

Vimta Labs Limited

Registered Office
142, IDA Phase II, Cherlapally
Hyderabad-500 051, India
T : +91 40 2726 4141
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**DECLARATION IN RESPECT OF AUDIT REPORTS WITH UNMODIFIED
OPINION FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017.**

We hereby declare that the Auditor of the Company M/s JVSL Associates, Chartered Accountants has issued Audit Report with unmodified opinion on Financial Statements as prepared under provisions of Companies Act, 2013 and Financial Results as prepared under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended on March 31, 2017.

Date : 22.04.2017
Place : Hyderabad

For VIMTA LABS LIMITED

A handwritten signature in black ink, appearing to read "M Murali Mohana Rao", is written over a faint, circular watermark or stamp.

**M MURALI MOHANA RAO
CHIEF FINANCIAL OFFICER**

Vimta Labs Limited

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Driven by Quality. Inspired by Science.

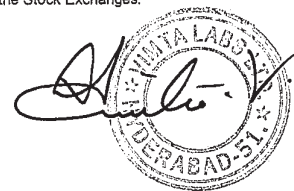
STATEMENT OF AUDITED FINANCIAL RESULTS
for the Quarter and Year ended 31st March 2017

PART-I		(Rs. in Lakhs)				
S No.	PARTICULARS	Quarter ended			Year ended	
		31.03.2017 Audited	31.12.2016 Unaudited	31.03.2016 Audited	31.03.2017 Audited	31.03.2016 Audited
1	Income from Operations					
	(a) Net Sales / Income from Operations	3946.77	3883.32	3291.18	15336.47	12470.89
	(b) Other Operating Income	0.00	0.00	0.00	0.00	0.00
	Total Income from Operations (net)	3946.77	3883.32	3291.18	15336.47	12470.89
2	Expenses					
	a) Cost of materials consumed	748.52	736.11	723.29	3039.40	2735.54
	b) Purchase of Stock-in-trade	0.00	0.00	0.00	0.00	0.00
	c) Change in inventories of finished goods, Work-in-progress and Stock-in-trade	-121.04	50.17	-30.36	-48.35	14.82
	d) Employee benefits expense	1392.65	1165.49	951.01	4717.33	3494.44
	e) Depreciation and amortization expense	239.43	249.25	233.53	962.99	1025.64
	f) Other expenses	1273.27	1234.82	1282.48	4980.77	4300.44
	Total expenses	3532.83	3435.64	3159.95	13652.14	11570.68
3	Profit/ (loss) from Operations before Other Income, Finance costs and Exceptional items (1-2)	413.94	447.68	131.23	1684.33	900.21
4	Other Income	10.12	53.01	-0.03	94.11	104.35
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3 - 4)	424.06	500.69	131.20	1778.44	1004.56
6	Finance costs	68.34	50.58	46.94	208.71	130.38
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5 -6)	355.72	450.11	84.26	1569.73	874.18
8	Exceptional items	0.00	0.00	0.00	0.00	39.07
9	Profit/(Loss) from Ordinary Activities before tax (7-8)	355.72	450.11	84.26	1569.73	835.11
10	Tax expense	115.29	161.62	-96.60	565.29	191.73
11	Net Profit/(loss) from ordinary activities after tax (9-10)	240.43	288.49	180.86	1004.44	643.38
12	Extraordinary items	0.00	0.00	0.00	0.00	0.00
13	Net profit(+)/ Loss(-) for the period (11-12)	240.43	288.49	180.86	1004.44	643.38
14	Paid-up equity share capital	442.16	442.16	442.16	442.16	442.16
	Face value of the share (Rs.)	2/-	2/-	2/-	2/-	2/-
15	Reserves excluding Revaluation Reserves as per the balance sheet of previous accounting year				13172.60	12168.16
16	(i) Earning per share (before extraordinary items) (of Rs.2/- each) (not annualised)					
	a) Basic (Rs.)	1.09/-	1.30/-	0.82/-	Rs.4.54	2.90/-
	b) Diluted (Rs.)	1.09/-	1.30/-	0.82/-	Rs.4.54	2.90/-
	(ii) Earning per share (after extraordinary items) (of Rs.2/- each) (not annualised)					
	a) Basic (Rs.)	1.09/-	1.30/-	0.82/-	Rs.4.54	2.90/-
	b) Diluted (Rs.)	1.09/-	1.30/-	0.82/-	Rs.4.54	2.90/-

Notes :

1.The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on April 22, 2017.

The auditors have carried out audit of the financials for the quarter and for the financial year ended 31.03.2017 as required under Regulation 33 of the SEBI (listing obligations and Disclosure requirements) Regulation 2015 and the related unmodified Audit Report on the same forwarded to the Stock Exchanges.

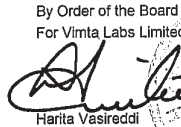



3. Statement of Assets and Liabilities

		(Rs. in Lakhs)	
S No.	Particulars	As at	As at
		31.03.2017	31.03.2016
		(Audited)	
A. EQUITY AND LIABILITIES			
1	Shareholders' funds		
	(a) Share capital	442.16	442.16
	(b) Reserves and Surplus	13172.60	12168.16
	Sub-total - shareholders funds	13614.76	12610.32
2	Non-current liabilities		
	(a) Long-term borrowings	1808.13	1602.00
	(b) Deferred tax liabilities (net)	118.82	152.76
	(b) Other long-term liabilities	60.00	60.00
	(d) Long-term provisions	552.21	219.31
	Sub-total - Non-current liabilities	2539.16	2034.07
3	Current liabilities		
	(a) Short-term borrowings	1940.46	995.34
	(b) Trade payables	1527.41	579.65
	(c) Other current liabilities	2471.69	1028.00
	(d) Short-term provisions	8.16	312.49
	Sub-total - Current liabilities	5947.72	2915.48
	TOTAL EQUITY AND LIABILITIES	22101.64	17559.87
B. ASSETS			
1	Non-current assets		
	(a) Fixed assets	8833.65	8770.22
	(b) Capital Work-in-progress	5221.47	587.53
	(b) Long-term loans and advances	303.34	1181.39
	Sub-total - Non current assets	14358.46	10539.14
2	Current Assets		
	(a) Inventories	2061.34	1608.76
	(b) Trade receivables	4242.27	3763.31
	© Cash and cash equivalents	125.61	347.08
	(d) Short-term loans and advances	1305.39	1293.87
	(e) Other current assets	8.57	7.71
	Sub-total - Current assets	7743.18	7020.73
TOTAL	TOTAL	22101.64	17559.87

4. The figures for the 3 months ended 31.03.2017 and corresponding 3 months ended 31.03.2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.
5. The business of the company falls under a single segment i.e, "Contract Research & Testing" for the purpose of Accounting Standard - 17 referred to in Section 133 of the Companies Act, 2013.
6. Previous periods / years' figures have been regrouped / recasted wherever considered to conform to the layout of the accounts adopted in this current period.

By Order of the Board
For Vimta Labs Limited


Harita Vasireddi
Managing Director



Place : Hyderabad
Date : April 22, 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VIMTA LABS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of VIMTA LABS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section-143 of the Act, we give in the Annexure – A a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



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(e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i). The Company has no pending litigations which would impact its financial position, except the Tax and other demands against the company which are given in Notes to accounts (Refer to Note No. 26.7 (ii) to (iv) to the audited 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.

iv). The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management (Refer to Note No. 26.8 to the audited Financial Statements)

Place: Hyderabad
Date: 22-04-2017



For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No.015002S)

J VENKATESWARLU
Partner
(Ms No.022481)

**Annexure – A to Independent Auditors' Report dated 22.04.2017
issued to the Members of Vimta Labs Limited**

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

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The company's fixed assets have been physically verified by the management at reasonable intervals as per a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties of the Company are held in the name of the company.
- (ii) The inventory has been physically verified by the management at reasonable intervals and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification between the physical stocks and the book stocks.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/s.189 of the Companies Act, 2013. Hence, our comments on sub-clauses (a), (b) and (c) of clause (iii) of paragraph 3 of the order are Nil.
- (iv) The Company has not given any loans; made investments; given guarantees to any Company to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder is not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this company in any matter relating to the deposits.
- (vi) As per the information and explanation furnished to us, maintenance of Cost records has been specified by the Central Government U/s.148(1) of the Act for this company and we are of the opinion that, the prescribed accounts and records have been made and maintained by the company. However, we have not conducted any audit of the same.



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

According to the information and explanations given to us, no undisputed amounts in respect of the above statutory dues are in arrears as at 31/03/2017 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the dues	Amount(Rs)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income tax Act, 1961	Income-tax	47,35,520/-	Asst. Year 2012-13 & 2013-14	ITAT	Demand gets adjusted when credit for the
Income tax Act, 1961	Income-tax	33,89,600/-	Asst. Year 2014-15	Commissioner (Appeals)	MAT is allowed in future years.
Finance Act, 1994	Service tax	7,45,399/- plus penalty	2011-12 to 2014-15	Commissioner Appeals	Appeal will be filed on or before the due date.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank and Government. The company has not issued debentures.
- (ix) During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The Term loans availed were applied for the purposes for which those are raised.
- (x) During the year under review, no fraud by the company or on the Company by its officers or employees has been noticed or reported.
- (xi) As per the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and hence our comments on clause (xii) of para 3 of the order are nil.



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- (xiii) As per the information and explanations given to us and based on our audit, in our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- (xiv) During the year under review, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, compliance with the provisions of Section 42 of the Companies Act, 2013 is not applicable.
- (xv) As per the information and explanations given to us and based on our audit, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, compliance with provisions of Section 192 of Companies Act, 2013 is not applicable.
- (xvi) As per the information and explanations given to us and based on our audit, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Hyderabad
Date: 22-04-2017



For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No. 15002S)


J. VENKATESWARLU

Partner
ICAI Ms. No. 022481

**Annexure - B to Independent Auditors' Report dated 22.04.2017
issued to the Members of Vimta Labs Limited**

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

We have audited the Internal Financial Controls over financial reporting of VIMTA LABS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

1. Management's Responsibility for Internal Financial Controls

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

2. Auditors' Responsibility

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



Contd..2.,

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

3. Meaning of Internal Financial Controls Over Financial Reporting

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

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

4. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 22-04-2017



For J V S L & ASSOCIATES
Chartered Accountants
(Firm Regn No.015002S)

J Venkateswarlu
J VENKATESWARLU
Partner
(Ms No.022481)