



**Notice Calling 26th Annual General Meeting
Scheduled to be held on September 02, 2016**

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

NOTICE is hereby given that the twenty sixth Annual General Meeting of the members of Vimta Labs Limited will be held on September 2, 2016 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, 2016 and Statement of Profit & Loss Account for the year ended on that date together with Cash Flow Statements, Auditors' report and the report of the Board thereon.
2. To approve the Dividend.
3. 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 this meeting to the conclusion of next Annual General Meeting to be held in the calendar year 2017.

"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 2017 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, 2017."

SPECIAL BUSINESS

4. 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 ₹ 50,000/- (Rupees fifty thousand only) payable to M/s U S Rao & Co, Cost Auditors of the Company for the audit of cost records for each financial year ending March 31, 2016 and March 31, 2017 which was approved by the Board of Directors be and is hereby ratified"

5. Re-appointment of Dr S P Vasireddi, as Executive Chairman of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to recommendations of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 200, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule - V of the Act and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Dr S P Vasireddi (DIN 00242288) as "Executive Chairman" (Whole-time Director) of the Company for a term of three years with effect from July 15, 2016 on the remuneration, perquisites, allowances and other terms & conditions as given below:

Dr S P Vasireddi shall be paid remuneration at 3% (three percent) of the Net Profits of the Company, as computed under the provisions of Section 198 read with Section 197, Schedule V and other applicable provisions of the Act, partly by way of monthly salary, perquisites and allowances and the balance at the end of the year subject to the condition that the aggregate of the said remuneration, perquisites, allowances payable to him together with the aggregate of remuneration, perquisites, allowances payable to the other three Whole-time Directors of the company shall not exceed 10% of the net profit of the company computed as per the applicable provisions of the Act.

Monthly Remuneration

- I. Salary (Consolidated) : ₹ 600,000/- (Rupees Six lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: Payment/Reimbursement of medical expenses incurred for self and family including dependent parents, subject to ceiling of one month's salary in a year.
 - b) Leave Travel Concession: For self and family including dependent parents, to and fro from any place in India, once in a year subject to ceiling of one month's salary per annum.
 - c) Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.
 - d) Gratuity: As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.
 - e) Encashment of Leave: Encashment of leave will be paid as per the rules of the company.
 - f) Telephone and Car: Telecommunication facilities and car for business purposes.
 - g) Personal accident insurance: Personal accident insurance premium will be paid as per the rules of the company."

Minimum Remuneration

"Resolved further that notwithstanding anything contrary contained herein above, pursuant to the provisions of Section 200 read with Section 196 and 197 of the Companies Act, 2016 ("the Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force approval of the Company be and is hereby given to pay minimum remuneration to Dr S P Vasireddi in the event of loss or inadequacy of profits in any financial year during the currency of tenure of his service, by way of salary, perquisites and other allowances not exceeding the limits as specified in Section II of Part II of Schedule V of the Act or any such other limits, either on higher/lower side as may be prescribed by the Government from time to time."

"Resolved further that the Board of Directors of the company (hereinafter referred to as the Board, which term shall be deemed to include any committee whether called Nomination and Remuneration Committee or such other name which may exercise its powers including the powers conferred by this resolution) be and is hereby authorized to vary, alter or modify the scope of the above stated remuneration, as they may deem fit in the interest of the company"

"Resolved further that the appointment of Dr S P Vasireddi shall be subject to retirement by rotation during his tenure as Executive Chairman and he is not eligible to draw sitting fee for any Board / Committee Meetings"

"Resolved further that the Board and / or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution"

6. Re-appointment of Mrs Harita Vasireddi, as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to recommendations of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 200, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Act and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mrs Harita Vasireddi, (DIN 00242512) as "Managing Director" of the Company for a term of three years with effect from July 15, 2016 on the remuneration, perquisites, allowances and other terms & conditions as given below:

Mrs Harita Vasireddi shall be paid remuneration at 2.5% (two and half percent) of the Net Profits of the Company, as computed under the provisions of Section 198 read with Section 197, Schedule V and other applicable provisions of the Act, partly by way of monthly salary, perquisites and allowances and the balance at the end of the year subject to the condition that the aggregate of the said remuneration, perquisites, allowances payable to her together with the aggregate of remuneration, perquisites, allowances payable to the other three Whole-time Directors of the company shall not exceed 10% of the net profit of the company computed as per the applicable provisions of the Act.

Monthly Remuneration

I. Salary (Consolidated) : ₹ 500,000/- (Rupees Five lakhs only) per month

II. Perquisites and allowances:

- a) Medical Reimbursement: Payment/Reimbursement of medical expenses incurred for self and family including dependent parents, subject to ceiling of one month's salary in a year.
- b) Leave Travel Concession: For self and family including dependent parents, to and fro from any place in India, once in a year subject to ceiling of one month's salary per annum.
- c) Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.
- d) Gratuity: As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.
- e) Encashment of Leave: Encashment of leave will be paid as per the rules of the company.
- f) Telephone and Car: Telecommunication facilities and car for business purposes.
- g) Personal accident insurance: Personal accident insurance premium will be paid as per the rules of the company."

Minimum Remuneration

"Resolved further that notwithstanding anything contrary contained herein above, pursuant to the provisions of Section 200 read with Section 196 and 197 of the Companies Act, 2016 ("the Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force approval of the Company be and is hereby given to pay minimum remuneration to Mrs Harita Vasireddi in the event of loss or inadequacy of profits in any financial year during the currency of tenure of her service, by way of salary, perquisites and other allowances not exceeding the limits as specified in Section II of Part II of Schedule V of the Act or any such other limits, either on higher/lower side as may be prescribed by the Government from time to time."

"Resolved further that the Board of Directors of the company (hereinafter referred to as the Board, which term shall be deemed to include any committee whether called Nomination and Remuneration Committee or such other name which may exercise its powers including the powers conferred by this resolution) be and is hereby authorized to vary, alter or modify the scope of the above stated remuneration, as they may deem fit in the interest of the company"

"Resolved further that the Board and / or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution"

7. Re-appointment of Shri Harriman Vungal, as Executive Director- Operations of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to recommendations of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 200, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Act and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Harriman Vungal, (DIN 00242621) as "Executive Director - Operations" (Whole-time Director) of the Company for a term of three years with effect from July 15, 2016 on the remuneration, perquisites, allowances and other terms & conditions as given below:

Shri Harriman Vungal shall be paid remuneration at 2.5% (two and half percent) of the Net Profits of the Company, as computed under the provisions of Section 198 read with Section 197 Schedule V and other applicable provisions of the Act, partly by way of monthly salary, perquisites and allowances and the balance at the end of the year subject to the condition that the aggregate of the said remuneration, perquisites, allowances payable to him together with the aggregate of remuneration, perquisites, allowances payable to the other three Whole-time Directors of the company shall not exceed 10% of the net profit of the company computed as per the applicable provisions of the Act.

Monthly Remuneration

I. Salary (Consolidated) : ₹ 500,000/- (Rupees Five lakhs only) per month

II. Perquisites and allowances:

- a) Medical Reimbursement: Payment/Reimbursement of medical expenses incurred for self and family including dependent parents, subject to ceiling of one month's salary in a year.
- b) Leave Travel Concession: For self and family including dependent parents, to and fro from any place in India, once in a year subject to ceiling of one month's salary per annum.
- c) Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act, 1961
- d) Gratuity: As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.
- e) Encashment of Leave: Encashment of leave will be paid as per the rules of the company.
- f) Telephone and Car: Telecommunication facilities and car for business purposes.
- g) Personal accident insurance: Personal accident insurance premium will be paid as per the rules of the company."

Minimum Remuneration

"Resolved further that notwithstanding anything contrary contained herein above, pursuant to the provisions of Section 200 read with Section 196 and 197 of the Companies Act, 2016 ("the Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force approval of the Company be and is hereby given to pay minimum remuneration to Shri Harriman Vungal in the event of loss or inadequacy of profits in any financial year during the currency of tenure of his service, by way of salary, perquisites and other allowances not exceeding the limits as specified in Section II of Part II of Schedule V of the Act or any such other limits, either on higher/lower side as may be prescribed by the Government from time to time."

"Resolved further that the Board of Directors of the company (hereinafter referred to as the Board, which term shall be deemed to include any committee whether called Nomination and Remuneration Committee or such other name which may exercise its powers including the powers conferred by this resolution) be and is hereby authorized to vary, alter or modify the scope of the above stated remuneration, as they may deem fit in the interest of the company"

"Resolved further that the appointment of Harriman Vungal shall be subject to retirement by rotation during his tenure as Executive Director- Operations and he is not eligible to draw sitting fee for any Board / Committee Meetings"

"Resolved further that the Board and / or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution"

8. Re-appointment of Shri Veerabhadra Prasad Vasireddi as Executive Director-Administration of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to recommendations of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 200, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Act and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Veerabhadra Prasad Vasireddi (DIN 00242355) as "Executive Director- Administration" (Whole-time Director) of the Company for a term of three years with effect from July 15, 2016 on the remuneration, perquisites, allowances and other terms & conditions as given below:

Shri Veerabhadra Prasad Vasireddi shall be paid remuneration at 2% (two percent) of the Net Profits of the Company, as computed under the provisions of Section 198 read with Section 197, Schedule V and other applicable provisions of the Act, partly by way of monthly salary, perquisites and allowances and the balance at the end of the year subject to the condition that the aggregate of the said remuneration, perquisites, allowances payable to him together with the aggregate of remuneration, perquisites, allowances payable to the other three Whole-time Directors of the company shall not exceed 10% of the net profit of the company computed as per the applicable provisions of the Act.

Monthly Remuneration

- I. Salary (Consolidated) : ₹ 5,00,000/- (Rupees Five lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: Payment/Reimbursement of medical expenses incurred for self and family including dependent parents, subject to ceiling of one month's salary in a year.
 - b) Leave Travel Concession: For self and family including dependent parents, to and fro from any place in India, once in a year subject to ceiling of one month's salary per annum.
 - c) Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.
 - d) Gratuity: As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.
 - e) Encashment of Leave: Encashment of leave will be paid as per the rules of the company.
 - f) Telephone and Car: Telecommunication facilities and car for business purposes.
 - g) Personal accident insurance: Personal accident insurance premium will be paid as per the rules of the company."

Minimum Remuneration

"Resolved further that notwithstanding anything contrary contained herein above, pursuant to the provisions of Section 200 read with Section 196 and 197 of the Companies Act, 2016 ("the Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force approval of the Company be and is hereby given to pay minimum remuneration to Shri Veerabhadra Prasad Vasireddi in the event of loss or inadequacy of profits in any financial year during the currency of tenure of his service, by way of salary, perquisites and other allowances not exceeding the limits as specified in Section II of Part II of Schedule V of the Act or such other limits, either on higher/lower side as may be prescribed by the Government from time to time."

"Resolved further that the Board of Directors of the company (hereinafter referred to as the Board, which term shall be deemed to include any committee whether called Nomination and Remuneration Committee or such other name which may exercise its powers including the powers conferred by this resolution) be and is hereby authorized to vary, alter or modify the scope of the above stated remuneration, as they may deem fit in the interest of the company"

"Resolved further that Shri Veerabhadra Prasad Vasireddi shall be subject to retirement by rotation during his tenure as Executive Director-Administration and he is not eligible to draw sitting fee for any Board / Committee Meetings"

"Resolved further that the Board and / or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution"

By Order of the Board

Place : Hyderabad
Date : 14.07.2016

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 29.08.2016 to 02.09.2016 (both days inclusive) for the purpose of Annual Closing and payment of Dividend, if approved for the financial year ended March 31, 2016.
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 2015-16 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 2015-16 is being sent by the permitted mode or by any other mode as specifically requested.
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment, Rules 2015 has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. The Company has appointed 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 26.08.2016.
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 26th Annual General Meeting and the Annual Report 2015-16 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: 4**

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

Accordingly, on the recommendations of the Audit Committee the Board of Directors have appointed M/s U S Rao & Co, Cost Accountants to carry out cost audit of the cost records of the Company for the financial years 2015-16 and 2016-17 at remuneration of ₹ 50,000/- (Rupees fifty thousand only) per year.

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. 4 of the Notice for approval by the shareholders

Item No: 5

The members of the Company at the Extra-ordinary General Meeting held on 17.08.2013 approved the appointment of Dr S P Vasireddi as Executive Chairman of the Company for a period of three years commencing from 15.07.2013.

The Remuneration Committee at its meeting held on 14.07.2016 has reviewed the re-appointment of Dr S P Vasireddi as Executive Chairman and made their recommendations to the Board for his re-appointment. Accordingly, based on the recommendations of the Remuneration Committee the Board at its meeting held on even date has considered the said re-appointment and passed necessary resolution appointing him as Executive Chairman of the Company for a period of three years with effect from 15.07.2016 subject to approval of the members in their ensuring Annual General meeting with following terms and conditions:

- ◆ Term: Three years w.e.f. 15.07.2016 subject to retirement by rotation.
- ◆ Overall remuneration: 3% of the Net Profits of the Company as computed under the provisions of Companies Act, 2013 ("the Act")
- ◆ Within the Overall limit : ₹ 600,000/- to be paid on monthly basis as salary along with following perquisites and allowances:
 - ◆ Medical reimbursement and Leave Travel concession to the tune of one month's salary each.
 - ◆ Company contribution to provident fund / pension fund or any annuity fund in accordance with the scheme of the Company.
 - ◆ Gratuity as per the rules of the Company not exceed half month's salary for each completed year of service.
 - ◆ Leave encashment as per rules of the Company.
 - ◆ Telecommunication facilities and car for business purposes
 - ◆ Personal accident insurance policy as per the Company policy
- ◆ At the end of the year Net Profit for the year shall be computed as per the provisions of the Act and rules made there under. After ascertaining the Net Profit, the aggregate of monthly remuneration, perquisites, allowances paid to him during the year shall be deducted from the 3% of the said profits, being overall limit as referred above and the balance, if any shall be paid.
- ◆ Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where, in the event of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, perquisites and other allowances to him shall be governed by the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modifications thereof.

Dr. S P Vasireddi satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out in Section 196 of the Act for being eligible for his re-appointment as Executive Chairman (whole-time Director) of the Company. He is not disqualified to be re-appointed under the provisions of the Act and the Company has received from him an intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act.

The terms and conditions as set out herein above may be treated as written memorandum setting out the terms of reappointment of Dr S P Vasireddi under the provisions of Section 190 of the Act.

The relevant particulars as required under the provisions of Clause B (iv) of Section II of Part II of Schedule V of the Act and under regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this notice Annexure I & II.

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

Except Dr S P Vasireddi, Harita Vasireddi and V V Prasad, none of the other Directors are in any way concerned or interested in the special business set out at item No: 5.

The Board commends the special business under item No: 5 for re-appointment of Dr S P Vasireddi as Executive Chairman.

Item No: 6

The members of the Company at the Extra-ordinary General Meeting held on 17.08.2013 approved the appointment of Harita Vasireddi as Managing Director of the Company for a period of three years commencing from 15.07.2013.

The Remuneration Committee at its meeting held on 14.07.2016 has reviewed the re-appointment of Harita Vasireddi as Managing Director and made their recommendations to the Board for her re-appointment. Accordingly, based on the recommendations of the Remuneration Committee the Board at its meeting held on even date has considered the said re-appointment and passed necessary resolution appointing her as Managing Director of the Company for a period of three years with effect from 15.07.2016 subject to approval of the members in their ensuring Annual General meeting with following terms and conditions:

- ◆ Term: Three years w.e.f. 15.07.2016.
- ◆ Overall remuneration: 2.5% of the Net Profits of the Company as computed under the provisions of Companies Act, 2013 ("the Act")
- ◆ Within the Overall limit: ₹ 500,000/- to be paid on monthly basis as salary along with following perquisites and allowances:
 - ◆ Medical reimbursement and Leave Travel concession to the tune of one month's salary each.
 - ◆ Company contribution to provident fund / pension fund or any annuity fund in accordance with the scheme of the Company.
 - ◆ Gratuity as per the rules of the Company not exceed half month's salary for each completed year of service.
 - ◆ Leave encashment as per rules of the Company.
 - ◆ Telecommunication facilities and car for business purposes
 - ◆ Personal accident insurance policy as per the Company policy
- ◆ At the end of the year Net Profit for the year shall be computed as per the provisions of the Act and rules made there under. After ascertaining the Net Profit, the aggregate of monthly remuneration, perquisites, allowances paid to her during the year shall be deducted from the 2.5% of the said profits, being overall limit as referred above and the balance, if any shall be paid.
- ◆ Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where, in the event of loss or inadequacy of profits in any financial year during the currency of tenure of her service, the payment of salary, perquisites and other allowances to her shall be governed by the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modifications thereof.

Harita Vasireddi satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out in Section 196 of the Act for being eligible for her re-appointment as Managing Director (whole-time Director) of the Company. She is not disqualified to be re-appointed under the provisions of the Act and the Company has received from her an intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act.

The terms and conditions as set out herein above may be treated as written memorandum setting out the terms of reappointment of Harita Vasireddi under the provisions of Section 190 of the Act.

The relevant particulars as required under the provisions of Clause B (iv) of Section II of Part II of Schedule V of the Act and under regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this notice Annexure I & II.

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

Except Harita Vasireddi and Dr S P Vasireddi, none of the other Directors are in any way concerned or interested in the special business set out at item No: 6.

The Board commends the special business under item No: 6 for re-appointment of Harita Vasireddi as Managing Director.

Item No: 7

The members of the Company at the Extra-ordinary General Meeting held on 17.08.2013 approved the appointment of Harriman Vungal as Executive Director - Operations of the Company for a period of three years commencing from 15.07.2013.

The Remuneration Committee at its meeting held on 14.07.2016 has reviewed the re-appointment of Harriman Vungal as Executive Director - Operations and made their recommendations to the Board for his re-appointment. Accordingly, based on the recommendations of the Remuneration Committee the Board at its meeting held on even date has considered the said re-appointment and passed necessary resolution appointing him as Executive Director - Operations of the Company for a period of three years with effect from 15.07.2016 subject to approval of the members in their ensuring Annual General meeting with following terms and conditions:

- ◆ Term: Three years w.e.f. 15.07.2016 subject to retirement by rotation.
- ◆ Overall remuneration: 2.5% of the Net Profits of the Company as computed under the provisions of Companies Act, 2013 ("the Act")
- ◆ Within the Overall limit: ₹ 500,000/- to be paid on monthly basis as salary along with following perquisites and allowances:
 - ◆ Medical reimbursement and Leave Travel concession to the tune of one month's salary each.
 - ◆ Company contribution to provident fund / pension fund or any annuity fund in accordance with the scheme of the Company.
 - ◆ Gratuity as per the rules of the Company not exceed half month's salary for each completed year of service.
 - ◆ Leave encashment as per rules of the Company.
 - ◆ Telecommunication facilities and car for business purposes
 - ◆ Personal accident insurance policy as per the Company policy

- ◆ At the end of the year Net Profit for the year shall be computed as per the provisions of the Act and rules made there under. After ascertaining the Net Profit, the aggregate of monthly remuneration, perquisites, allowances paid to him during the year shall be deducted from the 2.5% of the said profits, being overall limit as referred above and the balance, if any shall be paid.
- ◆ Minimum Remuneration : Notwithstanding anything to the contrary contained herein, where, in the event of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, perquisites and other allowances to him shall be governed by the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modifications thereof.

Harriman Vungal satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out in Section 196 of the Act for being eligible for his re-appointment as Executive Director - Operations (whole-time Director) of the Company. He is not disqualified to be re-appointed under the provisions of the Act and the Company has received from him an intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act.

The terms and conditions as set out herein above may be treated as written memorandum setting out the terms of reappointment of Harriman Vungal under the provisions of Section 190 of the Act.

The relevant particulars as required under the provisions of Clause B(iv) of Section II of Part II of Schedule V of the Act and under regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this notice Annexure I & II.

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

Except Harriman Vungal, none of the other Directors are in any way concerned or interested in the special business set out at item No: 7.

The Board commends the special business under item No: 7 for re-appointment of Harriman Vungal as Executive Director - Operations.

Item No: 8

The members of the Company at the Extra-ordinary General Meeting held on 17.08.2013 approved the appointment of Veerabhada Prasad Vasireddi (V V Prasad) as Executive Director - Administration of the Company for a period of three years commencing from 15.07.2013.

The Remuneration Committee at its meeting held on 14.07.2016 has reviewed the re-appointment of V V Prasad as Executive Director - Administration and made their recommendations to the Board for his re-appointment. Accordingly, based on the recommendations of the Remuneration Committee the Board at its meeting held on even date has considered the said re-appointment and passed necessary resolution appointing him as Executive Director - Administration of the Company for a period of three years with effect from 15.07.2016 subject to approval of the members in their ensuring Annual General meeting with following terms and conditions:

- ◆ Term: Three years w.e.f. 15.07.2016 subject to retirement by rotation.
- ◆ Overall remuneration: 2% of the Net Profits of the Company as computed under the provisions of Companies Act, 2013 ("the Act")
- ◆ Within the Overall limit: ₹ 500,000/- to be paid on monthly basis as salary along with following perquisites and allowances:
 - ◆ Medical reimbursement and Leave Travel concession to the tune of one month's salary each.
 - ◆ Company contribution to provident fund / pension fund or any annuity fund in accordance with the scheme of the Company.
 - ◆ Gratuity as per the rules of the Company not exceed half month's salary for each completed year of service.
 - ◆ Leave encashment as per rules of the Company.
 - ◆ Telecommunication facilities and car for business purposes
 - ◆ Personal accident insurance policy as per the Company policy
- ◆ At the end of the year Net Profit for the year shall be computed as per the provisions of the Act and rules made there under. After ascertaining the Net Profit, the aggregate of monthly remuneration, perquisites, allowances paid to him during the year shall be deducted from the 2% of the said profits, being overall limit as referred above and the balance, if any shall be paid.
- ◆ Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where, in the event of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, perquisites and other allowances to him shall be governed by the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modifications thereof.

V V Prasad satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out in Section 196 of the Act for being eligible for his re-appointment as Executive Director - Administration (whole-time Director) of the Company. He is not disqualified to be re-appointed under the provisions of the Act and the Company has received from him an intimation in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act.

The terms and conditions as set out herein above may be treated as written memorandum setting out the terms of reappointment of V V Prasad under the provisions of Section 190 of the Act.

The relevant particulars as required under the provisions of Clause B (iv) of Section II of Part II of Schedule V of the Act and under regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this notice Annexure I & II.

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

Except V V Prasad and Dr S P Vasireddi, none of the other Directors are in any way concerned or interested in the special business set out at item No: 8.

The Board commends the special business under item No: 8 for re-appointment of Veerabhada Prasad Vasireddi as Executive Chairman.

By Order of the Board

Statement pursuant to the requirements of Clause B (iv) of Section II part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION

1. Nature of Industry

Contract Research and Testing Organisation providing wide range of Testing and Research services in the fields of Pharmaceuticals, Food & Agri, Environmental Testing.

2. Date or expected date of commencement of commercial production

The Company is in existence since 1990.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

- Not Applicable -

4. Financial performance of the Company in the last five years based on given indicators:

(₹ in lakhs)

Indicators ↴	Financial years →	2015-16	2014-15	2013-14	2012-13	2011-12
Total Income		12575.24	10831.91	12174.20	11042.87	9029.13
Profit before non cash charges		1860.76	1773.89	2704.76	1937.10	(12.06)
Non cash charges		1025.64	1109.90	938.50	1499.64	1586.04
Profit before Tax		835.12	663.99	1766.26	437.46	(1598.10)
Profit after Tax		643.38	506.23	1323.93	421.34	(1537.63)
Paid up Equity Capital		442.16	442.16	442.16	442.16	442.16
Dividend in ₹ per share		1 (declared)	1	2	0.60	Nil

(b) The Company has no foreign exchange collaborations

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

II. OTHER INFORMATION

- Reasons for inadequate profits :** The profits as computed under section 198 of Companies Act, 2013 after adjusting the excess of expenditure over income pertaining to prior years will be inadequate to pay the proposed remuneration to the managerial personnel.
- Steps taken or proposed to be taken for improvement :** The management is consistently working for reducing the costs and for improving the performance of the company to attain better profitability.
- Expected increase in productivity and profits in measurable terms :** As in the past, it is expected that there will be an all-round increase in the productivity and profitability of the Company in the coming years. It is difficult to predict and quantify the increase in productivity in measurable terms.

III. DISCLOSURES

- The information on remuneration package and other details are disclosed in the board's report under the head "Corporate Governance".

IV INFORMATION ABOUT THE APPOINTEES

Appointees				
Name Designation	Dr S P Vasireddi Executive Chairman	Harita Vasireddi Managing Director	V Harriman Executive Director-Operations	V V Prasad Executive Director-Admn.
I) Background	Ph.D. with over 43 years of experience. He is one of the promoter Directors of the company since inception. He is a member on the Governing Boards of several scientific bodies.	A Pharmacist and an MBA in Service Operations Management. She worked with Vimta Rostest (P) Ltd. as Manager Operations for four years. She held key portfolios of Director-Projects & Director-Quality at Vimta & has a total 18 years experience.	D.Tech. from Toronto, Canada with over 38 years of experience. He is one of the promoter Director of the company and has been its Director-Technical and Executive Director - Operations since inception.	A Graduate in commerce with over 38 years experience. He is one of the promoter Director of the company and has been its Executive Director since inception. Prior to starting this Company he was in service with AP State Government.
II) Past Remuneration - (Salary, Allowances and Perquisites) (in ₹)				
F.Y. 2015-16	6,720,000	5,376,000	5,376,000	5,376,000
F.Y. 2014-15	6,720,000	5,376,000	5,376,000	5,376,000
F.Y. 2013-14	4,081,921	4,081,919	4,081,919	4,081,919
F.Y. 2012-13	5,274,838	5,274,838	5,274,838	5,274,838
F.Y. 2011-12	5,376,000	5,376,000	5,376,000	5,376,000
III) Recognition / Awards / Memberships	-----	-----	-----	-----
IV) Job Profile and his / her suitability	The profile of job includes setting up of long term and short term plans & strategies for the development of Company's business and to lead the Board. Dr S P Vasireddi with his expert knowledge and rich experience in analytical testing and research fields is the right person for the job.	The profile of job includes implementation of Board decisions and day to day management of the affairs of the Company. The Job requires expert knowledge in the technical; techno-commercial and administration and other related areas for guiding and leading the team. Harita Vasireddi with her rich experience and expert knowledge in the relevant field is the right person for the job.	The profile job includes overseeing the operational functions of the Company and implementation of quality systems as per the regulatory requirement. The job requires expert knowledge in technical field and related matters to lead the technical functions of the organization. Vungal Harriman with his expert knowledge and wide experience in technical field is the right person for the job.	The profile of the job includes overseeing the administrative functions of the Company and heading Finance & accounts; HR and other administrative functions. V V Prasad with his rich experience in the relevant fields is the right person for the job.

Appointees				
Name Designation	Dr S P Vasireddi Executive Chairman	Harita Vasireddi Managing Director	V Harriman Executive Director-Operations	V V Prasad Executive Director-Admn.
V) Remuneration proposed in the event of loss or inadequacy of profits	Provisions of Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013			
Salary	₹ 600,000 p.m.	₹ 500,000 p.m.	₹ 500,000 p.m.	₹ 500,000 p.m.
Perquisites	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>	<p>Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.</p> <p>Gratuity : As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.</p> <p>Encashment of Leave : Encashment of leave will be paid as per the rules of the company.</p>
VI) Comparative Remuneration Profile	This is a unique industry offering different types of testing and research services under one roof. There are no Indian industry norms available for comparison. There are no Companies offering all types of services under one roof like this Company. Hence providing the comparative information on remuneration profile with respect to industry, size of the company and profile of the position and person is not possible.			
VII. Pecuniary relationship with the Company and among the Managerial personnel.				
	Harita Vasireddi – Managing Director is daughter. V V Prasad – Executive Director-Administration is brother.	Dr S P Vasireddi – Executive Chairman is father	NA	Dr S P Vasireddi – Executive Chairman is brother.

Place : Hyderabad
Date : 14.07.2016

By Order of the Board
A VENKATA RAMANA
COMPANY SECRETARY

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

Name	Dr S P Vasireddi	Harita Vasireddi	Harriman Vungal	V V Prasad
Designation	Executive Chairman	Managing Director	Executive Director- Operations	Executive Director-Administration
Date of Birth	01.07.1948	10.10.1974	01.10.1951	14.08.1951
Qualification	PhD	B.Pharm MBA (USA)	D.Tech (Toronto)	B.Com.
Expertise in specific functional areas	Ph.D. with over 40 years of experience. He is one of the promoter Director of the company and has been its Chairman & Managing Director since inception. He is a member on the Governing Boards of several scientific bodies	A Pharmacist and an MBA in Service Operations Management with over 18 years of experience in Quality Management Systems, Corp. Strategic Planning & Management.	D.Tech. from Toronto, Canada with over 38 years of experience. He is one of the promoter Director of the company and has been its Director-Technical since inception	A Graduate in commerce with over 38 years experience, He is one of the promoter Director of the company and has been its Executive Director since inception. Prior to starting this Company he was in service with AP State Government
Disclosure of relationships between directors inter-se	Harita Vasireddi - Managing Director is daughter. V V Prasad - Executive Director-Administration is brother.	Dr S P Vasireddi - Executive Chairman is father	NA	Dr S P Vasireddi - Executive Chairman is brother.
Shareholding as on 30.06.2016	3598525	167964	1777166	1463515
Names of other listed entities in which the person also holds the directorship and the membership of the committees of Board (as on 30.06.2016)				
Board (Listed entities)	Nil	Nil	Nil	Nil
Committees (Listed entities)	Nil	Nil	Nil	Nil

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER

- (i) The voting period begins at **9.00 am of 30.08.2016 and ends at 5.00 pm of 01.09.2016**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **26.08.2016**, 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.
DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

Proxy Form

(Form No. MGT-11)

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

CIN : L24110TG1990PLC011977
Name of the company : **Vimta Labs Limited**
Registered office : Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, 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 26th Annual general meeting of the company, to be held on the 02nd day of September, 2016 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.** Ratification of appointment of Auditors **4.** Ratification of remuneration to Cost Auditors **5.** Re-appointment of Dr S P Vasireddi (DIN 00242288), as Executive Chairman of the Company **6.** Re-appointment of Ms Harita Vasireddi (DIN 00242512), as Managing Director of the Company **7.** Re-appointment of Shri Harriman Vungal (DIN 00242621), as Executive Director- Operations of the Company **8.** Re-appointment of Shri Veerabhadra Prasad Vasireddi (DIN 00242355), as Executive Director-Administration of the Company.

Signed this..... day of, 2016
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.
--------------------------	-----------	-----------	---------------

I hereby record my attendance at the 26th Annual General Meeting of the Company, to be held on the 02nd day of September, 2016 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



Annual Report
2015-16

Vimta Labs Limited

CIN : L24110TG1990PLC011977

Registered Office: Plot Nos. 141/2 & 142, IDA Phase II, Cherlapally, R. R. District, Hyderabad - 500051

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

COMPANY SECRETARY & COMPLIANCE OFFICER

A VENKATA RAMANA

BANKERS

State Bank of India
Overseas Branch
Hyderabad

State Bank of Hyderabad
Industrial Finance Branch
Hyderabad

STATUTORY AUDITORS

JVSL & Associates
(Firm Regn. No. 15002S)
Chartered Accountants
Hyderabad

SECRETARIAL AUDITORS

D Hanumantha Raju & Co.
Company Secretaries
Hyderabad

COST AUDITORS

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

LISTED WITH

BSE Limited
National Stock Exchange of India Ltd

SHARE TRANSFER AGENTS

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

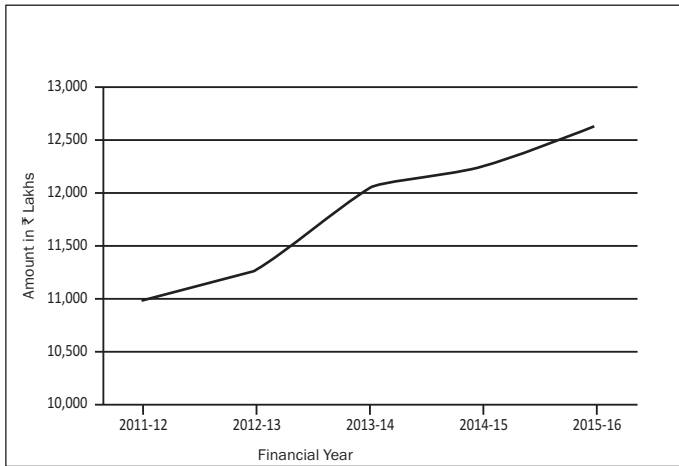
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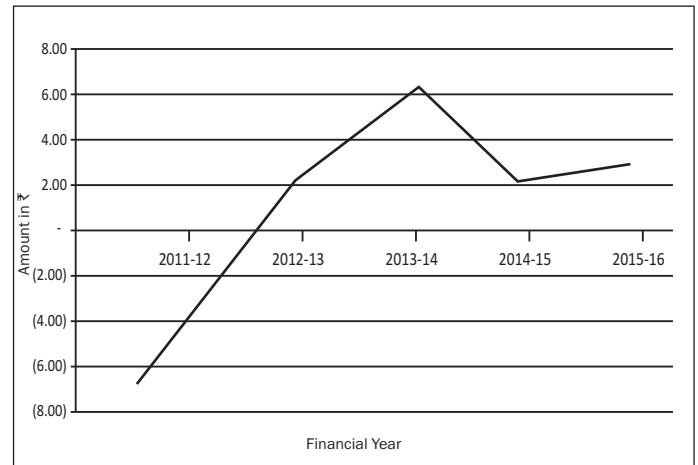
IMPORTANT COMMUNICATION TO MEMBERS

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.

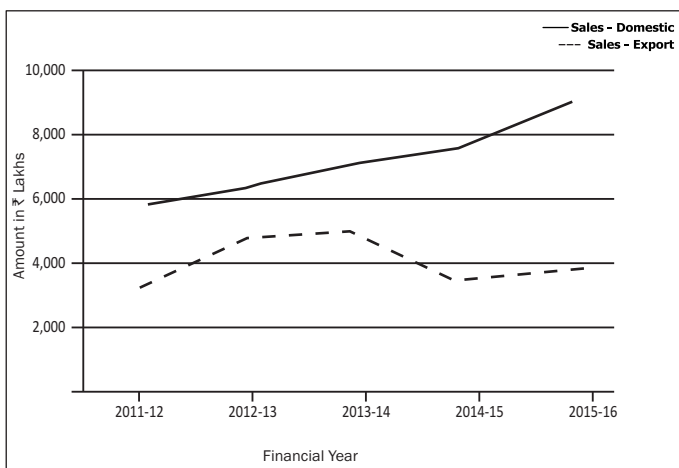
Net Worth



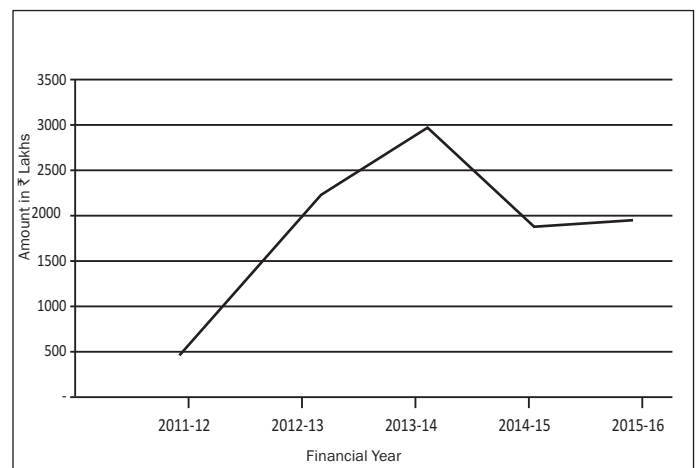
EPS



Yearly Sales Domestic vs Export



EBITDA



To
The Members of VIMTA LABS LIMITED

Your Directors have pleasure in presenting the 26th Annual Report and audited accounts of your Company for the year ended March 31, 2016.

FINANCIAL RESULTS

Financial Results for the year under review are as follows :

			(₹ in lakhs)	
	For the Year 2015-2016		For the Year 2014-2015	
1. Profit before interest, depreciation & taxes (EBIDTA)		1991.14		1846.03
Less : Finance charges & Interest	130.38		72.14	
Depreciation	<u>1025.64</u>	<u>1156.02</u>	<u>1109.90</u>	<u>1182.04</u>
2. Profit /(Loss) before Amortization, Prior year adjustments & Taxes		835.12		663.99
Less : Amortization of Preliminary Expenses	-		-	
Less/(Add) : Prior year adjustments	-	-	-	-
3. Profit /(Loss) before tax		835.12		663.99
4. Less : a) Current Tax	171.00		139.20	
b) Prior year Tax Liability / (Credits)	(6.22)		(0.08)	
c) Deferred Tax Liability/(Asset)	<u>26.95</u>	<u>191.74</u>	<u>18.64</u>	<u>157.76</u>
5. Profit /(Loss) after Tax		643.38		506.23
6. Add / (Less) : Surplus brought forward from previous years		3254.59		*3064.64
Amount available for appropriations		<u>3897.97</u>		<u>3570.87</u>
APPROPRIATIONS :				
Transfer to General Reserve		65.00		51.00
Proposed dividend		221.08		221.08
Provision for tax on proposed dividend		45.01		44.20
Surplus carried to Balance Sheet		<u>3566.88</u>		<u>3254.59</u>
		<u>3897.97</u>		<u>3570.87</u>

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

OPERATIONS:

Net Revenue from operations increased by 16.25% compared to the previous year. Earnings before interest, depreciation, taxes and amortization (EBIDTA) for the year stood at ₹ 1991.14 lakhs as compared to ₹ 1846.03 lakhs in the previous year. The EBIDTA has gone up in spite of increased expenditure on employee benefits on account of additional manpower & increased liability of Bonus, as a result of change in the provisions of Payment of Bonus (Amendment) Act, 2015 and increase in material and power costs.

Profit after tax (including deferred tax) stood at ₹ 643.38 lakhs with 27% increase over previous year of ₹ 506.23 lakhs.

During the year under review, your Company has initiated the process of setting up of branch laboratories, pan India at nine locations to capture the growing demand for third party quality testing and certification. The process for obtaining required accreditations from National Accreditation Board for Laboratories (NABL) for six branches is under progress and the commercial operations are expected to commence from third quarter of the current fiscal.

The Company augmented the funds for setting up of the above said branches partly through term loan of ₹ 27.10 Crores from State Bank of Hyderabad and the balance from internal accruals.

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 2015-16.

Transfer to Reserves

Out of the current year's profits, your Directors propose to transfer ₹65 Lakhs to General Reserve.

BOARD

Particulars of Board of Directors and its Committees: 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 and Key Managerial Personnel

Except the re-appointment of Managing Director and other Whole-time Directors as mentioned herein, there were no changes in the Directors of the Company.

The reappointment and remuneration of Managing Director and the other three Whole-time Directors i.e. Executive Chairman, Executive Director – Operations and the Executive Director – Administration was approved by the Board for a tenure of three (3) years effective from 15.07.2016 subject to the approval of the members in the ensuing Annual General Meeting.

Further, during the year under review, there were no new appointments to the Directorship and there were no cessations of the Directorship.

During the year under review Mr. M Murali Mohana Rao has taken the charge of CFO from July 1, 2015 consequent to the retirement of his predecessor Mr. P Sankaraiah on June 30, 2015

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.

Nomination and Remuneration Policy

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

Evaluation

The Companies Act, 2013 mandates that a formal annual evaluation has 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 2015-16 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

There is a system for every Director inducted newly to the Board to undergo an orientation program in order to get familiarized with the strategy, operations and functions of the Company. The Executive Directors / senior personnel make presentations to the inductees

about the Company's strategy, operations, service offerings, markets, organization structure, finances, human resources, technology, facilities, risk management, etc.

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

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.

Vigil Mechanism / Whistle Blower Policy

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis given below covers the key issues concerning the business carried on by the Company with respect to Industry Overview, Outlook, Trends, Opportunities, Threats & Risks.

Economic uncertainties, continuing demand for generics and incremental demand in biosimilars, pricing pressures, technological innovations, expanding healthcare systems and increasing healthcare spending in developing economies such as Africa, Middle East, South America and West Asian markets, government policy and regulatory changes continue to characterize the opportunities for global life sciences segment. CRO industry being an integral part of the life sciences segment faces its own opportunities and risks within the life sciences landscape.

Opportunities for contract research and testing organizations arise from the current trends such as, strong R&D spending in US and UK, growing specialty drugs segment, rise in aspiring biosimilar companies, numerous and stringent regulations around the world, and demand for enhancing R&D spending efficiencies. These trends will create more demand for contract R&D services in those countries, including India, where scientific talent and infrastructure is not only available but economically advantageous as

On the downside, particularly for India, reputational perception has been low. Mergers and acquisitions continue to be key strategic tools used by the life sciences industries to grow rapidly and leverage their product portfolio. This is leading to a shrinkage in market from the CRO perspective. A new trend in pricing mechanisms between CROs and their customers involves risk sharing or outcome based contracts. Such contracts result in higher risks for CROs but will also open windows for greater business development opportunities.

The Indian market for contract food safety and quality testing is strongly driven by regulations, their enforcement, increasing concern from public on product safety, and foreign trade. Food companies have begun to rely more on third party testing labs for integrity of their quality and safety programs. The opportunities for testing labs to grow in India are tremendous in the coming decade. On the flip side, poor regulatory enforcement, lack of commitment from manufacturers, food business operators and retailers on the food safety and quality could lead to uprise of low quality testing laboratories that will compete with laboratories of repute for business. Therefore, cost and speed of testing service will continue to remain the biggest customer demand.

VIMTA, in its continuous endeavor for sustainable growth is focused on a holistic approach that offers integrated services to its pharma customers to deliver higher value services as opposed to segmented services. Its preclinical, clinical, central lab, biopharma and analytical services enable the Company to form strong partnerships with its customers through the ability to add value across the drug development cycle.

Business risks are managed by VIMTA through its continued focus on compliance to regulations and Standards. Operational efficiencies are driven through the integrated service delivery model. New markets such as China and parts of Europe are being developed in addition to its continued focus domestically and in US.

Overall, in food and pharma segments, the opportunities for VIMTA look promising. Risks are inherent to any business and VIMTA continues to focus on service innovations, technology, talent grooming and quality to manage and mitigate risks.

Branch Laboratories:

In order to meet customer requirements and demands, VIMTA has embarked on an expansion journey and is in the process of setting up a pan India network of testing laboratories, that are designed to meet the local needs of the market and delivery of quality services.

Setting up of branch laboratories at Pune, Bhimavaram and Nellore locations were completed and labs in Kolkata, Kochi, & Visakhapatnam are in their final stage of lab setup and the process for obtaining required accreditations from National Accreditation Board for Laboratories (NABL) for these branches is under progress. Commercial operations from these branches are expected from third quarter of the current fiscal. Labs in Bangalore, Ahmedabad, and Indore are in middle stage of lab setup.

Particulars of Contracts & Arrangements with Related Parties

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

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

Particulars of Loans, Guarantees or Investments

During the year under review, the Company has neither 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.

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 in place.

Financial Performance

Gross revenue for the year 2015-16 is ₹12575.24 lakhs as compared to ₹10831.91 lakhs in the previous year. During the year under review, the sales have gone up by 16.25% as compared to the previous year. The Net profit stood at ₹643.38 lakhs as compared to ₹506.23 lakhs of previous year.

Foreign Exchange Fluctuations

The net loss during the year on account of Foreign exchange fluctuations against overseas customers, Vendors and Book balances was ₹5.19 lakhs. The same was accounted under the head Other Expenses 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, 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 similar set of risks and returns and operating in the same economic environment, segment reporting is not applicable. Accordingly, for reporting purposes, all these services are treated as single business and geographical segment. The said treatment is in accordance with 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 i.e. 31.03.2016, the Company has 908 employees including 21 medical doctors; 26 PhDs and 861 scientists, engineers, technicians and other administrative staff.

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 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 or disclaimer made in the Audit Report for the financial year 2015-16. Further, no frauds are reported by the Auditor in terms of section 143(12) of the Companies Act, 2013. This report forms 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.

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, Practising 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 or disclaimers made. 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 has adequate Internal Financial Controls (IFC) and well laid down procedures are in place. 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.

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 financial 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.

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 ₹ 11,59,714/- to Narsingh Swain Memorial Trust, Hyderabad and an amount of ₹ 8,00,000/- paid to Hyderabad Eye Institute (Operating Trust of L V Prasad Eye Institute), Hyderabad for providing medical aid to differently abled people on charitable basis who belong to economically weaker sections of the society.

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 SEBI (LISTING AND DISCLOSURE) REGULATIONS, 2015**Cash flow statement**

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

Stock exchanges

Equity Shares of the Company are listed with BSE Limited and National Stock Exchange of India Limited and the respective listing fees was paid in time and no amount is outstanding.

Share transfer agency

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

Transfer of unclaimed Dividend amount 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, 2006-07 and 2007-08 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 : 14.07.2016

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, 2016 the Board of Directors met five times. These meetings were held on May 28, 2015; July 17, 2015; October 21, 2015; November 6, 2015 and January 28, 2016. The Directors' attendance and their Directorships during the year ended March 31, 2016 are as under:

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

I) EXECUTIVE

Dr S P Vasireddi Promoter, Executive Chairman	5	Present	----	----
Harita Vasireddi Managing Director	4	Present	1	2
V Harriman Promoter, Executive Director-Operations	5	Present	----	2
V V Prasad Promoter, Executive Director-Admn.	5	Present	1	1

II) NON-EXECUTIVE & INDEPENDENT DIRECTORS

T S Ajai	4	Absent	----	3
Dr Subba Rao Pavuluri	4	Present	12	3
Prof D Balasubramanian	4	Present	2	1
Rao Purnachandra Potharlanka	2	Present	----	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	—	—	---
Dr Subba Rao Pavuluri	—	—	---
Prof. D Balasubramanian	—	106,590	106,590*
Rao Purnachandra Potharlanka	—	—	---

*Including Service Tax

Note:

1. Salary includes Basic Salary, Allowances, Perquisites and Contribution to Provident Fund. No stock options / performance linked incentives were given to any of the directors.

2. The existing term of the executive directors is three years effective from 15.07.2013 and that of independent directors is five years effective from 17.05.2014. 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 2015-16
 - ◆ 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.

Disclosure under clause B (iv) IV of Section II of Part II of Schedule V of the Companies Act, 2013 w.r.t. re-appointment of Whole-time Directors

a) Whole-time Directors

Name of the Directors	Proposed remuneration package	Fixed compensation
Dr S P Vasireddi Executive Chariman	3% of the Net profits of the Company*	₹ 600,000/- per month plus other benefits**
Harita Vasireddi Managing Director	2.5% of the Net profits of the Company*	₹ 500,000/- per month plus other benefits**
Vungal Harriman Executive Director Operations	2.5% of the Net profits of the Company*	₹ 500,000/- per month plus other benefits**
VV Prasad Executive Director Administration	2% of the Net profits of the Company*	₹ 500,000/- per month plus other benefits**

* Net profits of the Company means net profit as computed under the provisions of Sections 198 of the Companies Act, 2013

**** Perquisites and allowances:**

- a) Medical Reimbursement : Payment/Reimbursement of medical expenses incurred for self and family including dependent parents, subject to ceiling of one month's salary in a year.
- b) Leave Travel Concession: For self and family including dependent parents, to and fro from any place in India, once in a year subject to ceiling of one month's salary per annum.
- c) Pension / Superannuation Fund : Company's contribution to Provident Fund, Superannuation Fund or annuity fund in accordance with the Scheme of the Company to the extent these either singly or put together are not taxable under Income Tax Act,1961.
- d) Gratuity: As per the rules of the Company, at the rate not exceeding one-half month's salary for each completed year of service.
- e) Encashment of Leave: Encashment of leave will be paid as per the rules of the company.
- f) Telephone and Car: Telecommunication facilities and car for business purposes.
- g) Personal accident insurance: Personal accident insurance premium will be paid as per the rules of the company."

The re-appointment of above whole-time directors are for a period of 3 years effective from July 15, 2016. There is no notice period and severance fee, other than payment of gratuity as per the Company policy. There are no stock options.

b) Independent Directors

Other than sitting fee for attending Board meetings, there is no remuneration payable to the independent directors. The appointments of these directors are for a period of 5 years effective from May, 17 2014. There is no notice period & severance fee payable to them and no stock options offered.

COMMITTEES OF THE BOARD

Audit Committee

Terms of Reference

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

- ◆ Monitoring of the Company's financial reporting process, disclosure of its financial information and to ensure the correctness & credibility of the financial statements;
- ◆ Recommending for appointment, remuneration and terms of appointment of statutory, internal and cost auditors of the Company;
- ◆ Reviewing, with the Management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for its approval Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- ◆ Reviewing and approving 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 and are non-executive & 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.

Meetings and Attendance

During the year ended March 31, 2016 the Audit Committee met four times. These meetings were held on May 28, 2015; July 17, 2015; November 6, 2015 and January 27, 2016.

Composition and attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	4	4
Dr Subba Rao Pavuluri	4	3
Rao Purnachandra Potharlanka	4	2

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.

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

Meetings & Attendance

The Committee has not met during the year 2015-16.

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 regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objectives and purpose of this policy are

- ◆ To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- ◆ 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.	2014-2015	AGM	Regd. Office	21.08.2015	10.00 a.m.
2.	2013-2014	AGM	Regd. Office	07.07.2014	10.00 a.m.
3.	2012-2013	AGM	Regd. Office	31.05.2013	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.	2014-2015	Nil			
2.	2013-2014	EGM	Regd. Office	17.08.2013	10.00 a.m.
3.	2012-2013	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

In compliance to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board through BSE Listing Centre and NSE Electronic Application Processing System and by courier and are also placed on the Company's website <http://www.vimta.com/financials>. The abridged financial results are published in two newspapers within 48 hours of the conclusion of the meeting of the Board in compliance to the Regulations. Generally the results are published in Financial Express and Andhra Prabha. Further, all the material information, if any which has bearing on the operations of the Company is sent to all stock exchanges concerned. The Company's website also displays official press/news releases, presentations if any, made to institutional investors & analysts and other details / information of interest to various stakeholders.

COMPLIANCE OF INSIDER TRADING NORMS

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

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 02.09.2016
Time : 10.00 A M
Venue : Plot No.142, IDA, Phase-II,
Cherlapally, Hyderabad : 500051

Financial Calendar

Financial year : April 1, 2016 to March 31, 2017
First quarter results : On or before August 14, 2016
Half yearly results : On or before November 14, 2016
Third quarter results : On or before February 14, 2017
Fourth quarter/Annual Results : On or before May 30, 2017
Date of Book Closure : 29.08.2016 to 02.09.2016
(both days inclusive)
Date of dividend payment : Within 30 days from declaration by the members in their meeting to be held on 02.09.2016.

Unclaimed dividend

Dividend pertaining to the financial years 2001-02, 2002-03, 2003-04, 2004-05 (Interim & Final); 2005-06, 2006-07 and 2007-08 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 2008-09 to 2010-11, 2012-13 to 2014-15 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	2008-2009	19.09.2009	24.10.2016
2	2009-2010	30.09.2010	04.11.2017
3	2010-2011	24.09.2011	28.10.2018
4	2011-2012	No dividend was declared	
5	2012-2013	31.05.2013	04.07.2020
6	2013-2014	07.07.2014	12.08.2021
7	2014-2015	21.08.2015	26.09.2022

Listing with Stock Exchanges

Companies securities are listed with

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

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

Electronic Connectivity

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

Stock Price Data

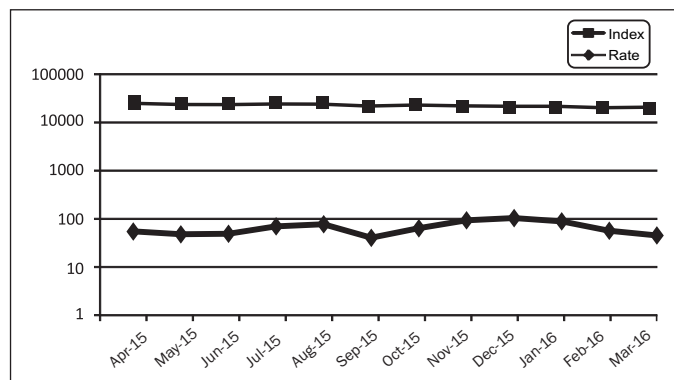
Monthly high and low share quotations on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai for the financial year 2015- 2016 were as follows :

(in ₹)

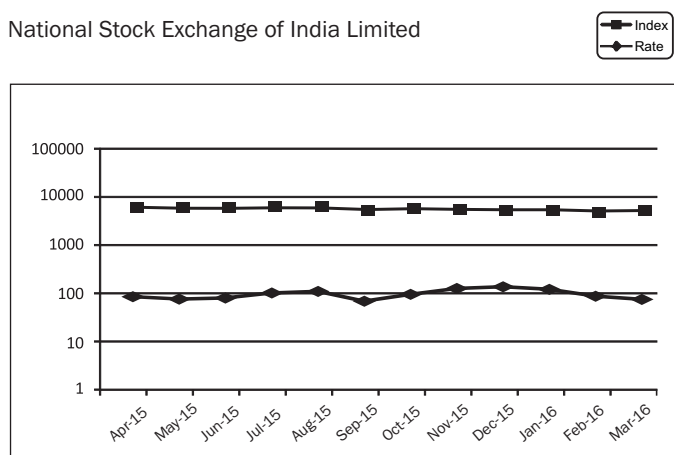
Year 2014-15	BSE Limited		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2015	81.50	63.40	81.50	63.10
May, 2015	75.90	63.8	75.00	61.50
June, 2015	77.00	58.80	77.90	58.80
July, 2015	92.90	68.15	92.70	69.60
August, 2015	98.00	61.10	97.80	61.30
September, 2015	69.50	62.70	69.70	63.00
October, 2015	88.40	64.45	88.40	64.30
November, 2015	108.25	70.00	108.40	70.00
December, 2015	114.50	95.10	114.80	95.00
January, 2016	105.40	71.20	105.20	71.55
February, 2016	83.10	59.35	82.80	59.25
March, 2016	73.80	61.10	74.20	60.30

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

BSE Limited



National Stock Exchange of India Limited



Share Transfer System

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

Address for Communication

For Share Transfers and related matters

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

For other matters

Vimta Labs Ltd.
Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad - 500051
Phone : 040-2726 4141; Fax : 040-2726 3657
Web : www.vimta.com; E-mail : shares@vimta.com
CIN : L24110TG1990PLC011977

Compliance Officer

A Venkata Ramana, Company Secretary
Vimta Labs Ltd.
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 31.03.2016

Shares held	Shareholders		No. of Shares		
	From - To	No.	%	No.	%
Upto 5000		11485	98.05	4956900	22.42
5001-10000		120	1.02	878524	3.97
10001-20000		56	0.48	799650	3.62
20001-30000		19	0.16	483435	2.19
30001-40000		7	0.06	260289	1.18
40001-50000		3	0.03	130249	0.59
50001-100000		7	0.06	507570	2.30
100001 & above		16	0.14	14091193	63.73
Total		11713	100	22107810	100

Categories of shareholders as on 31.03.2016

Category	No. of Shares	%
Shareholding of Promoter & Promoter Group		
Indian	8270052	37.41
Foreign	Nil	Nil
Public Shareholding		
Institutional Investors	21041	0.09
Non - Institutional Investors	13816717	62.50
TOTAL	22107810	100

Dematerialization of shares and liquidity

Over 97.635 % of the Company's equity shares have been dematerialized as on 31.03.2016. 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 2015-16

	*(₹ in lakhs)	
	BSE Ltd.	National Stock Exchange of India Ltd.
Total shares traded	8593231	24484870
Turnover value*	7693.26	22450.14

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

CEO/CFO Certification

The Managing Director and Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said certificate is appended to report on corporate governance and form part of the Annual Report.

COMPANY LOCATIONS

Sl.No.	City	Address
Regd. Office & Central Laboratory		
1.	Hyderabad	141/2 & 142, IDA, Phase-II, Cherlapally, Pin : 500051 Phone : 040-27264141; Fax : 040-27263657
Life Science Facility		
2.	Hyderabad	Plot No.5, Alexandria Knowledge Park, Genome Valley, Turkapally Village, Shameerpet, Pin : 500078 Phone : 040-67404040 ; Fax : 040-67404401
Laboratories		
1.	Ahmedabad	B-303 & B-304, Ship Aaron Tower-Bm Sindhu Bhavan Road Near Pakvan Circle, Ghatlodiya, Pin : 380059
2.	Bangalore	No.1047, Rukmini Plaza, 5 th Block, West of Chord Road Rajaji Nagar, Pin : 560010
3.	Bhimavaram	H.No.7-54/3, J P Road, West Side of SRK Eng. College Pin : 534202
4.	Bhubanewar	H.No.16C, BDA, HIG Duplex Colony Baranunda, Pin : 751003
5.	Chennai	No.20, Ground Floor, LIC Colony, 11 th Avenue, Kodambakkam Village, Mamambalam Gundi Taluk, Ashok Nagar, Pin : 600083
6.	Indore	Unit No.301 & 302, 3 rd Floor, Maloo 01, Plot No.26 Scheme No.94C, Ring Road, Pin : 452010
7.	Kochi	No.5D, 5 th Floor, NEOL Focus, Seaport-Airport Road Kakkanad, Kanayannur Taluk, Pin : 682037
8.	Kolkata	Meril Infinite, D N 51, 11th Floor ,Salt Lake Sector 5 Pin : 700 091
9.	Nellore	D.No.26-16-370, 3rd Floor, MC Arcade, Survey No. 652 Min Bye-Pass Road, Komdayapalem, Pin : 524004
10.	Pune	H.No.2B, 5th Floor, Wakad Mulshi, Pin : 411057
11.	Secunderabad	H.No.1-8-303-25/A, RS Towers, P G Road, Sindhi Colony Begumpet Police Lines, Pin : 500003
12.	Varanasi	B-31/82, 2 nd Floor, Rashmi Nagar, Naria Road, Pin : 221005
13.	Visakhapatnam	D.No.15-13-2A, Krishna Nagar, Maharaniipet Pin : 530002
14.	Visakhapatnam	9-13-45/2-9-3, VIP Road, Pin : 530003
15.	Vijayawada	29-5-1, Shyam Enclave, Opp. Glaxo, Cherukupalli Vari Street Prakasam Road, Governorpet, Pin: 520002
Liaison Offices		
1.	Chennai	5, Crescent Park Street, T Nagar, Pin : 600017
2.	Coimbatore	No 49, West Venkataswamy Road, Front Portion R.S Puram, Pin : 641002
3.	Kolkata	G1 & G2, Ground Floor, Tulip Building, Diamond Harbour Road, Sahapur, Pin : 700038

AUDITORS' CERTIFICATE

To
The Members of Vimta Labs Limited

- We have examined the compliance of conditions of Corporate Governance by Vimta Labs Limited ('the Company'), for the year ended March 31, 2016, as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.
- 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.
- 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 / Listing Regulations, as applicable.
- 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)

Place : Hyderabad
Date : 14.07.2016

J Venkateswarlu
Partner
ICAI Ms.No.022481

Annexure to Report on Corporate Governance
COMPLIANCE CERTIFICATE

- We have reviewed financial statements and the cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, the design and operation of such internal controls. No deficiencies have been identified.
- We have indicated to the auditors and the Audit committee
 - Significant changes in internal control over financial reporting during the year;
 - That there were no significant changes in accounting policies during the year, and
 - To the best of our knowledge and belief, that there are no instances of significant fraud involving either the management or an employee having a significant role in the Company's internal control system over financial reporting.

HARITA VASIREDDI
MANAGING DIRECTOR

Place : Hyderabad
Date : 16.05.2016

M MURALI MOHANA RAO
CHIEF FINANCIAL OFFICER

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

Form No. AOC-2

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

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 referred to in sub-section (1) of Section 188 of the Companies Act, 2013 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 at arm length basis with related parties for the year ended March 31, 2016 are as follow :-

Sl. No.	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/transactions	Duration of Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value ; if any	Date of approval by the Board, if any	Justification For entering into Contract / Arrangement
1.	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. 02.08.2013	₹ 1,25,000 per month plus taxes	07.11.2013	Arms length contract Customer Support Services at prevailing market rates. Contract terminated w.e.f. 01.11.2015
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% with 3 months lease rentals as advance	17.05.2014	Lease Rentals at prevailing market rates. Lease rentals paid for the year @ ₹ 77,000/- p.m.
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. Lease rentals paid for the year @ ₹ 11,100/- p.m.
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 ₹ 193,040 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 ₹ 193,040 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 ₹ 81,750 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 Present capacity - Dy. Manager - Operations	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 ₹ 63,096 p.m. is being paid

Place : Hyderabad
Date : 14.07.2016

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Objective and purpose of the policy

The objectives and purpose of this policy are

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

The committee

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

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

Definitions

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

'Directors' means Directors of the Company.

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

'The Company' means Vimta Labs Limited.

'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013 and rules made 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 reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

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

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

Removal

Where any of the Director becomes disqualified to be a Director of the Company due to any of the reasons of disqualifications as mentioned in the Companies Act, 2013 and rules made 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**

Remuneration to Managing Director; Whole-time Directors:

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

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

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

Policy review

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

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

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

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

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

Sl. No.	Name of the Director	Ratio of the remuneration paid to Directors to the median remuneration of the employee excluding managerial remuneration	Percentage increase in remuneration during the year	Comparison with the percentile increase in the remuneration of Directors that of employees	Comparison of remuneration against performance of the Company	
					Remuneration paid (₹)	Performance of the Company for the year (Net Profit in ₹)
1	Dr S P Vasireddi Executive Chairman	28.25 : 1	Nil	NA	6,720,000	64,338,308
2	Harita Vasireddi Managing Director	22.60 : 1	Nil	NA	5,376,000	64,338,308
3	Vungal Harriman Executive Director - Operations	22.60 : 1	Nil	NA	5,376,000	64,338,308
4	V V Prasad Executive Director - Admn	22.60 : 1	Nil	NA	5,376,000	64,338,308
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 CFO (Retired on 30.06.2015)	NA	NA	NA	814,722	64,338,308
10	M. Murali Mohan Rao CFO (w.e.f. 01.07.2015)	NA	NA	NA	2,250,000	64,338,308
11	A. Venkata Ramana Company Secretary	NA	4.65%	NA	1,218,516	64,338,308

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 908 permanent employees on the rolls of the Company as on March 31, 2016.
The percentage increase in the median remuneration of employees in the financial year was 15.67%.
- 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 31.3.2016 decreased to ₹ 157.05 crores (BSE) and ₹ 157.43 crores (NSE) from ₹ 165.81 crores (BSE) and ₹ 165.92 crores (NSE) as on 31.3.2015. The Price Earning Ratio was 35.32 as on March 31, 2016 as compared to 37.50 as of March 31, 2015. The closing price of the Company's equity shares on the BSE and NSE as of March 31, 2016 was ₹70.65/-.

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	₹ 6,750,840	Permanent	M.Sc, PhD 24 yrs	27.04.2009	52	Wockhardt	Nil	No

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

[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 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit).
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit).
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not applicable to the Company during the period of audit);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period of audit); and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vi) Other laws specifically applicable to the company as per the representations made by management include:
 - A. The Drugs and Cosmetic Act, 1940
 - B. Narcotic Drugs and Psycho tropic 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 Trans boundary 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 and notified under the Companies Act, 2013
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited (NSE).

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 period under review it was observed that the company has received show cause notice from service tax department on 08.10.2015 contending the non payment of service tax of ₹ 7,45,399/- for the services render to Jammu & Kashmir Customers which is subject to interest and penalty. As per the information and explanation provided by the Company, its officers, agents and authorized representatives, the company has replied to the show cause notice on 16.11.2015 contending the amount of demand and not liable for Service Tax for the services rendered to Jammu & Kashmir customers under Rule 4 of PPSR Rules. Company is waiting for the orders from the Additional Commissioner of Service Tax to proceed further.

We further report that on 23/10/2015 the company has received another show cause notice vide O.R No. 165/2014-Hyd-III-Adjn(ST) contending the non payment of service tax of ₹ 5,50,97,506 which is subject to interest and penalty. However the proceedings contemplated vide above notice were DROPPED IN TOTO vide OIO. No.22/2015-16 Hyd-III-Adjn (ST) dated 25.02.2016.

Place : Hyderabad
Date : 13.07.2016

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS MOHIT KUMAR GOYAL
PARTNER
ACS: 32655, CP NO: 12751

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 : 13.07.2016

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS MOHIT KUMAR GOYAL
PARTNER
ACS: 32655, CP NO: 12751

EXTRACT OF THE ANNUAL RETURN
(As on the financial year ended on 31.03.2016)

I. REGISTRATION AND OTHER DETAILS :

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

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

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

(ii) Shareholding of Promoters and promoters group

Sl. No.	Shareholder's Name	No. of shares held at the beginning of the year 01.04.2015			No. of shares held at the end of the year 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Sivalinga Prasad Vasireddi	3598525	16.28	0	3598525	16.28	0	0.00
2	Vungal Harriman	1776522	8.04	0	1777166	8.04	0	0.00
3	Vasireddi Veerabhadra Prasad	1463515	6.62	0	1463515	6.62	0	0.00
4	Andhra Pradesh Industrial Development Corporation Ltd	590000	2.67	0	590000	2.67	0	0.00
5	Harita Vasireddi	167964	0.76	0	167964	0.76	0	0.00
6	Praveena Vasireddi	137550	0.62	0	122550	0.55	0	0.07
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	94765	0.43	0	0.07
10	Sudheshna Vungal	100000	0.45	0	100000	0.45	0	0.00
11	Rajya Lakshmi Vasireddi	42300	0.19	0	42300	0.19	0	0.00
12	Vungal Rajeswari	80725	0.37	0	80725	0.37	0	0.00
	Total	8299399	37.54	0	8270052	37.41	0	0.14

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 01.04.2015				No. of shares held at the end of the year 31.03.2016				% 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	7709399	0	7709399	34.87	7680052	0	7680052	34.74	(0.13)
(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)	8299399	0	8299399	37.54	8270052	0	8270052	37.41	(0.13)
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)	8299399	0	8299399	37.54	8270052	0	8270052	37.41	(0.13)
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/UTI	0	6000	6000	0.03	0	6000	6000	0.03	0
(b)	Financial institutions/Banks	25875	0	25875	0.12	15041	0	15041	0.07	(0.05)
(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)	25875	6000	31875	0.15	15041	6000	21041	0.10	(0.05)
2	Non-Institutions									
(a)	Bodies corporate	6814049	12000	6826049	30.88	6302130	11500	6313630	28.56	(2.32)
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	5749271	504731	6254002	28.29	6074854	491230	6566084	29.70	1.41
	ii) Individual shareholders holding nominal share capital in excess ₹ 1 lakh	499869	0	499869	2.26	643866	0	643866	2.91	0.65
(c)	Any other (Specify)									
	NRI-Non Repatriable	19819	0	19819	0.09	28083	0	28083	0.13	0.04
	NRI-Repatriable	83723	0	83723	0.38	182722	0	182722	0.83	0.45
	N A Clearing Member	93074	0	93074	0.42	82332	0	82332	0.37	(0.05)
	Sub-Total (B)(2)	13259805	516731	13776536	62.32	13313987	502730	13816717	62.50	0.18
	Total Public shareholding Group (B) = (B)(1)+(B)(2)	1325680	522731	13808411	62.46	13329028	508730	13837758	62.59	0.13
	Total (A)+(B)	21585079	522731	22107810	100	21599080	508730	22107810	100	0.00
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)	21585079	522731	22107810	100	21599080	508730	22107810	100	0.00

(iii) Change in Promoters' or promoters group shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2015		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	VUNGAL HARRIMAN 04.09.2015 - 79 shares purchase 10.09.2015 - 50 shares purchase 18.09.2015 - 70 shares purchase 25.09.2015 - 25 shares purchase 23.10.2015 - 20 shares purchase 22.01.2016 - 200 shares purchase 12.02.2016 - 100 shares purchase 19.02.2016 -100 shares purchase	1776522	8.04	1776601 1776651 1776721 1776746 1776766 1776966 1777066 1777166	8.04 8.04 8.04 8.04 8.04 8.04 8.04 8.04
2.	PRAVEENA VASIREDDI 25.12.2015 - 15000 shares sell	137550	0.62	122550	0.55
3.	SWARNA LATHA VASIREDDI 25.12.2015 - 15000 shares sell 18.03.2016 - 9 shares purchase	109756	0.50	94756 94765	0.43 0.43

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		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 04.03.2016 At the end of the year	3325265	15.04	10655	0.05	3335920 3335920	15.09
2.	LCGC CHROMATOGRAPHY SOLUTIONS PRIVATE LIMITED At the beginning of the year 26.06.2015 07.08.2015 28.08.2015 25.03.2016 31.03.2016 At the end of the year	1944559	8.80	3107 43469 27872 9070 28148	0.01 0.20 0.13 0.04 0.13	1947666 1991135 2019007 2028077 2056225 2056225	8.81 9.01 9.13 9.17 9.30 9.30
3.	PARAM CAPITAL RESEARCH PRIVATE LIMITED At the beginning of the year 04.12.2015 11.12.2015 At the end of the year	305000	1.38	(50000) (20000)	(0.23) (0.09)	255000 235000 235000	1.15 1.06 1.06
4.	CHANDRA MOULI CHOWDARY S At the beginning of the year 03.07.2015 At the end of the year	37181	0.17	70000	0.32	107181 107181	0.48 0.48
5.	KARAN SINGH THANDI At the beginning of the year At the end of the year	103605	0.47	0	0.00	103605 103605	0.47 0.47

	1	2	3	4	5	6	7
6. SANJAY KUMAR							
At the beginning of the year		77900	0.35				
22.05.2015				5000	0.02	82900	0.37
29.05.2015				6393	0.03	89293	0.40
05.06.2015				5158	0.02	94451	0.43
12.06.2015				6374	0.03	100825	0.46
19.06.2015				175	0.00	101000	0.46
At the end of the year						101000	0.46
7. O.P.J FINANCIAL SERVICES (P) LTD.							
At the beginning of the year		57000	0.26				
31.07.2015				16000	0.07	73000	0.33
07.08.2015				2000	0.01	75000	0.34
14.08.2015				5000	0.02	80000	0.36
28.08.2015				3000	0.01	83000	0.38
04.09.2015				17000	0.08	100000	0.45
At the end of the year						100000	0.45
8. RANJEET SINGH SIBIA							
At the beginning of the year		50000	0.23				
17.07.2015				25000	0.11	75000	0.34
11.09.2015				5000	0.02	80000	0.36
At the end of the year						80000	0.36
9. DOLLY KHANNA							
At the beginning of the year		50565	0.23				
12.06.2015				(1500)	(0.01)	49065	0.22
03.07.2015				12100	0.05	61165	0.28
17.07.2015				3875	0.02	65040	0.29
24.07.2015				4459	0.02	69499	0.31
20.11.2015				5800	0.03	75299	0.34
04.12.2015				6775	0.03	82074	0.37
25.03.2016				(2500)	(0.01)	79574	0.36
At the end of the year						79574	0.36
10. THYAGARAJAN S							
At the beginning of the year		60000	0.27				
02.10.2015				5000	0.02	65000	0.29
At the end of the year						65000	0.29

v) Shareholding of Directors and Key Management Personnel

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2015		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	Vungal Harriman	1776522	8.04	1777166	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	M Murali Mohana Rao (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	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest due but not paid	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
i) Addition	159,399,624	NIL	NIL	159,399,624
ii) Reduction	NIL	NIL	NIL	NIL
Net Change	159,399,624	NIL	NIL	159,399,624
Indebtedness at the end of the financial year				
i) Principal Amount	159,399,624	NIL	NIL	159,399,624
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	159,399,624	NIL	NIL	159,399,624

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	6,720,000	5,376,000	5,376,000	5,376,000	22,848,000
2.	Stock Option	---	---	---	---	---
3.	Sweat Equity	---	---	---	---	---
4.	Commission -as % of profit - Others, specify	---	---	---	---	---
5.	Others, please specify	---	---	---	---	---
	Total (A)	6,720,000	5,376,000	5,376,000	5,376,000	22,848,000
	Ceiling as per the Act	6,000,000*	4,800,000*	4,800,000*	4,800,000*	---

* Plus contribution to Provident Fund

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 (Scientific Advisory Committee Fee)	---	---	100,000 25,000	---	100,000 25,000
	Total (1)	---	---	125,000*	---	125,000*
2.	Other Non Executive Director Fee for attending board / committee meetings - Commission - Others, please specify	---	---	---	---	---
	Total (2)	---	---	---	---	---
	Total (B) = (1+2)	---	---	---	---	---
	Total Managerial Remuneration	---	---	125,000*	---	125,000*
	Overall ceiling as per the Act	NA	NA	NA	NA	---

* Excluding Service Tax

C. 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	---	1,354,896	2,723,802	4,078,698
	(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	---	1,354,896	2,723,802	4,078,698

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

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

Composition of CSR Committee

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

Details of CSR expenditure to be spent during Financial Year 2015-16

Average Net Profits for last three Financial Years:

(in ₹)

Particulars	For the Financial Years ended March 31		
	2015	2014	2013
Net Profit	66,399,621	178,526,146	39,545,959
Average Net Profit for the preceding three Financial Years	94,823,909/-		

Minimum CSR expenditure as prescribed i.e. 2% of average net profits	: ₹ 1,896,478/-
Balance amount to be spent for financial year 2014-15	: ₹ 63,236/-
Total amount to be spent	: ₹ 1,959,714/-
Amount spent during the financial year 2015-16	: ₹ 1,959,714/-
Amount unspent during the financial year	: Nil

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	₹ 1,959,714/- is budgeted for the program	₹ 1,959,714/-	₹ 1,959,714/-	The Company has paid an amount of ₹11,59,714/- to Narsingh Swain Memorial Trust, Hyderabad and an amount of ₹8,00,000/- paid to Hyderabad Eye Institute (Operating Trust of L V Prasad Eye Institute), Hyderabad for providing medical aid to differently abled people on charitable basis who belong to economically weaker sections of the society.

Responsibility Statement

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

For and on behalf of CSR Committee

Place : Hyderabad
Date : 14.07.2016

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 buildings are designed in such a way that during day time no artificial lighting is needed in most areas in the lab.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: No additional investments were made during the year.
- c) Impact of the measures in (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods: The energy consumption is reduced to the barest minimum requirement thus reducing costs.
- d) Total energy consumption and energy consumption per unit of production:

Furnishing of these particulars is not applicable to the Company.

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

B. Technology Absorption

The tests/studies are carried out as per the prescribed national/international Standards and regulations. The Company undertakes contract research projects for the sponsors as per national and international standards, guidelines and regulations such as ISO, ICH, GCP, GLP and cGMP. 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 ₹ 3768.57 lakhs (previous year ₹ 3248.03 lakhs). The Company's foreign exchange outgo was of ₹ 2459.61 lakhs (previous year ₹ 788.98 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 : 14.07.2016

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

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

Place : Hyderabad
Date : 16.05.2016

J Venkateswarlu
Partner
ICAI Ms.No.022481

**Annexure - A to Independent Auditors' Report dated 16.05.2016 issued to the Members of Vimta Labs Limited
Statement on the matters specified in Paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016**

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of the Company are held in the name of the company.
- ii. The inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification between the physical stocks and the book stocks.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/s.189 of the Companies Act, 2013. Hence, our comments on sub-clauses (a),(b) and (c) of clause (iii) of paragraph 3 of the order are Nil.
- iv. The Company has not given any loans; made investments; given guarantees to any Company to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder is not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this company in any matter relating to the deposits.
- vi. As per the information and explanation furnished to us, maintenance of Cost records has been specified by the Central Government U/s.148(1) of the Act for this company and we are of the opinion that, the prescribed accounts and records have been made and maintained by the company. However, we have not conducted any audit of the same.
- vii. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, employees' state insurance, income tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues as applicable to it to the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts in respect of the above statutory dues are in arrears as at 31/3/2016 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, Service tax, Duty of Customs, Duty of Excise, Value Added tax and Cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank and Government. The company has not issued debentures.
- (ix) During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed were applied for the purposes for which those are raised.
- (x) During the year under review, no fraud by the company or on the Company by its officers or employees has been noticed or reported.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence our comments on clause (xii) of para 3 of the order are nil.
- (xiii) As per the information and explanations given to us and based on our audit, in our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (xiv) During the year under review, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, compliance with the provisions of Section 42 of the Companies Act, 2013 is not applicable.
- (xv) As per the information and explanations given to us and based on our audit, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, compliance with provisions of Section 192 of Companies Act, 2013 is not applicable.
- (xvi) As per the information and explanations given to us and based on our audit, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place : Hyderabad
Date : 16.05.2016

**Annexure - B to Independent Auditors' Report dated 16.05.2016 issued to the Members of Vimta Labs Limited
Report on the Internal Financial Controls over Financial Reporting in terms of Clause
(l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the Internal Financial Controls over financial reporting of VIMTA LABS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

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

2. Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

3. Meaning of Internal Financial Controls Over Financial Reporting

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

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

J Venkateswarlu
Partner
ICAI Ms.No.022481

Place : Hyderabad
Date : 16.05.2016

	Note No	As at 31.03.2016 ₹	As at 31.03.2015 ₹
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	1	44,215,620	44,215,620
b) Reserves and surplus	2	<u>1,216,816,792</u>	<u>1,179,086,924</u>
		1,261,032,412	1,223,302,544
2) Non-current liabilities			
a) Long-term borrowing	3	160,200,206	-
b) Deferred tax liabilities (net)	4	15,276,600	12,581,546
c) Other long-term liabilities	5	6,000,000	6,000,000
d) Long-term provisions	6	<u>21,930,932</u>	<u>13,764,501</u>
		203,407,738	32,346,047
3) Current liabilities			
a) Short-term borrowings	7	99,533,909	35,062,479
b) Trade payables	8	57,964,978	65,339,851
c) Other current liabilities	9	102,800,661	76,356,221
d) Short-term provisions	10	<u>31,248,587</u>	<u>31,048,760</u>
		291,548,135	207,807,311
TOTAL		<u>1,755,988,285</u>	<u>1,463,455,902</u>
II. ASSETS			
1) Non - current assets			
a) Fixed Assets			
i) Tangible assets	11	877,021,531	882,061,610
ii) Capital Work-in-Progress		58,752,944	-
Long-term loans and advances	12	<u>118,139,596</u>	<u>14,395,926</u>
		1,053,914,071	896,457,536
2) Current assets			
a) Inventories	13	160,876,878	155,767,658
b) Trade receivables	14	376,331,435	262,121,248
c) Cash and Bank balances	15	34,708,233	10,223,501
d) Short-term loans and advances	16	129,386,407	138,118,054
e) Other current assets	17	<u>771,261</u>	<u>767,905</u>
		702,074,214	566,998,366
TOTAL		<u>1,755,988,285</u>	<u>1,463,455,902</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.022481

 Place: Hyderabad
 Date: 16.05.2016

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	Director

M Murali Mohana Rao	Chief Financial Officer
A Venkata Ramana	Company Secretary

 Place: Hyderabad
 Date: 16.05.2016

	Note No	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
I. INCOME			
Revenue from operations	18	1,247,089,219	1,072,723,948
Other Income	19	10,435,037	10,467,344
Total revenue (I)		<u>1,257,524,256</u>	<u>1,083,191,292</u>
II. EXPENSES			
Cost of materials consumed & other exp .on testing and analysis	20	457,865,330	388,371,587
Changes in inventories: Work-in-Progress	21	1,461,531	(28,012,722)
Employee benefits expense	22	353,350,540	310,896,377
Other expenses	23	245,732,448	227,332,781
Total (II)		<u>1,058,409,849</u>	<u>898,588,023</u>
III. Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		199,114,407	184,603,269
Depreciation and amortization expense	11	102,564,001	110,989,659
Finance costs	24	13,038,370	7,213,989
		<u>115,602,371</u>	<u>118,203,648</u>
Profit before exceptional and extraordinary items & tax		83,512,036	66,399,621
Tax expense			
Current tax		17,100,000	13,920,000
Prior year tax adjustments		(621,326)	(8,258)
Deferred tax		2,695,054	1,864,709
Total tax expense		<u>19,173,728</u>	<u>15,776,451</u>
Profit for the year		<u>64,338,308</u>	<u>50,623,170</u>
Basic and diluted earnings per share		3	2
Nominal value of shares (fully paid up)		2	2
Significant Accounting Policies & Notes to the Financial Statements	1 to 29		

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: 16.05.2016

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
DirectorM Murali Mohana Rao
A Venkata Ramana
Chief Financial Officer
Company SecretaryPlace: Hyderabad
Date: 16.05.2016

Particulars	Financial Year 2015-16 (₹)	Financial Year 2014-15 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	83,512,036	66,399,621
- Adjustments for :		
Depreciation and amortization expense	102,564,001	110,989,659
Profit on sale of assets	(817,561)	-
Interest debited to statement of P&L	8,453,844	4,172,576
Operating profit before working capital changes	193,712,320	181,561,856
Adjustments for		
(Increase) / decrease in Inventories	(5,109,220)	(47,087,865)
(Increase) / decrease in Trade receivables	(114,210,187)	18,824,577
(Increase) / decrease in Short term advances	8,731,647	(33,326,933)
(increase) / decrease in Other current assets	(435,652)	19,574,463
(Increase) / decrease in Long term advances	(103,743,670)	17,374,624
Increase / (decrease) in Trade payables	(7,374,873)	11,280,475
Increase / (decrease) in Other current liabilities	26,444,440	(3,680,479)
Increase / (decrease) in Long-term provisions	8,166,431	13,764,501
Increase / (decrease) in Short-term provisions	119,459	(11,317,497)
Cash generated from operations	6,300,695	166,967,722
Income tax paid	(17,100,000)	(13,920,000)
Prior year tax adjustments	621,326	8,258
Net cash from operating activities	(10,177,979)	153,055,980
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(156,839,305)	(76,240,983)
Sale of fixed assets	1,380,000	-
Net cash used in investing activities	(155,459,305)	(76,240,983)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(8,453,844)	(4,172,576)
Dividend & Dividend tax paid	(26,528,072)	(51,730,065)
Proceeds from long-term borrowings	160,336,991	-
Repayment of long-term borrowings	(136,785)	-
Increase / (decrease) in borrowings (net)	64,471,430	(30,547,633)
Net cash from financing activities	189,689,720	(86,450,274)
Net increase/(decrease) in cash and cash equivalents	24,052,436	(9,635,277)
Cash and cash equivalents at the beginning of the year	4,759,500	14,394,777
Cash and cash equivalents as at the end of the year	28,811,936	4,759,500

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: 16.05.2016

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

M Murali Mohana Rao
 A Venkata Ramana

Chief Financial Officer
 Company Secretary

Place: Hyderabad
 Date: 16.05.2016

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
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, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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	3,335,920	15.09	3,325,265	15.04
iii) LCGC Chromatography Solutions Pvt. Ltd	2,056,225	9.30	1,944,559	8.80
iv) Vungal Harriman	1,777,166	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 31.03.2016 ₹	As at 31.03.2015 ₹
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	79,900,000	74,800,000
Add : Transfer from Statement of Profit & Loss	<u>6,500,000</u>	<u>5,100,000</u>
Closing balance	86,400,000	79,900,000
iii) Surplus in statement of Profit & Loss:		
Opening balance	325,458,534	311,132,791
Less : Depreciation on expired useful life assets (net off Deferred Tax)	—	(4,669,355)
Add : Net Profit for the current period	<u>64,338,308</u>	<u>50,623,170</u>
Amount available for appropriation	389,796,842	357,086,606
Appropriations :		
Proposed dividend on equity shares	22,107,810	22,107,810
Tax on proposed dividend	4,500,630	4,420,262
Transferred to General Reserve	<u>6,500,000</u>	<u>5,100,000</u>
Closing balance	<u>356,688,402</u>	<u>325,458,534</u>
Total [(i)+(ii)+(iii)]	<u>1,216,816,792</u>	<u>1,179,086,924</u>

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
3) LONG-TERM BORROWINGS		
Term Loans from Banks - Secured	159,399,624	-
Long-term maturities of finance lease obligations	800,582	-
	<u>160,200,206</u>	<u>-</u>
Note :		
i) Term loan borrowed from State Bank of Hyderabad (Limit ₹ 271,000,000/- (previous year ₹ Nil) for setting up of Food Labs across the country. The term loan carrying interest @ 12.25%(i.e.,2.50% above base rate), is secured by pari- passu first charge on all the fixed assets of the Company(Present & Future) and second charge on all chargeable current assets of the Company (Present & Future). The loan is repayable in 18 quarterly installments of ₹ 15,055,555/- each starting from December, 2016. At the end of the year, the Company is yet to draw the balance loan amount.		
ii) Borrowings from Cisco Systems Capital (India) Pvt. Ltd for acquiring assets under lease and financing agreement carrying interest @ 8.21%. The loan is repayable in 12 quarterly installments of ₹ 171,172/- each. The loan is secured by hypothecation of equipment acquired with the loan.		
iii) There are no defaults as on the Balance Sheet date in repayment of the above loans and interest thereon.		
4) DEFERRED TAX LIABILITIES (NET)		
(i) Deferred tax liability		
- Depreciation on Fixed Assets	24,061,795	18,514,175
Liability (i)	<u>24,061,795</u>	<u>18,514,175</u>
(ii) Deferred tax asset		
- Gratuity	6,705,344	4,574,561
- Leave Encashment	2,079,851	1,358,068
Asset (ii)	<u>8,785,195</u>	<u>5,932,629</u>
Net deferred tax liability	15,276,600	12,581,546
5) 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>
6) LONG-TERM PROVISIONS		
a) Provision for employee benefits :		
(i) Gratuity (refer Note 26.2 for details)	19,793,360	13,673,411
(ii) Leave encashment (refer Note 26.2 for details)	2,137,572	91,090
Total	<u>21,930,932</u>	<u>13,764,501</u>
7) SHORT TERM BORROWINGS		
a) Loan repayable on demand from banks - Secured		
- Rupee loan (refer sub-note (i) below)	99,533,909	27,052,186
- Repayable in foreign currency (refer sub-note (i) below)	-	8,010,293
Total	<u>99,533,909</u>	<u>35,062,479</u>

Note :

- i) Cash credit from State Bank of India (Limit ₹ 90,000,000/- (previous year ₹ 90,000,000/-) carrying interest @ 13.05% for CC (Hyp.), EPC, PCFC, EBR and FBD, is secured by first charge on all chargeable current assets of the Company both present & future and pari-passu charge on all the fixed assets of the Company both present & future along with 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 31.03.2016 ₹	As at 31.03.2015 ₹
8) TRADE PAYABLES		
a) Due to Micro, Small and Medium enterprises	-	-
b) Due to Others	57,964,978	65,339,851
TOTAL	<u>57,964,978</u>	<u>65,339,851</u>
Note :- 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 :-		
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	-	-
9) OTHER CURRENT LIABILITIES :		
a) Current maturities of finance lease obligations	883,806	-
b) Advances from customers	27,811,962	19,125,679
c) Unclaimed dividends (equal amount is lying in bank account)	1,988,323	1,815,583
d) Creditors for Capital expenditure	9,073,663	3,781,381
e) Other payables (dues for revenue expenses)	63,042,907	51,633,578
TOTAL	<u>102,800,661</u>	<u>76,356,221</u>
10) SHORT-TERM PROVISIONS		
a) Provision for employee benefits :		
(i) Gratuity (refer Note 26.2 for details)	487,148	426,023
(ii) Leave encashment (refer Note 26.2 for details)	4,152,999	4,094,665
b) Others :		
(i) Proposed dividend on equity shares	22,107,810	22,107,810
(ii) Tax on proposed dividend	4,500,630	4,420,262
TOTAL	<u>31,248,587</u>	<u>31,048,760</u>

11. FIXED ASSETS - Tangible Assets

Sl. No.	Description	Gross Block			Depreciation			Net Block			
		As at 01.04.2015	Additions	Sales/ Adjusts.	Total as at 31.03.2016	Upto 31.03.2015	For the year	on Sales / Adjusts.	Total upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a)	Freehold Land & Site Development	21,877,668	-	-	21,877,668	-	-	-	-	21,877,668	21,877,668
b)	Buildings Lab Buildings Staff Quarters	656,475,387 944,264	4,411,857	-	660,887,244 944,264	83,797,229 340,395	12,410,065 15,891	-	96,207,294 356,286	564,679,950 587,978	572,678,158 603,869
c)	Plant & Equipment	1,268,352,983	68,154,691	10,151,170	1,326,356,504	1,108,371,776	55,074,850	10,056,183	1,153,390,443	172,966,061	159,981,207
d)	Furnitures & Fixtures	87,300,318	10,203,615	-	97,503,933	37,805,923	8,824,798	-	46,630,721	50,873,212	49,494,395
e)	Vehicles	31,380,636	4,877,179	965,351	35,292,464	11,314,628	3,613,640	497,899	14,430,369	20,862,095	20,066,008
f)	Office Equipment	14,542,684	6,168,805	-	20,711,489	8,696,398	2,018,075	-	10,714,473	9,997,016	5,846,286
g)	Others										
	i) Electrical Installation	92,130,574	1,417,072	-	93,547,646	44,780,958	17,916,441	-	62,697,399	30,850,247	47,349,616
	ii) Computers	45,793,988	2,853,142	-	48,647,130	41,629,585	2,690,241	-	44,319,826	4,327,304	4,164,403
	Total :	2,218,798,502	98,086,361	11,116,521	2,305,768,342	1,336,736,892	102,564,001	10,554,082	1,428,746,811	877,021,531	882,061,610
	Previous year	2,123,116,711	95,681,791	-	2,218,798,502	1,218,673,524	11,80,63,368*	-	1,336,736,892	882,061,610	904,443,187

* Includes ₹ 70,73,709/- relating to assets whose useful life expired adjusted to Retained earnings.

	As at 31.03.2016 ₹	As at 31.03.2015 ₹
12) LONG-TERM LOANS AND ADVANCES UNSECURED, CONSIDERED GOOD		
a) Security Deposits	23,882,112	14,395,926
b) Advances paid for capital expenditure	94,257,484	-
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/-		
TOTAL	<u>118,139,596</u>	<u>14,395,926</u>
13) INVENTORIES (at lower of cost or net realisable value)		
a) Chemicals & Consumable	103,835,490	101,432,111
b) Work-in-progress	49,201,454	50,662,985
c) Stores, spares and components	7,839,934	3,672,562
TOTAL	<u>160,876,878</u>	<u>155,767,658</u>
14) TRADE RECEIVABLES		
a) Debts outstanding for a period exceeding six months from the date they are due for payment :		
Unsecured, considered good	88,729,307	52,809,617
b) Other debts		
Unsecured, considered good	287,602,128	209,311,631
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 -		
TOTAL	<u>376,331,435</u>	<u>262,121,248</u>
15) CASH & BANK BALANCES		
a) Cash & cash equivalents		
i) Cash on hand	2,073,439	565,563
ii) Balance with Scheduled Banks in India :		
- in Current Accounts	25,466,796	2,851,942
- in EEFC (Current) Accounts	1,271,701	1,341,995
SUB-TOTAL (A)	<u>28,811,936</u>	<u>4,759,500</u>
b) Other bank balances		
i) In deposit accounts held as security against bank guarantees	3,907,974	3,648,418
ii) Unclaimed dividend accounts	1,988,323	1,815,583
SUB-TOTAL (B)	<u>5,896,297</u>	<u>5,464,001</u>
TOTAL	<u>34,708,233</u>	<u>10,223,501</u>
16) SHORT-TERM LOANS & ADVANCES		
Unsecured, considered good		
a) Prepaid expenses	14,431,914	18,983,966
b) Loans to employees (Including interest)	2,008,409	553,004
c) Advance for Services and Supplies	24,139,777	22,657,618
d) Advance Income-tax (net of provisions) (refund due)	82,298,581	79,605,138
e) Service tax / Cenvat receivable	1,524,033	-
f) Other advances	4,983,693	16,318,328
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 -		
TOTAL	<u>129,386,407</u>	<u>138,118,054</u>
17) OTHER CURRENT ASSETS		
Interest accrued but not due on deposits with banks and others	771,261	767,905
TOTAL	<u>771,261</u>	<u>767,905</u>

	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
18) REVENUE FROM OPERATIONS		
Sale of services (Testing and analysis)		
a) Domestic sales	950,904,793	792,177,641
b) Export sales	429,297,715	373,025,670
	<u>1,380,202,508</u>	<u>1,165,203,311</u>
Less : Service Tax	133,113,289	92,479,363
TOTAL	<u>1,247,089,219</u>	<u>1,072,723,948</u>
19) OTHER INCOME		
i) Interest income on		
- Bank deposits	289,365	1,430,451
- Deposits with State Electricity Corporations	856,957	853,228
- Income-tax refunds	4,510,312	-
- Employees loans	150,015	65,634
ii) Other non-operating income		
- Net gain on foreign currency transactions and translation	-	2,936,215
- Excess liabilities written-in	777,998	2,453,755
- Bad debts recovered	258,862	94,086
- Lease rentals received	2,625,987	1,845,321
- Gain on sale of assets	817,561	-
- Insurance claims	-	283,164
- Miscellaneous receipts	147,980	505,490
TOTAL	<u>10,435,037</u>	<u>10,467,344</u>
20) COST OF MATERIALS CONSUMED AND OTHER EXPENDITURE ON TESTING & ANALYSIS		
a) Cost of materials consumed :		
Opening stock	105,104,673	86,029,530
Add : Purchases during the year	280,124,185	239,020,985
	<u>385,228,858</u>	<u>325,050,515</u>
Less : Closing stock	111,675,424	105,104,673
Cost of materials consumed	273,553,434	219,945,842
b) Other expenditure		
Sample preparation, Data Generation, Inspection & testing expenses	98,476,839	77,917,088
Carriage inwards	2,765,581	7,722,789
Power & Fuel	79,089,011	78,745,330
Water charges	3,980,465	4,040,538
TOTAL	<u>457,865,330</u>	<u>388,371,587</u>
21) CHANGES IN INVENTORIES: WORK-IN-PROGRESS		
Opening Works-in-progress	50,662,985	22,650,263
Closing Works-in-progress	49,201,454	50,662,985
Net (Increase) / Decrease	<u>1,461,531</u>	<u>(28,012,722)</u>
22) EMPLOYEE BENEFIT EXPENSE		
Salaries & wages	294,691,689	255,940,236
Managerial remuneration	22,848,000	22,848,000
Contribution to provident and other funds	23,664,219	18,238,204
Staff welfare expenses	12,146,632	13,869,937
TOTAL	<u>353,350,540</u>	<u>310,896,377</u>
23) OTHER EXPENSES		
Sitting fee to directors	106,590	115,450
Rent	9,185,995	3,028,329
Rates, taxes, duties and levies	7,718,051	5,572,711
Insurance	5,822,348	6,462,232
Repairs and maintenance:		
- Plant & Machinery	43,811,646	44,275,870
- Buildings	17,656,486	15,234,892
- Others	7,433,629	4,222,784

	Year ended 31.03.2016 ₹	Year ended 31.03.2015 ₹
OTHER EXPENSES Contd...		
Advertising and sales promotion	7,138,866	2,720,873
Commission	9,266,252	10,008,292
Traveling and conveyance	39,912,261	35,281,539
Communication expenses	16,743,365	14,494,871
Printing and stationery	10,829,740	10,263,502
Books and periodicals	240,913	279,347
Vehicle maintenance	4,223,008	3,460,476
Operating lease charges	756,966	627,828
Equipment hire charges	645,243	517,000
Professional and consultancy charges	28,346,680	24,117,047
Membership and subscriptions	964,886	497,470
House keeping and premises maintenance	8,636,286	8,688,384
Security charges	5,695,905	5,051,154
Recruitment & training expenses	2,018,810	815,432
Payment to auditors:		
- As auditor	1,141,250	1,123,600
- for Taxation matters	181,250	151,686
- Out of pocket expenses	24,700	12,350
Software charges	1,485,829	2,612,169
Loss on exchange fluctuations	519,001	-
Bad debts written off	10,867,252	25,512,196
Corporate Social Responsibility expenses	1,959,714	404,000
Cash Discount	19,611	201,686
Miscellaneous expenses	2,379,915	1,579,611
TOTAL	<u>245,732,448</u>	<u>227,332,781</u>
24) FINANCE COSTS		
i) Interest to Banks on Working capital loans	8,402,517	4,172,576
ii) Interest on Unsecured Loans	51,327	-
iii) Bank Charges	4,444,068	3,041,413
iv) Foreign exchange fluctuation loss on working capital loans	140,458	-
TOTAL	<u>13,038,370</u>	<u>7,213,989</u>

25. 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.

26. MEASUREMENT AND DISCLOSURE AS PER ACCOUNTING STANDARDS**26.1 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
Buildings other than RCC frame structures	30
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.

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, Advanced Molecular Biology 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.

26.2 EMPLOYEE BENEFITS (AS-15)

i) Defined Contribution Plan

Particulars	As on	As on
	31.03.2016	31.03.2015
	₹	₹
Contribution to Provident Fund	15,771,075	13,630,780

ii) Defined Benefit Plans

Particulars	Gratuity		Leave Encashment	
	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
A ASSUMPTIONS				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	4%	4%	4%	4%
Rate of return on plan assets	9.00%	9.00%	8.00%	8.00%
Expected average remaining lives of the employees (years)	20	20	20	20
	₹	₹	₹	₹
B Table showing the changes in present value of obligations				
a) Present value of obligations at the beginning of the year	27070319	27016045	9373626	5626039
b) Interest Cost	2165626	2161284	691459	418244
c) Current service cost	2175018	1943099	3121571	2631370
d) Benefits paid Actuals	(2204898)	(1567585)	(1460765)	(795970)
e) Expected liability at the year end	29206065	29552843	11725891	7879683
f) Present value of obligations at the end of the year	32347162	27070319	10408906	9373626
g) Actuarial Loss/(gain) on obligations	3141097	(2482524)	(1316985)	1493943
C Changes in fair value of Assets				
a) Fair value of Assets at the beginning of the year	12970885	11177860	5187871	5815105
b) Expected return on plan assets	1126132	932005	415030	465208
c) Contributions	174535	2428605	Nil	Nil
d) Benefits paid- Actuals	(2204898)	(1567585)	(1460765)	(795970)
e) Actuarial gain / (loss) on plan assets	Nil	Nil	(23801)	(296472)
f) Fair value of assets at the end of the year	12066654	12970885	4118335	5187871
D Actuarial Loss or Gain recognized				
a) (Gain)/Loss for the year - Obligation	3141097	(2482524)	(1316985)	1493943
b) (Gain)/Loss for the year - Plan assets	Nil	Nil	23801	296472
c) Total loss/(gain) for the year	3141097	(2482524)	(1293184)	1790415
d) Actuarial loss/(gain) recognized in the year	3141097	(2482524)	(1293184)	1790415
E Amounts to be recognized in the Balance sheet				
a) Present value of obligations as at the end of the year	32347162	27070319	10408906	9373626
b) Fair value of assets at the end of the year	(12066654)	(12970885)	4118335	5187871
c) Funded Status [Surplus/(deficit)]	20280508	(14099434)	(6290571)	(4185755)
d) Net (Liability)/asset recognized in balance sheet	20280508	(14099434)	(6290571)	(4185755)
F Expenses recognized in statement of Profit and Loss				
a) Current service cost	2175018	1943099	3121571	2631370
b) Interest Cost	2165626	2161284	691459	418244
c) Expected return on plan assets	(1126132)	(932005)	(415030)	(465208)
d) Net actuarial (gain) / loss recognized in the year	3141097	(2482524)	(1293184)	(1790415)
e) Expenses recognized in statement of Profit & Loss	6355609	689854	2104816	4374821

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

26.3 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
Sankarajah Peram	Chief Financial Officer (upto June, 2015)
M Murali Mohan Rao	Chief Financial Officer

B) Relatives of Key Management Personnel

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

*w.r.t. payment of Dividend only

C) Other related parties	Ananth Technologies Limited
(Companies in which some of the Directors or other relatives are interested)	Bloomedha Info Solutions Limited

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

ii) Aggregate Related Party transactions for the year 2015-16

(in ₹)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Other related parties in which directors interested	Total
Remuneration (Incl. PF Contribution) (Previous year)	26,926,698 (27,260,428)	7,005,120 (5,996,120)	Nil Nil	33,931,818 (33,256,548)
Services availed (Previous year)	1,056,000 (960,000)	Nil Nil	5,360,026 (6,134,856)	6,416,026 (7,094,856)
Security deposit / Advance (Previous year)	210,000 (210,000)	Nil Nil	152,995 (556,461)	362,995 (766,461)
Accounts payable (Previous year)	903,705 (1,892,260)	376,194 (745,714)	344,850 (333,709)	1,624,749 (2,971,683)
Dividend paid for 2014-15 (Previous Year)	7,006,526 (14,013,052)	702,873 (1,322,910)	Nil Nil	7,709,399 (15,335,962)

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.

26.4. 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, 2016 is ₹ 1,29,250/- (Previous year ₹ 627,828/-) and maximum obligation on long-term non-cancelable operating lease payable as per the rentals stated in respective agreements are as follows:

(in ₹)

	Current Year	Previous Year
i) Obligation on Non-cancelable operating leases :		
a) not later than one year	Nil	129,250
b) later than one year and not later than five years	Nil	Nil
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	756,966	627,828
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.

26.5 Earnings per Share (AS-20)

(in ₹)

	Current Year	Previous Year
a) Net profit / (Loss) for the year	64,338,308	50,623,170
b) Weighted average no. of shares outstanding during the year	22,107,810	22,107,810
c) Basic and diluted earnings/ per share	3/-	2/-
d) Nominal value of shares (fully paid up)	2/-	2/-

26.6. Impairment of Assets (AS-28)

(in ₹)

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

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

	Current Year	Previous Year
i) Contingent liabilities		
Guarantees issued by bank, not provided for	16,346,879	13,165,162
ii) Commitments		
a) Other Commitments:		
i) Future minimum lease payments under operating lease	Nil	129,250
Total	16,346,879	13,294,412

27. 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	14,886,775	9,250,445
ii) Components and spare parts	5,740,471	6,422,948
iii) Reference Standards / Proficiency testing	1,045,963	2,413,743
iv) Software	430,893	540,337
v) Capital Goods	210,218,585	47,123,463
b) Expenditure in Foreign Currency on account of :		
i) Travelling	4,129,806	3,328,518
ii) Membership & Subscriptions	101,882	42,801
iii) Licences	1,535,331	2,070,423
iv) Commission	5,749,654	5,912,054
v) Interest on Foreign Currency Loan to Banks	44,513	706,670
vi) Seminars & Conferences	464,590	Nil
vii) Books & Periodicals	Nil	66,616
viii) Repairs & Maintenance	224,468	505,927
ix) Professional charges	255,952	Nil
x) Business Promotion	763,143	514,810
xi) Freight & Forwarding	369,075	Nil
c) i) Amount remitted during the year in foreign currency on account of dividends	Nil	Nil
ii) Number of Non-Resident Shareholders	95	96
iii) Number of shares held by them	107,360	90,041
iv) Year to which the dividends related	2014-15	2013-14
v) Dividend paid in Indian Rupees	107,360	180,082
(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)	376,856,612	324,802,944

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	262,053,583	96	214,802,576	98
- Imported	1,149,9851	4	5,143,266	2
Total	273,553,434	100	219,945,842	100
b) Spares & Components				
- Indigenous	12,494,977	66	12,013,489	70
- Imported	6,310,764	34	5,129,883	30
Total	18,805,741	100	17,143,372	100

28. 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 ₹ 18,96,478/- being the 2% of the average net profits of the Company in the three immediately preceding years. Against which, an amount of ₹ 19,59,714/- (including ₹ 63,236/- balance amount to be spent against previous year's obligation) contributed during the year to Charitable Trusts for carrying out the activities specified by the Board and charged the same to statement of Profit and Loss.

29. 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: 16.05.2016

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 Director

M Murali Mohana Rao Chief Financial Officer
A Venkata Ramana Company Secretary

Place: Hyderabad
Date: 16.05.2016

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