



**Notice Calling 29th Annual General Meeting
Scheduled to be held on Saturday, July 27, 2019**

Vimta Labs Limited

CIN : L24110TG1990PLC011977

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

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

NOTICE is hereby given that the twenty ninth Annual General Meeting of the members of Vimta Labs Limited will be held on Saturday the 27th day of July, 2019 at 3.00 P M at the Registered Office of the Company i.e. 141/2 & 142, IDA, Phase-II, Cherlapally, Hyderabad - 500051, to transact the following items of business:

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 and the Report of Auditors and Board's Report thereon .
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. S P Vasireddi (DIN : 00242288) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS :

4. Ratification of remuneration of cost auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 (a) (ii) of Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force the remuneration of Rs. 65,000/- (Rupees sixty five thousand only) approved by the Board of Directors and payable to M/s U S Rao & Co (Regn. No.33808), Cost Auditors of the Company for the audit of cost records maintained by the Company for the financial year ending March 31, 2020 be and is here by ratified."

5. Appointment of Shri Gutta Purnachandra Rao as an Independent Non-Executive Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Shri Gutta Purnachandra Rao (DIN: 00876934), who qualifies for being appointed as an Independent Director be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. May 11, 2019 that is to hold his office up to May 10, 2024."

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

6. Appointment of Shri Popuri Adeyya Chowdary (P A Chowdary) as an Independent Non-Executive Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Shri Popuri Adeyya Chowdary (P A Chowdary) (DIN: 02936505), who qualifies for being appointed as an Independent Director be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. May 11, 2019 that is to hold his office up to May 10, 2024."

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

7. Appointment of Shri Sanjay Dave as an Independent Non-Executive Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Shri Sanjay Dave (DIN: 08450232), who qualifies for being appointed as an Independent Director be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. May 11, 2019 that is to hold his office up to May 10, 2024."

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

8. Re-appointment of Smt. Harita Vasireddi as Managing Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule - V of the Act, including any statutory modification(s) or re-enactment(s) thereof and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the re-appointment of Smt. Harita Vasireddi as Managing Director (DIN 00242512) of the Company for a term of Five years with effect from July 14, 2019 on following terms and conditions with a remuneration partly by way of monthly salary, perquisites and the other part annually as a percentage to the Net Profits of the Company as set out below:

A. By way of Monthly remuneration and perquisites:

I. Salary (Consolidated): 10,00,000/- (Rupees ten lakhs only) per month

II. Perquisites and allowances:

- a) Medical Reimbursement: As per the rules of the Company, 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."

B. By way of percentage on Net Profits of the Company:

In addition to the salary and perquisites, based on her performance variable remuneration be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

The aggregate remuneration paid to her under A & B above and to all other Whole-time-Directors put together in any financial year shall not exceed the limits specified under the provisions of Section 197 of Companies Act, 2013 and other applicable provisions and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof for the time being in force, or otherwise as may be permissible by law."

"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 are hereby authorized to vary, alter or modify the scope of the above stated remuneration or any such other limits, either on higher / lower side as they may deem fit in the interest of the company within the permissible provisions of the Act and rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force."

"RESOLVED FURTHER THAT the said appointment of Smt. Harita Vasireddi shall be subject to not to retirement by rotation during her tenure and she 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."

9. 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(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule - V of the Act, including any statutory modification(s) or re-enactment(s) thereof and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the re-appointment of Shri Harriman Vungal as Executive Director - Operations (DIN 00242621) of the Company for a term of Two years with effect from July 14, 2019 on following terms and conditions with a remuneration partly by way of monthly salary, perquisites and the other part annually as a percentage to the Net Profits of the Company as set out below:

A. By way of Monthly remuneration and perquisites:

- I. Salary (Consolidated): 10,00,000/- (Rupees ten lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: As per the rules of the Company, 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."

B. By way of percentage on Net Profits of the Company:

In addition to the salary and perquisites, based on his performance variable remuneration be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

The aggregate remuneration paid to him under A & B above and to all other Whole-time-Directors put together in any financial year shall not exceed the limits as specified under the provisions of Section 197 of Companies Act, 2013 and other applicable provisions and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof for the time being in force, or otherwise as may be permissible by law."

"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 are hereby authorized to vary, alter or modify the scope of the above stated remuneration or any such other limits, either on higher / lower side as they may deem fit in the interest of the company within the permissible provisions of the Act and rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force."

"RESOLVED FURTHER THAT the said appointment of Shri Harriman Vungal shall be subject to retirement by rotation during his tenure 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."

10. Appointment of Shri Neerukonda Satya Sreenivas as Executive Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Shri Neerukonda Satya Sreenivas (DIN 00269814), who qualifies for being appointed as a Director be and is hereby appointed as Director of the Company, liable to retire by rotation, for a term of 5 (five) consecutive years w.e.f. July 14, 2019 that is to hold his office up to July 13, 2024."

"FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule - V of the Act, including any statutory modification(s) or re-enactment(s) thereof and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded for the appointment of Shri Neerukonda Satya Sreenivas as Executive Director (DIN 00269814) of the Company, for a term of Five years with effect from July 14, 2019 on following terms and conditions with a remuneration partly by way of monthly salary, perquisites and the other part annually as a percentage to the Net Profits of the Company as set out below:

A. By way of Monthly remuneration and perquisites :

- I. Salary (Consolidated): 8,00,000/- (Rupees eight lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: As per the rules of the Company, 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."

B. By way of percentage on Net Profits of the Company:

In addition to the salary and perquisites, based on his performance variable remuneration be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

The aggregate remuneration paid to him under A & B above and to all other Whole-time-Directors put together in any financial year shall not exceed the limits as specified under the provisions of Section 197 of Companies Act, 2013 and other applicable provisions and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof for the time being in force, or otherwise as may be permissible by law."

"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 are hereby authorized to vary, alter or modify the scope of the above stated remuneration or any such other limits, either on higher / lower side as they may deem fit in the interest of the company within the permissible provisions of the Act and rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force."

"RESOLVED FURTHER THAT the appointment of Shri Neerukonda Satya Sreenivas shall be subject to retirement by rotation during his tenure 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"

11. Remuneration to Shri Sireesh Chandra Vungal Vice President - Information Technology

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

"RESOLVED THAT approval of the members be and is hereby accorded to the Board under the provisions of Section 188 of the Companies Act, 2013 (the Act) read with relevant Rules made thereunder and other applicable provisions of the Act, if any including any statutory modification(s) or re-enactment(s) thereof to pay such remuneration as the Board may deem fit from time to time, to Shri Sireesh Chandra Vungal, Vice President - Information Technology not exceeding Rs.7,00,000/- (Rupees seven lakhs only) per month plus Company contribution to Provident Fund / Superannuation fund, Annuity fund; Gratuity, Medical and other perquisites as per the rules of the Company."

"RESOLVED FURTHER THAT the Board may delegate its powers in this regard to the Managing Director for implementation."

By Order of the Board

Place : Hyderabad
Date : 11.05.2019

Sujani Vasireddi
Company Secretary

Note : The requirement to place the matter before the members relating to appointment of Auditors for ratification by them at every Annual General Meeting is done away by Companies Amendment Act 2017 vide Notification No.: S.O. 1833 (E) dated 07.05.2018 issued by Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of Auditors, who were appointed by the members for a period of 5 years in their meeting held on 27.09.2017.

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 getting audited by a Cost Auditor in pursuance of Section 148(2) of the Companies Act, 2013 read with Rules made thereunder.

Accordingly, on recommendations of Audit Committee the Board of Directors have approved the appointment of the M/s U S Rao & Co, Cost Accountants (Regd No. 33808), to carry out cost audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of Rs.65,000/- (Rupees sixty five thousand only).

In pursuance of Rule 14 (1) (ii) of the Companies (Audit and Auditors) Rules, 2014 the remuneration so fixed by the Board of Directors needs a ratification by the shareholders of the Company. Accordingly, the said resolution put up for ratification.

None of the Directors are in any way concerned or interested in the resolution set out at item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No: 4 of the Notice for approval by the members.

Item No. 5

Based on the recommendations of the Nomination and Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on May 11, 2019 have appointed Shri Gutta Purnachandra Rao (DIN: 00876934) as Additional Director in the capacity of Independent Non-Executive Director on the Board of the Company who holds his office upto the date of this Annual General Meeting.

The appointment of Shri Gutta Purnachandra Rao as an Independent Non-Executive Director shall be effective upon approval by the members in their Meeting under the provisions of Section 149 and 152 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Gutta Purnachandra Rao for the office of Director of the Company. Shri Gutta Purnachandra Rao has given his consent to act as a Director and given a declaration stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that he meets the criteria of independence as prescribed in both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Shri Gutta Purnachandra Rao fulfills the conditions for his appointment as an Independent Non-Executive Director as specified in the Act and the Listing Regulations. Shri Gutta Purnachandra Rao is independent of the management and possesses appropriate skills, experience and knowledge.

The relevant particulars of Shri Gutta Purnachandra Rao as required under the provisions of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this notice.

Copy of draft letter of appointment of Shri Gutta Purnachandra Rao setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No .5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

Based on the recommendations of the Nomination and Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on May 11, 2019 have appointed Shri Adeyya Chowdary Popuri (P A Chowdary) (DIN: 02936505) as Additional Director in the capacity of Independent Non-Executive Director on the Board of the Company who holds his office upto the date of this Annual General Meeting.

The appointment of Shri Adeyya Chowdary Popuri (P A Chowdary) as an Independent Non-Executive Director shall be effective upon approval by the members in their Meeting under the provisions of Section 149 and 152 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Adeyya Chowdary Popuri (P A Chowdary) for the office of Director of the Company. Shri Adeyya Chowdary Popuri (P A Chowdary) has given his consent to act as a Director and given a declaration stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that he meets the criteria of independence as prescribed in both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Shri Adeyya Chowdary Popuri (P A Chowdary) fulfills the conditions for his appointment as an Independent Non-Executive Director as specified in the Act and the Listing Regulations. Shri Adeyya Chowdary Popuri (P A Chowdary) is independent of the management and possesses appropriate skills, experience and knowledge.

The relevant particulars of Shri Adeyya Chowdary Popuri (P A Chowdary) as required under the provisions of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this notice.

Copy of draft letter of appointment of Shri Adeyya Chowdary Popuri (P A Chowdary) setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

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

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

Item No. 7

Based on the recommendations of the Nomination & Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on May 11, 2019 have appointed Shri Sanjay Dave (DIN: 08450232) as Additional Director in the capacity of Independent Non-Executive Director on the Board of the Company who holds his office upto the date of this Annual General Meeting.

The appointment of Shri Sanjay Dave as an Independent Non-Executive Director shall be effective upon approval by the members in their Meeting under the provisions of Section 149 and 152 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Sanjay Dave for the office of Director of the Company. Shri Sanjay Dave has given his consent to act as a Director and given a declaration stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and that he meets the criteria of independence as prescribed in both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Shri Sanjay Dave fulfills the conditions for his appointment as an Independent Non-Executive Director as specified in the Act and the Listing Regulations. Shri Sanjay Dave is independent of the management and possesses appropriate skills, experience and knowledge.

The relevant particulars of Shri Sanjay Dave as required under the provisions of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this notice.

Copy of draft letter of appointment of Shri Sanjay Dave setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

Item No. 8

Members at their meeting held on September 02, 2016 have approved the appointment of Smt. Harita Vasireddi as Managing Director (DIN 00242512) of the Company for a period of 3 years w.e.f. July 15, 2016 and her present tenure will be completed on July 14, 2019 and thus calls for re-appointment.

Accordingly, the Nomination and Remuneration Committee at its meeting held on May 11, 2019 has reviewed the proposal of re-appointment of Smt. Harita Vasireddi as Managing Director and made their recommendations to the Board for her re-appointment. Based on the recommendations of the said Committee, the Board in its meeting held on even date has considered the said re-appointment and passed necessary resolution under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder re-appointing her as Managing Director of the Company for a period of 5 years w.e.f. July 14, 2019 subject to approval of the members in their ensuing Annual General meeting with the following terms and conditions:

A. By way of Monthly remuneration and perquisites:

- I. Salary (Consolidated): 10,00,000/- (Rupees ten lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: As per the rules of the Company, 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."

B. By way of percentage on Net Profits of the Company:

In addition to the salary and perquisites, based on her performance variable remuneration will be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

The aggregate remuneration paid to her under A & B above and to all other Whole-time-Directors put together in any financial year shall not exceed the limits as specified under the provisions of Section 197 of the Act and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof for the time being in force, or otherwise as may be permissible by law.

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

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

Copy of relevant resolutions of the Board with respect to 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 Smt. 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.8.

The Board commends the Ordinary Resolution under item No.8 for re-appointment of Smt. Harita Vasireddi as Managing Director, for approval by the members.

Item No. 9

Members at their meeting held on September 02, 2016 have approved the appointment of Shri Harriman Vungal as Executive Director - Operations (DIN 00242621) of the Company for a period of 3 years w.e.f. July 15, 2016 and his present tenure will be completed on July 14, 2019 and thus calls for re-appointment.

Accordingly, the Nomination and Remuneration Committee at its meeting held on May 11, 2019 has reviewed the proposal of re-appointment of Shri Harriman Vungal as Executive Director - Operations and made their recommendations to the Board for his re-appointment. Based on the recommendations of the said Committee, the Board in its meeting held on even date has considered the said re-appointment and passed necessary resolution under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder re-appointing him as Executive Directors - Operations of the Company for a period of 2 years w.e.f. July 14, 2019 subject to approval of the members in their ensuing Annual General meeting with the following terms and conditions:

A. By way of Monthly remuneration and perquisites:

- I. Salary (Consolidated): 10,00,000/- (Rupees ten lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: As per the rules of the Company, 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."

B. By way of percentage on Net Profits of the Company:

In addition to the salary and perquisites, based on him performance variable remuneration will be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

The aggregate remuneration paid to him under A & B above and to all other Whole-time-Directors put together in any financial year shall not exceed the limits as specified under the provisions of Section 197 of the Act and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof for the time being in force, or otherwise as may be permissible by law.

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

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

Copy of relevant resolutions of the Board with respect to 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 Shri Harriman Vungal, none of the other Directors are in any way concerned or interested in the special business set out at item No.9.

The Board commends the Ordinary Resolution under item No.9 for re-appointment of Shri Harriman Vungal as Executive Director - Operations, for approval by the members.

Item No. 10

Based on the recommendations of the Nomination & Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on May 11, 2019 have appointed Shri Neerukonda Satya Sreenivas as Additional Director in the capacity of Whole time Director with the designation of Executive Director on the Board of the Company who holds his office upto the date of this Annual General Meeting.

The appointment of Shri Neerukonda Satya Sreenivas as Director shall be effective upon approval by the members in their Meeting under the provisions of Section 149 & 152 of the Companies Act, 2013 ("the Act"). The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Neerukonda Satya Sreenivas for the office of Director of the Company. Shri Neerukonda Satya Sreenivas has given his consent to act as a Director and given a declaration stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Shri Neerukonda Satya Sreenivas possesses appropriate skills, experience and knowledge.

Further, the Nomination and Remuneration Committee at its meeting held on May 11, 2019 has also reviewed the appointment of Shri Neerukonda Satya Sreenivas as Executive Director and made their recommendations to the Board for his appointment. Based on the recommendations of the said Committee, the Board in its meeting held on even date has considered the said appointment of Shri Neerukonda Satya Sreenivas and passed necessary resolution subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder appointing him as Additional Director in the capacity of Executive Director of the Company for a period of 5 years w.e.f. July 14, 2019 subject to approval of the members in their ensuing Annual General meeting. As an Additional Director, he holds his office upto the date of this Annual General Meeting and his appointment as Executive Director shall be effective upon approval by the members in their Meeting.

The terms and conditions of his appointment are as under:

A. By way of Monthly remuneration and perquisites:

- I. Salary (Consolidated): 8,00,000/- (Rupees eight lakhs only) per month
- II. Perquisites and allowances:
 - a) Medical Reimbursement: As per the rules of the Company 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."

B. By way of percentage on Net Profits of the Company :

In addition to the salary and perquisites, based on his performance variable remuneration will be paid at such percentage as the Board may deem fit, not exceeding 2% of the Net Profits of the Company as computed under the provisions of Section 198 of the Companies Act, 2013.

The aggregate remuneration paid to him under A & B above and to all other Whole-time-Directors put together in any financial year shall not exceed the limits as specified under the provisions of Section 197, 198 of the Act and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment(s) thereof for the time being in force, or otherwise as may be permissible by law.

The terms and conditions as set out herein above may be treated as written memorandum setting out the terms of appointment of Shri Neerukonda Satya Sreenivas under the provisions of Section 190 of the Act.

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

Copy of relevant resolutions of the Board with respect to above said 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 Shri Neerukonda Satya Sreenivas and Shri V V Prasad, none of the other Directors are in any way concerned or interested in the special business set out at item No.10.

The Board commends the Ordinary Resolution under item No.10 for appointment of Shri Neerukonda Satya Sreenivas as Executive Director, for approval by the members.

Item No. 11

Members in their meeting held on September 27, 2017 have approved the remuneration of Rs. 5,00,000/- per month payable to Shri Sireesh Chandra Vungal, Vice President-Information & Technology (S/o Shri Harriman Vungal, Executive Director - Operations), since it was a related party transaction in excess of the limits specified under the provisions of Section 188 of Companies Act, 2013 read with Rule 15 of the Companies (Meetings or Board and its Powers) Rules, 2014, made thereunder.

Considering that the existing salary so approved by the members is not commensurate with present market trends for an individual with his qualification, experience and job responsibilities, resolution set out at the item No. 11 of the Notice is put up for approval of the members for further enhancement.

Except Shri Harriman Vungal none of the Directors are in any way concerned or interested in the special business set out at item No:11.

The Board commends the Ordinary Resolution under Item No. 11 for increasing the remuneration payable to Shri Sireesh Chandra Vungal, for approval by the members.

By Order of the Board

Place : Hyderabad
Date : 11.05.2019

Sujani Vasireddi
Company Secretary

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

Particulars	Item No. 3	Item No. 5	Item No. 6	Item No. 7
Name	Dr S P Vasireddi	Shri Gutta Purnachandra Rao	Shri Adeyya Chowdary Popuri (P A Chowdary)	Shri Sanjay Dave
DIN	00242288	00876934	02936505	08450232
Designation	Non-Executive Director & Chairman	Additional Director	Additional Director	Additional Director
Date of Birth	01.07.1948	25.06.1956	01.07.1945	18.07.1955
Qualification	PhD	CA	IRS (Retd.)	M.Sc.
Expertise in specific functional areas	Ph.D. with over 41 years of experience. From the inception, he is one of the promoter Director of the company and has been its Chairman & Managing Director upto 15.07.2013. Subsequently, he was designated as Executive Chairman upto 30.06.2018 and further designated as Non-Executive Chairman. He is a member on the Governing Boards of several scientific bodies	More than three decades of experience in Statutory Audits of Public limited and Private Limited Companies of varied nature viz., manufacturing, trading, service industry (Hospitals, Hotels) software and technology companies. Also performs special Audits for Banks / Financial Institutions and management audits of various companies for the last few years. Consultant in matters deal with company incorporation, project financing, loan syndication, liaison with banks and financial institutions and other allied matters. Consultant for Systems implementation, Internal controls, Management Information Systems for Companies in manufacturing and Service sectors.	Joined the Indian Revenue Service in 1968 and handled different assignments in the Income Tax Department relating to assessments, collection, recovery, training, investigation and administration. Worked in various capacities as Commissioner of Income Tax, Director of Income Tax (Investigation), Director General of Income Tax (Investigation) and lastly functioned as cadre control Chief Commissioner of Income Tax, Hyderabad for Andhra Pradesh region.	Sanjay Dave has a total professional experience of about 43 years out of which about 33 years is in agri. trade and food safety. He is the Chairperson of the Codex Coordinating Committee for Asia (CC-Asia). He is also the Chairman of Surakshit Khadya Abhiyan (National Mission for Safe Food) launched by the Government of India in July 2015. He is developing country SPS expert from Asia to the Standards and Trade Development Facility (STDF) of the WTO. He functions as the Senior International Consultant to FAO, WHO and International Trade Centre (ITC), Geneva. He is a member of the Scientific Committee of FSSAI. In the past, he served as:
				- Chairperson of Codex Alimentarius Commission (a UN body - FAO/WHO) from July 2011 to July 2014. - Advisor of FSSAI - Advisor (Agriculture) in the Mission of India to the European Union at Brussels. - Director of APEDA
Names of listed entities in which the person also holds the Directorship and the membership of the committees of Board (as on 11.05.2019)				
Board (Listed entities)	Nil	Nil	The Andhra Sugars Ltd.	Nil
Committees (Listed entities)	Nil	Nil	The Andhra Sugars Ltd. Nomination and Remuneration Committee - Member The Andhra Sugars Ltd. Stakeholders Relationship Committee : Chairman	Nil
Shareholding of as on 11.05.2019	3598525	Nil	Nil	Nil
Disclosure of relationships between directors inter-se	Harita Vasireddi - Managing Director is daughter. V V Prasad - Executive Director- Administration is brother.	NA	NA	NA

Particulars	Item No. 8	Item No. 9	Item No. 10
Name	Smt. Harita Vasireddi	Shri Harriman Vungal	Shri Satya Sreenivas Neerukonda
DIN	00242512	00242621	00269814
Designation	Managing Director	Executive Director Operations	Executive Director
Date of Birth	10.10.1974	10.10.1951	18.02.1976
Qualification	B. Pharm MBA (USA)	D. Tech (Toronto)	B. Pharm MBA (USA)
Expertise in specific functional areas	A Pharmacist and an MBA in Service Operations Management with over 21 years of experience in Leadership, Laboratory Business Management, Quality Management.	D.Tech. from Toronto, Canada with over 41 years of experience. He is one of the promoter Director of the company and has been its Director-Technical since inception	A global sales and business development professional with more than 20 years of rich experience in multiple markets and industries. Strong knowledge of Pharmaceutical, Biotechnology, Medical Device and Food industries.
Names of listed entities in which the person also holds the directorship and the membership of the committees of Board (as on 11.05.2019)			
Board (Listed entities)	Nil	Nil	Nil
Committees (Listed entities)	Nil	Nil	Nil
Shareholding of as on 11.05.2019	167954	1777166	Nil
Disclosure of relationships between directors inter-se	Dr S P Vasireddi - Non Executive Director & Chairman is father	NA	Shri V V Prasad - Executive Director - Administration is Father-in-Law.

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 separately.
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 member.
4. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
5. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company authorizing their representative to attend and vote on their behalf at the meeting.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
8. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
9. The Register of Members and Share Transfer Books will remain closed from Monday, July 22, 2019 to Saturday, July 27, 2019 (both days inclusive) for the purpose of Annual Closing for the financial year ended March 31, 2019.
10. Members whose shareholding is in electronic mode are requested to update the change of address, email IDs and change in bank account details, if any with the respective Depository Participant(s).
11. Members who are willing to claim dividends, which remain unclaimed, are requested to correspond with the Company at its registered office address. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, such dividends along with respective shares will be transferred to the Investor Education and Protection Fund as per the provisions of Section 124 of the Companies Act, 2013.
12. With a view to using natural resources responsibly, we request the members 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 2018-19 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has specifically requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 are being sent by the permitted mode or by any other mode as specifically requested.
14. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment, Rules 2015 the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again. The Company has appointed 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 Stock Exchange closing hours of July 19, 2019.
15. The instructions for e-voting, along with the Attendance slip and Proxy form are provided herewith as an insertion. A copy of the same is also available on Company's website www.vimta.com for reference.
16. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report 2018-19 is available on the Company's website, www.vimta.com. Members who require physical copies may write to us at "shares@vimta.com"
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
18. All documents referred to in this Notice are available for inspection at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.
19. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
20. Members are requested to bring their copy of Annual Report to the Meeting.

THE INSTRUCTIONS TO THE MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER

- (i) The voting period begins at **9.30 am on Wednesday, July 24, 2019 and ends at 5.00 pm on Friday, July 26, 2019**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **Friday, July 19, 2019**, may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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, 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 29th Annual General Meeting of the company, to be held on Saturday the 27th day of July, 2019 at 03.00 P M at Regd. Office 141/2 & 142, IDA, Phase-II, Cherlapally, Hyderabad : 500051 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolutions:

1. Adoption of Financial Statements 2. Approval of dividend 3. Appointment of Dr. S P Vasireddi (DIN : 00242288) who retires by rotation. 4. Ratification of remuneration of cost auditors 5. Appointment of Shri Gutta Purnachandra Rao as an Independent Non-Executive Director 6. Appointment of Shri Popuri Adeyya Chowdary (P A Chowdary) as an Independent Non-Executive Director 7. Appointment of Shri Sanjay Dave as an Independent Non-Executive Director 8. Re-appointment of Smt. Harita Vasireddi as Managing Director of the Company. 9. Re-appointment of Shri Harriman Vungal as Executive Director - Operations of the Company. 10. Appointment of Shri Neerukonda Satya Sreenivas as Executive Director of the Company. 11. Remuneration to Shri Sireesh Chandra Vungal Vice President - Information Technology

Signed this..... day of, 2019
Signature of shareholder

Signature of Proxy holder(s)

Affix
1 Rupee
Revenue
Stamp

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

ADMISSION SLIP

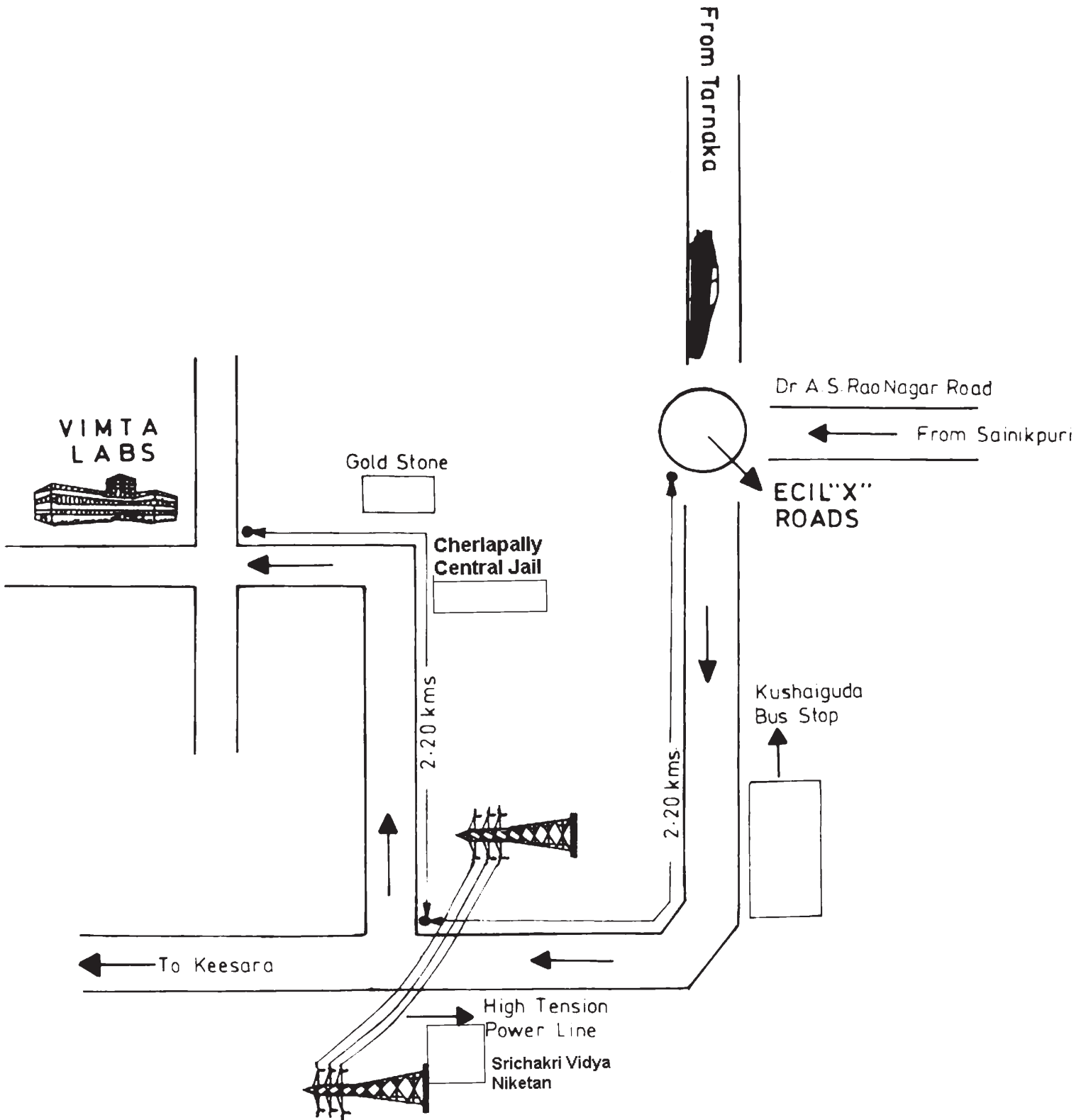
Name & Address of Member Foilo No. DP ID No. Client ID No.

I hereby record my attendance at the 29th Annual General Meeting of the Company, to be held on Saturday the 27th day of July, 2019 at 03.00 P M at Regd. Office 141/2 & 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 General Meeting of VIMTA LABS LIMITED ROUTE MAP





Annual Report
2018 - 19

Vimta Labs Limited

CIN : L24110TG1990PLC011977

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

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

BOARD OF DIRECTORS

Dr S P VASIREDDI
Non-Executive Director & Chairman

HARITA VASIREDDI
Managing Director

HARRIMAN VUNGAL
Executive Director - Operations

V V PRASAD
Executive Director - Administration

T S AJAI
Independent Director

PROF D BALASUBRAMANIAN
Independent Director (upto 31.03.2019)

RAO PURNACHANDRA POTHARLANKA
Independent Director

YALAMANCHILI PRAMEELA RANI
Independent Director

GUTTA PURNACHANDRA RAO
Additional Director - Independent Director (w.e.f. 11.05.2019)

ADEYYA CHOWDARY POPURI (P A CHOWDARY)
Additional Director - Independent Director (w.e.f. 11.05.2019)

SANJAY DAVE
Additional Director - Independent Director (w.e.f. 11.05.2019)

COMMITTEES

AUDIT COMMITTEE

T S AJAI CHAIRMAN
RAO PURNACHANDRA POTHARLANKA
YALAMANCHILI PRAMEELA RANI

STAKEHOLDERS RELATIONSHIP COMMITTEE

YALAMANCHILI PRAMEELA RANI CHAIRPERSON
T S AJAI
PROF D BALASUBRAMANIAN

NOMINATION AND REMUNERATION COMMITTEE

T S AJAI CHAIRMAN
PROF D BALASUBRAMANIAN
RAO PURNACHANDRA POTHARLANKA

CORPORATE SOCIAL RESPONSIBILITY

HARITA VASIREDDI CHAIRPERSON
HARRIMAN VUNGAL
V V PRASAD
RAO PURNACHANDRA POTHARLANKA

RISK MANAGEMENT COMMITTEE

MANAGING DIRECTOR CHAIRPERSON
EXECUTIVE DIRECTOR-OPERATIONS
CHIEF FINANCIAL OFFICER

BANKERS / INSTITUTIONS

State Bank of India
CISCO Systems Capital (India) Private Limited

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

D Hanumanta 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

CHIEF FINANCIAL OFFICER

AMIT PATHAK (appointed on 01.01.2019)
M MURALI MOHANA RAO (upto 01.12.2018)

COMPANY SECRETARY & COMPLIANCE OFFICER

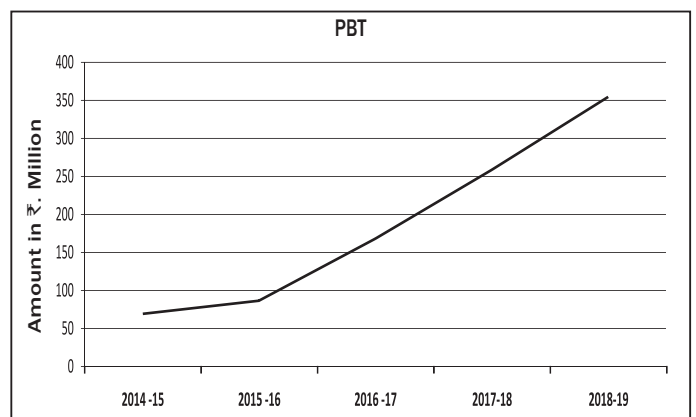
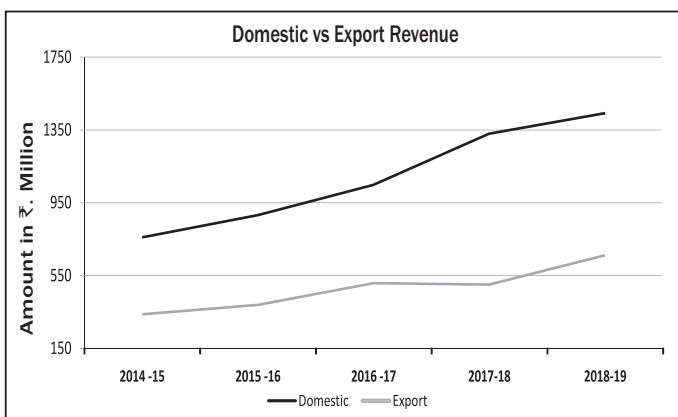
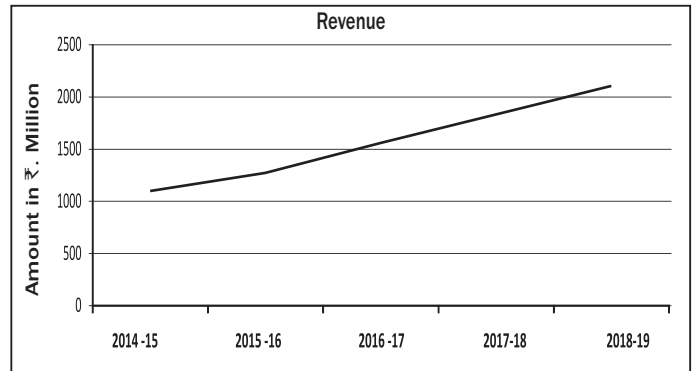
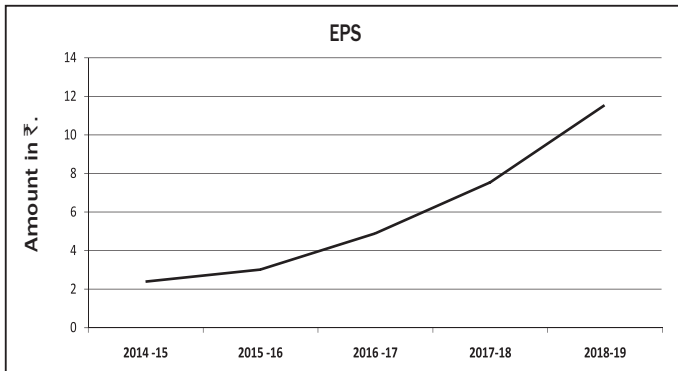
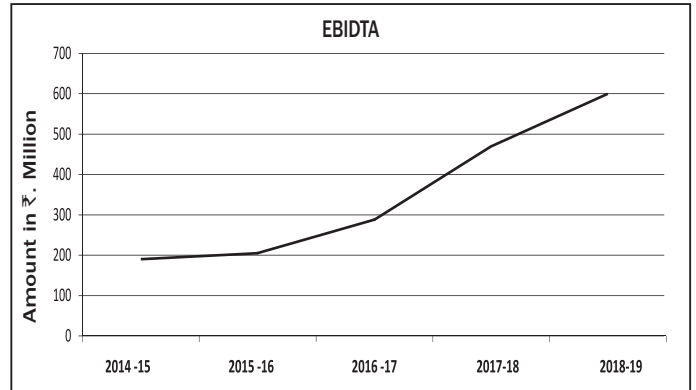
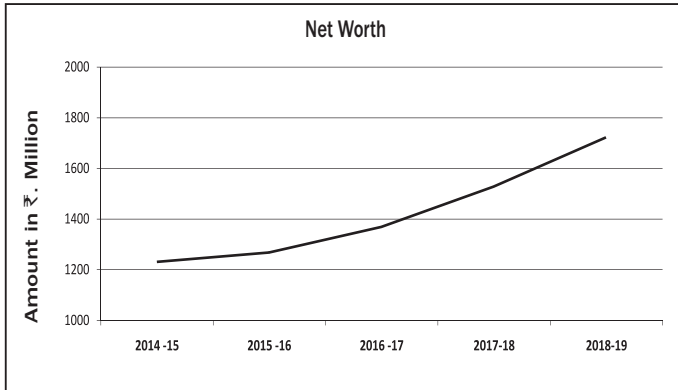
SUJANI VASIREDDI (appointed on 31.08.2018)
A VENKATA RAMANA (upto 31.08.2018)

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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, Chirag-Ali-Lane, Abids, Hyderabad-500 001.



To
The Members of VIMTA LABS LIMITED

Your Directors have pleasure in presenting the 29th Annual Report and audited financial statements of your Company for the year ended March 31, 2019.

FINANCIAL SUMMARY

	(₹ in Millions)	
	For the Year 2018-19	For the Year 2017-18
Total Income	2145.68	1846.48
Earnings before Interest & Finance cost, Depreciation and Tax expense	594.71	464.64
Finance costs	46.07	52.00
Depreciation expenses	197.23	157.00
Profit before Tax	351.41	255.64
Tax expenses (current & deferred)	98.30	91.31
Profit for the year including other comprehensive income	248.30	159.05
EPS (in ₹.)	11.45	7.43

FINANCIAL HIGHLIGHTS

- ◆ Total income increased by 16.20% over previous year.
- ◆ EBITDA has gone up by 28% over previous year and PAT by 54%
- ◆ Increase in EPS by 54%

BUSINESS - MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

Vimta Labs is India's leader in contract research and testing services for the food, environment, pharmaceutical, biopharmaceutical and agrochemical products testing. For biopharmaceutical products, it offers drug life cycle management, development and discovery support services in the areas of preclinical research, clinical research and analytical services.

The Company is also in the business of providing clinical diagnostic services and third party analytical laboratory services to various other industries. Vimta has a network of 17 laboratories in India, including multiple branch laboratories for food testing and clinical diagnostics.

Our Vision

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

Our Core Values

Integrity of service through honesty, responsibility and an uncompromising commitment to Quality and Customer service.

Respect for all our team members, partners, customers, suppliers and all other people our business interacts with.

Core Strategies

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

Quality & Compliance - This is the foundation of our business and remains the core of our processes. Quality principles and continuous improvement towards best practices are integrated into all our activities.

Innovation - Constantly creating new services aiming to deliver end-to-end testing, development, discovery and laboratory services to the customers.

Technology - Use of advanced technologies supported by robust IT solutions to provide cutting edge solutions to customers.

Knowledge - People are the strength of Vimta. The diverse education, skills and experience of our team is harnessed for operational excellence and to deliver trusted results and scientifically reliable data.

Reach - Continuously expand the reach to more and more customers and markets.

Industry Structure & Developments

The dynamics of Pharmaceutical industry outsourcing keep changing, depending largely on the size, structure and strategic intents of the companies. Virtual companies outsource almost the entire drug discovery or development process to third party organizations. The big pharma companies increase their R&D portfolios significantly through acquiring partially developed products from other companies. There is an increasing outsourcing trend of R&D activities to service providers. According to an analytical report by Vision gain, drug discovery outsourcing will continue to grow over the next decade and will rise to a \$43.7 billion dollar industry by 2026, as compared to an estimated \$19.2 billion in 2016. (Source - Biopharmatrend.com). India is one of the favorable destinations to outsource such activities given the cost advantage and talent pool. Further, in the pharmaceutical, biopharmaceutical and medical device industries, products must conform to applicable national and international regulations. Regulations are constantly revised to upgrade the safety and efficacy information on products, and therefore the need for more safety assessments and testing

continues to grow. These are favourable trends for our business. Vimta provides vital support and expertise throughout various stages of discovery, product development, production and distribution. Vimta being an integrated service provider, and with a strong regulatory audit track record, is one of the leaders in India in this segment.

In the food and agri industry, factors such as the strengthening regulatory landscape, increasing product safety and quality requirements from FSSAI, consumer awareness, and the trade between India and other countries, continue to propel the need for assurance of product safety and quality at every stage of the food production and trade process. Our services build trust, and reduce risk across diverse agriculture and food supply chains. Vimta offers routine as well as specialized testing services for food and agri products to assist with regulatory compliance, trade and internal quality requirements. Vimta has food testing laboratories in 9 cities across India, which is the largest network in the country, and has received all required approvals from quality accreditation and regulatory bodies, except in Delhi Lab, for which plans are in progress. The laboratory network enables us to gain more access to the markets and leverage our pan India presence to grow the business within the food industry.

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

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

Vimta also provides testing services for agrochemical industry for their discovery and product safety testing needs. The APAC markets are especially witnessing growth in this industry which is attributed to the increasing use of herbicides, growing demand from developing countries, and technological improvements leading to efficient methods of agriculture.

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

Risk Management

The Risk Management Committee duly constituted by the Board has formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk

Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure will be reviewed periodically by the Audit Committee and the Board.

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

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

Other risks and mitigations

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

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

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

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

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

Cautionary Statement

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

STATE OF COMPANY'S AFFAIRS

Accounting treatment

Company's financial statements have been prepared in line with Indian Accounting Standards (Ind-AS). There is no change in accounting treatment during the year under review.

Performance

Total Income for the year 2018-19 is Rs.2145.68 million as compared to Rs.1846.48 million in the previous year. During the year under review, the total income has gone up by 16.20 % as compared to the previous year. Net Profit before tax is Rs.351.41 million as compared to Rs.255.64 million in the previous year. Profit for the year including other comprehensive income stood at Rs.248.30 million as compared to Rs.159.05 million of previous year.

Key Financial Ratios

In accordance with SEBI (Listing obligations and Disclosure requirement 2018) (Amendment) Regulations, 2018, the company is required to give details of significant changes (changes of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratios.

The company has identified the following ratios as key financial ratios

Ratio	Financial Year 2018-19	Financial Year 2017-18	Change over FY 2017-18 vs Fy 2018-19
Debtors Turnover Ratio (in days)	98.23	97.84	0.40%
Inventory Turnover Ratio (in days)	32.02	38.68	(17.22)%
Interest Coverage Ratio	8.62	5.91	45.88%
Current Ratio	2.13	1.68	27.14%
Debt Equity Ratio	0.38	0.53	(27.20)%
Operating Profit Margin (%)	17.78	16.10	10.39%
Net Profit Margin (%)	11.79	8.89	32.64%
Return on Net Worth (%)	15.63	11.39	37.27%

Debtors Turnover Ratio (in days) - Divided by average accounts receivable for last two years by the revenue from operations for FY 2018-19, and multiplied by 365 days.

Inventory Turnover Ratio (in days) - Divided by average accounts receivable for last two years by the revenue from operations for FY 2018-19, and multiplied by 365 days.

Operating Profit Margin - Divided by average inventory for last two years by the revenue from operation for FY 2018-19, and multiplied by 365 days.

Ratios where, there has been a significant change from financial year 2017-18 to financial year 2018-19 are as follows

Interest coverage ratio - is calculated considering the Earnings before Interest and Tax (EBIT) divided by the Interest Expenses. The Interest Coverage Ratio (ICR) is used to determine how well a company can pay the interest expenses on its outstanding debts. It also indicates that how many times the company can pay its interest compared to its operating profit. The higher Interest coverage ratio indicates the lesser chance of default by the company.

The company Interest coverage ratio has mainly scaled up from 5.91 times to 8.62 times, due to increase in its revenue and operations profit margin vs reduction in the finance cost due to lower utilisation of working capital limit during the year.

Current Ratio - is a liquidity ratio that indicates company's ability to pay net short-term obligations within a period of one year. The higher of the current ratio reflects that the company is more capable in paying its obligations because it has a larger proportion of short-term asset value relative to the value of its short-term liabilities.

The company current ratio has mainly scaled up from 1.68 times to 2.13 times due to lower utilisation of working capital limit, reduction of trade payable liabilities and increase in receivables with the growth of the company.

Debt Equity (D/E) Ratio -is calculated by dividing a company's total liabilities by its shareholder equity. The D/E ratio is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds. More specifically, it reflects the ability of shareholder equity to cover all outstanding debts in the event of a business downturn.

The company Debt Equity has mainly reduced from 0.53 times to 0.38 times due to lower utilisation of working capital & reduction of long term borrowing vs growth in the retained earnings of the company.

Net Profit Margin :- reflects the net profit after tax is generated as a percentage of Total Income. By tracking increases and decreases in its net profit margin, a performance of the company can be measured in absolute terms. Further it also indicates that whether the company's management is generating enough profit from its sales and whether operating costs and overhead costs are being contained.

The increase in net profit is due to increase in revenue for financial year 2018-19 by 16% over financial year 2017-18, whereas operating expenses and manpower costs have increased by around 10% & 11% over financial year 2017-18. Tax liability of this has also increased by around 8% in financial year 2018-19 compared to financial year 2017-18 due to certain benefits of prior period expenses and deferred tax benefits.

Return on Net Worth - Return on net worth (RONW) is a measure of financial performance calculated by dividing net profit after tax by average shareholders' equity. RONW is considered a measure of how effectively management is using a company's assets to create profits.

The increase of 54% of the profit after tax in FY 2018-19 over FY 2017-18 due to the reduction in operating cost % and tax expenses % compared to growth % in income from revenue has contributed for the return on net worth.

Material Changes and Commitments

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

Dividend

Your Directors have recommended a dividend of Rs.2/- per equity share of Rs.2/- each, for 2018-19 fiscal.

Transfer to Reserves

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

Fixed Deposits

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance Sheet.

BOARD**Particulars of Board of Directors and its Committees**

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

None of the Directors on the Board of your Company have been debarred or disqualified from being appointed or to continue as Director of the Company by SEBI, MCA or any other Statutory Authority.

The Company is in Compliance of all Secretarial Standards as prescribed by the Institute of Company Secretaries of India.

Particulars of changes in Directorship and Key Managerial Personnel

Prof. D. Balasubramanian has submitted his resignation effective from March 31, 2019 due to his pre-occupation.

Consequent to the resignation of Prof. D Balasubramanian and keeping in view of forthcoming expiration of the tenure of Shri. T. S. Ajai and Shri. Rao P Potharlanka w.e.f. May 16, 2019 as Independent & Non-Executive Directors of the Company, your Board of Directors in their meeting held on May 11, 2019 have appointed Shri G Purnachandra Rao; Shri Popuri Adheyya Chowdary (P A Chowdary) and Shri Sanjay Dave as Additional Directors in the capacity of Independent & Non-Executive Directors of the Company. Your Directors recommend their appointment as indicated in the Notice calling the Annual General Meeting.

Your Directors have placed on record the valuable contributions made by Prof. D Balasubramanian; Shri. T. S. Ajai and Shri. Rao P Potharlanka to the Board and for the growth of your Company.

The term of Shri. V V Prasad, Executive Director – Administration would be expiring on July 14, 2019 and he has conveyed his intention not to continue on the Board of the Company. Your Directors have also placed on record the valuable contribution made by Shri. V V Prasad, Executive Director – Administration to the Board and for the growth of your Company.

Your Directors in their meeting held on May 11, 2019 have appointed Shri. Satya Sreenivas Neerukonda as Additional Director in the capacity of Whole-time-Director (Executive Director) w.e.f. July 14, 2019. Your Directors recommend his appointment as indicated in the Notice calling the Annual General Meeting.

Shri. A Venkata Ramana got relieved on August 31, 2018 from the services of the Company as Company Secretary on account of his resignation. Consequently, Smt. Sujani Vasireddi took up the office of Company Secretary w.e.f., August 31, 2018.

Shri. M Murali Mohana Rao got relieved on December 01, 2018 from the services of the Company as Chief Financial Officer on account of his resignation. Consequently, Shri. Amit Pathak took up the office of Chief Financial Officer w.e.f., January 01, 2019.

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 the Nomination and Remuneration Committee has recommended to the Board a Nomination and Remuneration policy with respect to criteria for determining qualifications, positive attributes, independence of Directors; and appointment/nomination and remuneration payable for the Directors, Key Managerial Personnel and senior level employees of the Company. The said policy has been adopted by the Board and the same is attached as Annexure-II to the Board's Report and is also available on Company's website www.vimta.com.

Annual Evaluation of Performance of Board its Committees and of Directors

The Board and the Independent Directors have carried out evaluations for the year 2018-19 w.r.t., performance of the Board, its Committees, the individual Directors including Independent Directors and the Chairperson, in compliance to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation reports are meeting the expectations of the Board. Further the Nomination and Remuneration Committee has also evaluated the performance of each Director.

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

Training of Independent Directors

For every Director inducted newly to the Board, there is a system to make them 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. After familiarization program the details of the same are posted on the Company's website www.vimta.com.

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.

Directors' Responsibility Statement

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

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

PARTICULARS OF CONTRACTS & ARRANGEMENTS WITH RELATED PARTIES

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

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

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

INTERNAL CONTROL SYSTEMS

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

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

HUMAN RESOURCES

Human Resource is one of the key strengths of the Company. At the end of the financial year 31.03.2019, the Company had 1081 employees including 24 medical doctors; 28 PhDs and 1029 science graduates & post graduates, engineers, technicians and other administrative staff.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy provides adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither directly 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 continuous activities in these areas have been recycling of waste water, training of staff at all levels w.r.t., safety, health and environment.

FOREIGN EXCHANGE FLUCTUATIONS

The net gain during the year on account of foreign exchange fluctuations against overseas customers, vendors and book balances was Rs. 8.22 million. The same was accounted under the head Other Income in the statement of Profit and Loss.

AUDITORS

Statutory Auditors

The Members in their Annual General Meeting held on 27.09.2017 have appointed M/s Gattamaneni & Co., Chartered Accountants (Firm Reg. No: 009303S) as Statutory Auditors of the Company to hold office for a period of 5 years until the conclusion of the Annual General Meeting to be held in the calendar year 2022. Ratification of their appointment by the members in every Annual General Meeting (AGM) is done away by Companies Amendment Act, 2017. Hence, no resolution to this effect proposed in the Notice calling AGM. The Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Audit Report

The Statutory Auditors have given their report dated 11.05.2019 on financial statements of your Company relating to financial year 2018-19 and the same form part of this Annual Report.

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

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

Internal Auditors

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

Cost Auditors

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

In pursuance of rule 4 (a) (ii) of Companies (Audit and Auditors) rules 2014 the remuneration for the financial year 2019-20 fixed by the Board of Directors and payable to Cost Auditors needs a ratification by the shareholders of the Company. Accordingly, remuneration fixed by the Board is placed for ratification before the shareholder.

Secretarial Auditors

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

The Secretarial Audit Report for the year ended March 31, 2019 issued in Form MR-3 is provided in Annexure-IV to this report.

The report contains a qualification stating that "It has been observed that Listed Entity has received credit rating report from ICRA, the credit rating agency on 01.10.2018 and the same needs to be intimated within 24 hours as per Disclosure of events or information under Regulation 30 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 but the same has been intimated on 01.11.2018".

The disclosure of change in credit rating is mandatory for the listed entities having debt securities under the provisions of Regulations 55 & 84 read with Regulation 30 of SEBI (LODR) Regulations, 2015.

Though the said disclosure was not mandatory, your Company has disclosed it voluntarily which was taken for the purpose of bank fund based limits. The delay in disclosure was not intentional.

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

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

RISK MANAGEMENT

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

ANTI SEXUAL HARASSMENT

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

EXTRACT OF ANNUAL RETURN

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

The Annual Return is placed on Company's website www.vimta.com.

CORPORATE GOVERNANCE

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

During the year under review your Company has supported M/s Narsingh Swain Memorial Trust (Akar Asha) worth Rs. 1.56 Million for providing medical aid to differently abled people on charitable basis,

who belong to economically weaker sections of the society. Further, your Company has contributed an amount worth Rs. 0.8 Million to M/s Public Health Foundation of India (PHFI) for medical research activities and programs; Rs. 0.2 Million to Spic Macay an organization which promotes Indian classical music and culture. Rs. 0.2 Million was provided to support People for Animals of India (PFA) which promotes animal welfare and Rs. 0.5 Million to Deputy Commissioner of Police Cyberabad for installation of CCTV cameras at rural areas of Shamirpet for women welfare activities.

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

CASH FLOW STATEMENT

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

STOCK EXCHANGES

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

SHARE TRANSFER AGENCY

The Company has appointed M/s CIL Securities Ltd., as its share transfer agency for handling both physical and electronic transfers.

TRANSFER OF UNCLAIMED DIVIDEND AMOUNT AND SHARES

The Company has transferred unclaimed dividend for the year up to 2010-11 to Investor Education and Protection Fund (IEPF). The details of unclaimed dividends and due dates for transfer to the said fund account for other financial years are disclosed in the report on corporate governance.

Further, in pursuance of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the shares of the relevant shareholders who have not claimed their dividend amount relating to 2008-09, 2009-10 & 2010-11 were transferred to IEPF Authorities.

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

CODE OF CONDUCT

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

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

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place : Hyderabad
Date : 11.05.2019

DR S P VASIREDDI
NON-EXECUTIVE DIRECTOR &
CHAIRMAN

INTRODUCTION

Company philosophy on Corporate Governance

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

BOARD OF DIRECTORS

Composition

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

None of the Directors have been debarred or disqualified from being appointed or to continue as Directors of the Company by Ministry of Corporate Affairs or any such statutory authority. A certificate from Secretarial Auditors is annexed.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015

Attendance and other Directorships

During the year ended March 31, 2019 the Board of Directors met five times excluding an adjourned meeting. These meetings were held on May 10, 2018 adjourned to May 11, 2018; June 30, 2018, August 13, 2018; November 9, 2018 and February 6, 2019. The Directors' attendance and their Directorships during the year ended March 31, 2019 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, Non-Executive Director & Chairman	5	Present	----	----
Harita Vasireddi Managing Director	4	Present	1	----
Harriman Vungal Promoter, Executive Director-Operations	5	Present	----	----
V V Prasad Promoter, Executive Director-Administration	5	Present	1	----

II) NON-EXECUTIVE & INDEPENDENT DIRECTORS

T S Ajai	4	Absent	1	3
Prof D Balasubramanian*	3	Present	2	2
Rao Purnachandra Potharlanka	4	Absent	----	2
Y Prameela Rani	5	Present	2	2

*Prof D Balasubramanian has resigned on 29.03.2019 w.e.f. 31.03.2019 before completion of his tenure due to his pre-occupation. The said reason for his resignation was confirmed in his resignation letter.

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 for new Directors.

The details of familiarization programs imparted to newly inducted independent directors are placed on Company's website www.vimta.com

Performance evaluation mechanism

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

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

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

Details of remuneration paid to the Directors: (₹ in Millions)

Name of the Directors	Salary	Sitting Fee	Total
Dr S P Vasireddi*	3.6	NIL	3.6
Harita Vasireddi	12.43	NIL	12.43
Harriman Vungal	12.43	NIL	12.43
V V Prasad	12.43	NIL	12.43
T S Ajai	NIL	NIL	NIL
Prof D Balasubramanian	NIL	0.07	0.07
Rao Purnachandra Potharlanka	NIL	NIL	NIL
Y Prameela Rani	NIL	0.13	0.13

*upto June 30, 2018

Note :

1. Salary includes Basic Salary and Allowances. During the year the whole-time Directors were paid remuneration under the provisions of Schedule V Part II Section II of the Companies Act, 2013 as amended to date.
2. The term of the executive directors is three years and that of independent directors is five years effective from their appointment respectively. There is no notice period and severance fee, other than payment of gratuity and leave encashment to the executive directors as per the Company policy.
3. Details of pecuniary relationships; payments and share-holding of Non-Executive Directors
 - ◆ During the Financial Year 2018-19, there are no pecuniary relationships or transactions of the Non-Executive Directors' vis-à-vis the Company
 - ◆ No payments were made to Non-Executive/Independent Directors other than sitting fee as detailed herein above.
 - ◆ None of the Independent Directors are holding shares of the Company.

Competency matrix of the Board of Directors

Name of the Directors	Core Skills / Expertise / Competency
Dr S P Vasireddi	Leadership and Domain Knowledge
Harita Vasireddi	Leadership, Laboratory Business Management, Quality Management
Harriman Vungal	Operational management & regulatory
V V Prasad	General Administration
T S Ajai	Chartered Accountant, Tax Consultancy
Prof D Balasubramanian	Modern Biology
Rao Purnachandra Potharlanka	Pharmaceutical Manufacturing
Y Prameela Rani	Banking Sector

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 appointment, remuneration and terms of appointment of statutory, internal and cost auditors of the Company;
- ◆ Reviewing with the Management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for its approval;
- ◆ Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- ◆ Reviewing and providing its recommendations to the board w.r.t., transactions of the Company with related parties;
- ◆ Evaluation of internal financial controls and risk management systems;

- ◆ Reviewing with the Management, performance of statutory and internal auditors and the adequacy of the internal control systems;
- ◆ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ◆ Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; and
- ◆ Reviewing the functioning of the Whistle Blower mechanism.

Composition

The Committee comprises of three members and are 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 Rao Purnachandra Potharlanka and Y Prameela Rani and they are financially Proficient

Meetings

During the year ended March 31, 2019 the Audit Committee met four times excluding an adjourned meeting. These meetings were held on May 10, 2018 adjourned to May 11, 2018; August 10, 2018; October 27, 2018 and February 2, 2019.

Composition and Attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	4	4
Rao Purnachandra Potharlanka	4	1
Y Prameela Rani	4	4

The Company Secretary acted as Secretary to the Committee.

Nomination and Remuneration Committee

The role of the Committee is to formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other senior level employees of the Company.

Composition

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

The Company Secretary acts as Secretary to the Committee.

Meetings

During the year ended March 31, 2019 the Nomination and Remuneration Committee met on May 10, 2018, June 30, 2018 and October 27, 2018.

Attendance

Name of the Member	Meetings held	Attendance
T S Ajai, Chairman	3	3
Prof. D Balasubramanian	3	2
Rao Purnachandra Potharlanka	3	1

Remuneration Policy

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

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

Stakeholders' Relationship Grievance Committee

Director heading the committee : Smt Y Prameela Rani
 Compliance Officer : Company Secretary
 No. of shareholders' complaints received during the year : Nil
 No. of complaints resolved : Nil
 No. of pending complaints : Nil

Performance Evaluation Criteria for Independent Directors

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

Corporate Social Responsibility (CSR) Committee

Philosophy

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

Composition

The Board has constituted CSR Committee consisting of Smt Harita Vasireddi, Managing Director as Chairperson of the Committee; Shri Vungal Harriman, Executive Director-Operations; Shri V V Prasad, Executive Director-Administration and Shri Rao Purnachandra Potharlanka, Independent Director, as members of the Committee. The Committee met on 18.01.2019 for a brief overview and to prioritize deployment of available funds to various desiring charitable organizations.

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 is 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.	2017-2018	AGM	Regd. Office	25.08.2018	10.00 a.m.
2.	2016-2017	AGM	Regd. Office	27.09.2017	10.00 a.m.
3.	2015-2016	AGM	Regd. Office	02.09.2016	10.00 a.m.

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

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

DISCLOSURES

- ◆ There were no materially significant related party transactions that may have potential conflict with the interests of the Company. 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 were no instances of non-compliance by the Company w.r.t., Stock Exchange and SEBI Regulations. Further, no penalties, no strictures imposed on the Company by Stock Exchange (s) or SEBI or any other statutory authority on any matters relating to capital market.
- ◆ The Company has complied with all mandatory requirements of SEBI (LODR) regulations and it has adopted non mandatory requirement of the Corporate Governance clause with respect to:
 - i) separate posts of Chairman and Managing Director
 - ii) reporting of Internal Auditor to the Audit Committee
- ◆ Web link for policy on disclosure of material events and related party transactions is www.vimta.com/financials
- ◆ Commodity price risks and commodity hedging activities are not applicable being a service industry.
- ◆ The Company has complied with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) of SEBI (LODR) Regulations, 2015.
- ◆ Certificate from Company Secretary in practice indicating that none of the Directors on the Board have been debarred is annexed.
- ◆ All the recommendations of Board's Committees were accepted by the Board.
- ◆ No complaints were received in relation to Sexual Harassment of Women at work place.

INTER-SE RELATIONSHIP BETWEEN WHOLE TIME DIRECTORS

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

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Day & Date	: Saturday, July 27, 2019
Time	: 3.00 P M
Venue	: Plot No.142, IDA, Phase-II, Cherlapally, Hyderabad - 500051.

Financial Calendar

Financial year	: April 1, 2019 to March 31, 2020
First quarter results	: On or before August 14, 2019
Half yearly results	: On or before November 14, 2019
Third quarter results	: On or before February 14, 2020
Fourth quarter/Annual Results	: On or before May 30, 2020
Date of Book Closure	: 22.07.2019 to 27.07.2019 (both days inclusive)
Date of dividend payment	: Within 30 days from the date of declaration in AGM

Transfers to IEPF Authority**a) Unclaimed dividend**

Dividend pertaining to the financial years 2001-02 to 2010-11 which remain unclaimed for a period of seven years, was transferred to the Investor Education and Protection Fund (IEPF). The unclaimed dividends for the financial years 2012-13 to 2015-16 and 2017-18 are due for transfer to the said fund account as detailed in the below statement and the details of which are available on Company's website and on the website of Ministry of Corporate Affairs. Therefore, the members may claim their dividend before its transfer to the said Fund.

Sl. No.	Year of Dividend	Date of declaration	Due for transfer to IEPF in the month of
1	2011-2012	No dividend was declared	
2	2012-2013	31.05.2013	July 2020
3	2013-2014	07.07.2014	August 2021
4	2014-2015	21.08.2015	September 2022
5	2015-2016	02.09.2016	October 2023
6	2016-2017	No dividend was declared	
7	2017-2018	25.08.2018	September 2025

b) Shares

In pursuance of Section 124(6) of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the shares of the relevant shareholders who have not claimed their dividend amount relating to 2008-09, 2009-10 & 2010-11 were transferred to IEPF Authorities.

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

Listing with Stock Exchanges**Company's securities are listed with**

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

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

Electronic Connectivity

- National Securities Depository Ltd
Trade World, 4th Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.
- Central Depository Services (India) Limited
Marathon Futorex, A-Wing, 25th floor, NM Joshi Marg
Lower Parel, Mumbai 400013, India.

Share Transfer Agents

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

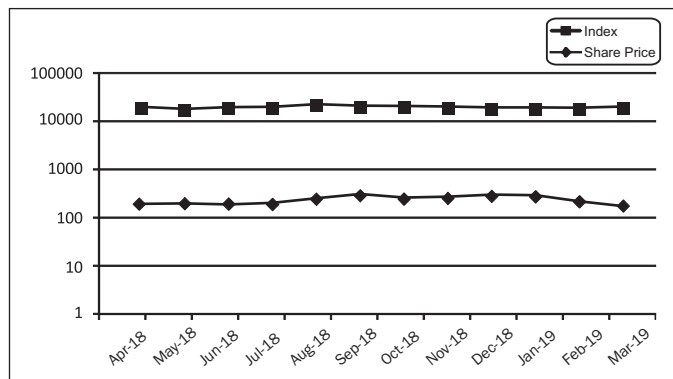
Stock Price Data

Monthly high and low share quotations on the BSE Limited and National Stock Exchange of India Limited, Mumbai for the financial year 2018- 2019 were as follows :

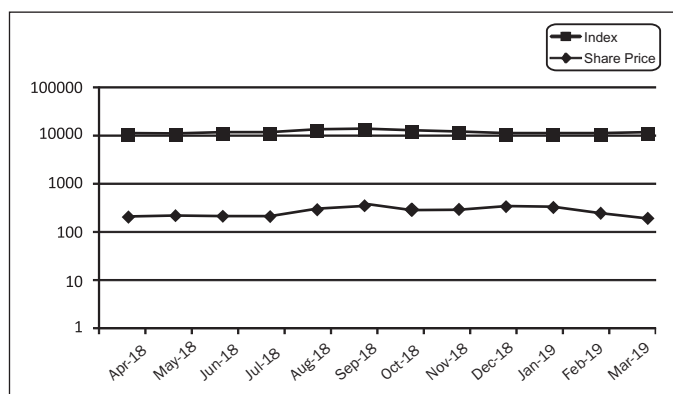
Year 2018-19	BSE Limited		National Stock Exchange of India Ltd.	
	High	Low	High	Low
April, 2018	232.50	174.10	231.30	174.00
May, 2018	242.85	190.55	243.35	190.65
June, 2018	238.85	192.00	238.85	190.00
July, 2018	235.00	199.45	235.90	196.15
August, 2018	293.40	216.20	298.95	211.60
September, 2018	341.00	255.30	342.90	258.00
October, 2018	294.80	236.05	299.80	240.55
November, 2018	304.00	240.00	303.20	240.10
December, 2018	332.10	247.00	333.00	246.15
January, 2019	325.00	245.15	324.00	245.00
February, 2019	263.50	177.05	264.80	177.10
March, 2019	219.40	180.00	221.00	204.00

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

BSE Limited



National Stock Exchange of India Limited



Share Transfer System

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

Distribution of shareholding as on 31.03.2019

Shares held From - To	Shareholders		No. of Shares	
	No.	%	No.	%
Up to 5000	10653	98.24	3601626	16.30
5001 - 10000	88	0.81	648560	2.93
10001 - 20000	48	0.44	706567	3.20
20001 - 30000	12	0.11	296905	1.34
30001 - 40000	9	0.08	309656	1.40
40001 - 50000	8	0.07	344484	1.56
50001 - 100000	9	0.08	622158	2.81
100001 & above	17	0.16	15577854	70.46
Total	10844	100	22107810	100

Categories of shareholders as on 31.03.2019

Category	No. of Shares	%
Shareholding of Promoter & Promoter Group		
Indian	8270153	37.41
Foreign	Nil	Nil
Public Shareholding		
Institutional Investors	65213	0.29
Non - Institutional Investors	13772444	62.30
TOTAL	22107810	100

Address for Communication

For Share Transfers and related matters

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

For other matters

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

Compliance Officer

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

Dematerialization of shares and liquidity

Trading in Equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI with due date for transfer of physical shares 31.03.2019. Over 98.68% of the Company's equity shares have been dematerialized as on 31.03.2019.

Share trading

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

Relevant turnover data for the financial year 2018-19

*(₹ in Millions)

	BSE Ltd.	National Stock Exchange of India Ltd.
Total shares traded	1768683	10810723
Turnover value*	462.746	2812.435

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

CEO/CFO Certification

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

COMPANY LOCATIONS

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

Addresses of branch laboratories and liaison offices are as detailed in Company's website www.vimta.com

AUDITORS' CERTIFICATE

To
The Members of Vimta Labs Limited

- We have examined the compliance of conditions of Corporate Governance by Vimta Labs Limited, for the year ended March 31, 2019, as stipulated in regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 Regulations.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

for GATTAMANENI & CO
CHARTERED ACCOUNTANTS
(Firm Regn. No. 009303S)

Place : Hyderabad
Date : 11.05.2019

G. Srinivasa Rao
Partner
ICAI Ms.No.210535

COMPLIANCE CERTIFICATE

- We have reviewed financial statements and cash flow statements for the financial year 2018-19, 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 we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and deficiencies in the design and operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee that during the year
 - There were no significant changes in internal control over financial reporting;
 - There were no significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements and
 - We are not aware of any instances of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

HARITA VASIREDDI
MANAGING DIRECTOR

Place : Hyderabad
Date : 11.05.2019

AMIT PATHAK
CHIEF FINANCIAL OFFICER

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
VIMTA LABS LIMITED
141/2 &142, IDA Phase II Charlapalli,
Hyderabad - 500802

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VIMTA LABS LIMITED having CIN: L24110TG1990PLC011977 and having registered office at 141/2 &142, IDA Phase II Cherlapally, Hyderabad - 500802 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No.	Name of the Director	DIN	Date of Appointment in Company
1.	Mrs. Harita Vasireddi	00242512	01/04/2005
2.	Dr Sivalinga Prasad Vasireddi	00242288	01/04/2005
3.	Mr. Veerabhadra Prasad Vasireddi	00242355	25/03/2013
4.	Mr. Harriman Vungal	00242621	16/11/1990
5.	Mr. Sundar Raman Ajai Thotapalli	00282537	12/04/2002
6.	Mrs. Prameela Rani Yalamanchili	03270909	01/12/2017
7.	Mr. Rao Purnachandra Potharlanka	05186036	30/01/2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. HANUMANTA RAJU & CO.
COMPANY SECRETARIES

Place : Hyderabad
Date : 11.05.2019

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

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

Form No. AOC-2

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

1. There were no materially pecuniary relationships or transactions of the Independent directors' vis-à-vis the Company.
2. Particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:
 - a) There were no contracts / arrangements entered into by the Company with related parties which are not at arms length basis.
 - b) There were no material contracts / arrangements entered into by the Company with related parties which are at arms length basis.
 - c) Details of non-material contracts/arrangements at arm length basis with related parties for the year ended March 31, 2019 are as follow :-

(₹ in Millions)

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.	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. 01.04.2018	₹ 15,000 per month with annual escalation of 10%	10.05.2018	Lease Rentals at prevailing market rates. Lease rentals paid for the year @ ₹ 15,000/- p.m.
2.	Sireesh Chandra Vungal Son of Executive Director – Operations of the Company	Appointment to office or place of profit: Appointed as Manager – Information Technology Presently Vice President - Information Technology Group	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month Approval given by the Shareholders by special resolution to pay not exceeding ₹ 500,000/- p.m.	Board approval Dt. 17.05.2014 and Shareholders Approval Dt. 27.09.2017	Commensurate with qualification and experience an amount of ₹ 497,280 p.m. is being paid which is within the limits approved by Shareholders
3.	Satya Sreenivas Neerukonda Son-in-law of Executive Director – Administration of the Company	Appointment to office or place of profit: Appointed as Manager – Business Development Presently Senior Vice President and Global Head Business Development	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month Approval given by the Shareholders by special resolution to pay not exceeding ₹ 500,000/- p.m.	Board approval Dt. 17.05.2014 and Shareholders Approval Dt. 27.09.2017	Commensurate with qualification and experience an amount of ₹ 498,400 p.m. is being paid which is within the limits approved by Shareholders
4.	Praveena Vasireddi Daughter of Non-Executive Director & 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 ₹ 250,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 145,600 p.m. is being paid
5.	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 - Quality Assurance	w.e.f. 01.04.2014	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month	17.05.2014	Commensurate with qualification and experience an amount of ₹ 148,120 p.m. is being paid
6.	Sujani Vasireddi Daughter of Executive Director – Administration of the Company	Appointment to office or place of profit: Appointed as Manager – Legal & Admn. Present capacity Company Secretary & General Manager - Commercial	w.e.f. 18.08.2016	Appointed on a Monthly remuneration not exceeding ₹ 250,000/- per month	12.11.2016	Commensurate with qualification and experience an amount of ₹ 191,800 p.m. is being paid

Place : Hyderabad
Date : 11.05.2019

Dr S P Vasireddi
Non-Executive Director & Chairman

Nomination and Remuneration policy

Introduction

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

Objective and purpose of the policy

The objectives and purpose of this policy are

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

The committee

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

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

Definitions

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

'Directors' means Directors of the Company.

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

'The Company' means Vimta Labs Limited.

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

'Key Managerial Personnel (KMP)' means:

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

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

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

The Policy

This policy is divided into three parts

Part - A: Covers the matters to be dealt with and to recommend to the Board

Part - B: Covers the appointment and nomination; and

Part - C: Covers remuneration and perquisites etc.

Part-A:

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

Structure of the Board

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

Succession plans

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

Evaluation of performance

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

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

Remuneration framework

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

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

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

PART-B

Appointment criteria and qualifications

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

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

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

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

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

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

Term /Tenure

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

- ◆ Independent Director

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

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

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

Removal

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

Retirement

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

PART-C

Remuneration of Directors, KMPs and other senior level employees

Remuneration to Managing Director; Whole-time Directors:

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

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

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

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

Minimum remuneration to Managing Director and Whole-time Directors

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

Remuneration to Non-executive / Independent Directors

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

Remuneration of other KMPs and Senior level employees

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

Policy review

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

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

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

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

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

Sl. No.	Name of the Director	Ratio of the remuneration paid to Directors to the median remuneration of the employee excluding managerial remuneration	Percentage increase in remuneration during the year	Comparison of remuneration against performance of the Company	
				Remuneration paid (₹ in Millions)	Performance of the Company for the year (Net Profit ₹ in Millions)
1	Dr S P Vasireddi Non-Executive Director & Chairman	46 : 1	0	3.37	248.30
2	Harita Vasireddi Managing Director	46 : 1	32.09	12.43	248.30
3	Vungal Harriman Executive Director - Operations	46 : 1	32.09	12.43	248.30
4	V V Prasad Executive Director - Admn	46 : 1	32.09	12.43	248.30
5	T S Ajai Independent Director	NA	NA	NA	NA
6	Prof. D Balasubramanian Independent Director	NA	NA	NA	NA
7	Rao Purnachandra Potharlanka Independent Director	NA	NA	NA	NA
8	Y Prameela Rani Independent Director	NA	NA	NA	NA
9	M Murali Mohan Rao CFO (Relived on 01.12.2019)	11:1	10.42	2.80	248.30
10	A. Venkata Ramana CS (Relived on 31.08.2018)	6:1	9.04	1.12	248.30
11	Amit Pathak CFO (Joined on 01.01.2019)	12:1	NA	0.89	248.30
12	Sujani Vasireddi CS (Joined on 31.08.2018)	8:1	NA	2.04	248.30

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

- ii) There was no variable component of remuneration availed by the Directors.
- iii) The remuneration paid to the Key Managerial Personnel was as per the remuneration policy of the Company.
- iv) There were 1081 permanent employees on the rolls of the Company as on March 31, 2019.
The percentage increase in the median remuneration of employees in the financial year was 5.94%
- v) The average increase in the salaries / remuneration of the employees during the year was 4.00%. Being service industry, retention of talented manpower is the key element. Hence, there was an increase in the salaries of the employees during the year.
- vi) The ratio of the remuneration of the highest paid Director to that of the employee who are not Director but received remuneration in excess of the highest paid director during the year was : Not applicable
- vii) The market capitalization as on 31.3.2019 at BSE was ₹. 4393.93 Millions and at NSE is ₹. 4419.35 Millions. The Price Earning Ratio was ₹. 17.46 as on March 31, 2019 as compared to ₹.23.61 as of March 31, 2018. The closing price of the Company's equity shares on the BSE and NSE as of March 31, 2019 was ₹ 199.90/- and ₹ 198.75/- respectively.

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

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

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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, 2019, 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the period of audit);
 - (e) 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) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);
 - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period of audit);
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013; - (Not applicable to the Company during the period of audit); and
 - (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other laws **specifically** applicable to the Company as per the representations made by management include:
 - A. The Drugs and Cosmetic Act, 1940
 - B. Narcotic Drugs and Psychotropic Substances Act, 1985 and Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013
 - C. Good Laboratory Practices as laid down in Schedule L-1 of Drugs and Cosmetic Rules, 1945
 - D. Food Safety and Standards Act, 2006
 - E. The Pathology and Laboratory Act, 2007
 - F. Bio-Medical Waste (Management and Handling) Rules, 1998
 - G. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

- H. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- I. Explosives Act, 1884 read with Gas Cylinder Rules, 2004
- J. Selection, installation and maintenance of First-aid Fire Extinguishers - Code of Practice
- K. Contract Labor (Regulation and Abolition) Act, 1970 and Andhra Pradesh Contract Labor (Regulation and Abolition) Rules, 1971

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under the Companies Act, 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and 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 except the following:

It has been observed that Listed Entity has received credit rating report from ICRA, the credit rating agency on 01.10.2018 and the same needs to be intimated within 24 hours as per Disclosure of events or information under Regulation 30 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 but the same has been intimated on 01.11.2018.

We further report that:

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

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

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

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

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

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Place : Hyderabad
Date : 11.05.2019

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

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

Annexure A'

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

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

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

Place : Hyderabad
Date : 11.05.2019

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

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

EXTRACT OF THE ANNUAL RETURN
(As on the financial year ended on 31.03.2019)

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 01.04.2018			No. of shares held at the end of the year 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Sivalinga Prasad Vasireddi	3598525	16.28	0	3598525	16.28	0	0.00
2	Vangal Harriman	1777166	8.04	0	1777166	8.04	0	0.00
3	Vasireddi Veerabhadra Prasad	1463515	6.62	0	1463515	6.62	0	0.00
4	Andhra Pradesh Industrial Development Corporation Ltd.	590000	2.67	0	590000	2.67	0	0.00
5	Harita Vasireddi	167964	0.76	0	167964	0.76	0	0.00
6	Praveena Vasireddi	122550	0.55	0	122550	0.55	0	0.00
7	Sujani Vasireddi	122542	0.55	0	122542	0.55	0	0.00
8	Sireesh Chandra Vungal	110101	0.50	0	110101	0.50	0	0.00
9	Swarna Latha Vasireddi	94765	0.43	0	94765	0.43	0	0.00
10	Sudheshna Vungal	100000	0.45	0	100000	0.45	0	0.00
11	Rajya Lakshmi Vasireddi	42300	0.19	0	42300	0.19	0	0.00
12	Vungal Rajeswari	80725	0.37	0	80725	0.37	0	0.0
	Total	8270153	37.41	0	8270153	37.41	0	0.00

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

i) Categorywise shareholding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year 01.04.2018				No. of shares held at the end of the year 31.03.2019				% 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	7680153	0	7680153	34.74	7680153	0	7680153	34.74	0.00
(b)	Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate / Govt. Corporate Bodies	590000	0	590000	2.67	590000	0	590000	2.67	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	8270153	0	8270153	37.41	8270153	0	8270153	37.41	0.00
2	Foreign									
(a)	Individuals (NRI/Foreign individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0.00
	Total shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	8270153	0	8270153	37.41	8270153	0	8270153	37.41	0.00
(B)	Public shareholding Institutions									
1	Institutions									
(a)	Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial institutions/Banks	575	0	575	0.00	20513	0	20513	0.09	0.09
(c)	Central Govt./ State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	Alternate Investment Fund	0	0	0	0.00	24600	0	24600	0.11	0.11
(h)	Foreign Portfolio Investor	57439	0	57439	0.26	20100	0	20100	0.09	(0.17)
	Sub-Total (B)(1)	58014	0	58014	0.26	65213	0	65213	0.29	0.03
2	Non-Institutions									
(a)	Bodies corporate	7034769	7000	7041769	31.85	7213811	7000	7220811	32.66	0.81
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs.1 lakh	4959282	329229	5288511	23.92	4899924	284729	5184653	23.45	(0.47)
	ii) Individual shareholders holding nominal share capital in excess Rs.1 lakh	1157729	0	1157729	5.24	792325	0	792325	3.58	(1.65)
(c)	Any other (Specify)									
	IEPF	134429	0	134429	0.61	147973	0	147973	0.67	0.06
	Non Resident Indian	120597	0	120597	0.55	177189	0	177189	0.80	0.26
	N A Clearing Member	36608	0	36608	0.17	249493	0	249493	1.13	0.96
	Sub-Total (B)(2)	13443414	336229	13779643	62.33	13480715	291729	13772444	62.30	1.28
	Total Public shareholding Group (B) = (B)(1)+(B)(2)	13501428	336229	13837657	62.59	13545928	291729	13837657	62.59	0.00
	Total (A)+(B)	21771581	336229	22107810	100.00	21816081	291729	22107810	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	21771581	336229	22107810	100.00	21816081	291729	22107810	100.00	0.00

(iii) Change in Promoters' or promoters group shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		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
THERE WERE NO CHANGES DURING THE YEAR							

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		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	4403668	19.92			4403668	19.92
	At the end of the year						
2	LCGC CHROMATOGRAPHY SOLUTIONS PRIVATE LIMITED						
	At the beginning of the year	2083175	9.42			2083175	9.42
	At the end of the year						
3	ITHOUGHT WEALTH ANALYTICS LLP						
	At the beginning of the year	0	0.00				
	27.04.2018			2277	0.01	2277	0.01
	04.05.2018			5476	0.02	7753	0.04
	11.05.2018			10288	0.05	18041	0.08
	18.05.2018			40363	0.18	58404	0.26
	25.05.2018			10530	0.05	68934	0.31
	01.06.2018			27124	0.12	96058	0.43
	08.06.2018			28501	0.13	124559	0.56
	15.06.2018			23310	0.11	147869	0.67
	22.06.2018			32656	0.15	180525	0.82
	30.06.2018			517	0.00	181042	0.82
	06.07.2018			20803	0.09	201845	0.91
	13.07.2018			34469	0.16	236314	1.07
	20.07.2018			25455	0.12	261769	1.18
	27.07.2018			20800	0.09	282569	1.28
	03.08.2018			27265	0.12	309834	1.40
	10.08.2018			7015	0.03	316849	1.43
	12.10.2018			(75000)	(0.34)	241849	1.09
	02.11.2018			16184	0.07	258033	1.17
	31.03.2019			4626	0.02	262659	1.19
	At the end of the year					262659	1.19

	1	2	3	4	5	6	7
4 S. SHYAM							
At the beginning of the year		0	0.00				
18.05.2018				9563	0.04	9563	0.04
25.05.2018				15050	0.07	24613	0.11
01.06.2018				1010	0.00	25623	0.12
08.06.2018				100	0.00	25723	0.12
22.06.2018				(25715)	(0.12)	8	0.00
23.11.2018				52309	0.24	52317	0.24
30.11.2018				96634	0.44	148951	0.67
18.01.2019				(4445)	(0.02)	144506	0.65
15.02.2019				200	0.00	144706	0.65
22.02.2019				34200	0.15	178906	0.81
At the end of the year						178906	0.81
5 INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS							
At the beginning of the year		134429	0.61				
30.11.2018				10602	0.05	145031	0.66
07.12.2018				2942	0.01	147973	0.67
At the end of the year						147973	0.67
6 AJAY UPADHYAYA							
At the beginning of the year		177985					
06.04.2018				15	0.00	178000	0.81
18.05.2018				(28000)	(0.13)	150000	0.68
08.06.2018				(15000)	(0.07)	135000	0.61
22.06.2018				(5000)	(0.02)	130000	0.59
12.10.2018				1000	0.00	131000	0.59
16.11.2018				5200	0.02	136200	0.62
23.11.2018				977	0.00	137177	0.62
30.11.2018				6383	0.03	143560	0.65
07.12.2018				590	0.00	144150	0.65
14.12.2018				4412	0.02	148562	0.67
11.01.2019				1438	0.01	150000	0.68
15.03.2019				(3653)	(0.02)	146347	0.66
31.03.2019				(1347)	(0.01)	145000	0.66
At the end of the year						145000	0.66
7 SANJAY KUMAR							
At the beginning of the year		125000	0.57				
At the end of the year						125000	0.57
8 KARAN SINGH THANDI							
At the beginning of the year		103605	0.47				
At the end of the year						103605	0.47
9 CHOLAMANDALAM SECURITIES LIMITED							
At the beginning of the year		0	0.00				
18.05.2018				13005	0.06	13005	0.06
25.05.2018				(11995)	(0.05)	1010	0.00
01.06.2018				(1010)	(0.00)	0	0.00
24.08.2018				20	0.00	20	0.00
24.08.2018				(20)	(0.00)	0	0.00
14.09.2018				200	0.00	200	0.00
21.09.2018				(200)	(0.00)	0	0.00
05.10.2018				19026	0.09	19026	0.09
12.10.2018				139028	0.63	158054	0.71
26.10.2018				(100)	(0.00)	157954	0.71
02.11.2018				(5)	(0.00)	157949	0.71

	1	2	3	4	5	6	7
	09.11.2018			(6363)	(0.03)	151586	0.69
	16.11.2018			(51425)	(0.23)	100161	0.45
	23.11.2018			(3527)	(0.02)	96634	0.44
	30.11.2018			(96634)	(0.44)	0	0.00
	07.12.2018			21426	0.10	21426	0.10
	14.12.2018			1000	0.00	22426	0.10
	21.12.2018			1000	0.00	23426	0.11
	28.12.2018			(1000)	(0.00)	22426	0.10
	11.01.2019			(6000)	(0.03)	16426	0.07
	18.01.2019			(16121)	(0.07)	305	0.00
	01.02.2019			(305)	(0.00)	0	0.00
	08.02.2019			510	0.00	510	0.00
	15.02.2019			63785	0.29	64295	0.29
	22.02.2019			6780	0.03	71075	0.32
	01.03.2019			5490	0.02	76565	0.35
	08.03.2019			12050	0.05	88615	0.40
	15.03.2019			27771	0.13	116386	0.53
	22.03.2019			28181	0.13	144567	0.65
	31.03.2019			(74238)	(0.34)	70329	0.32
	At the end of the year					70329	0.32
10	THYAGARAJAN S						
	At the beginning of the year	65000	0.29				
	At the end of the year					65000	0.29

(iv) Shareholding of Directors and Key Management Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		Transactions during the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	Purchase / (Sale)	% Purchase / (Sale)	No. of Shares	% of total shares of the Company
	1	2	3	4	5	6	7
1	Sivalinga Prasad Vasireddi	3598525	16.28	Nil	Nil	3598525	16.28
2	Vungal Harrinan	1777166	8.04	Nil	Nil	1777166	8.04
3	Vasireddi Veerabhadra Prasad	1463515	6.62	Nil	Nil	1463515	6.62
4	Harita Vasireddi	167964	0.76	Nil	Nil	167964	0.76
5	T S Ajai	0	0.00	Nil	Nil	0	0.00
6	D Balasubramanian	0	0.00	Nil	Nil	0	0.00
7	Rao Purnachandra Potharlanka	0	0.00	Nil	Nil	0	0.00
8	Y Prameela Rani	0	0.00	Nil	Nil	0	0.00
9	Mokkapati Murali Mohan Rao (CFO)*	50	0.00	(50)	Nil	0	0.00
10	Amit Pathak (CFO)	0	0.00	Nil	Nil	0	0.00
11	A Venkata Ramana (CS)**	700	0.00	Nil	Nil	700	0.00
12	Sujani Vasireddi (CS)	122542	0.55	Nil	Nil	122542	0.55

*upto 01.12.2018

**upto 31.08.2018

V. INDEBTEDNESS

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

(₹ in Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	399.38	0.17	NIL	399.55
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	1.69	NIL	NIL	1.69
Total (i+ii+iii)	401.07	0.17	NIL	401.24
Change in Indebtedness during the financial year				
i) Addition	24.40	NIL	NIL	24.40
ii) Reduction	165.52	0.17	NIL	165.69
Net Change	(141.12)	(0.17)	NIL	(141.29)
Indebtedness at the end of the financial year				
i) Principal Amount	258.26	NIL	NIL	258.26
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	0.75	NIL	NIL	0.75
Total (i+ii+iii)	259.01	NIL	NIL	259.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Dr S P Vasireddi	Harita Vasireddi	Harriman Vungal	V V Prasad	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	3.37	12.43	12.43	12.43	40.66
2.	Stock Option	---	---	---	---	---
3.	Sweat Equity	---	---	---	---	---
4.	Commission -as % of profit - Others, specify	---	---	---	---	---
5.	Others, please specify	---	---	---	---	---
	Total (A)	3.37	12.43	12.43	12.43	40.66
	Ceiling as per the Act as per Schedule V Part-II Section-II	12.00*	12.00*	12.00*	12.00*	---

* Plus contribution to Provident Fund

B. Remuneration to other Directors

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		T S Ajai	Prof D Bala-subramanian	Rao P Potharlanka	Y Prameela Rani	
1.	Independent Directors Fee for attending board / committee meetings - Commission - Others (Scientific Advisory Committee Fee)	---	0.07	---	0.13	0.20
	Total (1)	---	0.07*	---	0.13*	0.20
2.	Other Non Executive Director Fee for attending board / committee meetings - Commission - Others, please specify	---	---	---	---	---
	Total (2)	---	---	---	---	---
	Total (B) = (1+2)	---	0.07*	---	0.13*	0.20
	Total Managerial Remuneration	---	0.07*	---	0.13*	0.20
	Overall ceiling as per the Act	NA	NA	NA	---	---

* Excluding Service Tax

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.16	3.69	6.85
	(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	3.16	3.69	6.85

VII. Penalties / Punishment / Compounding of offences

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

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

Vimta believes that CSR plays an important role in an organization's existence and sustained growth. In line with this, Vimta would be carrying out CSR activities to build a better, sustainable way of life for the weaker sections of society. CSR programmes, projects and activities are independent from the normal business activities of Vimta. The core areas of Vimta's CSR activities 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 2018-19**Average Net Profits for last three Financial Years:**

(₹ in Millions)

Particulars	For the Financial Years ended March 31		
	2018	2017	2016
Net Profit	247.61	158.14	82.69
Average Net Profit for the preceding three Financial Years	162.81		

Minimum CSR expenditure prescribed is 2% of last three financial years' average net profits

Total amount prescribed to be spent	: Rs. 32,56,295
Amount spent during the financial year 2018-19	: Rs. 32,56,295
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
Narsing Swain Memorial Trust (AkarAsha)	Support to people having deformities and disabilities, with reconstructive surgery.	Hyderabad, Telangana	15,56,295/-	15,56,295/-	15,56,295/-	Through implementation agency
Public Health Foundation of India (PHFI)	Support to core public health programmes such as Immunisation; HIV/AIDS prevention etc	New Delhi	8,00,000/-	8,00,000/-	8,00,000/-	Through implementation agency
Spic Macay	Support to Indian Classical Music and Culture	Basar, Telangana	2,00,000/-	2,00,000/-	2,00,000/-	Through implementation agency
People for Animal India	Support to promotion of Animal welfare	New Delhi	2,00,000/-	2,00,000/-	2,00,000/-	Through implementation agency
Deputy Commissioner of Police	Support to local rural community with CCTV Cameras for women safety and security	Local area, Cyberabad, Telangana	5,00,000/-	5,00,000/-	5,00,000/-	Through implementation agency

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 : 11.05.2019

Harita Vasireddi
Chairperson

Declaration by Managing Director

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

Place : Hyderabad
Date : 11.05.2019

Harita Vasireddi
Managing Director

Annexure - VIII to Board's Report

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

Information on Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo (forming part of the Board's Report for the year ended 31st March, 2019)

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 labs.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: No additional investments were made during the year.
 - c) Impact of the measures in (a) and (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods: The energy consumption is reduced to the barest minimum requirement thus reducing costs.
 - d) Total energy consumption and energy consumption per unit of production: Furnishing of these particulars is not applicable to the Company.
 - e) Green building certification: The preclinical research building at Life Sciences facility of the Company has been awarded gold rating by Indian Green Building Council (IGBC). The award testifies to the Company's efforts for reduction of energy consumption, reduced water consumption and limited waste generation.

B. Technology Absorption

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

C. Foreign exchange earnings and outgo

During the financial year, the Company has earned foreign exchange of ₹ 648.49 Millions (previous year ₹ 487.25 Millions). The Company's foreign exchange outgo was of ₹ 309.16 Millions (previous year ₹ 219.58 Millions) on import of capital goods, software, chemicals, consumables & reference standards, travel expenditure, professional charges etc.

To the Members of Vimta Labs Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vimta Labs Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the Significant Accounting Policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenue in view of adoption of Ind AS - 115 "Revenue from Contracts with Customers"</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Note No. 22 to the standalone financial statements.</p>	<p>Principal Audit procedures performed:</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ◆ Evaluated the design of internal controls relating to implementation of the new standard. ◆ Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal controls relating to identification of the specific performance obligations. ◆ Selected a sample of continuing and new contracts and performed the following procedures. <ul style="list-style-type: none"> - Studied, analysed and identified the specific performance obligations in these contracts. - Compared these performance obligations with that of recorded by the company. - Performed analytical procedures for reasonableness of revenue disclosed by type and service offerings.
2.	<p>Provision for impairment loss in accounts receivables.</p> <p>The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date.</p> <p>We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.</p> <p>Refer to Note No.10 to the standalone Financial statements</p>	<p>Our audit procedure in respect of this area included :</p> <ul style="list-style-type: none"> ◆ Understand and assess the management's estimate and related policies used in the credit loss analysis ◆ Performed test of key controls to analyse operating effectiveness relating to calculation of impairment provisions. ◆ Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy. ◆ For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash shortfalls and reviewed whether amounts have been recovered after the end of reporting period. ◆ Obtained debtors' credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. ◆ Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). ◆ Verified the calculation of ECL of each type of trade receivables according to the provision matrix.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures thereto, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143 (11) of the Act, we give in "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)

Place : Hyderabad
Date : 11.05.2019

Annexure - A to the Independent Auditor's Report
(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements"
section of our report to the Members of Vimta Labs Limited of even date)

**Report on the Internal Financial Controls over Financial Reporting under
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the Internal Financial Controls over financial reporting of VIMTA LABS LIMITED("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 ("The Guidance Note"). 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 respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 of the Company.

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.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, 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.

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

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)

Place : Hyderabad
Date : 11.05.2019

Annexure - B to Independent Auditor's Report
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vimta Labs Limited of even date)

Statement on the matters specified in Paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("CARO")

- (i) In respect of the Company's fixed assets :
- (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. According to the information and explanations given to us, no material discrepancies were noticed on such verification made during the year.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deeds provided to us, we report that, the title deeds of all the immovable properties of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.
- (ii) According to the information and explanations given to us, the company's inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency and procedures of verification are reasonable. No material discrepancies were noticed between the physical stocks and the book stocks on such verification made during the year.
- (iii) According to the information and explanations given to us and based on our audit, 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 ("the Act"). Hence, the provisions of sub-clauses (a),(b) and (c) of clause (iii) of paragraph 3 of CARO are not applicable to the company.
- (iv) According to the information and explanations given to us and based on our audit, the Company has not given /made loans, investments, guarantees and security to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at the year end. Hence, the provisions of clause 3(v) of the CARO are not applicable to the company.
- (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) According to the information and explanations given to us and based on our audit, in respect of statutory dues:
- (a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) There were no material dues of Income tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowing to a 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 by the company were applied for the purposes for which those were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, during the year, no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of CARO is not applicable to the company.
- (xiii) In our opinion and according to the information and explanations given to us, the company is in compliance with Section 177 and 188 of the Act and where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the CARO is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its Directors or persons connected to its Directors. Hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

G.SRINIVASARAO
Partner
(ICAI Ms No.210535)

Place : Hyderabad
Date : 11.05.2019

(All amounts in ₹. Millions unless otherwise stated)

	Note No	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	5	1,347.22	1,403.90
(b) Capital works-in-progress	6	41.82	-
(c) Financial assets			
(i) Loans	7A	18.72	17.95
(d) Other non-current assets	8A	43.34	65.07
Total Non-Current assets		1,451.10	1,486.92
Current assets			
(a) Inventories	9	190.41	182.64
(b) Financial assets			
(i) Trade receivables	10	585.29	559.26
(ii) Cash and cash equivalents	11A	26.67	19.95
(iii) Bank balances other than (ii) above	11B	6.78	6.25
(iv) Loans	7B	14.20	15.14
(v) Other financial assets	12	0.84	0.80
(c) Other current assets	8B	98.98	51.59
Total Current assets		923.17	835.63
Total Assets		2,374.27	2,322.55
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	44.22	44.22
(b) Other equity	14	1,671.30	1,476.31
Total equity		1,715.52	1,520.53
Liabilities			
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15A	115.68	194.63
(b) Provisions	16A	82.80	68.40
(c) Deferred tax liabilities (Net)	17	11.03	21.09
(d) Other non-current liabilities	18	16.24	19.59
Total Non Current Liabilities		225.75	303.71
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15B	52.42	131.48
(ii) Trade payables	19		
- Outstanding dues of micro enterprises and small enterprises		19.25	-
- Outstanding dues of creditors other than micro & small enterprises		91.06	129.74
(iii) Other financial liabilities	20	195.42	160.32
(b) Other current liabilities	21	55.16	61.32
(c) Provisions	16B	19.69	15.45
Total Current Liabilities		433.00	498.31
Total Equity and Liabilities		2,374.27	2,322.55

The accompanying significant accounting policies and notes are an integral part of the financial statements.

As per our report of even date.

For **Gattamaneni & Co**
Chartered Accountants
Firm Regn No: 0093035

G. Srinivasa Rao
Partner
Membership No.210535

Place: Hyderabad
Date: 11 May 2019

For and on behalf of the Board of **Vimta Labs Limited**
Dr. S. P. Vasireddi
Non-Executive Chairman

Harita Vasireddi
Managing Director

Harriman Vungal
ED-Operations

T S Ajai
Director

Sujani Vasireddi
Company Secretary
Place: Hyderabad

Amit Pathak
Chief Financial Officer
Date: 11 May 2019

(All amounts in ₹. Millions unless otherwise stated)

	Note No	For the Year ended 31.03.2019	For the Year ended 31.03.2018
I. Income			
Revenue from Operations	22	2,126.41	1,834.51
Other Income	23	19.27	11.97
Total Income		2,145.68	1,846.48
II. Expenses			
Cost of material consumed and testing expenditure	24	591.99	506.45
Changes in inventories of work-in-progress	25	(7.78)	23.57
Employee benefits expense	26	592.53	532.61
Finance costs	27	46.07	52.00
Depreciation expense	5	197.23	157.00
Other expenses	28	374.23	319.21
Total Expenses		1,794.27	1,590.84
III. Profit before tax [I-II]		351.41	255.64
IV. Tax expense	29		
(a) Current Tax		115.20	76.91
(b) Prior year adjustments		(8.82)	2.40
(c) Deferred tax (benefit)/expense		(8.08)	12.00
Total Tax Expense		98.30	91.31
V. Profit for the year [III-IV]		253.11	164.33
VI. Other comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Re-measurement of the net defined liability		(6.78)	(8.08)
(b) Income tax relating to the above item		1.97	2.80
Total other comprehensive income/(loss), net of tax		(4.81)	(5.28)
VII. Total Comprehensive income for the year [V-VI]		248.30	159.05
VIII. Earnings per share	30		
Basic (INR)		11.45	7.43
Diluted (INR)		11.45	7.43

The accompanying significant accounting policies and notes are an integral part of the financial statements.

As per our report of even date.

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

G. Srinivasa Rao
Partner
Membership No.210535

Place: Hyderabad
Date: 11 May 2019

For and on behalf of the Board of **Vimta Labs Limited**
Dr. S. P. Vasireddi
Non-Executive Chairman

Harriman Vungal
ED-Operations

Sujani Vasireddi
Company Secretary
Place: Hyderabad

Harita Vasireddi
Managing Director

T S Ajai
Director

Amit Pathak
Chief Financial Officer
Date: 11 May 2019

(All amounts in ₹. Millions unless otherwise stated)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	351.41	255.64
Adjustments to reconcile profit before tax to net cash flows :		
- Depreciation expense	197.23	157.00
- Interest Cost paid	29.70	44.60
- Impairment loss on receivables	28.76	-
- Bad Debts written off	44.03	34.24
- Loss on sale of assets	2.25	0.05
- Liabilities no longer required written back	0.18	(3.88)
- Interest Income received	(7.23)	(5.45)
- Income from Government Grants	(3.35)	(1.68)
- Un-realised foreign exchange gains and losses (net)	5.63	2.11
Adjustments for changes in working capital :		
- (Increase)/decrease in inventories	(7.76)	23.49
- (Increase)/decrease in trade receivables	(101.50)	(168.12)
- (Increase)/decrease in loans	0.16	(0.34)
- (Increase)/decrease in other financial assets	-	-
- (Increase)/decrease in other assets	(47.29)	(1.51)
- Increase/(decrease) in employee benefit obligations	11.86	19.73
- Increase/(decrease) in trade payables	(19.50)	(23.08)
- Increase/(decrease) in other financial liabilities	9.54	5.60
- Increase/(decrease) in other current liabilities	(6.31)	52.78
Cash generated from/(used in) operations	487.81	391.18
Income tax paid	(96.35)	(56.97)
Net cash flows generated from/(used in) operating activities (A)	391.46	334.21
Cash flow from Investing activities		
Payment for property, plant and equipment and capital work-in-progress	(165.32)	(243.43)
Proceeds from sale/disposal of property, plant and equipment	2.17	0.20
Redemption/(Investment) in fixed deposits (Net)	(0.53)	0.06
Interest Income received	7.18	5.51
Net cash flow generated from/(used in) investing activities (B)	(156.50)	(237.66)
Cash flow from Financing activities		
Payment of Dividend (including Dividend Distribution Tax)	(53.30)	-
Repayment of Long term Borrowings	(82.32)	(64.02)
Proceeds from Long term Borrowings	17.08	87.25
Proceeds from/ (repayment of) short-term borrowings	(79.06)	(62.56)
Interest Cost paid	(30.64)	(43.52)
Net cash flow generated from/(used in) financing activities (C)	(228.24)	(82.85)
Net increase in cash and cash equivalents (A+B+C)	6.72	13.70
Cash and cash equivalents at the beginning of the year	19.95	6.25
Cash and cash equivalents at the end of the year	26.67	19.95
Cash and cash equivalents comprise (Refer note 11A)		
Balances with banks in current accounts	26.09	19.04
Cash on hand	0.58	0.91
Total cash and bank balances at end of the year	26.67	19.95

The accompanying significant accounting policies and notes are an integral part of the financial statements.

As per our report of even date.

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

G. Srinivasa Rao
Partner
Membership No.210535

Place: Hyderabad
Date: 11 May 2019

For and on behalf of the Board of **Vimta Labs Limited**
Dr. S. P. Vasireddi
Non-Executive Chairman

Harita Vasireddi
Managing Director

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ED-Operations

T S Ajai
Director

Sujani Vasireddi
Company Secretary
Place: Hyderabad

Amit Pathak
Chief Financial Officer
Date: 11 May 2019

(All amounts in ₹. Millions unless otherwise stated)

A) Equity share capital

Particulars	Number of Shares	Amount
Equity shares of ₹. 2/- each issued, subscribed and fully paid		
Opening Balance as at April 1, 2018	22.11	44.22
Add/Less: Changes in equity share capital	-	-
Closing Balance as at March 31, 2019	<u>22.11</u>	<u>44.22</u>

B) Other Equity

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	Total
Opening Balance as of April 1, 2018	773.73	86.40	626.94	(10.76)	1,476.31
Add: Profit for the year	-	-	253.11	-	253.11
Less: Dividend on Equity Shares	-	-	44.22	-	44.22
Less: Tax on Dividend	-	-	9.09	-	9.09
Add/(Less): Other comprehensive income/(loss) for the year	-	-	-	(4.81)	(4.81)
Closing Balance as of March 31, 2019	<u>773.73</u>	<u>86.40</u>	<u>933.36</u>	<u>(15.57)</u>	<u>1,777.92</u>

The accompanying significant accounting policies and notes are an integral part of the financial statements.

As per our report of even date.

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

G. Srinivasa Rao
Partner
Membership No.210535

Place: Hyderabad
Date: 11 May 2019

For and on behalf of the Board of **Vimta Labs Limited**
Dr. S. P. Vasireddi
Non-Executive Chairman

Harriman Vungal
ED-Operations

Sujani Vasireddi
Company Secretary
Place: Hyderabad

Harita Vasireddi
Managing Director

T S Ajai
Director

Amit Pathak
Chief Financial Officer
Date: 11 May 2019

1 General Information

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

2 Significant accounting policies

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended from time to time and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date.

(b) Basis of measurement

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

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

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of estimates

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

(d) Fair value measurement

The Company's accounting policies and disclosures require the measurement of fair values, for certain financial and non-financial assets and liabilities based on their classification. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

2.2 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress' and hence not depreciated.

Depreciation methods, estimated useful lives

Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives which are the same as prescribed in Schedule II to the Companies Act except for the following :

Particulars	Useful Life as per Management Estimate	Useful Life as per Schedule II of the Act
Plant and Equipment	6.67 Years	10-15 years
Computer servers and networks	3 Years	6 years

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. The management has assessed the useful life of such assets on the basis of technical expert advice and past experience in the industry as it believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date of sale/deduction, as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in Statement of Profit and Loss.

Assets held for sale

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

2.3 Other Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, other economic factors etc. Amortization methods and useful lives are reviewed periodically including at each financial year end.

2.4 Impairment of non-financial assets

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

2.5 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met: • The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and • Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

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

Equity instruments measured at FVTOCI

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

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

De-recognition

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits and bank balance
- b) Trade Receivables that result from transactions that are within the scope of Ind AS 115. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

When estimating the cash flows, the Company is required to consider:

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

(b) Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

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

De-recognition

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

Offsetting of financial instruments

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

2.6 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date.

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

(b) Deferred tax

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

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews such assets at each reporting date and writes

down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period. MAT paid in a year is charged to the statement of Profit and Loss as current tax.

(d) Dividend distribution tax (DDT)

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

2.7 Inventories

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

Work in progress are valued at the lower of cost and net realisable value. Cost of work in progress is determined on the basis of cost and on the cost which comprises direct material consumed and human resource cost.

2.8 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the year end.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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

2.9 Revenue Recognition

Rendering of services

The Company primarily earns revenue from Contract research and testing services.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

Revenue from providing services is recognised in the accounting period in which such services are rendered. At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenues in excess/short of invoicing are classified as assets/liabilities, as the case may be.

Export incentives

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

Interest

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

2.10 Government grants

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

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

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

2.11 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.12 Retirement and other Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund : Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

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

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

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

Compensated Absences (Leave Encashment): The company's current policy permits employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise/encash them in future periods in accordance with the terms of such policies. The company measures the expected cost of accumulated absences as the additional amount that the company incurs as a result of the unused entitlements that has accumulated at the balance sheet date and charge to Statement of Profit and loss. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Such measurement is based on actuarial valuation at the balance sheet date carried out by a qualified actuary. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.13 Leases (as a lessee)

Operating Lease: Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Finance Lease: Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased

property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.14 Borrowing Costs

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

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

2.15 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.16 Cash dividend and non-cash distribution to equity shareholders

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

2.17 Cash Flows

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

2.18 Segment Reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment' and believes that the Company has only one reportable segment namely "Contract Research and Testing Services."

2.19 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Leases

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

(b) Deferred Taxes

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

(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

The assumptions include determination of the discount rate, salary growth rate, mortality rate, retirement age and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

(d) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and

assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

(e) **Impairment of non-financial assets and goodwill**

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

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

(f) **Research and Developments Costs**

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

(g) **Property, Plant and Equipment**

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, as appropriate.

(h) **Current income taxes**

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

4. **Standards (including amendments) issued but not yet effective**

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

(a) **Ind AS 116- Leases**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) **Ind AS 12 – Income taxes**

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect any significant impact of the amendment on its financial statements.

(c) **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(d) **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(e) **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect this amendment to have any significant impact on its financial statements.

(f) **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company will apply the pronouncement if and when it obtains any interests in associates and joint ventures.

(g) **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control/joint control of a business that is a joint operation.

5. Property, Plant and Equipment

(All amounts in ₹. Millions unless otherwise stated)

Particulars	Gross Carrying Value			Accumulated Depreciation			Net Carrying Value		
	As at April 1, 2018	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the Year	Deductions / Adjustments	As at March 31, 2019	As at March 31, 2018
Tangible Assets									
Land	21.88	-	-	21.88	-	-	-	21.88	21.88
Buildings	565.27	-	-	565.27	24.91	12.46	-	527.90	540.36
Furniture & Fixtures	107.47	2.57	2.02	108.02	22.51	14.95	0.27	37.19	84.96
Plant & Equipment	852.70	120.34	2.54	970.50	162.49	143.98	0.32	306.15	690.21
Electrical Installation	30.85	-	-	30.85	18.24	3.67	-	21.91	12.61
Office Equipment	16.04	1.74	-	17.78	6.49	3.67	-	10.16	9.55
Computers	35.61	17.76	-	53.37	12.34	14.37	-	26.71	23.27
Vehicles	27.27	2.55	0.74	29.08	6.21	4.13	0.30	19.04	21.06
Total	1,657.09	144.96	5.30	1,796.75	253.19	197.23	0.89	449.53	1,403.90
Previous Year	979.61	677.78	0.30	1,657.09	96.24	157.00	0.05	253.19	883.37

Note :

- (i) Finance leases - The carrying value of office equipment held under finance leases at March 31, 2019 is Rs. 0.52 Million (March 31, 2018: Rs. 0.88 Million).
(ii) Refer Note No. 15 of the financial statements for disclosures relating to property, plant and equipment pledged as security by the Company.
(iii) Refer Note No. 34 of the financial statements for disclosures relating to contractual commitments for acquisition of property, plant and equipment.

(All amounts in ₹. Millions unless otherwise stated)

6. Capital work-in-progress

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	-	528.79
Add: Additions during the year	49.73	26.04
Less: Capitalised during the year	7.91	554.83
TOTAL	<u>41.82</u>	<u>-</u>

7. Loans

Particulars	As at 31.03.2019	As at 31.03.2018
(A) Non-current		
Loans - considered good, unsecured	18.72	17.74
Security deposit - Others	-	0.21
Security deposits - Directors (for leased premises)	-	-
TOTAL	<u>18.72</u>	<u>17.95</u>
(B) Current		
Loans - considered good, unsecured	12.24	14.06
Secured deposits - Others	1.96	1.08
Other Loans - Employees	-	-
TOTAL	<u>14.20</u>	<u>15.14</u>

Note: Loans due from related parties as on March 31, 2019 is Rs. Nil (Previous Year: Rs. 0.21 Million)

8. Other Assets

Particulars	As at 31.03.2019	As at 31.03.2018
(A) Other Non-Current assets (Unsecured, considered good)		
Capital advances	-	11.70
Income tax assets (Net)	43.34	53.37
TOTAL	<u>43.34</u>	<u>65.07</u>
(B) Other Current Assets (Unsecured, Considered good)		
Prepaid expenses	27.98	20.34
Advances for services and supplies	14.99	12.36
Balance with government authorities	4.59	2.75
Export incentives	41.05	7.95
Other advances	10.37	8.19
TOTAL	<u>98.98</u>	<u>51.59</u>

Note: Other Assets due from related parties as on March 31, 2019 is Rs. Nil (Previous Year: Rs. Nil)

9. Inventories

Particulars	As at 31.03.2019	As at 31.03.2018
Valued at the lower of cost and net realisable value		
Chemicals and consumables	140.86	142.11
Stores and spares	11.30	10.06
Work-in-progress	38.25	30.47
TOTAL	<u>190.41</u>	<u>182.64</u>

(All amounts in ₹. Millions unless otherwise stated)

10. Trade Receivables

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good	585.29	559.26
Unsecured, considered doubtful	28.76	-
	614.05	559.26
Less: Impairment Loss on receivables	28.76	-
TOTAL	585.29	559.26
Note: Trade Receivables due from related parties as on March 31, 2019 is Rs. Nil (Previous Year: Rs. Nil)		

11. Cash and Bank Balances

Particulars	As at 31.03.2019	As at 31.03.2018
(A) Cash and Cash equivalents:		
(i) Balance with Banks		
- Current Accounts	15.68	18.11
- EEFC Accounts	10.41	0.93
(ii) Cash on hand	0.58	0.91
TOTAL	26.67	19.95
(B) Bank balances other than (A) (i) above		
Deposits held as security for bank guarantees with original maturity for more than 3 months but less than 12 months	4.70	4.44
Unclaimed Dividend accounts	2.08	1.81
TOTAL	6.78	6.25
Note: Unclaimed Dividends are transferred to Investor Education and Protection Fund after seven years from due date in accordance with the applicable provisions of the Act.		

12. Other Financial Assets

Particulars	As at 31.03.2019	As at 31.03.2018
Current - Unsecured, considered good		
Interest accrued on deposits	0.84	0.80
TOTAL	0.84	0.80
Note: Other Financial Assets due from related parties as on March 31, 2019 is Rs. Nil (Previous Year: Rs. Nil)		

13. Equity Share Capital

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorized				
Equity Shares of Rs. 2/- each	35,000,000	70.00	35,000,000	70.00
Issued, subscribed and fully paid-up				
Equity Shares of Rs. 2/- each	22,107,810	44.22	22,107,810	44.22

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the year	22,107,810	44.22	22,107,810	44.22
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	22,107,810	44.22	22,107,810	44.22

(All amounts in ₹. Millions unless otherwise stated)

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 2/- per share. Each shareholder is entitled to one vote per share held and ranks pari passu. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of Interim Dividend.

In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The board of directors of the company have recommended a dividend of Rs 2/- per equity share of Rs 2/- each for the financial year 2018-19 (FY 2017-18: Rs. 2/- per equity share of Rs 2/- each), subject to approval of the shareholders at the ensuing Annual General Meeting

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Eurofins Analytical Services India Pvt. Ltd.	4,403,668	19.92	4,403,668	19.92
Sivalinga Prasad Vasireddi	3,598,525	16.28	3,598,525	16.28
LCGC Chromatography Solutions Pvt. Ltd.	2,083,175	9.42	2,083,175	9.42
Harriman Vungal	1,777,166	8.04	1,777,166	8.04
Veerabhadra Prasad Vasireddi	1,463,515	6.62	1,463,515	6.62

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

- (d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- (e) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

14. Other Equity

Particulars	As at 31.03.2019	As at 31.03.2018
Security Premium		
Balance at the beginning and end of the year	<u>773.73</u>	<u>773.73</u>
General Reserve		
Balance at the beginning and end of the year	<u>86.40</u>	<u>86.40</u>
Retained Earnings		
Balance at the beginning of the year	626.94	462.61
Add: Profit for the year	253.11	164.33
Less : Transfer to General Reserve	-	-
Less: Dividend on Equity Shares	44.22	-
Less: Tax on Dividend	9.09	-
Balance at the closing of the year	<u>826.74</u>	<u>626.94</u>
Other Comprehensive Income		
Balance at the beginning of the year	(10.76)	(5.48)
Add: Other comprehensive income/(loss) for the year	<u>(4.81)</u>	<u>(5.28)</u>
Balance at the closing of the year	<u>(15.57)</u>	<u>(10.76)</u>
TOTAL	<u>1,671.30</u>	<u>1,476.31</u>
Nature and purpose of reserves :		
Security premium : This is the premium received on issue of equity shares and will be utilised as per the applicable provisions of the Act.		
General reserves : This is the amount transferred from retained earnings and will be utilised as per the applicable provisions of the Act.		
Retained earnings : This comprises of net accumulated profit of the Company after declaration of dividend.		
Other comprehensive income : This comprises of actuarial gain/(loss) [net of taxes] at the end of the reporting period.		

(All amounts in ₹. Millions unless otherwise stated)

15. Borrowings

Particulars	As at 31.03.2019	As at 31.03.2018
(A) Non-current Borrowings		
Secured		
Loans from Banks		
- Rupee term loan	72.00	84.00
- Foreign currency term loan	116.76	183.90
Loans from Financial Institution		
- Rupee term loan	17.08	-
	<u>205.84</u>	<u>267.90</u>
Unsecured		
Finance lease	-	0.17
	<u>205.84</u>	<u>268.07</u>
Less: current maturities [Refer Note 20]	90.16	73.44
TOTAL	<u>115.68</u>	<u>194.63</u>
(B) Current Borrowings		
Secured, repayable on demand		
- Working capital loans from banks	52.42	131.48
TOTAL	<u>52.42</u>	<u>131.48</u>

Note:**(a) Terms and conditions of secured rupee term loans and nature of security**

- The rupee term loan from State Bank of India amounting to Rs. 72 Million as at March 31, 2019 (sanctioned limit of Rs. 84 Million in FY 2017-18) is secured by way of first charge on fixed assets of the Company and structures thereon (both present and future) by way of hypothecation and equitable mortgage thereon excluding asset acquired/to be acquired by loan taken from Cisco Systems Capital India Private Limited, as mentioned in note (c) below. Additionally, this loan is also secured by a first charge on all current assets of the Company (both present and future).
- The above mentioned rupee term loan carries an interest at the rate of 2.50% above MCLR rate i.e. 11.05% p.a. as at March 31, 2019 (March 31, 2018: 11.00% p.a.) and is repayable in 14 equal quarterly instalments commencing from November 2018.

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

- The foreign currency term loan from State Bank of India amounting to Rs. 116.75 Million (equivalent to USD 1.69 Million) as at March 31, 2019 (sanctioned limit of rupee term loan of Rs. 271 Million in FY 2015-16) is secured by way of first charge on fixed assets of the Company and structures thereon (both present and future) by way of hypothecation and equitable mortgage thereon excluding asset acquired/to be acquired by loan taken from Cisco Systems Capital India Private Limited, as mentioned in note (c) below. Additionally, this loan is also secured by a first charge on all current assets of the Company (both present and future).
- The above mentioned foreign currency term loan carries interest at 3.25% over six months LIBOR i.e. 5.94% p.a. as at March 31, 2019 (March 31, 2018: 4.00% over six months LIBOR i.e. 6.50% p.a.) and repayable in 14 equal quarterly instalments commencing from December 2017.

(c) Terms and conditions of secured rupee term loans and nature of security

- The rupee term loan from Cisco Systems Capital India Private Limited amounting to Rs. 17.08 Million as at March 31, 2019 (sanctioned limit of Rs. 24.40 Million in FY 2018-19) is secured by way of exclusive charge on assets acquired from such loan by way of hypothecation.
- The above-mentioned rupee term loan carries an interest at the rate of 5.00% as at March 31, 2019 (March 31, 2018: Not Applicable) and is repayable in 12 quarterly instalments commencing from March 2019.

(d) Terms and conditions of unsecured loans

The finance lease carried interest of 8.21% p.a. in the previous year and was repaid in 12 quarterly instalments, the last of which was repaid in May 2018.

(All amounts in ₹. Millions unless otherwise stated)

(e) Maturity profile of long-term borrowings :
31 March 2019

Particulars	Within 1 Year	1-2 Years	2-5 Years	Total
Rupee term loan from bank	24.00	24.00	24.00	72.00
Foreign currency term loan from bank	60.22	56.54	-	116.76
Rupee term loan from financial institution	5.94	6.25	4.89	17.08
TOTAL	90.16	86.79	28.89	205.84

31 March 2018

Particulars	Within 1 Year	1-2 Years	2-5 Years	Total
Rupee term loan from bank	12.00	24.00	48.00	84.00
Foreign currency term loan from bank	61.27	61.27	61.36	183.90
Finance lease from financial institution	0.17	-	-	0.17
TOTAL	73.44	85.27	109.36	268.07

(f) Details of security of short-term borrowings :

The working capital facility from State Bank of India carries an interest of 0.95% above MCLR rate i.e. 9.50% p.a. (31 March 2018: 2% above MCLR i.e. 10.00% p.a.) and is secured by way of first charge on fixed assets of the Company and structures thereon (both present and future) by way of hypothecation and equitable mortgage thereon excluding asset acquired/to be acquired by loan taken from Cisco Systems Capital India Private Limited, as mentioned in note (c) above. Additionally, this facility is also secured by a first charge on all current assets of the Company (both present and future).

16. Provisions

Particulars	As at 31.03.2019	As at 31.03.2018
(A) Non-current		
Provision for employee benefits		
- Gratuity, funded	50.97	41.71
- Compensated absences	31.83	26.69
TOTAL	82.80	68.40
(B) Current		
Provision for employee benefits		
- Gratuity, funded	11.26	6.61
- Compensated absences	8.43	8.84
TOTAL	19.69	15.45

17. Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2019	As at 31.03.2018
(A) Deferred tax liability on account of		
- Property, plant and equipment	52.45	58.39
(B) Deferred tax asset on account of		
- Gratuity	18.06	16.72
- Compensated absences	11.72	12.30
- Bonus	3.26	8.28
- Impairment loss recognized under expected credit loss (ECL) model	8.38	-
TOTAL (A) - (B)	11.03	21.09

Movement in the deferred tax liabilities / (assets)

Particulars	Employee benefit expenses	Property, plant and equipment	Impairment loss recognized under ECL model	Total
Opening balance as of April 1, 2018	(37.30)	58.39	-	21.09
Charged/(credited)	-	-	-	-
- to profit or loss	(5.65)	5.94	(8.38)	(8.09)
- to OCI	(1.97)	-	-	(1.97)
Closing balance as at March 31, 2019	(44.92)	64.33	(8.38)	11.03

18. Other non-current liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred grant income related to Property, Plant & Equipment	14.11	17.46
Deferred grant income related to revenue (refer note below)	2.13	2.13
TOTAL	16.24	19.59

Note: The Company was granted an in-principal approval of a grant-in-aid of Rs. 7.1 Million during FY 2017-18 by the Biotechnology Industry Research Assistance Council ('BIRAC') for project entitled towards preclinical evaluation of clinical grade vaccine. However, the balance grant of Rs. 4.97 Million is yet to be received by the Company as on March 31, 2019.

19. Trade payables

Particulars	As at 31.03.2019	As at 31.03.2018
Outstanding dues of micro enterprises and small enterprises	19.25	-
Outstanding dues of creditors other than micro enterprises and small enterprises	91.06	129.74
TOTAL	110.31	129.74

Note : Detailed disclosure relating to suppliers registered under MSMED Act are given in Note No. 40 of the financial statements.

20 Other current financial liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Current maturities of long-term borrowings (Refer Note 15A)	90.16	73.27
Current maturities of finance lease obligations (Refer Note 15A)	-	0.17
Interest accrued	0.75	1.69
Unclaimed dividends	2.08	1.81
Creditors for capital expenditure	17.37	7.60
Security deposits	6.00	6.00
Others - Dues for revenue expenses	79.06	69.78
TOTAL	195.42	160.32

Note : Unclaimed Dividends do not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

21. Other Current Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred grant income related to Property, Plant & Equipment	3.35	3.35
Advances from customers	28.44	27.75
Others - Statutory Dues	23.37	30.22
TOTAL	55.16	61.32

(All amounts in ₹. Millions unless otherwise stated)

22. Revenue from Operations

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Sale of services - Testing and Analysis	2,079.60	1,805.86
Other operating revenue - Export Incentives	46.81	28.65
TOTAL	<u>2,126.41</u>	<u>1,834.51</u>

23. Other Income

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
i) Interest income on:		
- Bank deposits	0.29	0.24
- Deposits with State Electricity Corporations	0.89	0.80
- Interest Income on fair value measurement	0.29	-
- Income tax refunds	5.44	4.21
- Employees loans	0.28	0.19
ii) Others		
- Liabilities no longer required written back	0.18	3.88
- Rent	-	0.97
- Grant income	3.35	1.68
- Gain on foreign currency transactions and translations (net)	8.22	-
- Miscellaneous receipts	0.33	-
TOTAL	<u>19.27</u>	<u>11.97</u>

24. Cost of material consumed and testing expenditure

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(a) Cost of materials consumed		
Inventory at the beginning of the year	152.17	152.10
Add : Purchases	356.39	295.38
Less : Inventory at the end of the year	152.15	152.17
SUB - TOTAL (A)	<u>356.41</u>	<u>295.31</u>
(b) Testing expenditure		
Sample preparation, data generation, inspection & testing expenditure	133.14	114.80
Carriage Inwards	3.21	3.63
Power and fuel	94.31	87.80
Water Charges	4.92	4.91
SUB - TOTAL (B)	<u>235.58</u>	<u>211.14</u>
TOTAL (A) + (B)	<u>591.99</u>	<u>506.45</u>

25. Changes in inventories of Work-in-Progress

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Opening Work-in-Progress	30.47	54.04
Less : Closing Work-in-Progress	38.25	30.47
Decrease/(Increase) in Work-in-Progress	<u>(7.78)</u>	<u>23.57</u>

(All amounts in ₹. Millions unless otherwise stated)

26. Employee benefits expense

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries and wages	477.39	415.17
Directors remuneration	40.66	41.65
Contribution to provident and other funds (Refer Note No. 39A)	29.83	28.00
Gratuity (Refer Note No. 39B)	10.62	11.12
Compensated absences (Refer Note No. 39B)	16.74	22.22
Staff welfare expenses	17.29	14.45
TOTAL	<u>592.53</u>	<u>532.61</u>

27. Finance costs

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest on term loans	21.46	23.94
Interest on working capital loans	9.17	20.60
Interest on finance lease obligations	0.01	0.06
Interest expense on fair value measurement	0.30	-
Bank charges	4.34	4.24
Exchange differences regarded as an adjustment to borrowing cost	10.79	3.16
TOTAL	<u>46.07</u>	<u>52.00</u>

28. Other expenses

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Sitting fees to directors	0.20	0.18
Rent	21.81	22.43
Rates, taxes, duties and levies	12.54	19.11
Insurance	6.28	6.29
Repairs and maintenance :		
- Plant and Machinery	65.48	60.79
- Buildings	13.97	14.37
- Vehicles	4.73	4.06
Advertisement and sales promotion	6.99	5.29
Commission	4.21	8.92
Travelling and conveyance	60.50	55.63
Communication expenses	22.78	18.20
Printing and Stationery	2.53	5.91
Books and periodical	0.24	0.13
Professional and consultancy services	47.96	34.48
Membership and subscriptions	0.87	0.54
House Keeping and premises maintenance	10.04	10.77
Security charges	6.82	6.63
Recruitment and training expenses	2.04	1.42
Payments to auditors :		
- for statutory audit	1.25	1.00
- for tax audit	0.15	0.06
- for other services	0.30	0.22
- for reimbursement of expenses	0.04	0.03
Software charges	1.16	1.69
Loss on foreign currency transactions and translations (net)	-	2.63
Loss on sale of assets	2.25	0.05
Bad debts written off	44.03	34.24
Impairment loss on receivables	28.76	-
Corporate Social Responsibility expenses	3.26	2.60
Miscellaneous expenses	3.04	1.54
TOTAL	<u>374.23</u>	<u>319.21</u>

(All amounts in ₹. Millions unless otherwise stated)

29. Tax Expense

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(A) Tax expense charged to Statement of Profit and Loss		
Current taxes	115.20	76.91
Prior year adjustments	(8.82)	2.40
Deferred tax (benefit)/expense	(8.08)	12.00
TOTAL	98.30	91.31
(B) Tax expense charged to Other Comprehensive Income	1.97	2.80
(C) Reconciliation of tax expense		
Profit before tax	351.41	255.64
Tax expense at applicable tax rates (March 31, 2019: 29.12%; March 31, 2018: 34.61%)	102.33	88.47
Tax effects of:		
- adjustment for previous years	(8.82)	2.40
- items not deductible for tax	3.39	1.42
- Others	1.40	(0.98)
Tax expense reported in Statement of Profit and Loss	98.30	91.31

30. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit attributable to equity holders (in INR Million)	253.11	164.33
Profit attributable to equity holders adjusted for the effect of dilution (in INR Million)	253.11	164.33
Weighted average number of equity shares for basic EPS (in No's)	22,107,810	22,107,810
Weighted average number of equity shares adjusted for the effect of dilution (in No's)	22,107,810	22,107,810
Nominal/Face Value per share (INR)	2.00	2.00
Basic Earnings per share (INR)	11.45	7.43
Diluted Earnings per share (INR)	11.45	7.43

31. Fair value measurements

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

	Note No	As at 31.03.2019	As at 31.03.2018
Financial Assets			
Loans (current and non-current)	7A & 7B	32.92	33.09
Trade receivables (net)	10	585.29	559.26
Cash and cash equivalents	11A	26.67	19.95
Bank balances other than Cash and cash equivalents	11B	6.78	6.25
Other financial assets	12	0.84	0.80
		652.50	619.35
Financial Liabilities			
Borrowings (current and non-current)	15A & 15B	168.10	326.11
Trade Payables	19	110.31	129.74
Other financial liabilities	20	195.42	160.32
		473.83	616.17

The management has assessed the fair value through amortised cost for the above mentioned financial assets and liabilities, which are approximate to their carrying amounts. Further, the Company does not have any financial instruments like investment in equity shares, preference shares, debenture, convertible loan etc. which needs to fair valued/classified into different levels prescribed as required under the Indian Accounting Standard 113, Fair Value Measurement.

32. Financial risk management objectives and policies

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

(i) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long-term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) in United States Dollar ('USD'), Euro ('EUR'), Great Britain Pound ('GBP') and Malaysian Ringgit ('MYR') and borrowings in USD.

The Company's exposure to foreign currency risk from non-derivative financial instruments at the end of the financial year, are as follows:

(All amounts in Millions unless otherwise stated)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Foreign Currency	Amount in INR	Foreign Currency	Amount in INR
United States Dollar				
Assets - Trade Receivables	2.17	149.80	1.73	112.36
Liabilities - Trade Payables	(0.09)	(5.88)	(0.04)	(2.87)
Liabilities - Borrowings	(1.69)	(116.76)	(2.83)	(183.90)
Euro				
Assets - Trade Receivables	0.16	12.44	0.13	10.72
Great Britain Pound				
Assets - Trade Receivables	0.05	4.96	-	-
Malaysian Ringgit				
Assets - Trade Receivables	2.77	47.43	-	-

The following exchange rates have been applied at the end of the financial year :

Particulars	As at 31.03.2019	As at 31.03.2018
United States Dollar	69.1713	65.0441
Euro	77.7024	80.6222
Great Britain Pound	90.4756	92.2846
Malaysian Ringgit	17.0965	16.8540

Foreign currency sensitivity

The impact on the Company's profitability and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives are as follows :

(All amounts in ₹. Millions unless otherwise stated)

Particulars	Impact on Profit		Impact on Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2019				
5% Sensitivity* of:				
United States Dollar	1.36	(1.36)	0.96	(0.96)
Euro	0.62	(0.62)	0.44	(0.44)
Great Britain Pound	0.25	(0.25)	0.18	(0.18)
Malaysian Ringgit	2.37	(2.37)	1.68	(1.68)
31 March 2018				
5% Sensitivity* of:				
United States Dollar	(3.72)	3.72	(2.43)	2.43
Euro	0.54	(0.54)	0.35	(0.35)

* Holding all other variables constant

b) Interest rate risk

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

The Company's exposure to fixed rate and variable rate instruments at the end of the financial year, are as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Fixed rate instruments		
Financial assets	39.70	39.34
Financial liabilities	23.08	6.00
Variable rate instruments		
Financial liabilities	241.18	399.55

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

Particulars	As at 31.03.2019	As at 31.03.2018
Interest rates increase by 100 basis points *	2.41	4.00
Interest rates decrease by 100 basis points *	(2.41)	(4.00)

* Holding all other variables constant

c) Price risk

The Company does not have any investments which are classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. Hence, the Company is not exposed to any price risk.

ii) Credit risk

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

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard, internal evaluation and individual credit limits. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over the last nine quarters before the reporting date and the corresponding historical credit losses experienced at the end of each quarter. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The expected credit loss assessment from customers as at March 31, 2019 are as follows:

(All amounts in ₹. Millions unless otherwise stated)

Particulars	Gross Carrying Amount	Expected credit losses	Carrying amount of trade receivable
Upto 180 days	483.80	3.43	480.37
Over 180 days	130.25	25.33	104.92
TOTAL	<u>614.05</u>	<u>28.76</u>	<u>585.29</u>

Collateral held as security and other credit enhancements

The Company does not collect any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Financial assets that are neither past due nor impaired

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

Financial assets that are neither past due but not impaired

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

Period in days	As at 31.03.2019	As at 31.03.2018
Upto 180 days	480.37	452.59
Over 180 days	104.92	106.67
	<u>585.29</u>	<u>559.26</u>

iii) Liquidity risk

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

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

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

Particulars	As at 31.03.2019	As at 31.03.2018
Current assets	923.17	835.63
Current liabilities	433.00	498.31
Working capital	<u>490.17</u>	<u>337.32</u>

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

Particulars	As at 31.03.2019	As at 31.03.2018
Less than 1 year		
- Borrowings	142.58	204.92
- Trade payables	110.31	129.74
- Other financial liabilities	105.26	86.88
1 to 2 years		
- Borrowings	86.79	85.27
2 to 5 years		
- Borrowings	28.89	109.36

(All amounts in ₹. Millions unless otherwise stated)

iv) Excessive risk concentration

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

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

33. Contingent Liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
A. Claims against the Company not acknowledged as debts in respect of :		
(i) Income tax demands not provided for Assessment Year 2012-13, 2013-14 and 2014-15 (pending before the Income Tax Appellate Tribunal)	8.13	8.13
(ii) Income tax demands not provided for Assessment Year 2016-17 (pending before the Commissioner of Income Tax (Appeals))	1.75	-
(iii) Employees provident fund demand not provided for (pending before the Employees' Provident Funds Appellate Tribunal)	8.70	8.70
	<u>18.57</u>	<u>16.82</u>
B. Bank Guarantees	13.44	36.91

Note:

- (a) In respect of item (i) above, the company has received a favourable order dated April 24, 2019 from the Income Tax Appellate Tribunal and in respect of item (ii) & (iii) above, the legal counsel has confirmed the validity of the company's stand. Although there can be no assurance regarding the outcome of the appeals, the company does not expect these to have a materially adverse effect on its financial position, as it believes that the likelihood of loss in excess of amounts accrued (if any) is not probable.
- (b) Income Tax demand for Assessment Year 2016-17 was adjusted from the eligible refund and hence outstanding demand is Nil.
- (c) Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. However, on the basis of legal advice, the Company believes that there will be no impact as on date and hence has not provided for any additional liability as at March 31, 2019 in the books of accounts."
- (d) Bank Guarantees are issued to meet certain business obligations towards government agencies and certain customers.

34. Commitments

Particulars	As at 31.03.2019	As at 31.03.2018
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	33.92	0.20

35. Leases

The Company's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements are generally cancellable leases which range between 1 years to 5 years and are usually renewable by mutual consent on agreed terms.

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Total rental expense relating to operating lease	21.81	22.43
- Non-cancellable	-	-
- Cancellable	21.81	22.43

36. Research and development expenditure

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Aggregate amount of research and development expenditure recognised as an expense during the year		
Employee benefits expenses	-	2.38
Materials and stores and spares consumption	0.60	4.14
Other expenses	-	1.50
	<u>0.60</u>	<u>8.02</u>

(All amounts in ₹. Millions unless otherwise stated)

37. Corporate social responsibility expenditure (CSR)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Gross amount required to be spent during the year	3.26	2.05
Add: Unspent Amount brought forward from previous year	-	0.55
Less: Actual amount spent during the year	3.26	2.60
Balance amount to be spent in future years	-	-

38. Related Party disclosures

a) Name of the related parties and nature of relationship

Name of the related parties	Nature of relationship
(i) Key Management Personnel	
Dr S P Vasireddi	Chairman (Executive Chairman upto 30.06.2018)
Harita Vasireddi	Managing Director
Harriman Vungal	Executive Director (ED) - Operations
V V Prasad	Executive Director (ED) - Administration
T S Ajai	Independent Director
Prof D. Balasubramanian	Independent Director
Rao Purnachandra Potarlanka	Independent Director
Y Prameela Rani	Independent Director (w.e.f 01/12/2017)
Amit Pathak	Chief Financial Officer (from 01.01.2019)
Murali Mohana Rao Mokkaapati	Chief Financial Officer (upto 01.12.2018)
Sujani Vasireddi	Company Secretary (from 31.08.2018)
A Venkaramana	Company Secretary (upto 31.08.2018)
(ii) Relatives of Key Management personnel	
Sireesh Chandra Vungal	Son of ED - Operations
Sudheshna Vungal	Daughter of ED - Operations
Satya Sreenivas Neerukonda	Son-in-law of ED - Administration
Praveena Vasireddi	Daughter of Chairman
Rajeswari Vungal	Wife of ED - Operations
Rajya Lakshmi Vasireddi	Wife of ED - Administration
Swarnalatha Vasireddi	Wife of Chairman
(iii) Companies in which some of the Directors or other relatives are interested	
Bloomedha Info Solutions Limited	

(B). Details of transactions with related party in the ordinary course of business :

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(i) Remuneration to Key Management Personnel (KMP) *		
Dr. S P Vasireddi	14.32	13.42
Harita Vasireddi	12.43	9.41
Harriman Vungal	12.43	9.41
V V Prasad	12.43	9.41
Amit Pathak	0.89	-
Murali Mohana Rao Mokkaapati	2.80	3.31
Sujani Vasireddi	2.04	-
A Venkaramana	1.12	1.49
* Remuneration is inclusive of provident fund, gratuity and leave encashment		
(ii) Rent paid to Key Management Personnel (KMP)		
Dr. S P Vasireddi	-	0.92
Harriman Vungal	0.18	0.16
(iii) Remuneration to relatives of Key Management Personnel (KMP)		
Sireesh Chandra Vungal	5.90	4.19
Sudheshna Vungal	1.28	1.51
Satya Sreenivas Neerukonda	5.97	4.19
Praveena Vasireddi	1.74	1.59
Sujani Vasireddi	-	1.40

(All amounts in ₹. Millions unless otherwise stated)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
(iv) Sitting Fees to KMP - Independent Directors		
Prof. D. Balasubramanian	0.07	0.13
Y Prameela Rani	0.13	0.05
(v) Dividends Paid		
Dr. S P Vasireddi	7.20	-
Harita Vasireddi	0.34	-
Harriman Vungal	3.55	-
V V Prasad	2.93	-
Sireesh Chandra Vungal	0.22	-
Sudheshna Vungal	0.20	-
Praveena Vasireddi	0.25	-
Sujani Vasireddi	0.25	-
Rajeswari Vungal	0.16	-
Rajya Lakshmi Vasireddi	0.08	-
Swarnalatha Vasireddi	0.19	-
(vi) Services received		
Bloomedha Info Solutions Limited	5.10	5.58

(C). Balance payable / (receivable)

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Security Deposits :		
Dr. S P Vasireddi	-	(0.21)
(ii) Dues Payable to KMPs and their relatives :		
Dr. S P Vasireddi	0.34	0.07
Harita Vasireddi	0.32	0.18
Harriman Vungal	0.51	0.19
V V Prasad	0.52	0.15
A Venkataramana	-	0.05
Sujani Vasireddi	0.05	0.09
Murali Mohana Rao Mokkaapati	-	0.13
Amit Pathak	0.27	-
Sudheshna Vungal	0.12	0.07
Satya Sreenivas Neerukonda	0.21	0.04
Praveena Vasireddi	0.07	0.08
Sireesh Chandra Vungal	0.22	0.24
(iii) Others		
Bloomedha Info Solutions Limited	0.52	0.35

39. Employee benefits**a) Defined Contribution Plans**

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Employers' Contribution to Provident Fund	25.12	23.43
Employers' Contribution to Employee State Insurance	4.71	4.57

(B) Defined benefit plans

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

(All amounts in ₹. Millions unless otherwise stated)

Amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Current service cost	7.07	6.47
Past service cost	-	1.96
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	3.55	2.69
Total amount recognised in the Statement Profit and Loss	<u>10.62</u>	<u>11.12</u>

Amounts recognised in Other Comprehensive Income are as follows

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Actuarial losses		
- change in financial assumptions	0.95	1.35
- experience variance (i.e. Actual experience vs assumptions)	4.89	6.22
Return on plan assets, excluding amount recognised in net interest expense	0.94	0.51
Total amount recognised in the other comprehensive income	<u>6.78</u>	<u>8.08</u>

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

Particulars	As at 31.03.2019	As at 31.03.2018
Present value of obligation at the beginning of the year	60.99	43.87
Current service cost	7.07	6.47
Interest Expense or Cost	4.48	3.51
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	0.95	1.35
- experience variance (i.e. actual experience v/s assumptions)	4.89	6.22
Past service cost	-	1.96
Benefits paid	(13.02)	(2.39)
Present value of obligation at the end of the year	<u>65.36</u>	<u>60.99</u>

Changes in the Fair Value of Plan Assets are as follows :

Particulars	As at 31.03.2019	As at 31.03.2018
Fair Value of Plan Assets as at the beginning of the year	12.67	10.25
Investment Income	0.93	0.82
Employer's Contribution	3.50	4.50
Benefits Paid	(13.02)	(2.39)
Return on plan assets , excluding amount recognised in net interest expense	(0.94)	(0.51)
Fair Value of Plan Assets as at the end of the year	<u>3.14</u>	<u>12.67</u>

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Present value of defined benefit obligation	(65.36)	(60.99)
Fair value of plan assets	3.14	12.67
Net Asset/(Liability)	<u>(62.22)</u>	<u>(48.32)</u>

(All amounts in ₹. Millions unless otherwise stated)

The assumptions used in accounting for the gratuity plan are set out as below:

Particulars	As at 31.03.2019	As at 31.03.2018
Discount rate (per annum)	6.95%	7.35%
Salary growth rate (per annum)	4.00%	4.00%
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Normal retirement age (as per Company's policy)	60 and 70	60 and 70
Attrition / Withdrawal rate (per annum)	20%	20%

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

Impact on defined benefit obligation

Particulars	As at 31.03.2019	As at 31.03.2018
Discount Rate		
1% increase	63.04	58.95
1% decrease	67.86	63.18
Salary Growth Rate		
1% increase	67.77	63.10
1% decrease	63.08	58.97
Attrition Rate		
50% increase	66.09	61.86
50% decrease	62.56	58.12
Mortality Rate		
10% increase	65.37	61.00
10% decrease	65.35	60.98

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

Risk exposure

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

- Asset volatility** : The plan liabilities are calculated using a discount rate set with reference to current investment patterns in the economy; if plan assets underperform this yield, this will create a deficit. The plan asset investments are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure is maintained at a fixed range. Any deviations from the range are corrected by re-balancing the investments. The Company intends to maintain the investment pattern in the continuing years.
- Changes in bond yields** : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
- Life expectancy** : The defined benefit obligation is to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined benefit liability and employer contributions

The following contributions and expected un-discounted future benefit payments :

Particulars	As at 31.03.2019
0 - 1 Year	14.39
2 - 5 Years	46.54
6 - 10 Years	17.75
More than 10 Years	8.91

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 3 years (31 March 2018: 3 years).

- (ii) The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of their unutilised compensated absences and utilise /encash them in future periods as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement.

40 Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	19.25	-
Interest	-	-
Total	<u>19.25</u>	<u>-</u>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Note : The Micro, Small and Medium enterprises have been identified by the Management on the basis of information available with the Company and have been relied upon by the auditors.

41 Segment Reporting

The Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM) as required by Ind AS 108 Operating Segments. The Company is in the business of providing contract research and testing services. The Managing Director reviews the operations of the Company as one operating segment taking into account the nature of the business, the organization structure, internal reporting structure and risk and rewards. Hence no separate segment information has been furnished herewith.

42 Capital management

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

The Company monitors capital on the basis of the following gearing ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet) :

Particulars	As at 31.03.2019	As at 31.03.2018
Equity Share Capital	44.22	44.22
Other Equity	1,671.30	1,476.31
Total Equity (i)	<u>1,715.52</u>	<u>1,520.53</u>
Long-term borrowings	115.68	194.63
Short-term borrowings	52.42	131.48
Other financial liabilities (current maturities of long-term borrowings)	90.16	73.44
Less: Cash and Cash equivalents	26.67	19.95
Total Debt (ii)	<u>231.59</u>	<u>379.60</u>
Overall financing (iii) = (i) + (ii)	1,947.11	1,900.13
Gearing ratio (ii)/ (iii)	11.89%	19.98%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. Further there were no changes were made in the objectives, policies or processes for managing capital for the years ended March 31, 2019.

(All amounts in ₹. Millions unless otherwise stated)

43. Revenue from Contracts with customers

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018 using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

(i) Disaggregation of revenue

The Company believes that there are no disaggregation of revenue based on its nature, amount, timing and uncertainty of its revenues and cash flows.

(ii) Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Invoicing in excess of earnings are classified as unearned revenue. The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	As at 31.03.2019
Gross Trade Receivables	620.51
Contract assets (Unbilled revenue) and Contract liabilities (Unearned revenue)	(6.46)
Trade Receivables (net)	<u>614.05</u>

The following table discloses the movement in contract assets and liabilities balances:

Particulars	For the year ended 31.03.2019
Balance at the beginning	-
Add : Revenue recognized during the period	2,079.60
Less : Invoiced during the period	2,086.06
Balance at the end	<u>(6.46)</u>

(iii) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for: (i) contracts with an original expected duration of one year or less and (ii) contracts for which the Company recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is Rs. 6.46 Million and are expected to settle within FY 2019-20.

44 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification and disclosure.

As per our report of even date.

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

G. Srinivasa Rao
Partner
Membership No.210535

Place: Hyderabad
Date: 11 May 2019

For and on behalf of the Board of **Vimta Labs Limited**
Dr. S. P. Vasireddi
Non-Executive Chairman

Harriman Vungal
ED-Operations

Sujani Vasireddi
Company Secretary
Place: Hyderabad

Harita Vasireddi
Managing Director

T S Ajai
Director

Amit Pathak
Chief Financial Officer
Date: 11 May 2019

Notes

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www.vimta.com

Registered Office :

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

Life Sciences Facility :

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