciation and amortization expense	110,989,659	93,849,608
Impairment loss on assets	-	871,874
Loss on sale of assets	-	1,028,036
Provision for bad debts	-	(3,979,703)
Interest debited to statement of P&L	4,172,576	18,698,984
Operating profit before working capital changes	181,561,856	287,095,035
Adjustments for		
(Increase) / decrease in Inventories	(47,087,865)	2,115,214
(Increase) / decrease in Trade receivables	18,824,577	(18,208,255)
(Increase) / decrease in Short term advances	(33,326,933)	(17,849,757)
(increase) / decrease in Other current assets	19,574,463	(20,826,751)
(Increase) / decrease in Long term advances	17,374,624	1,952,977
Increase / (decrease) in Trade payables	11,280,475	(44,463,996)
Increase / (decrease) in Other current liabilities	(3,680,479)	14,730,277
Increase / (decrease) in Short-term provisions	2,447,004	480,304
Cash generated from operations	166,967,722	205,025,048
Income tax paid	(13,920,000)	(37,030,000)
Prior year tax adjustments	8,258	-
Net cash from operating activities	153,055,980	167,995,048
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(76,240,983)	(86,580,001)
Sale of fixed assets	-	3,818,000
Net cash used in investing activities	(76,240,983)	(82,762,001)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,172,576)	(18,698,984)
Dividend & Dividend tax paid	(51,730,065)	(15,416,550)
Increase / (decrease) in borrowings (net)	(30,547,633)	(50,710,823)
Net cash used in financing activities	(86,450,274)	(84,826,357)
Net increase/(decrease) in cash and cash equivalents	(9,635,277)	406,690
Cash and cash equivalents at the beginning of the year	14,394,777	13,988,087
Cash and cash equivalents as at the end of the year	4,759,500	14,394,777

Notes:

- The above statement has been prepared under the "indirect method" as set out in Accounting Standard (AS) 3, Cash flow statements.
- Previous year's figures have been regrouped / reclassified wherever considered necessary to conform to the current year classification.

Per our report of even date

for J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place: Hyderabad
Date: 28.05.2015

For and on behalf of the Board

Dr S P Vasireddi
Harita Vasireddi
V Harriman
T S Ajai

Executive Chairman
Managing Director
Executive Director - Operations
Director

P Sankaraiah
A Venkata Ramana

Chief Financial Officer
Company Secretary

Place: Hyderabad
Date: 28.05.2015

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
1. SHARE CAPITAL		
a) Authorised 35000000 Equity shares of ₹ 2/- each (Previous year : 35000000 Equity shares of ₹ 2/- each)	<u>70,000,000</u>	<u>70,000,000</u>
b) Issued, subscribed and fully paid-up 22107810 equity shares of ₹ 2/- each fully paid-up (Previous year : 22107810 equity shares of ₹ 2/- each fully paid-up)	44,215,620	44,215,620
Total	<u>44,215,620</u>	<u>44,215,620</u>

c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares*	Amount in ₹	No. of Shares*	Amount in ₹
Outstanding at the beginning of the year	22,107,810	44,215,620	22,107,810	44,215,620
Add/(Less) : Addition / (reduction)	-	-	-	-
Outstanding at the end of the year	22,107,810	44,215,620	22,107,810	44,215,620

d) The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share. Dividend on equity shares proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

e) List of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares*	% to paid-up capital	No. of Shares*	% to paid-up capital
i) Sivalinga Prasad Vasireddi	3,598,525	16.28	3,598,525	16.28
ii) Eurofins Analytical Services India Pvt. Ltd	3,325,265	15.04	3,034,724	13.73
iii) LCGC Chromatography Solutions Pvt. Ltd	1,944,559	8.80	1,936,226	8.76
iv) Vungal Harriman	1,776,522	8.04	1,776,522	8.04
v) Vasireddi Veerbhadra Prasad	1,463,515	6.62	1,463,515	6.62

* face value ₹ 2/- each (fully paid-up)

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
2) RESERVES AND SURPLUS		
i) Securities premium reserve - as in last year	<u>773,728,390</u>	<u>773,728,390</u>
ii) General Reserve		
Opening Balance	74,800,000	61,300,000
Add : Transfer from Statement of Profit & Loss	<u>5,100,000</u>	<u>13,500,000</u>
Closing balance	79,900,000	74,800,000
iii) Surplus in statement of Profit & Loss:		
Opening balance	311,132,791	243,969,451
Less : Depreciation on expired useful life assets (net off Deferred Tax)	(4,669,355)	-
Add : Net Profit for the current period	<u>50,623,170</u>	<u>132,393,405</u>
Amount available for appropriation	357,086,606	376,362,856
Appropriations :		
Proposed dividend on equity shares	22,107,810	44,215,620
Tax on proposed dividend	4,420,262	7,514,445
Transferred to General Reserve	5,100,000	13,500,000
Closing balance	<u>325,458,534</u>	<u>311,132,791</u>
Total [(i)+(ii)+(iii)]	<u>1,179,086,924</u>	<u>1,159,661,181</u>

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
3) DEFERRED TAX LIABILITIES (NET)		
(i) Deferred tax liability		
- Depreciation on Fixed Assets	18,514,175	18,198,548
- Leave encashment	-	61,342
Liability (i)	<u>18,514,175</u>	<u>18,259,890</u>
(ii) Deferred tax asset		
- Gratuity	4,574,561	5,138,699
- Leave Encashment	1,358,068	-
Asset (ii)	<u>5,932,629</u>	<u>5,138,699</u>
Net deferred tax liability	<u>12,581,546</u>	<u>13,121,191</u>
4) OTHER LONG-TERM LIABILITIES		
Security deposit from customers	6,000,000	6,000,000
Total	<u>6,000,000</u>	<u>6,000,000</u>
5) SHORT TERM BORROWINGS		
Loan repayable on demand from banks - Secured		
- Rupee loan (refer sub-note (i) below)	27,052,186	1,937,604
- Repayable in foreign currency (refer sub-note (i) below)	8,010,293	63,672,508
Total	<u>35,062,479</u>	<u>65,610,112</u>

Note :

- i) Cash credit from State Bank of India (Limit) ₹ 9,00,00,000/- (previous year ₹ 13,00,00,000/-) carrying interest @ 3.75% above base rate for CC (Hyp.) and for EPC and FBD as applicable to export finance(i.e., 3 Months average LIBOR +150 basis points), is secured by First charge (hypothecation) of all the current assets of the Company on exclusive basis as primary security and collaterally secured by extension of charge on the fixed assets of the Company and structures thereon alongwith EM of Company's land under Plot No. 141/2 & 142 admeasuring 1.66 Ac. situated at IDA, Phase-II, Cherlapally, R.R. Dist. and land under Plot No.5, Alexandria Knowledge Park, Phase-I admeasuring 52620 sq. yards situated at Turkapally Village, Shameerpet Mandal, R.R. Dist.
- ii) There are no defaults as on the Balance Sheet date in repayment of the above loan and interest thereon.

	As at 31.03.2015 ₹	As at 31.03.2013 ₹
6) TRADE PAYABLES - UNSECURED		
(a) Due to Micro, Small and Medium enterprises (refer sub-note (i) below)	-	-
(b) Due to Others	65,339,851	54,059,376
TOTAL	<u>65,339,851</u>	<u>54,059,376</u>
<p>Amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The disclosures relating to dues payable to Micro, small and medium enterprises are as under :-</p>		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due & payable in succeeding years	-	-
7) OTHER CURRENT LIABILITIES :		
a) Advances from customers	19,125,679	18,892,174
b) Unclaimed dividends (equal amount is lying in bank account)	1,815,583	1,380,917
c) Creditors for Capital expenditure	3,781,381	16,340,808
d) Other payables (dues for revenue expenses)	51,633,578	43,422,801
TOTAL	<u>76,356,221</u>	<u>80,036,700</u>
8) SHORT-TERM PROVISIONS		
a) Provision for employee benefits :		
(i) Gratuity (refer Note 24.2 for details)	14,099,434	15,838,185
(ii) Leave Encashment	4,185,755	-
b) Others :		
(i) Proposed dividend on equity shares	22,107,810	44,215,620
(ii) Tax on proposed dividend	4,420,262	7,514,445
TOTAL	<u>44,813,261</u>	<u>67,568,250</u>

9. FIXED ASSETS - Tangible Assets

Sl. No.	Description	Gross Block			Depreciation			Net Block				
		As at 01.04.2014	Additions	Sales/ Adjsts.	Total as at 31.03.2015	Upto 31.03.2014	For the year	on assets whose useful life expired	on Sales / Adjsts.	Total upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a)	Feeehold Land & Site Development	21,877,668	-	-	21,877,668	-	-	-	-	-	21,877,668	21,877,668
b)	Buildings Lab Buildings Staff Quarters	656,388,527 944,264	86,860	-	656,475,387 944,264	71,429,474 324,504	12,367,755 15,891	-	-	83,797,229 340,395	572,678,158 603,869	584,959,053 619,760
c)	Plant & Equipment	1,186,317,529	82,035,454	-	1,268,352,983	1,042,540,006	65,831,770	-	-	1,108,371,776	159,981,207	143,777,523
d)	Furnitures & Fixtures	79,973,698	7,326,620	-	87,300,318	29,533,311	7,764,256	508,356	-	37,805,923	49,494,395	50,440,387
e)	Vehicles	29,410,231	1,970,405	-	31,380,636	7,373,705	3,940,923	-	-	11,314,628	20,066,008	22,036,526
f)	Office Equipment	12,422,988	2,119,696	-	14,542,684	3,822,565	1,276,015	3,597,818	-	8,696,398	5,846,286	8,600,423
g)	Others											
	i) Electrical Installation	92,130,574	-	-	92,130,574	26,143,824	17,845,587	791,547	-	44,780,958	47,349,616	65,986,750
	ii) Computers	43,651,232	2,142,756	-	45,793,988	37,506,135	1,947,462	2,175,988	-	41,629,585	4,164,403	6,145,097
	Total :	2,123,116,711	95,681,791	-	2,218,798,502	1,218,673,524	110,989,659	*7,073,709	-	1,336,736,892	882,061,610	904,443,187
	Previous year	2,060,402,415	70,139,193	7,424,897	2,123,116,711	1,127,677,777	93,574,608	-	2,578,861	1,218,673,524	904,443,187	932,724,638

* Refer note No. 24.1(D) (vi)

	As at 31.03.2015 ₹	As at 31.03.2014 ₹
10) LONG-TERM LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD		
a) Security Deposits (with Electricity and other departments)	14,395,926	11,770,550
b) Service tax paid (pending disposal of appeal)	—	20,000,000
TOTAL	<u>14,395,926</u>	<u>31,770,550</u>
Note : Due by Directors or other Officers of the company or any of them either severally or jointly with any other persons or due by firms / private companies in which any director is a partner or a director or a member ₹ 210,000/-		
11) INVENTORIES (at lower of cost and net realizable value)		
a) Chemicals & Consumables	101,432,111	79,084,244
b) Work-in-progress	50,662,985	22,650,263
c) Stores, spares and components	3,672,562	6,945,286
TOTAL	<u>155,767,658</u>	<u>108,679,793</u>
12) TRADE RECEIVABLES		
a) Debts outstanding for a period exceeding six months from the date they are due for payment :		
i) Unsecured, considered good	52,809,617	83,574,817
b) Other debts		
Unsecured, considered good	209,311,631	197,371,008
TOTAL	<u>262,121,248</u>	<u>280,945,825</u>
Note : Due by Directors or other Officers of the company or any of them either severally or jointly with any other persons or due by firms / private companies in which any director is a partner or a director or a member - Nil -		
13) CASH & BANK BALANCES		
a) Cash & cash equivalents		
i) Cash on hand	565,563	3,424,290
ii) Balance with Scheduled Banks in India :		
- in Current Accounts	2,851,942	10,934,584
- EEFC (Current) Accounts	1,341,995	35,903
Sub-Total (a)	<u>4,759,500</u>	<u>14,394,777</u>
b) Other bank balances		
i) in Deposit Accounts (with maturity period of less than 12 months)	—	20,000,000
ii) In deposit accounts held as security against bank guarantees	3,648,418	3,316,639
iii) Unclaimed dividend accounts	1,815,583	1,380,917
Sub-Total (b)	<u>5,464,001</u>	<u>24,697,556</u>
TOTAL	<u>10,223,501</u>	<u>39,092,333</u>
14) SHORT-TERM LOANS & ADVANCES UNSECURED, CONSIDERED GOOD		
a) Prepaid expenses	18,983,966	5,406,226
b) Loans to employees (Including interest)	553,004	385,587
c) Advance for Services and Supplies	22,657,618	9,855,853
d) Advance Income-tax (net of provisions) (refund due)	79,605,138	85,228,912
e) Other advances	16,318,328	3,914,543
TOTAL	<u>138,118,054</u>	<u>104,791,121</u>
Note : Due by Directors or other Officers of the company or any of them either severally or jointly with any other persons or due by firms / private companies in which any director is a partner or a director or a member - Nil -		
15) OTHER CURRENT ASSETS		
Interest accrued but not due on deposits with banks and others	767,905	1,108,813
TOTAL	<u>767,905</u>	<u>1,108,813</u>

	Year ended 31.03.2015 ₹	Year ended 31.03.2014 ₹
16) Revenue from Operations		
Sale of service (Testing and analysis)		
a) Domestic sales	792,177,641	739,286,890
b) Export sales	373,025,670	533,151,653
	<u>1,165,203,311</u>	<u>1,272,438,543</u>
Less : Service Tax	92,479,363	89,281,177
TOTAL	<u>1,072,723,948</u>	<u>1,183,157,366</u>
17) OTHER INCOME		
a) Interest income on		
i) Bank deposits	1,430,451	626,290
ii) Deposits with State Electricity Corporations	853,228	1,010,370
iii) Income-tax refunds	---	4,353,036
iv) Employees loans	65,634	21,563
b) Other non-operating income		
i) Net gain on foreign currency transactions and translation	2,936,215	19,344,429
ii) Excess liabilities written-in	2,453,755	5,793,957
iii) Bad debts recovered	94,086	-
iv) Lease rentals received	1,845,321	1,023,021
v) Insurance claims	283,164	841,141
vi) Miscellaneous receipts	505,490	1,249,237
TOTAL	<u>10,467,344</u>	<u>34,263,044</u>
18) COST OF MATERIALS CONSUMED AND OTHER EXPENDITURE ON TESTING & ANALYSIS		
a) Cost of materials consumed :		
Opening stock	86,029,530	81,709,591
Add : Purchases during the year	239,020,985	224,056,928
	<u>325,050,515</u>	<u>305,766,519</u>
Less : Closing stock	105,104,673	86,029,530
Cost of materials consumed	<u>219,945,842</u>	<u>219,736,989</u>
b) Other expenditure		
Sample preparation, Data Generation, Inspection & testing exps.	77,917,088	107,264,593
Carriage inwards	7,722,789	4,972,165
Power & Fuel	78,745,330	75,764,467
Water charges	4,040,538	2,570,352
TOTAL	<u>388,371,587</u>	<u>410,308,566</u>
19) CHANGES IN INVENTORIES : WORK-IN-PROGRESS		
Opening Works-in-progress	22,650,263	29,085,416
Closing Works-in-progress	50,662,985	22,650,263
Net Decrease	<u>(28,012,722)</u>	<u>6,435,153</u>
20) EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	255,940,236	223,479,903
Managerial remuneration	22,848,000	14,637,613
Contribution to provident and other funds (refer Note 24.2)	18,238,204	17,503,228
Staff welfare expenses	13,869,937	12,052,295
TOTAL	<u>310,896,377</u>	<u>267,673,039</u>
21) OTHER EXPENSES		
Sitting fee to directors	115,450	15,000
Rent	3,028,329	2,434,239
Rates, taxes, duties and levies	5,572,711	3,543,414
Insurance	6,462,232	9,003,776
Repairs and maintenance:		
- Plant & Machinery	44,275,870	35,926,368
- Buildings	15,234,892	12,931,412
- Others	4,222,784	5,602,103
Advertising and sales promotion	2,720,873	4,519,365

	Year ended 31.03.2014 ₹	Year ended 31.03.2013 ₹
OTHER EXPENSES Contd...		
Commission	10,008,292	19,879,564
Travelling and conveyance	35,281,539	35,594,807
Communication expenses	14,494,871	13,408,766
Printing and stationery	10,263,502	11,599,558
Books and periodicals	279,347	149,136
Vehicle maintenance	3,460,476	2,783,968
Operating lease charges (refer Note 24.4)	627,828	17,351,782
Equipment hire charges	517,000	422,700
Professional and consultancy charges	24,117,047	30,523,566
Membership and subscriptions	497,470	797,247
House keeping and premises maintenance	8,688,384	8,405,814
Security charges	5,051,154	4,576,536
Recruitment & training expenses	815,432	865,862
Payment to auditors:		
- Audit fee	1,123,600	1,123,600
- Taxation matters	151,686	134,832
- Other services	-	-
- Out of pocket expenses	12,350	11,550
Software charges	2,612,169	6,104,818
Loss on sale of fixed assets	-	1,028,036
Impairment loss on assets	-	871,874
Bad debts written off	25,512,196	8,425,475
Corporate Social Responsibility expenses	404,000	-
Cash Discount	201,686	-
Miscellaneous expenses	1,579,611	1,141,795
TOTAL	227,332,781	239,176,963
22) FINANCE COSTS		
i) Interest to banks on working capital loans	4,172,576	4,325,607
ii) Bank Charges	3,041,413	4,651,861
iii) Foreign exchange fluctuation loss on working capital loans	-	14,373,377
TOTAL	7,213,989	23,350,845

23. CORPORATE INFORMATION

Vimta Labs Limited was incorporated on November 16, 1990 under the Companies Act, 1956. The Company is engaged in the business of Contract Research and Testing Services. The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Limited in India.

24. MEASUREMENT AND DISCLOSURE AS PER ACCOUNTING STANDARDS**24.1 Significant Accounting Policies (AS-1):****A) Basis of preparation of Financial Statements:**

The financial statements have been prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (GAAP), applicable provisions of Companies Act, 2013 and as per Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules 2014. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.

B) Use of Estimates:

The preparation of financial statements in conformity with the GAAP requires that the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates include, estimate of useful life of fixed assets, provision for doubtful debts etc. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

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

- i) **Tangible assets - Own:** Fixed Assets are stated at historical cost of acquisition / construction less accumulated depreciation and impairment loss, if any. All costs including financing costs and revenue expenditure incurred till commencement of commercial production / services, attributable to the fixed assets, are capitalized.
- ii) Grants/subsidies if any, received from Government and others towards cost / part of the cost of fixed assets are reduced from the cost of the respective assets and the net cost incurred by the Company is carried to the fixed assets block.
- iii) **Tangible Assets taken on Lease:** Lease payments made for assets taken on operating lease are recognized as an expense in the Statement of Profit & Loss. After completion of the operating lease arrangements, the assets transferred onto the company's name are recorded at the cost price paid to the lessor for transfer of such assets.
- iv) **Intangible assets:** Goodwill is recorded in the books only when some consideration in money or money's worth has been paid for it. Whenever a business is acquired for a price (payable in cash or in shares or otherwise) which is in excess of the value of the net assets of the business taken over, the excess is termed as 'goodwill'.
- v) **Capital Works-in-Progress:** Cost of assets not ready for use at the Balance Sheet date is shown as Capital Works-in-Progress, at cost.

D) Depreciation and Amortization:

- i) Depreciation on tangible fixed assets, other than Plant & Equipment, is provided under Straight Line Method (SLM) over the useful lives of assets estimated by the management in the manner prescribed in Schedule II to the Companies Act, 2013. Depreciation on Plant & Equipment is provided under Straight Line Method (SLM) over the useful life of 6.67 years as against the useful life of 10 years specified in Schedule II to the Companies Act, 2013.
- ii) The Management estimated the useful life of fixed assets as follows.

Type of Asset	Estimated useful life in years
Buildings	60
Plant and Equipment	6.67
Electrical installation	10
Office equipment	5
Computers	3
Furniture and Fixtures	10
Vehicles	8

- iii) Depreciation on intangible assets i.e. Goodwill is amortized over a period of ten years in equal installments commencing from the year in which it was recognized.
- iv) Expenditure incurred on purchase/ acquisition/ development of Software is treated as revenue expenditure and charged to Statement of Profit & Loss.
- v) Depreciation on additions/deletions during the year is calculated pro rata from/to the date of addition or deletion, as the case may be.
- vi) Consequent to adoption of schedule-II of Companies Act 2013, the unexpired portions of carrying amount of assets whose useful lives is expired, has been recognized and charged to the opening balance of surplus in statements of Profit & Loss, net of deferred tax.

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

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

- G) Revenue recognition:** Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from Testing and Analysis Services is recognized as the service is performed in accordance with the methods prescribed in AS - 9, Revenue Recognition. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- H) Research & Development:** Revenue expenditure on research and development is charged off as and when incurred. Capital expenditure on research and development is capitalized under the respective Fixed Asset and depreciated in accordance with the depreciation policy of the Company.
- I) Prior period expense/income:** The company follows the practice of making adjustments through "expenses/income under/over provided" in previous years in respect of material transactions pertaining to that period prior to the current accounting year.
- J) Employee Benefits:** Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Statement of Profit & Loss of the year when contributions to the fund is due. There are no other obligations other than the contributions payable to the respective authority.
- Gratuity and leave encashment liabilities are a defined benefit plan and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each financial year. The Gratuity and leave encashment schemes are maintained and administered by an insurer to which the Company make periodic contributions.
- Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus and other non-monetary benefits are provided for as per Company's Rules on best estimate basis.
- K) Foreign Currency Transactions:** Transactions in Foreign Currencies are recorded at the exchange rates prevailing on the date of the respective transactions. Foreign Currency monetary Assets and Liabilities are restated at year end exchange rates. Exchange difference arising on settlement or restatement of monetary items is recognized as income or expense in the year in which they arise.
- L) Tax Expense:** Tax expense comprises of current tax and deferred tax. Current Income tax is measured as per the provisions of Income Tax Act, 1961 and the rules made thereunder.
- Deferred tax resulting from "Timing Differences" between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, when unabsorbed depreciation and losses carried forward exist, deferred tax is recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- M) Borrowing Costs:** Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue
- N) Business / Geographical Segments:** The Company is providing services of Testing and Contract Research in the fields of Clinical and Pre-Clinical Studies, Clinical Reference, Analytical Testing, Bio-pharma and Environmental studies. Since the inherent nature of all these services are inter related and governed by the same set of risks and returns and operating in the same economic environment, segment reporting is not applicable. Accordingly, for reporting purposes all these services are treated as a single Business and Geographical Segment. The said treatment is in accordance with Accounting Standard - 17, Segment Reporting.
- O) Earnings per Share:** The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.
- P) Provisions, Contingent Liabilities and Contingent Assets:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the balance sheet as a foot-note. Contingent Assets are neither recognized nor disclosed in the financial statements.
- Q) General:** Accounting policies not specifically referred to above are in consistent with the generally accepted accounting principles followed in India.

24.2 EMPLOYEE BENEFITS (AS-15)

i) Defined Contribution Plan

Particulars	As on	As on
	31.03.2015	31.03.2014
	₹	₹
Contribution to Provident Fund	13,630,780	10,922,034

ii) Defined Benefit Plans

Particulars	Gratuity		Leave Encashment	
	As on 31.03.2015	As on 31.03.2014	As on 31.03.2015	As on 31.03.2014
	₹	₹	₹	₹
A ASSUMPTIONS				
Discount Rate	8.00%	8.00%	8.00%	9.10%
Salary Escalation	4%	5%	4%	5%
Rate of return on plan assets	9.00%	8.75%	8.00%	9.10%
Expected average remaining lives of the employees (years)	20	27	20	27
	₹	₹	₹	₹
B Table showing the changes in present value of obligations				
a) Present value of obligations at the beginning of the year	27,016,045	24,361,710	5,626,039	5,042,280
b) Interest Cost	2,161,284	1,948,937	418,244	390,328
c) Current service cost	1,943,099	1,680,872	2,631,370	3,347,939
d) Benefits paid Actuals	(1,567,585)	(1,149,835)	(795,970)	(1,505,930)
e) Expected liability at the year end	29,552,843	26,841,684	7,879,683	7,274,617
f) Present value of obligations at the end of the year	27,070,319	27,016,045	9,373,626	5,626,039
g) Actuarial Loss/(gain) on obligations	(2,482,524)	174,361	1,493,943	(1,648,578)
C Changes in fair value of Assets				
a) Fair value of Assets at the beginning of the year	11,177,860	9,003,829	5,815,105	6,685,259
b) Expected return on plan assets	932,005	755,157	465,208	676,691
c) Contributions	2428605	2568709	Nil	Nil
d) Benefits paid- Actuals	(1,567,585)	(1,149,835)	(795,970)	(1,505,930)
e) Actuarial gain / (loss) on plan assets	Nil	Nil	(296,472)	(40,915)
f) Fair value of assets at the end of the year	12,970,885	11,177,860	5,187,871	5,815,105
D Actuarial Loss or Gain recognized				
a) (Gain)/Loss for the year - Obligation	(2,482,524)	174,361	1,493,943	(1,648,578)
b) (Gain)/Loss for the year - Plan assets	Nil	Nil	296,472	40,915
c) Total loss/(gain) for the year	(2,482,524)	174,361	1,790,415	(1,607,663)
d) Actuarial loss/(gain) recognized in the year	(2,482,524)	174,361	1,790,415	(1,607,663)
E Amounts to be recognized in the Balance sheet				
a) Present value of obligations as at the end of the year	27,070,319	27,016,045	9,373,626	5,626,039
b) Fair value of assets at the end of the year	(12,970,885)	11,177,860	5,187,871	5,815,105
c) Funded Status [Surplus/(deficit)]	(14,099,434)	(15,838,185)	(4,185,755)	189,066
d) Net (Liability)/asset recognized in balance sheet	(14,099,434)	(15,838,185)	(4,185,755)	189,066
F Expenses recognized in statement of Profit and Loss				
a) Current service cost	1,943,099	1,680,872	2,631,370	3,347,939
b) Interest Cost	2,161,284	1,948,937	418,244	390,328
c) Expected return on plan assets	(932,005)	(755,157)	(465,208)	(676,691)
d) Net actuarial (gain) / loss recognized in the year	(2,482,524)	174,361	1,790,415	(1,607,663)
e) Expenses recognized in statement of Profit & Loss	689,854	3,049,013	4,374,821	1,453,913

Note : Employees include Executive Chairman, Managing & Whole time Directors and other Managerial Personnel.

24.3 Related party disclosures (AS-18)

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

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

A) Key Management Personnel

Dr S P Vasireddi	Executive Chairman
Harita Vasireddi	Managing Director
V Harriman	Executive Director - Operations
V V Prasad	Executive Director - Administration
A Venkataramana	Company Secretary
Sankaraiah Peram	Chief Financial Officer

B) Relatives of Key Management Personnel

Swarnalatha Vasireddi	Wife of Executive Chairman
Sireesh Chandra Vungal	Son of ED - Operations
Sudheshna Vungal	Daughter of ED - Operations
Satya Sreenivas Neerukonda	Son-in-Law of ED - Administration
Rajeswari Vungal	Wife of ED - Operations
Praveena Vasireddi	Daughter of Executive Chairman

C) Other related parties

(Companies in which some of the Directors or other relatives are interested)	Ananth Technologies Limited Bloomedha Info Solutions Limited
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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 2013-14

(in ₹)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Other related parties in which directors interested	Total
Remuneration (Incl. PF Contribution) (Previous year)	27,260,428 (20,349,970)	5,996,120 (4,322,075)	---	33,256,548 (24,672,045)
Services availed (Previous year)	960,000 (630,000)	Nil (84,000)	6,134,856 (5,780,919)	7,094,856 (6,494,919)
Security deposit / Advance (Previous year)	210,000 (210,000)	---	556,461 (546,590)	766,461 (756,590)
Accounts payable (Previous year)	1,892,260 (551,658)	745,714 (248,380)	333,709 ---	2,971,683 (800,038)
Dividend paid for 2013-14 (Previous Year)	14,013,052 (4,187,369)	1,322,910 (359,758)	---	15,335,962 (4,547,127)

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

24.4. Leases (AS-19) :

The Company has taken certain equipment under non cancelable operating lease agreements for a period of 36 months. The lease rental charge grouped under operating lease charges during the year ended March, 2015 is ₹ 627,828/- (Previous year ₹ 17,351,782/-) and maximum obligation on long-term non-cancelable operating lease payable as per the rentals stated in respective agreements are as follows :

	Current Year	Previous Year
i) Obligation on Non-cancelable operating leases :		
a) not later than one year	129,250	517,000
b) later than one year and not later than five years	Nil	129,250
c) later than five years	Nil	Nil
ii) Total of minimum sub-lease payments expected	Nil	Nil
iii) Lease payments recognized in the statement of Profit & Loss for the period	627,828	17,351,782
iv) Sub lease payments received or receivable recognized in P&L A/c during the period	Nil	Nil
v) General description of significant leasing arrangements		
a) Description of the assets taken on operating lease	*	**
b) Basis on which contingent rent payments are determined	As per the terms of the lease agreement	
c) Terms of renewal or purchase options and escalation clauses of lease arrangements	As per the terms of the lease agreement	
d) Restrictions imposed by lease agreements, if any	Nil	Nil

* Cisco Servers, Hardware & Software etc. ** Hewlett Packard & Cisco Servers, Hardware & Software.

24.5 Earnings per Share (AS-20)

(in ₹)

	Current Year	Previous Year
a) Net profit / (Loss) for the year	50,623,170	132,393,405
b) Weighted average no. of shares outstanding during the year	22,107,810	22,107,810
c) Basic and diluted earnings/ per share	2/-	6/-
d) Nominal value of shares (fully paid up)	2/-	2/-

24.6. Impairment of Assets (AS-28)

(in ₹)

Particulars	Current Year	Previous Year
i) Amount of impairment losses recognized in the P&L A/c.	Nil	871,874
ii) Amount of reversal of impairment losses recognized in the P&L A/c.	Nil	Nil
iii) Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv) Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

24.7. Contingent Liabilities and commitments (AS-29) (to the extent not provided for) (in ₹)

	Current Year	Previous Year
(I) Contingent liabilities		
a) Claims against the company not acknowledged as debt:		
i) Disputed service tax demand for the year 2005-06 to 2009-10 (see note below)	Nil	277,846,538
ii) Disputed service tax demand for the year 2010-11 (see note below)	Nil	60,335,240
b) Guarantees issued by bank, not provided for	13,165,162	13,658,296
(II) Commitments		
a) Other Commitments:		
i) Future minimum lease payments under operating lease	129,250	646,250
Total	13,294,412	352,486,324

Note : The Company's appeals against the orders of Commissioner of Service Tax , Hyderabad - III for the financial years 2005-06 to 2009-10 and 2010-11 before the CESTAT, South Zone Bench, Bangalore were disposed in favour of the Company.

25. Additional Information pursuant to the provisions of Part II of Schedule III to the Companies Act, 2013 to the extent applicable :

(in ₹)

	Current Year	Previous Year
a) Value of Imports calculated on CIF Basis in respect of :		
i) Chemicals & Consumables	9,250,445	14,382,513
ii) Components and spare parts	6,422,948	12,091,347
iii) Reference Standards / Proficiency testing	2,413,743	6,914,726
iv) Software	540,337	2,213,422
v) Capital Goods	47,123,463	19,324,797
b) Expenditure in Foreign Currency on account of :		
i) Travelling	3,328,518	376,999
ii) Membership & Subscriptions	42,801	330,079
iii) Licences	2,070,423	844,790
iv) Commission	5,912,054	16,230,072
v) Interest on Foreign Currency Loan to Banks	706,670	1,971,047
vi) Seminars & Conferences	Nil	1,991,821
vii) Books & Periodicals	66,616	51,878
viii) Repairs & Maintenance	505,927	Nil
ix) Professional charges	Nil	3,275,507
x) Business Promotion	514,810	Nil
c) i) Amount remitted during the year in foreign currency on account of dividends	Nil	Nil
ii) Number of Non-Resident Shareholders	96	94
iii) Number of shares held by them	90,041	153,194
iv) Year to which the dividends related	2013-14	2012-13
v) Dividend paid in Indian Rupees	180,082	91,916
(The NRI shareholders were paid the dividend in Indian Rupees only. Hence, amount remitted in foreign currency is Nil)		
d) Earnings in foreign exchange :		
Export of testing services (on FOB basis)	324,802,944	483,778,514

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

(in ₹)

	Current year		Previous year	
	Consumption Value	% to total Consumption	Consumption Value	% to total Consumption
a) Chemicals & Consumables				
- Indigenous	214,802,576	98	203,034,278	93
- Imported	5,143,266	2	15,870,604	7
Total	219,945,842	100	218,904,882	100
b) Spares & Components				
- Indigenous	12,013,489	70	7,764,129	46
- Imported	5,129,883	30	9,169,631	54
Total	17,143,372	100	16,933,760	100

26. Corporate Social Responsibility (CSR) : To comply with the Corporate Social Responsibility (CSR) requirements under the provisions of Section 135 (5) of the Companies Act, 2013 read with the Rules made, thereunder, the Company has determined the eligible amount at ₹ 4,67,236/- being the 2% of the average net profits of the Company in the three immediately preceding years. Against which, an amount of ₹ 4,04,000/- contributed during the year to Charitable Trust for carrying out the activities specified by the Board and charged the same to statement of P&L .

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

Per our report of even date

for J V S L & Associates
CHARTERED ACCOUNTANTS
(Firm Regn. No. 15002S)

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place: Hyderabad
Date: 28.05.2015

For and on behalf of the Board

Dr S P Vasireddi
Harita Vasireddi
V Harriman
T S Ajai

P Sankaraiah
A Venkata Ramana

Place: Hyderabad
Date: 28.05.2015

Executive Chairman
Managing Director
Executive Director - Operations
Director

Chief Financial Officer
Company Secretary

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
Alexandria Knowledge Park
Genome Valley, Turkapally Village
Shameerpet Mandal, R.R. District
Hyderabad - 500 078, India
Phone : +91 40 67404040

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

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

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on the 21st day of August, 2015 at 10.00 a.m. at Regd. Office 142, IDA, Phase-II, Cherlapally, Hyderabad : 500051 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions : **1.** Adoptions of Accounts **2.** Approval of Dividend **3.** Appointment of V V Prasad as Director who retires by rotation .
4. Ratification of appointment of Auditors **5.** Remuneration to Cost Auditors **6.** Adoption of new regulations of Articles of Association

Signed this..... day of August, 2015

Signature of shareholder

Signature of Proxy holder(s)

Affix 1 Rupee Revenue Stamp

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



ADMISSION SLIP

Name & Address of Member	Folio No.	DP ID No.	Client ID No.
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I hereby record my attendance at the 25th Annual general meeting of the company, to be held on the 21st day of August, 2015 at 10.00 a.m. at Regd. Office 142, IDA, Phase-II, Cherlapally, Hyderabad : 500051

I certify that I am a registered member of the company and hold _____ shares.

 Member's / Proxy's Signature

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER

- (i) The voting period begins at **6.00 am of 17.08.2015 and ends at 6.00 pm of 20.08.2015**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **08.08.2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian (i.e.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.