



Date: September 05, 2023

To  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001.

To  
National Stock Exchange of India Limited,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051.

BSE Scrip Code: 543298

NSE Scrip Code: VINEETLAB

Dear Sir/ Madam,

**Subject: 07<sup>th</sup> Annual Report of Vineet Laboratories Limited for the financial year 2022-23**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the 07<sup>th</sup> Annual Report of Vineet Laboratories Limited for the financial year 2022-23.

The 07<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Thursday, September 28, 2023.

Kindly take the same on your records.

Thanking you,  
Yours faithfully,

**For Vineet Laboratories Limited**

Nirosha Ravikanti  
Company Secretary & Compliance Officer

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**Admin. Office:** 5-5-160, Malleswari Nilayam, Opp. Vishnu Theatre, Chintalkunta, LB Nagar, Hyderabad-500 074.

**Regd. Office:** Sy.No. 11/A3, Eshwaramma Nilayam, Saheb Nagar Kurudu Vill, Chintalkunta, LB Nagar, Hyderabad-500 074.

**Factory:** Sy.No. 300, Malkapur(V), Choutuppal(M), Yadadri-Bhuvanagiri(D), Telangana State, India-508 252.

E-mail: vineetlaboratories@gmail.com, Website: www.vineetlabs.co.in, Phone: +91-40-24128833, Cell : 09642200049

**CIN No. : L24304TG2016PLC112888**

**GST No. : 36AAFV6694P1ZA**



**Vineet Laboratories Limited**

**7th Annual Report  
2022-23**



## Corporate Information

### CIN

L24304TG2016PLC112888

### BOARD OF DIRECTORS

Mr. Dilip Vishnu Acharekar (DIN: 08849689) -  
Non-Executive - Independent Director - Chairman

Mr Gaddam Venkata Ramana (DIN: 00031873) -  
Managing Director

Mr Satyanarayana Raju Bhupathiraju  
(DIN: 02697880) - CFO & Whole-time Director

Mr. Kandula Murali Mohan (DIN: 03313407) –  
Whole Time Director – Resigned w.e.f  
August 12, 2023

Mr. Bhaskara Reddy Karna (DIN: 08961904) -  
Non-Executive - Independent Director

Ms. Hari Priya Yerukalapudi (DIN: 09690829) –  
Non-Executive - Independent Director  
Appointed w.e.f July 29, 2022

Mr.Alluri Ranga Raju (DIN: 10044882) –  
Non-Executive Director - Appointed  
w.e.f August 12, 2023

### COMPANY SECRETARY

CS Nirosha Ravikanti  
Appointed w.e.f April 28, 2022

### REGISTERED OFFICE

Sy. No. 11/A3, Saheb Nagar, Kurdu Vill,  
Chintal Kunta, Eshwaramma Nilayam,  
L B Nagar, Hyderabad  
Phone: 040-24128833  
Email Id: cs@vineetlabs.co.in  
Website: vineetlabs.co.in

### MANUFACTURING & PRODUCTION FACILITY (WORK UNIT):

Sy.No.300, Malkapur Village, Choutuppal Mandal,  
Yadadri Bhuvangir Dist, - 508252 Telangana State

### STATUTORY AUDITORS

NSVR & Associates LLP  
Chartered Accountants  
Hyderabad

### SECRETARIAL AUDITORS

M/s. P. S. Rao & Associates  
Company Secretaries  
Hyderabad

### INTERNAL AUDITORS

V D P & Co  
Chartered Accountants  
Hyderabad

### BANKER

HDFC Bank Limited

### REGISTRAR AND SHARE TRANSFER AGENTS

Venture Capital and Corporate Investments  
Private Limited  
“AURUM”, D No.4-50/P-II/57/4F & 5F,  
4th & 5th Floors, Plot No.57, Jayabheri Enclave,  
Phase – II, Gachibowli, Serilingampally,  
Hyderabad - 500 032. Ranga Reddy Dist.,  
Telangana.  
Phone: +91 – 40 -23818475  
Fax: +91 – 40 -23868024  
E-mail Id: investor.relations@vccipl.com

### LISTED WITH

BSE Limited, Mumbai (BSE)  
National Stock Exchange of India Limited (NSE)

## NOTICE

Notice is hereby given that the 7th Annual General Meeting (“AGM”) of Vineet Laboratories Limited will be held on Thursday, September 28, 2023 at 9.30 AM at Minerva Coffee Shop, 3rd Floor, Beside Sanjeevini Hospital, Kiran Nagar, Doctors’ Colony, Kothapet, Hyderabad, Telangana 500 035 to transact the following businesses:

### ORDINARY BUSINESS

1. **To receive, consider, and adopt the Audited Financial Statements for the financial year ended March 31, 2023**

*To receive, consider, and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as Ordinary Resolution:*

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and the Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. **To appoint Mr. Gaddam Venkata Ramana (DIN: 00031873), who retires by rotation as a director**

*In this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** Mr. Gaddam Venkata Ramana (DIN: 00031873) be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

### SPECIAL BUSINESS

3. **To ratify the remuneration of Cost Auditors for the financial year 2023-24.**

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 Section 148 and all other applicable provisions of the Companies Act, 2013 read with the 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.60,000/- (Rupees Sixty Thousand Only) excluding applicable taxes and out-of-pocket expenses, as approved by the Board of Directors of the Company, to be paid to M/s KJU & Associates., Cost Accountants (Registration No. 000474), the Cost Auditors appointed by the Board of Directors, to conduct

the audit of cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified.”

**4. To approve existing as well as new material related party transactions with Organo Metallics Private Limited**

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 Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter into and/or continue the Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/ Agreement(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Organo Metallics Private Limited, an entity falling within the definition of ‘Related Party’ under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between the related party and the Company, for the financial year 2023-24 , such that the maximum value of the Related Party Transactions with such party, in aggregate, does not exceed value as specified under each category for the financial year, provided that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out in the ordinary course of business of the Company and in respect of transactions with related parties under Section 2(76) of the Act, are at arm’s length basis.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters, and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s),

agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified, and confirmed in all respects.”

**5. To re-appoint and to fix remuneration of Mr. Gaddam Venkata Ramana (DIN: 00031873) as the Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including statutory amendments or re-enactments thereof for the time being in force), and such other rules, laws, regulations, guidelines or notifications as may be applicable and as per the Memorandum and Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of the Directors of the company, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Gaddam Venkata Ramana (DIN: 00031873) as Managing Director of the Company for a period of three years w.e.f. January 1, 2024 to December 31, 2026 at a remuneration of Rs.4,25,000/- (Rupees Four Lakhs Twenty Five Thousand Only) per month till the end of his tenure i.e., till December 31, 2026, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of his service, the remuneration specified here-in above shall be paid as minimum remuneration as per the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modification(s) thereof.”

**“RESOLVED FURTHER THAT** the Board (which will include its committee thereof) be and is hereby authorized to vary and / or revise the remuneration of

Mr. Gaddam Venkata Ramana (DIN: 00031873), Managing Director within the limits permissible under the Act.”

**“RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby authorized to file the said resolution with the Registrar of Companies, Hyderabad, and do all such acts, deeds, and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution.”

**6. To re-appoint and fix remuneration of Mr. Satyanarayana Raju Bhupathiraju (DIN: 02697880) as the Whole-Time Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including statutory amendments or re-enactments thereof for the time being in force), and such other rules, laws, regulations, guidelines or notifications as may be applicable and as per the Memorandum and Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of the Directors of the company, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Satyanarayana Raju Bhupathiraju (DIN:02697880) as Whole Time Director of the Company for a period of three years w.e.f from January 1, 2024 to December 31, 2026 at a remuneration of Rs.3,25,000/- (Rupees Three Lakhs Twenty Five Thousand Only) per month till the end of his tenure i.e., till December 31, 2026, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.”

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of his service, the remuneration specified here-in above shall be paid as minimum remuneration as per the provisions of Section II of Part of II of Schedule V to the Act, including any statutory modification(s) thereof.”

**“RESOLVED FURTHER THAT** the Board (which will include its committee thereof) be and is hereby authorized to vary and / or revise the remuneration of Mr. Satyanarayana Raju Bhupathiraju (DIN:02697880) within the limits permissible under the Act.”

**“RESOLVED FURTHER THAT** any Director or the Company Secretary of the



Company be and is hereby authorized to file the said resolution with the Registrar of Companies, Hyderabad, and do all such acts, deeds, and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution.”

**7. To appoint Mr. Ranga Raju Alluri (DIN: 10044882) as Non-Executive Director (Promoter Category) 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 Section 149, 152 and 160 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other statutory modification(s), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable, and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of the Directors of the company, approval of the members be and is hereby accorded for the appointment of Mr. Alluri Ranga Raju (DIN: 10044882) as Non-Executive Director, not liable to retire by rotation, under Promoter category of the Company.”

**“RESOLVED FURTHER THAT** pursuant to Regulation 17 (1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the continuation of Mr. Alluri Ranga Raju (DIN: 10044882) as Non-Executive Director of the Company shall be subject to the approval of the shareholders in a general meeting at least once in every five years from the date of his appointment.”

**“RESOLVED FURTHER THAT** any Executive Director or the Company Secretary of the Company be and are hereby authorized to take all such steps as may be necessary, proper, and expedient to give complete effect to this resolution.”

Date : August 12, 2023  
Place: Hyderabad

By order of the Board  
For Vineet Laboratories Limited

Nirosha Ravikanti  
Company Secretary  
M.No: A68115

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in regard to the businesses as set out in Item Nos. 3 to 7 of the Notice along with the relevant details of Directors seeking appointment/re-appointment at the AGM as required by Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting ('AGM') pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members, Proxies and Authorized representatives are requested to bring the duly completed attendance slip enclosed herewith to attend the AGM.
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Saturday, September 23, 2023 through email on [investorcomplaints@vineetlabs.co.in](mailto:investorcomplaints@vineetlabs.co.in). The same will be replied by the

Company suitably.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

7. In compliance with the MCA Circulars and SEBI Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/ 2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/Depository Participants. Members may note that the Notice and the Annual Report 2022-23 will also be available on the Company's website [www.vineetlabs.co.in](http://www.vineetlabs.co.in), websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of Company's Registrar and Transfer Agent, Venture Capital and Corporate Investments Private Limited ("VCC") at <https://www.vccipl.com/>.
8. For receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investorcomplaints@vineetlabs.co.in](mailto:investorcomplaints@vineetlabs.co.in) or to VCC at [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com).
  - b) Members holding shares in dematerialised mode are requested to register/ update their email addresses with the relevant Depository Participant.
9. Record Date / Book Closure Date for the purpose of AGM: from September 20, 2023 to September 28, 2023 (both days included)
10. The members, who were allotted shares at the time of demerger from Ortin Laboratories Limited, and whose share certificates were returned back to the company are held in the dematerialized form for the benefit of such shareholders. The list of such members is available at <http://vineetlabs.co.in/images/pdf/other-information/DetailsofShareholders-August12-2023.pdf>
11. The following forms are available on the website of the company at <http://vineetlabs.co.in/other-information.html>

Form ISR-2 – For updation of signature

Form SH-13 – Request for Registering Nomination

Form SH-14 Request for Cancellation or Variation in Nomination

Form ISR-3 Declaration for opting out Nomination

Form ISR-4 Request for issue of duplicate share certificates and other service requests

12. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the dematerialized form. Transfer of equity shares in electronic form are affected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Transfer Agent, Venture Capital Corporate Investments Private Limited ("Registrar" or "RTA" or "VCCIPL") at [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com) for assistance in this regard.
13. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends for 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority. The details of the shareholders, who did not claim their dividend are available on the website of the company at <http://vineetlabs.co.in/Unpaid-and-Unclaimed-aidividend-details-as-on-12-08-2023.html>
14. The Board of Directors has appointed Mr. Jineshwar Kumar Sankhala, Practicing Company Secretary (M.No. A21697; C P No. 18365), as the scrutinizer of the company to scrutinize the remote e-voting and voting at the AGM in a fair and transparent manner.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **September 25, 2023 [9.00 A.M] and ends on September 27, 2023 [5.00 P.M]**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date September 20, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and</li> </ol>

	<p>Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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Dividend Bank Details	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.
<b>OR</b> Date of Birth (DOB)	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.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 will be mapped automatically & can be delinked in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [jinesh21@gmail.com](mailto:jinesh21@gmail.com) / [investorcomplaints@vineetlabs.co.in](mailto:investorcomplaints@vineetlabs.co.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders– please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com).
2. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be

addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no.1800 22 55 33.

16. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
17. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting. If member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
18. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date, i.e., Wednesday, September 20, 2023** only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting at AGM. A person, who is not a member as on the cut-off date, should treat the Notice for information purpose only.
19. Non-Resident Indian members are requested to inform VCC / respective DPs, immediately of:
  - Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
20. The Attendance Slip, Proxy Form and the Route Map showing directions to reach the venue of the AGM along with indication of prominent landmark are annexed hereto.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and additional information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued thereunder**

The following Statement sets out all material facts relating to the businesses mentioned under Item Nos. 3 to 7 in the Notice:

**Item No. 3**

The Board of Directors has, on the recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2024.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs.60,000/- payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Members of the Company.

Accordingly, ratification by the Members is sought by the Board for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024 by passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel or their relatives, beyond the shares held by them, is concerned or interested, financially or otherwise, in the said resolution.

**Item No. 4**

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introduced amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments inter-alia included replacing of current threshold i.e. 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of Rs.1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022.

Vineet Laboratories Limited ("the Company" or "Vineet") is an ISO 9001:2015 certified company specialized in pharmaceutical intermediates & fine chemicals. Vineet is widely acknowledged for its abilities in product development & process technology and therefore is the preferred source for many multinational companies for their outsourcing requirements.

In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval and considering the fact that

the list of related parties will change dynamically with no action on the part of the Company and to facilitate seamless contracting and rendering/availing of product and services between the Company and "related parties", the Company seeks the approval of the shareholders to approve entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee.

**Transactions with Organo Metallics Private Limited:**

Sr.No	Description	Particulars
1.	Name of the related party	Organo Metallics Private Limited
2.	Nature of relationship [including nature of its interest (financial or otherwise)]	Related Party as per the Companies Act, 2013, Accounting Standards and Listing Regulations
3.	Name of the Director or Key Managerial Personnel, who is related, if any	Gaddam Venkata Ramana
4.	Type of the proposed transaction	Sale and Purchase of goods / services
5.	Nature, duration/tenure, material terms, monetary value and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in. Monetary value of transactions with a single related party subject to a maximum of Rs.25 Crores per annum through contracts/ arrangements which are entered for FY 2023-24
6.	Particulars of the proposed transaction	Sale and Purchase of goods / services
7.	Tenure of the transaction	For 1 year
8.	Value of the proposed transaction	maximum of Rs.25 Crores
9.	Percentage of the company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	11.78%

**Transactions with Organo Metallics Private Limited:**

<b>Sr.No</b>	<b>Description</b>	<b>Particulars</b>
10.	Benefits of the proposed transaction	During the course of such transaction, the Company also leverages niche skills, capabilities and resources of entities
11.	Details of the valuation report or external party report (if any) enclosed with the Notice	Company's governance policies with respect to negotiation with third parties are followed for all contracts/ arrangements with related party as defined under SEBI Listing Regulations. These contracts/arrangements are approved by the Audit Committee on quarterly basis
12.	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given	
A.	Source of funds	Not Applicable
B.	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: <ul style="list-style-type: none"> <li>• Nature of indebtedness</li> <li>• cost of funds and</li> <li>• tenure of the indebtedness</li> </ul>	Not Applicable
C.	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)	Not Applicable

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and the Board of Directors of the Company for consideration and approval by the Members.

The Managing Director of the Company, Gaddam Venkata Ramana's son Lakshmi Varaprasad Gaddam is a director on the Board of Organo Metallics Private Limited; to the extent of their shareholding, if any, may be deemed to be concerned or interested, in the said transactions.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives, is concerned or interested, financially or otherwise, in the resolution.

Pursuant to Regulation 23 of the Listing Regulations, Members may also note that no related party of the Company shall vote to approve the Ordinary Resolution set out at Item No. 4 whether the entity is a related party to the particular transaction or not. The Board commends the Ordinary Resolutions set out at Item No. 4 of the Notice for approval by the Members.

**Item No. 5**

Gaddam Venkata Ramana (DIN: 00031873) was appointed as the Managing Director of the Company in the Extra - Ordinary General Meeting held on January 1, 2021 for a term of three years w.e.f January 1, 2021 to December 31, 2023 at a remuneration of Rs.2,75,000/- per month. However, in the Annual General Meeting held on September 28, 2022, the shareholders have revised the monthly remuneration to Rs.4,25,000/- for the period between April 1, 2022 and December 31, 2023.

Since the tenure of Gaddam Venkata Ramana (DIN: 00031873) as the Managing Director of the Company ends on December 31, 2023, the Nomination and Remuneration Committee and the Board of Directors of the Company in its meetings held on August 12, 2023, recommended the re-appointment of Gaddam Venkata Ramana (DIN: 00031873) as the Managing Director of the Company for a term of three years w.e.f January 1, 2024 to December 31, 2026 at the same monthly remuneration of Rs.4,25,000/- subject to approval of the members in the ensuing Annual General Meeting.

Further, he also submitted that he is not disqualified to act as Director as per the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. He also affirmed that he holds 8,30,207 equity shares of the Company as required under Regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**I. General Information**

<b>Nature of industry</b>	<b>Pharmaceutical Industry</b>
Date or expected date of commencement of commercial production.	The Company was originally incorporated as Vineet Laboratories Private Limited in the year 2003. The same was merged with Ortin Laboratories Limited in the year 2011. The commercial production in Vineet Laboratories Private Limited commenced in February 2007.
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

<b>Nature of industry</b>	<b>Pharmaceutical Industry</b>	
Financial performance based on given indicators - As per the Audited Financial Results for the FY ended on 31-03-2023	<b>Particulars</b>	<b>Rs. in Lakhs</b>
	Revenue from Operations	21229.33
	Other Income	12.30
	Total Income	21241.63
	Employees benefit expenses	600.29
	Depreciation & amortization expenses	237.26
	Other Expenses	2630.28
	Total Expenses	21038.64
	Profit before tax	202.99
Foreign investments or collaborations, if any.	None	

## II. Information about the appointee

Background details	Gaddam Venkata Ramana, aged about 54 years is having more than 3 decades of experience in the Pharma and Bulk Drug Industry. He is a Masters in Science in Chemistry
Past remuneration	Rs. 4,25,000 per month
Recognition or awards	-
Job profile and his suitability	Following a distinguished long service, Gaddam Venkata Ramana was appointed as the Managing Director of the Company and was entrusted with substantial powers of the management and was responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board of Directors of the Company
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration of Gaddam Venkata Ramana is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any	He is not related to any of the Directors and Key Managerial Personnel of the Company.



**III. Other Information:**

Reasons of loss or inadequate profits	During the financial year ended March 31, 2023, the profits of the Company may not be adequate due to consequential impact of COVID.
Steps taken or proposed to be taken for improvement	The Company has taken significant steps to reduce costs in line with the projected sales.
Expected increase in productivity and profits in measurable terms	During 2023-24, the management is taking all the steps to increase the business, turnover and the profit margin.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the Members.

Except Gaddam Venkata Ramana, none of the Directors, Key Managerial Personnel or their relatives, beyond the shares held by them, is concerned or interested, financially or otherwise, in the said resolution.

**Item No.6**

Satyanarayana Raju Bhupathiraju (DIN: 02697880) was appointed as the Whole Time Director of the Company in the Extra Ordinary General Meeting held on January 1, 2021 for a period of three years with effect from January 1, 2021 to December 31, 2023 at a remuneration of Rs.2,50,000/- per month. However, in the Annual General Meeting held on September 28, 2022, the shareholders have revised the monthly remuneration to Rs.3,25,000/- for the period between April 1, 2022 and December 31, 2023.

Since the tenure of Satyanarayana Raju Bhupathiraju (DIN: 02697880) as Whole Time Director of the Company ends on December 31, 2023, the Nomination and Remuneration Committee and the Board of Directors of the Company in its meetings held on August 12, 2023, recommended the appointment of Satyanarayana Raju Bhupathiraju as the Whole Time Director of the Company for a term of three years w.e.f January 1, 2024 to December 31, 2026 at the same monthly remuneration of Rs.3,25,000/-, subject to approval of the members in the ensuing Annual General Meeting.

Further, he also submitted that he is not disqualified to act as Director as per the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. He also affirmed that he holds 5,19,487 equity shares of the Company as required under Regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**I. General Information**

<b>Nature of industry</b>	<b>Pharmaceutical Industry</b>	
Date or expected date of commencement of commercial production.	The Company was originally incorporated as Vineet Laboratories Private Limited in the year 2003. The same was merged with Ortin Laboratories Limited in the year 2011. The commercial production in Vineet Laboratories Private Limited commenced in February 2007.	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial performance based on given indicators - As per the Audited Financial Results for the FY ended on 31-03-2023	<b>Particulars</b>	<b>Rs. in Lakhs</b>
	Revenue from Operations	21229.33
	Other Income	12.30
	Total Income	21241.63
	Employees benefit expenses	600.29
	Depreciation & amortization expenses	237.26
	Other Expenses	2630.28
	Total Expenses	21038.64
Profit before tax	202.99	
Foreign investments or collaborations, if any.	None	

**II. Information about the appointee**

Background details	Satyanarayana Raju Bhupathiraju (DIN: 02697880), Whole Time Director, aged about 73 years is having more than 12 years of experience in the pharma industry.
Past remuneration	Rs. 3,25,000 per month
Recognition or awards	-
Job profile and his suitability	Following a distinguished 12 year long service, Satyanarayana Raju Bhupathiraju was appointed as Whole Time Director of the Company.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration of –Satyanarayana Raju Bhupathiraju is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any	He is not related to any of the Directors and Key Managerial Personnel of the Company.

**III. Other Information:**

Reasons of loss or inadequate profits	During the financial year ended March 31, 2023, the profits of the Company may not be adequate due to consequential impact of COVID.
Steps taken or proposed to be taken for improvement	The Company has taken significant steps to reduce costs in line with the projected sales.
Expected increase in productivity and profits in measurable terms	During 2023-24, the management is taking all the steps to increase the business, turnover and the profit margin.

Hence, the Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Except Satyanarayana Raju Bhupathiraju, none of the Directors, Key Managerial Personnel or their relatives, beyond the shares held by them, is concerned or interested, financially or otherwise, in the said resolution.

**Item No:7**

As per Regulation 17 (1)(a) of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, ('SEBI Listing Regulations) the Board of Directors of every listed Company shall have an optimum combination of Executive and Non-Executive directors and not less than fifty percent of the Board of Directors shall comprise of Non-Executive directors. Further, as per Regulation 17 (1) (c) of SEBI Listing Regulations, the Board of the top 2000 listed entities shall comprise of minimum six directors.

Accordingly, Ranga Raju Alluri (DIN: 10044882), who is one of the Promoters of the Company, was appointed as the Additional Director (Non-Executive Category) by the Board of Directors in its meeting held on August 12, 2023. His appointment as such was duly recommended by the Nomination and Remuneration Committee via its meeting held on August 12, 2023. As per Section 161 of the Companies Act, 2013, the tenure of Ranga Raju Alluri as Additional Director shall be up to the date of the ensuing annual general meeting.

Since Alluri Ranga Raju has expressed his intention to be the Non-Executive Director of the Company, your Company has received consent in writing from him to act as such as required under Section 160 of the Companies Act, 2013 read with Rule 13 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, he also submitted that he is not disqualified to act as Director as per the provisions of sub-section (2) of Section 164 of the Companies Act, 2013. He also affirmed that he holds 1,92,093 equity shares of the Company as required under Regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013, approval of the members of the Company is required for appointment of Alluri Ranga Raju (DIN: 10044882) as Non-Executive Director of the Company. His brief profile is given below for reference of the members.

Alluri Ranga Raju has gained vast knowledge in his twenty years of experience in infrastructure, realty and construction business. In addition, he is one of the promoters of the Company, whose best interest is already invested in the Company. Hence, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Non Executive Director.

Hence, the Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

Except Alluri Ranga Raju, none of the Directors, Key Managerial Personnel or their relatives, beyond the shares held by them, is concerned or interested, financially or otherwise, in the said resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

<b>Name of the Director</b>	<b>Gaddam Venkata Ramana</b>	<b>Satyanarayana Raju Bhupathiraju</b>	<b>Alluri Ranga Raju</b>
Director identification Number	00031873	02697880	10044882
Date of Birth (Age)	18-08-1968 (55 years)	25-05-1950 (73 years)	24-05-1974 (49 years)
Date of first appointment on the Board	01-01-2021	01-01-2021	12-08-2023
Educational Qualification	Post Graduate in Chemistry	Graduate	Diploma in Electricals
Experience (including expertise in specific functional areas) / Brief Resume	He has more than 3 decades of experience in Pharma & Bulk Drug Industry. He has good knowledge and is very familiar with the industry and having good relations with top management of the pharma giants.	He retired as a Gazetted Officer from the State Government. He has good experience in Administration and Finance.	He has 20 years of experience in infrastructure, realty and construction business.
Directorships held in other companies (excluding foreign companies)	Vineet Life Sciences Private Limited	Vineet Life Sciences Private Limited	Nil
Membership / Chairmanships of committees across companies (excluding foreign companies)	Nil	Nil	Nil

<b>Name of the Director</b>	<b>Gaddam Venkata Ramana</b>	<b>Satyanarayana Raju Bhupathiraju</b>	<b>Alluri Ranga Raju</b>
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Nil	Nil	Nil
No. of shares held in the Company either by self or as a beneficial owner	8,30,207	5,19,487	1,92,093
Terms and Conditions of appointment / re-appointment	As per the Special Resolution set forth at Item No.5 of this Notice	As per the Special Resolution set forth at Item No. 6 of this Notice	As per the Ordinary Resolution set forth at Item No. 7 of this Notice
Name of listed entities from which the person has resigned in the past three years	Nil	Nil	Nil

For other details such as number of meetings of the Board attended during the year; remuneration last drawn & sought to be paid; and the manner in which the person proposed to be appointed / re-appointed meets such requirements, etc. please refer to the Corporate Governance Report which is a part of the Annual Report.

**DIRECTORS' REPORT****Dear Members,**

Your directors have great pleasure in presenting the report on the Business and Operations of your Company ('the Company' or 'Vineet Laboratories Limited'), along with the audited financial statements, for the financial year ended 31st March, 2023.

**FINANCIAL HIGHLIGHTS**

The financial highlights of the Company are as follows:

Rs. In Lakhs

<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Revenue from Operations	21,229.33	19,117.23
Other Income (Including Exceptional Items)	12.30	28.51
Total Expenses	21,038.64	18,211.19
Profit Before Tax	202.99	934.55
Less: Provision for Taxation	77.74	270.69
Profit / (Loss) After Tax	125.25	663.86
Other Comprehensive Income	13.46	-3.54
Total Comprehensive Income	138.72	660.32
Earning per Equity Share		
Basic	1.36	7.16
Diluted (in Rs.)	1.36	7.16

**STATE OF THE COMPANY'S AFFAIRS**

During the year under review, your Company achieved total income of Rs 21,229.33 Lakhs as against Rs. 19,117.23 Lakhs during the previous year. The Net profit after tax stood at Rs. 125.25 Lakhs as against Rs. 663.86 Lakhs for the previous year.

**DIVIDEND**

No dividend was recommended by the Board of Directors for the FY 2022-23.

**TRANSFER TO RESERVES**

Your Company did not transfer any amount to reserves for the financial year 2022-23.

**CHANGE IN THE NATURE OF THE BUSINESS**

There has been no change in the nature of business of the Company during the year under review.

**SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company stood at Rs.9,21,90,080/- comprising of 92,19,008 equity shares of Rs. 10/- each as on March 31, 2023.

The Company has paid Listing Fees for the Financial Year 2023-24, to each of the Stock Exchanges, where its equity shares are listed.

## **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website at <http://vineetlabs.co.in/images/pdf/MGT-7-2023.pdf>

## **NUMBER OF MEETINGS OF THE BOARD –**

The Board met Six (6) times during the year 2022-2023 viz on 28th April 2022, 28th May 2022, 29th July 2022, 30th August 2022, 14th November 2022 and 14th February 2023.

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134, sub-section 3© and sub-section 5 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149**

As required under Section 149 of the Companies Act, 2013, the Independent Directors have submitted the declaration affirming that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There has been no change in the circumstances affecting their status as independent directors of the Company.



The Board is of the opinion that all the Independent Directors appointed during the year under review are persons of integrity and possess relevant expertise and experience to act as Independent Director of the Company. The Independent Directors of the Company have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline and they have also appeared and qualified for the online proficiency test, wherever applicable.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The policy of the Company relating to the remuneration of the Directors, Key Managerial Personnel and other employees, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is governed by the Nomination and Remuneration Policy.

The Company's policy relating to the appointment of directors and remuneration including other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report forming part of this Report and is also available on

<http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/nomination-remuneration-policy.pdf>

#### **INSURANCE**

The assets/ properties of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, etc., and against other perils that are considered necessary by the management.

#### **LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans given, guarantees provided and investments made by the Company during the year 2022-2023, as required under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, are disclosed in the notes to Financial Statements which may be read as a part of this Report.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All Related Party Transactions (RPT) that were entered into during the financial year were at arm's length basis and predominantly in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee and the Board for approval. The Board of Directors has framed a policy on Related Party Transactions to ensure a process for approval and reporting of transactions between the Company and its related parties. The policy is posted under the Investors section of the Company's website at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/related-party-transactions-policy.pdf>

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as **Annexure I** which forms part of this Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo are provided in **Annexure II** to this Report.

### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

We have a risk management framework for the identification and management of risks. The Company has formulated Risk Management Policy, which guides the Board in (a) approving the Company's Risk Management Framework and (b) Overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns / risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations. The Risk Management Policy is also posted under the Investors' section of the Company's website at

<http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/risk-management-policy.pdf>

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Act have become first applicable to the company for the financial year 2022-23. Accordingly, the Board has constituted Corporate Social Responsibility Committee (CSR Committee) in its meeting held on May 28, 2022.

The CSR Committee constituted by the Board has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company. The CSR Committee monitors the CSR Policy and recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

**The category and composition of the committee is as follows:-**

S.No.	Name	Designation	Category
1.	Mr. Bhaskara Reddy Karna	Chairman	Independent Non-Executive
2.	Mr. Gaddam Venkata Ramana	Member	Non-Independent Executive
3.	Mr. Satyanarayana Raju Bhupathiraju	Member	Non-Independent Executive

Only one CSR meeting was held during the FY 2022-23 i.e., on August 30, 2022 and all the members of the Committee were present.

The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at: <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/CSR-policy.pdf>

The Annual Report on CSR activities is appended as **Annexure-III**, which forms part of this report.

**BOARDEVALUATION**

The Board of Directors evaluated the annual performance of the Board as a whole, its Committees and the directors individually, in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with specific focus on the performance and effective functioning of the Board and individual directors.

A separate meeting of Independent Directors was held on 14th February 2023 to review the performance of the Non-Independent Directors and the Board as a whole, review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the meeting.

**CRITERIA FOR PERFORMANCE EVALUATION**

- Ability of the candidate to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
- Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.
- Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management.
- Statutory compliance and ensuring high standards of financial probity and Corporate Governance.
- Responsibility towards requirements under the Companies Act, 2013, responsibilities of the Board and accountability under the Director's Responsibility Statement.

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Independent Directors attend a Familiarization /Orientation Program on being inducted into the Board. Further, various other programmes are conducted for the

benefit of Independent Directors to provide periodical updates on regulatory front, industry developments and any other significant matters of importance. The Company issues a formal letter of appointment to the Independent Directors, outlining their role, function, duties and responsibilities, the format of which is available on the Company's Website.

The details of training and familiarization program are available on the website at [http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/familiarisation-programme\\_independent-directors.pdf](http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/familiarisation-programme_independent-directors.pdf)

## **DIRECTORS**

The Board of Directors consists of six (6) directors, three (3) of whom are Independent Directors, remaining three (3) are Executive Directors.

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Gaddam Venkata Ramana (DIN:00031873), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the members.

Moreover, the Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

## **CHANGES IN THE DIRECTORS OR KEY MANAGERIAL PERSONNEL (KMP):**

### **Board of Directors:**

The Board of Directors appointed Ms. Hari Priya Yerukalapudi (DIN:09690829) as the Non-Executive Independent Additional Director of the Company in its Board Meeting held on July 29, 2022. Later, the shareholders in the Annual General Meeting held on September 28, 2022 have appointed her as Independent Director for the first term of consecutive five years, w.e.f 29th July, 2022 to 28th July, 2027 (both days inclusive).

Mr. Kandula Murali Mohan (DIN: 03313407), Whole Time Director has resigned effective the closing business hours of August 12, 2023.

Mr. Alluri Ranga Raju (DIN:10044882), Promoter was appointed by the Board as an Additional Director of the Company effective August 12, 2023, who shall hold office as such up to the ensuing Annual General Meeting. However, he being eligible, offers himself to be appointed as a Non-Executive Director of the Company. The Board recommends his appointment and the same forms part of the Notice.

### **Company Secretary and Compliance Officer:**

Ms. Nirosha Ravikanti (A68115), an Associate member of The Institute of Company Secretaries of India (ICSI) was appointed as Company Secretary and Compliance Officer of the Company w.e.f April 28, 2022.

In compliance with Regulation 36(3) of the Listing Regulations, brief resume of all the directors proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

Apart from the above, there have been no other changes in Directors and KMP.

## **KEY MANAGERIAL PERSONNEL (KMP)**

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company as on 31st March 2023:

Mr. Gaddam Venkata Ramana	- Managing Director
Mr. Bhupathiraju Satyanarayana Raju	- Whole-Time Director and Chief Financial Officer
Mr. Kandula Murali Mohan	- Whole-Time Director
Ms. Nirosha Ravikanti	- Company Secretary and Compliance Officer

## **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The Company did not have a Subsidiary / Associate/ Joint Venture Company as on the beginning of the financial year or close of financial year under report and even as on date. Further, no Company has become or ceased to become the Subsidiary/ Associate/ Joint Venture of the Company during the financial year.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant or material orders were passed by the Regulators or Courts or Tribunals that impact the going concern status and Company's operations in future.

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and your Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your Company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended 31st March 2023, which forms part to the Statutory Auditor's Report.

## **VIGIL MECHANISM**

The Board of Directors, on the recommendation of the Audit Committee, established a vigil mechanism for directors and employees called "Whistle Blower Policy", pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations

and Disclosure Requirement) Regulations, 2015, to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and to provide adequate safeguards against victimization of persons who use such mechanism and to provide direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Whistle Blower Policy is posted under the Investors section of the Company's website at [http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/familiarisation-programme\\_independent-directors.pdf](http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/familiarisation-programme_independent-directors.pdf)

### **ANTI-SEXUAL HARASSMENT POLICY**

The Company has adopted a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has taken several initiatives across the organization to build awareness amongst employees about the Policy and the provisions of the Prevention of Sexual Harassment of Women at Workplace Act. The Company has constituted Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March 2023, there was no cases received pertaining to Sexual Harassment. Further there were no cases / complaints pending disposal as at the end of the financial year. The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while in possession of Unpublished Price Sensitive Information and while dealing in the shares of the Company, as well as the consequences of violations. The Policy has been formulated to regulate, monitor and ensure reporting of trading by insiders by employees and to maintain the highest ethical standards while dealing in the company's securities.

The Insider Trading Policy of the Company, covering the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for prevention of insider trading is available on our website at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/code-of-conduct-for-prohibition.pdf>

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

A Report on Management Discussion & Analysis forms part of the Annual Report as per the requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the applicable provisions of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘the Rules’), all unpaid or unclaimed dividend are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

**AUDITORS**

**Statutory Auditors**

The Members of your Company in the 6th Annual General Meeting held on September 28, 2022 appointed NSVR & Associates LLP, Chartered Accountants (Registration No. 0088015/S200060) as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting i.e From the FY 2022-23 to FY 2026-27.

The Auditor’s Report on the financial statements of the Company contains the following qualifications, reservations, or adverse remarks or disclaimer and the Notes on the financial statements referred to therein are self-explanatory.

**AUDITORS’ QUALIFICATION AND REMARKS:**

<b>Auditor’s qualification / adverse remark / reservation</b>	<b>Explanations or comments by the Board</b>
There are certain delays in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, cess and other material statutory dues as applicable to the appropriate authorities.	It was due to insufficient cash flows and shortage of working capital on account of heavy blockage of stocks.
There are certain undisputed statutory dues which have not been deposited by the company and outstanding for a period of six months from the date they become payable	The company has paid TDS outstanding for more than six months on 15 June 2023.
The Company not has fully spent the required amount towards Corporate Social Responsibility (CSR)	Because of insufficient cash flows, the company could not spend by March 31, 2023.

### Secretarial Auditors

M/s. P S Rao & Associates, Practicing Company Secretaries were appointed to conduct the secretarial audit for the financial year 2022-2023. Pursuant to Section 204 of the Companies Act, 2013 and Rules made thereunder, the Secretarial Audit Report for the financial year ended 31st March 2023, in **Form MR-3**, is annexed to this Annual Report as **Annexure IV**.

Moreover, the Board in its meeting held on August 12, 2023 has appointed M/s P S Rao & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2023-2024.

The Secretarial Audit Report contain the following qualifications, reservations, or adverse remarks or disclaimer.

### AUDITORS' QUALIFICATION AND REMARKS:

Auditor's qualification / adverse remark / reservation	Explanations or comments by the Board
As required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 , the Company not only couldn't spend the Corporate Social Responsibility (CSR) amount by March 31, 2023 pertaining to FY 2022-2023 but also is still in the process of transferring the unspent CSR amount to a separate bank account.	It was due to insufficient cash flows. .

### Cost Auditors

KJU & Associates, Cost Accountant (Registration No.000474) has carried out the Cost Audit for the applicable business for the year under review.

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board of Directors in its meeting held on August 12, 2023 has appointed KJU & Associates, Cost Accountant (Registration No.000474) as Cost Auditor of the Company for the financial year 2023-24. Proposal for ratification of remuneration of the Cost Auditor is placed before the shareholders at the ensuing Annual General Meeting.

The company is maintaining cost records as specified under sub-section (i) of Section 148 of the Companies Act, 2013.

### Internal Auditors

V D P & Co, Chartered Accountants are the Internal Auditors of the Company for the financial year 2022-23. The Internal Auditors carry out audit as per the audit plan defined by the Audit Committee and regularly updates the committee on their internal audit findings at the Committee's meetings.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit.



The Directors in their meeting held on May 29, 2023 have appointed V D P & Co, Chartered Accountants as the Internal Auditors of the Company for the financial year 2023-24.

#### **AUDIT COMMITTEE**

The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 is given in the Corporate Governance Report furnished as part of the Annual Report. There have been no instances during the year where recommendations of the Audit Committee were not accepted by the Board.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The details of the composition of the Nomination and Remuneration Committee are given in the Corporate Governance Report furnished as a part of the Annual Report.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The details of the composition of the Stakeholders' Relationship Committee are given in the Corporate Governance Report furnished as part of the Annual Report.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The remuneration paid to your directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of directors/employees of the Company is appended as **Annexure – V** to this Report.

#### **CORPORATE GOVERNANCE**

Your Company is committed to maintain high standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India.

The Report on Corporate Governance as stipulated under the Listing Regulations, forms part of the Annual Report.

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a certificate from P S Rao & Associates, Practicing Company Secretaries, confirming compliance with the requirements of Corporate Governance is attached with this report as **Annexure VI**. There are no observations or adverse remarks in the said certificate.

As required by Listing Regulations, a certificate from P S Rao & Associates, Practicing Company Secretaries confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies is attached to this report as **Annexure VII**.

## **SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## **DEPOSITS**

The Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of your Company that have occurred between the end of the financial year (March 31, 2023) of the company to which the financial statements relate and the date of the report (August 12, 2023).

## **REPORTING OF FRAUDS BY AUDITOR**

During the year under review, neither the Statutory Auditors nor the Internal Auditors has reported to the Audit committee under Section 143(12) of the Companies Act 2013, any instances or fraud committed against the company by its officers or employees, the details of which need to be mentioned in the Board's report.

## **THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

No applications were made and no proceedings were pending under the Insolvency and Bankruptcy Code, 2016 during the year under the review.

## **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

No one time settlement took place during the year under review.

## **ACKNOWLEDGMENTS**

Your Directors thank the Company's employees, customers, vendors, and investors for their continuous support. The Directors also thank the Government of India, Governments of various states in India, and concerned Government departments and agencies for their co-operation.

For and on behalf of the Board

Place: Hyderabad

Date: August 12, 2023

Gaddam Venkata Ramana	Satyanarayana Raju Bhupathiraju
Managing Director	Whole-time Director & CFO
DIN: 00031873	DIN: 02697880

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **a) Industry structure and developments.**

Indian pharmaceutical industry is known for its generic medicines and low-cost vaccines globally. Transformed over the years as a vibrant sector, presently Indian Pharma ranks third in pharmaceutical production by volume. In the last nine years, Indian Pharma sector has grown steadily by CAGR of 9.43%. India's share of pharmaceuticals and drugs in the global market is 5.92%. Formulations and Biologics constituted the major portion of India's exports with a share of 73.31% followed by drug intermediates and bulk drugs. During April-February 2023, the exports of drugs and pharmaceuticals stood at US\$ 22.9 billion. During 2021-22, the country exported pharma products worth US\$ 24.62 billion, while in 2020-21, the exports grew at 18% YoY to US\$ 24.4 billion. This robust performance was achieved despite the global supply chain disruptions, lockdowns, and subdued manufacturing. In February 2023, India exported US\$ 2.05 billion worth of drugs and pharmaceuticals, a 4.72% increase from US\$ 1.96 billion in February 2022. USA, UK, South Africa, Russia, and Nigeria are India's top five export destinations. India played a key role during the Covid-19 pandemic and demonstrated its ability to be a consistent and reliable pharma supplier to the world even during time of crisis.

Major segments of Indian Pharmaceutical Industry include generic drugs, OTC medicines, bulk drugs, vaccines, contract research & manufacturing, biosimilars and biologics.

Indian pharmaceutical industry plays significant role globally, supplying affordable and low cost generic drugs to millions of people across the globe. The sector offers lower cost without compromising on quality as is reflected by the fact India has the highest number of United States Food and Drug Administration (USFDA) approved pharmaceutical plants outside the US and also a significant number of World Health Organization (WHO) Good Manufacturing Practices (GMP)-compliant plants as well as plants approved by regulatory authority of other countries. India's pharmaceutical sector forms a major component of the country's foreign trade and has been consistently making trade surplus as may be seen from the Graph 1A. During 2021-22, total exports of pharmaceuticals stood at Rs. 1,74,955 crore (USD 23.5 Bn) while total imports were to the tune of Rs. 60,060 crore (USD 8.06 Bn) resulting in a trade surplus of Rs.1,14,895 crore (USD 15.44 Bn).

There are 500 API manufacturers contributing about 8% in the global API Industry. India is the largest supplier of generic medicines with 20% share in the global supply by manufacturing 60,000 different generic brands across 60 therapeutic categories. Access to affordable HIV treatment from India is one of the greatest success stories in medicine. India is one of the biggest suppliers of low-cost

vaccines in the world. Because of the low price and high quality, Indian medicines are preferred worldwide, thereby rightly making the country the “pharmacy of the world”

The Indian pharma industry has also played an important role in meeting the challenges for mitigation of the infection in COVID pandemic. The industry worked in close collaboration with the government and academic institutes etc., to quickly develop and refine manufacturing processes which helped to ensure a consistent supply of medicines needed for the management of COVID-19 (e.g. Remdesivir, Ivermectin, Hydroxychloroquine, Dexamethasone, Tocilizumab, Favipiravir etc.). Indian drug supplies throughout the COVID-19 pandemic period have provided relief to over 120 countries for Hydroxychloroquine (HCQ), 20 countries for paracetamol and about 96 countries for vaccines across the world.

#### **Major Credentials of Pharma Industry:**

- India provides generic medicines to more than 200 countries
- 8 out of 20 Global Generic companies are from India
- Over 55% Exports to Highly Regulated Markets
- 90% of WHO Pre-Qualified APIs are sourced from India
- 65-70% of WHO's vaccine requirements are sourced from India

#### **Foreign Direct Investment (FDI):**

Pharmaceutical sector has emerged as a favourite destination for the foreign investors and is one of the top ten attractive sectors for foreign investment in India. The Government has put in place an investor- friendly Foreign Direct Investment (FDI) policy to promote investment in the Sector. 100% foreign investment is allowed under automatic route in Medical Devices. In pharmaceuticals, up to 100% FDI in greenfield projects and up to 74% FDI in brownfield projects is allowed under the automatic route. Foreign investment beyond 74% in brownfield projects requires Government approval. After the abolition of the Foreign Investment Promotion Board (FIPB) in May 2017, the Department of Pharmaceuticals has been assigned the role to consider the foreign investment proposals under the Government approval route.

Apart from this, the Department considers all FDI proposals of the pharmaceutical sector and medical devices sector arising out of Press Note 3 dated 17.04.2020 wherein investors/ultimate beneficiaries in the investment proposals are from the countries sharing land border with India.

The sector contributes about 3.71% of total FDI inflows in the country across various sectors. Total FDI inflows in Pharma and Medtech Sectors have been ₹ 1,32,568 crore from April 2000 to September 2022. During the financial year 2022-23 (till December 2022), Department of Pharmaceuticals approved 13 FDI proposals that would result

in foreign investment inflow of ₹ 2,814 crore in the brownfield projects of pharmaceutical sector.

**b) Opportunities and Threats.**

**Opportunities:**

Market Size: According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024 and further expand to reach US\$ 120-130 billion by 2030. India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US\$ 70.2 billion in 2020 and is expected to reach US\$ 150 billion by 2025. India's medical devices market stood at US\$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US\$ 60 billion in value.

In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US\$ 42 billion worldwide. In FY 2023, the Indian pharma market saw a year-on-year growth of nearly 5%, reaching \$49.78 billion. While exports grew a modest 3%, the domestic market increased 7% year-on-year. Among export markets, emerging markets remained relatively flat, while developed markets recorded an 8% growth in FY 2023.

Financially speaking, the pharma sector is expected to grow. A report by EY and FICCI recently stated that the Indian Pharmaceutical market is expected to reach a value of USD 130 billion by the end of 2030. The global Pharmaceutical market is estimated at an astronomical USD 1 trillion in value.

In the Pharmaceutical industry, AI and big data technologies will allow companies to restructure their business models. They will rationalize biopharma manufacturing, improve financial decisions, reduce human error, increase performance and accelerate time-to-market. The power of AI is already being leveraged to create pipelines of precision-engineered oncological and immunological treatments.

Exports: India is the 12th largest exporter of medical goods in the world. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. Indian drug & pharmaceutical exports stood at US\$ 24.60 billion in FY22 and US\$ 24.44 billion in FY21.

Road Ahead: Medicine spending in India is projected to grow 9-12% over the next five

years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise. The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

**Threats:**

Counterfeiting: is viewed as a serious public health menace promoted by criminals with little regard for the health and safety of patients which requires a combined public –private sector response. The counterfeit medicine market is more lucrative than the narcotics business with the World Health Organization estimating that counterfeiting costs the global pharma industry \$75 billion USD a year. The Criminal Intelligence Service Canada says that “Most estimates range in the billions annually for global losses.”

With that in mind, it's unsurprising that the majority of pharmaceutical companies believe that the illegal use of their brand name on these counterfeit products threatens the integrity of the company that they are trying to represent.

In addition to lost revenue, counterfeiting imposes other costs including increased costs to secure the supply chain, investments in anti-counterfeiting technologies, potential reputational damage and risk of liability.

Supply Chain Disruptions: While global pharmaceutical supply chains did not collapse under the pressure of COVID-19, the pandemic revealed serious weaknesses in pharmaceutical logistics. The lean supply chains the industry cultivated over the past decades are not resilient to sudden shocks or issues with production caused by events like a pandemic. As a result, long manufacturing lead times and unpredictable demand are likely to cause problems through the end of the year. The supply chain may also be vulnerable to intentional disruption by cybercriminals. Moreover, poor visibility and transparency in the supply chain may make a number of these challenges worse.

Insider Threats: Pharma companies also need to be aware of threats from their employees. This often occurs because of disgruntled employees trying to disrupt day-to-day operations or sell customer data to a third party or competitor. Threats can also be caused by well-intentioned users not following corporate policies or through human error.

**c) Segment-wise or product-wise performance.**

Pharmaceutical Intermediates Market - Segment-wise performance:

The Pharmaceutical Intermediates Market is Segmented by Type (Chemical Intermediate, Bulk Drug Intermediate, and Others), Application (Analgesics, Anti-Infective Drugs, Cardiovascular Drugs, Oral Antidiabetic Drugs, Antimicrobial Drugs, and Others), End-User (Biotech and Pharma Companies, Research Institutions, and Others), and Geography (North America, Europe, Asia-Pacific, Middle-East and Africa, and South America).

The pharmaceutical intermediates market studied is anticipated to grow with a CAGR of nearly 5.3%, during the forecast period (2022 - 2027).

According to a study that was published in the American Chemical Society Pharmacology and Translational Science, 2020, new potential therapeutics for COVID-19 were discovered using a combined virtual and experimental screening strategy. Furthermore, they choose among the medications that were already in use and were examined to check for structural similarity against a library of almost 4,000 medications that were already in use, with hydroxychloroquine (HCQ) serving as a reference medication. The study suggested remdesivir and favipiravir therapies as prospective adjuvants in COVID-19 treatment and zuclopenthixol, nebivolol, and amodiaquine as potential candidates for clinical trials against the early phase of the SARS-CoV-2 infection. Thus, the pharmaceutical intermediates market is likely to increase both during and after a covid pandemic. As a result, market growth is anticipated in the coming years.

Given that these pharma intermediates are used in the treatment for cancer detection and a variety of chronic diseases, the rise in the prevalence of chronic diseases is projected to propel market expansion in the area under study. For instance, chronic diseases account for around 41 million annual fatalities, or 71% of all fatalities worldwide, according to the World Health Organization's key facts on non-communicable diseases published in April 2021. The high fatality rate from these diseases increases the demand for early intervention, which in turn propels the market's expansion.

There has been an upsurge in the usage of advanced technologies, such as high throughput, bioinformatics, and combinatorial chemistry for better drug candidate identification. The discovery and development of novel drugs to treat, prevent, or cure a number of diseases, including cancer, diabetes, cardiovascular disorders, and chronic kidney disease, has been hampered by the significant rise in disease incidence rates around the world.

Additionally, increased investments in R&D are a significant driver of market expansion. Hence, owing to the rising R&D activities in the pharmaceutical industry,

the usage of pharmaceutical intermediates is expected to observe a steady growth as well.

### Product-Wise Performance

Our Company Vineet Laboratories has been involved in developing and manufacturing of API Intermediates through innovative technology. We are an expert in designing, developing, and manufacturing API Intermediates which are key ingredients for manufacturing drugs for saving human race. Our products are cost-effective, and they cater to customers across the nation and overseas.

Name of the Product	No. of batches	Quantity dis-patched kgs	Sales Rs. In Lakhs	Remarks
(2S,3S,5S)-2-Amino-3-hydroxy-5-(tert-butyloxy carbonyl) amino-1, 6-diphenyl hemi succinic acid salt. (BDH)	75	10654	1704.19	Intermediate of Ritonavir API, for treating HIV patients. It works by decreasing the amount of HIV in the blood.
Carbonic acid, 4-Nitro phenyl-5-thiazolyl methyl ester (NCT)	123	17818.47	1450.29	
N-((N-Methyl-N-((2-iso propyl -4-thiazolyl) methyl) carbonyl)-L-valine (MTA)	45	7148.25	854.1	
(3R,3aS,6aR)-Hexahydrofuro [2,3-b]furan-3-ol (BIS)	32	3995	579.26	Intermediate of Darunavir API, for treating HIV patients. It works by decreasing the amount of HIV in the blood.
N-[(4S,6S)-6-Methyl-7,7-dioxo-5,6-dihydro-4H-thieno[2,3-b]thiopyran-4-yl]acetamide (DZE)	35	2966.50	1761.56	Intermediate of Dorzolamide API, which is used to treat glaucoma, a condition in which increased pressure in the eye can lead to gradual loss of vision
Trans-4-Methylcyclohexyl isocyanate (ICY)	14	2170	224.79	Intermediate of Glimepiride, which is used to treat high blood sugar levels caused by type 2 diabetes



Name of the Product	No. of batches	Quantity dis-patched kgs	Sales Rs. In Lakhs	Remarks
Phenethylsocyanate (PCY)	20	3060	73.97	Reagent used for making Intermediates & APIs
1-Methyl-1-phenyl-1-(2-pyridyl) methanol. Hydrochloride (MPH)	34	9000	528.250	Intermediate of Doxylamine, which is an antihistamine medication which is used in the treatment of insomnia and allergies
1-Hydroxy-4-methyl-6-(2,4,4-trimethylpentyl)-2(1H)-pyridone ethanol ammonium salt (CNT)0	276	118960	3931.009	Piroctone Olamine is a cosmetic product used as anti-dandruff .
(2S,3S,5S)-2-Amino-3-hydroxy-5-(1-tetra hydro py r m i d - 2 - o n y l ) - 3 - methyl butanoyl)amino-1,6-diphenyl hexane-S-pyro glutamate (THP)	12	2431.8	259.54	Intermediate of Olmesartan, which is used alone or together with other medicines to treat high blood pressure (hypertension).
Lopinavir (DPC) OR 2,6-DimethylPhenoxy Acetyl Chloride	69	10045.25	183.825	Intermediate of Lopinavir API, for treating HIV patients. It works by decreasing the amount of HIV in the blood.
IsoPropyl-B-{D}-ThioGlactoPyranoside (IPTG)	4	194	56.86	Fine chemical. It's a molecular biology reagent.
E-2(2 ETHYLEXYLP-AMINO BENZOATE) (EHT-II)	95	75825.82	857.31	Intermediate of Cosmetic product – CI, it is an organic compound used in sunscreens to absorb UVB radiation.
EthylhexylTriazone (EHT-III)	106	29250	543.6	Cosmetic product – CI, it is an organic compound used in sunscreens to absorb UVB radiation
N-Butyl Lithium (NBL)	75	38384.84	3727.07	Reagent – used in various types of reactions

Name of the Product	No. of batches	Quantity dis-patched kgs	Sales Rs. In Lakhs	Remarks
1-Methyl-1-Phenyl-1 (2-pyridyl) Methanol Hydrochloride (DHN)	4	510	24.00	Intermediates of Nadolol API - it is a medication used to treat angina and hypertension, which are significant risk factors for the development of coronary artery disease, heart failure, stroke, and a host of other cardiovascular conditions. Nadolol belongs to the class of beta-blocker medications

Our Company achieved a turnover of Rs. 21229.33 Lakhs in FY 2022-2023 as against Rs.19117.23 Lakhs in FY 2021-2022. Our Profit after tax in FY 2022-2023 stood at Rs.125.25 Lakhs as against Rs.663.86 Lakhs in FY 2021-2022 . Sales of API intermediates carry a potential of generating up to 100% of the product sale value. Revenues will continue to grow as the demand for products are increasing.

As per Annual Quality Review, we have identified that all products being manufactured are improved in quality and obtaining improved yields.

#### **d) Outlook**

The rapidly increasing prevalence of chronic diseases and growth of the aging population across the world are among factors that are expected to increase the need for drug formulations for the prevention of chronic diseases. For instance, as per the International Diabetes Federation Diabetes, the global diabetes prevalence in 2019 is estimated to be 9.3% (463 million people), rising to 10.2% (578 million) by 2030, and the number is rising rapidly. Pharmaceutical drugs have remained key to management of chronic diseases and other diseases.

For instance, according to the World Health Organization (WHO), the prevalence of chronic diseases is expected to increase by 57.0% by 2020, which indicates that a significant percentage of population is suffering from chronic diseases. According to FMI's analysis, pharmaceutical intermediates sales have grown at 3.7% CAGR between 2015 and 2019.

Various small- and medium-scale companies are also focusing on enhancing their production capacity, which is another factor that is expected to fuel growth of the

pharmaceutical intermediates demand. Hence demand for pharmaceutical intermediate is increasing and sales are set to grow significantly through 2030.

Moreover, major pharma companies are increasingly relying on contract manufacturing organizations for the manufacturing of pharmaceutical intermediates and final formulations. These companies are focusing on enhancing the capacities of their manufacturing plants in various countries of the world, such as India and China, where the cost of production is comparatively lower. These developments present a positive outlook for growth. FMI expects global pharmaceutical intermediates market to grow at 4.3% CAGR through 2030.

**e) Risks and concerns.**

- **Highly Regulated Industry:** The pharmaceutical industry is a tightly regulated industry where all production must comply with good manufacturing practices (GMP) and quality requirements should be strictly satisfied. Historically, manufacturing in the pharmaceutical industry has been carried out in batch mode which potentially results in expensive, inefficient and poorly controlled processes. Recently, both pharmaceutical industries and regulatory authorities have recognized that continuous manufacturing has significant potential to improve product quality. Moreover, environmental, health and safety issues are driving the industry towards more efficient and more predictive manufacturing.
- **Liquid damage and contamination:** Manufacturing medicines and drugs requires a complex process with different equipment and ancillary systems. Each equipment and system poses a contamination risk. A few of the common sources are pathogens and physical contamination. Other contaminants include smoke and liquid damage. Power outages and issues beyond an organization's control can cause contamination of process or batches of drugs, which can affect the business. Liquid damage from water lines used for fire protection, or for cooling is often over looked contaminants. These have caused large damage to many companies in the industry. Similarly, smoke damage due to a controlled fire in one area can spread to other areas, if the plant is poorly designed. An effective equipment maintenance program together with proper building materials can minimize this risk.
- **Equipment breakdown:** Pharmaceutical companies use reactors, dryers, and sterilizers in their plants, a breakdown in one of them can stop production. The lack of an effective maintenance system can lead to:
  - Excessive machine breakdowns.
  - Shortened life-span of the facility.

- Sub-standard products.
  - Delay in delivery dates.
  - Disproportionate investment in spare parts and maintenance materials.
- **Pharmaceutical fraud**
- Pharmaceutical fraud remains a major challenge for the industry – and it was possibly even worse during COVID-19. Globally and in the U.S. in particular, pharmaceutical fraud account for a large number out of all crimes in health care, which result into severe costs to the society.
- **Qualified workforce**
- In order to define qualified workforce, we can say that it concerns people who carry out technical or intellectual work that requires thorough knowledge in a particular field of its discipline. It should be noted that work productivity within an industry depends on the qualification of the employed workforce.
- Relying on qualified workforce is all the more one of the essential elements that ensures a promising future in the pharmaceutical industry. In fact, the pharmaceutical industry needs workforce that has significant knowledge, experience and skills. The pharmaceutical sector has to increase its investment in highly-qualified workforce to continue progress.

**f) Internal control systems and their adequacy.**

The internal audit and other internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing all transactions and its recording and timely reporting. The Audit Committee of the Board of Directors regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls.

**g) Discussion on financial performance with respect to operational performance.**

The Revenue from Operations for the current year is at Rs. 21,229.33 compared to Rs. 19,117.23 lakhs in the previous year. The Profit before tax was Rs.202.99 Lakhs against the previous Profit of Rs.934.55 Lakhs. The Profit after Tax was Rs.125.25 Lakhs vis-à-vis Rs.663.86 Lakhs in the previous year.

**h) Material developments in Human Resources / Industrial Relations front, including number of people employed.**

Industrial relations are harmonious. People form the foundation of organisations and their growth. The company recognized the importance and contribution of the human resources for its growth and development. As on 31st March, 2023, the

Company has total strength of 72 employees.

**1) Key financial ratios:**

Sl.No	Financial Ratios	FY 2023	FY 2022
i	Debtors Turnover	5.54	4.68
ii	Inventory Turnover	3.84	3.50
iii	Interest Coverage Ratio	1.60	5.48
iv	Current Ratio	1.17	1.08
v	Operating Profit Margin (%)	2.55	5.98
vi	Net Profit Margin (%)	0.59	3.47
vii	Return on Net Worth (%)	3.74	22.19

Since the Net profit of the Company has decreased from Rs. 6.63 crores in FY 2022 to Rs. 1.25 crores FY 2023 there is a decrease in the Return on Net Worth Ratio.

**Cautionary Statement:**

The Statement in this section describes the Company's objectives, projections, estimates, expectations and predictions which may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other incidental factors.

## Annexure I

## FORM NO. AOC.2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- 1) Details of contracts or arrangements or transactions not at arm's length basis  
All the contracts or arrangements or transactions entered into by the Company with related parties during the financial year 2022-23 were at arm's length basis.
- 2) Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions:	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any Rs.
Vineet Chem Trade Private Limited Entities owned by common Promoters	Sale and Purchase of goods and services	Ongoing	The Company has entered into specific arrangements with Vineet Chem Trade for intermediate raw material supplies. Transactions are in line with such arrangements.	Appropriate approvals have been taken for RPT	Nil
Vineet Life Sciences Private Limited Entities owned by common Promoters	Sale and Purchase of goods and services	Ongoing	The Company has entered into specific arrangements with Vineet Life Sciences for intermediate raw material supplies. Transactions are in line with such arrangements.	Appropriate approvals have been taken for RPT	Nil
Wohler Laboratories Private Limited Entities owned by common Promoters	Sale and Purchase of goods and services	Ongoing	The Company has entered into specific arrangements with Wohler for intermediate raw material supplies. Transactions are in line with such arrangements.	Appropriate approvals have been taken for RPT	Nil

The above contracts was entered into in the ordinary course of business.

Place: Hyderabad  
Date: August 12, 2023

For and on behalf of the Board

Gaddam Venkata Ramana Satyanarayana Raju Bhupathiraju  
Managing Director                      Whole-time Director & CFO  
DIN: 00031873                              DIN: 02697880

**Annexure II**

**CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO:**

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

**A. Conservation of Energy:**

- i. the steps taken or impact on conservation of energy;
  - All regular CFL & MV lamps were replaced with LED bulbs. All reactors and centrifuges were equipped with VFD (variable frequency drive). Cutoff system installed for vacuum pumps. Temperature controllers installed to chilling plants and cooling towers.
- ii. the steps taken by the company for utilizing alternate sources of energy;
  - 625KV & 500KV diesel generators are in place for alternative source of energy
- iii. the capital investment on energy conservation equipments;
  - investing amounts as required sufficiently for energy conservation equipment

**B. Technology Absorption:**

- i. the efforts made towards technology absorption;
  - Recruited efficient candidates in R&D Department
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution;
  - Improved quality and yield of products. Customer satisfaction. Procurement of raw materials increased due to cost reduction.
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- No imported technology.
  - (a) the details of technology imported; - NA
  - (b) the year of import; -NA
  - (c) whether the technology been fully absorbed; -NA
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and -NA
- iv. the expenditure incurred on Research and Development - Nil

**C. Foreign Exchange Earnings and Outgo during the year:**

- |                            |                |
|----------------------------|----------------|
| i. Foreign Exchange Earned | Rs.3,58,62,336 |
| ii. Foreign Exchange Outgo | Rs.9,35,40,302 |

Place: Hyderabad  
Date: August 12, 2023

For and on behalf of the Board

Gaddam Venkata Ramana	Satyanarayana Raju Bhupathiraju
Managing Director	Whole-time Director & CFO
DIN: 00031873	DIN: 02697880

## Annexure III

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY ENDED 31-03-2023**

(Pursuant to Sec 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. **A brief outline on CSR policy of the Company:** As per Sec 135 read with Schedule VII to the Companies Act, 2013, a CSR policy was adopted by the Company. The detailed policy is mentioned in the Directors' Report under the head Corporate Social Responsibility and the same is available on the website of the Company at

<http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/CSR-policy.pdf>

In the aforesaid backdrop, policy on Corporate Social Responsibility of the Company is broadly framed taking into account the following measures:

1. Actively contribute to the community in which we operate and provide high quality solutions to the issues impacting their lives, which results in the overall development of the society.
2. Ensure welfare & sustainable development of the community at large.
3. Innovate for our society, deliver high quality services and impactful interventions over a long period of time and ensure sustained relations with the society.
4. Ensure making decisions based not only on financial or operational factors, but also on the social and environmental consequences.
5. Uplift the communities around its areas of operation, there by create a positive impact in the community.
6. Identify interventions to ensure sustainable social development after considering the immediate and long-term socio environmental consequences.
7. Setting high standards of quality in providing interventions and support to meet the needs of the community.
8. Practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

2. **The Composition of the CSR Committee:**

S. No.	Name of the Director	Designation / Nature of Directorship	No. of meetings of CSR committee held during the year	No. of meetings of CSR committee attended during the year
1	Mr. Bhaskara Reddy Karna	Chairperson-Independent Director	1	1
2	Mr. Gaddam Venkata Ramana	Member-Managing Director	1	1
3	Mr. Satyanarayana Raju Bhupathiraju	Member -Whole-time Director cum CFO	1	1

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:  
 Committee: <http://vineetlabs.co.in/board-of-directors-committees.html>  
 Policy: <http://vineetlabs.co.in/policies-code-of-conduct.html>  
 Project: <http://vineetlabs.co.in/csr.html>
4. Executive Summary along with web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable



5. a) Average net profit of the company as per Section 135(5): Rs.4,46,42,470
  - b) Two percent of average net profit of the company as per section 135(5): Rs. 8,92,849
  - c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
  - d) Amount required to be set off for the financial year, if any: Nil
  - e) Total CSR obligation for the financial year [(b)+(c)-(d)] : Rs 8,92,849
6. a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing project): Nil
  - b) Amount spent in Administrative Overheads : Nil
  - c) Amount spent on Impact Assessment, if applicable – Not Applicable
  - d) Total amount spent for the Financial Year [(a)+(b)+©] - Nil
  - e) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
0	8,92,849	25-08-2023	N.A.	Nil	N.A.

- f) Excess amount for set-off, if any:

Sl.No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	8,92,849
(ii)	Total amount spent for the Financial Year	0
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. Details of Unspent CSR amount for the preceding three financial years.

1	2	3	4	5	6		7	8
Sl.No	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub - section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub - section (6) of section 135 (in Rs.)	Amount spent in the financial year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second provision to sub section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial year(s)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate social Responsibility amount spent in the Financial Year:

Yes  No

If yes, enter the number of Capital assets created/acquired

Furnish the details relating to such assets(s) so created or acquired through Corporate social Responsibility amount spent in the Financial Year:

1	2	3	4	5	6		
Sl.No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration number	Name	Registered address
Not Applicable							

9. Specify the reasons(s), if the company has failed to spend two percent of the average net profits as per section 135(5): Due to insufficient cash flows and shortage of working capital, the Company's project of laying village road near the factory got delayed.

For and on behalf of the Board  
Vineet Laboratories Private limited

Place: Hyderabad  
Date: August 12, 2023

Bhaskara Reddy Karna  
Chairman of CSR Committee  
DIN: 08961904

Gaddam Venkata Ramana  
Managing Director  
DIN: 00031873

**Form MR-3**

**Secretarial Audit Report**

for the financial year ended March 31, 2023

[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,  
Vineet Laboratories Limited,  
Hyderabad.

We, P.S.Rao & Associates, Company Secretaries have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vineet Laboratories Limited** (hereinafter called "the company") bearing Corporate Identification Number **L24304TG2016PLC112888** for the financial year ended on **31st March 2023**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 2023, 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, 2023 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;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company did not issue shares either under ESOPS / ESPS during the financial year under review;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company did not issue any debt securities during the financial year under review;
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review;
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable as the Company did not delist equity shares from any stock exchange during the financial year under review;

- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company did not buyback equity shares during the financial year under review;
- (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited

We further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under our audit as the same falls under the review of statutory auditor and by other designated professionals.

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

*As required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 , the Company not only couldn't spend the Corporate Social Responsibility (CSR) amount by March 31, 2023 pertaining to FY 2022-2023 but also is still in the process of transferring the unspent CSR amount to a separate bank account.*

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As a general practice of the Board, decisions were taken on unanimous consent.
- Based on our verifications and the declarations received from the respective directors, the directors were not disqualified to act as such as per the provisions of Companies Act, Rules, Orders/ Circulars/ Regulations issued by SEBI or such other acts for the time being enforceable.
- No prosecutions were initiated and no fines or penalties were imposed during the year under the Companies Act, SEBI Act, SCRA Act or other SEBI Regulations on the Company or its Directors and officers of the Company. Except for late submission of Annual Secretarial Compliance Report with BSE by one day as required under Regulation 24A of SEBI LODR Regulations. The amount of fine paid to BSE on June 30, 2022 was Rs.2,360

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.

For P S Rao & Associates  
Company Secretaries

Place: Hyderabad  
Date : August 12, 2023

P S Rao  
M.No:F10322;C P No: 3829  
UDIN: F010322E000794490  
P R.No:P2001TL078000

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

To  
The Members,  
Vineet Laboratories Limited,  
Hyderabad.

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

- 1) Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and process 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. I believe that the process and practices, we have followed provide a reasonable basis for my opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever 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 procedure on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P S Rao & Associates**  
Company Secretaries

Place: Hyderabad  
Date : August 12, 2023

**P S Rao**  
M.No:F10322;C P No: 3829  
UDIN: F010322E000794490  
P R.No:P2001TL078000

## Annexure V

**Details in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. The ratio of remuneration of each director to the median remuneration of the employees and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary of the Company for the financial year:

S.No	Name of the Director/ KMP, Designation	Ratio of remuneration to the median remuneration of the employees	Percentage increase in remuneration
1	Mr Gaddam Venkata Ramana, Managing Director	12.05 : 1	50.00%
2	Mr Satyanarayana Raju Bhupathiraju, CFO & Whole-time Director	9.25 : 1	40.74%
3	Mr. Kandula Murali Mohan, Whole-time Director	5.60 : 1	-4.17%
4	Mr. Dilip Vishnu Acharekar, Independent Director	0.24 : 1	0%
5	Mr. Bhaskara Reddy Karna, Independent Director	0.24 : 1	0%
6	Ms. Thotakura Uma Sangeetha, Independent Director*	-	-
7	Ms. Yerukalapudi Hari Priya**	0.24:1	-
8	Ms. Nirosha Ravikanti, Company Secretary***	0.73:1	-

Note: Independent Directors were paid sitting fees for attending the Meetings.

\* Ms. Thotakura Uma Sangeetha, Independent Director resigned w.e.f June 5, 2022

\*\* Ms. Yerukalapudi Hari Priya was appointed as an Independent Director of the Company w.e.f July 29, 2022

\*\*\* Ms. Nirosha Ravikanti was appointed as the Company Secretary of the Company w.e.f April 28, 2022

- ii. The percentage increase in the median remuneration of employees in the financial year: 22.75%
- iii. The number of permanent employees on the rolls of company: 72
- iv. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year: 10%
- v. Percentile increases in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 84% increase, solely because of appointment of second whole time director with remuneration.
- vi. The key parameters for any variable component of remuneration availed by the directors: Not Applicable
- vii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

(viii) Particulars of Employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment of Remuneration of Managerial Personnel) Rules, 2014:

S. No	Employee Name	Designation & Nature of Employment	Educational Qualifications	Age	Experience	Date of Joining	Gross Remuneration Paid (Rs. In Lacs)	Previous Employment and Designation, if any	% of share held, if any	Whether any such employee is a relative of any director/ manager of the company
1	G.Venkata Ramana	Managing Director Permanent	M.SC	54 yrs	31 yrs	01 April 2006	49.5	Siris Limited	9.01	-
2	Bh.Satyanarayana Raju	Whole Time Director & CFO Permanent	SSLC	73 yrs	41 yrs	01 Mar 2009	38.00	Govt. Employee	5.63	-
3	Kandula Murali Mohan	Director	M.SC	45 yrs	29 yrs	01 July 2007	23.00	Siris Limited	1.26	-
4	V.Varaprasad	Plant Manager Permanent	M.SC	48 yrs	27 yrs	01 Mar 2008	11.89	Siris Limited	1.76	-
5	Ala Srinivasa Rao	Production-In-Charge	M.SC	42 yrs	20 yrs	03 Mar 2022	15.32	Aren Life Sciences Ltd	-	-
6	D. Veeta Venkat Rao	Manager-R&D Permanent	PHD	43 yrs	21 yrs	30 May 2019	11.31	Shilpa Medicare Ltd	-	-
7	B V Ramakrishna	Manager Accounts & Finance Permanent	M.Com	58 yrs	36 yrs	01 April 2010	13.26	Siris Limited	-	-
8	P. Anjaneya Raju	Manager- QA Permanent	M.SC	45 yrs	21 yrs	07 Oct 2015	11.56	GVK Bio-Tech Limited	-	-
9	A.Prabhakar Raju	Manager Warehouse Permanent	Graduation	48 yrs	22 yrs	01 April 2006	11.22	Business	3.87	Related to Satynarayana Raju
10	A Srinivasa Raju	Manager Purchase Permanent	Graduation	44 yrs	20 yrs	01 April 2006	11.22	Business	2.77	

For and on behalf of the Board

Place: Hyderabad  
Date :August 12, 2023

Gaddam Venkata Ramana  
Managing Director  
DIN: 00031873

Satyanarayana Raju Bhupathiraju  
Whole-Time Director & CFO  
DIN: 02697880

## **CORPORATE GOVERNANCE REPORT**

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Vineet Laboratories Limited ('Vineet' or 'the Company').

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is set out below:

### **1) Company's Philosophy on Code of Governance**

Vineet is committed to good corporate governance. Vineet aims to achieve the objective of enhancing the shareholders' value by ensuring effective relationship with stakeholders and protecting their interests. Vineet believes that the Company's business strategy and plans should be consistent with the welfare of all its stakeholders that will bring sustained corporate growth and long-term benefit to all.

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, our environment and the society at large.

Vineet has been practising the principles of good corporate governance with a great zeal of commitment and sincerity. Vineet's principle of corporate governance comes from the belief that the high standards of ethics, timely disclosures, accountability and transparency go a long way in preserving shareholders' trust and creating wealth.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as applicable, with regard to corporate governance and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India (SEBI).

### **2) Board of Directors**

The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

#### **a) Composition and Category of Directors**

The Board of Directors along with its committees provide leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with Regulation 17 of Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Board of Directors of the Company consists of Six (6) Directors. To ensure transparent and professional conduct of Board procedures in all aspects and related thereto, fifty percent i.e., 3 out of 6 Directors are Independent Directors. The Chairman of the Board is a Non-Executive Independent Director.



The Composition of the Board as of 31st March 2023 is given below:

S.No	DIN	Name of the Director	Designation	Category
1	00031873	Mr Gaddam Venkata Ramana	Managing Director	Promoter Executive
2	02697880	Mr Satyanarayana Raju Bhupathiraju	CFO & Whole-time Director	Promoter Executive
3	03313407	Mr. Kandula Murali Mohan	Whole – Time Director	Promoter Executive
4	08849689	Mr. Dilip Vishnu Acharekar	Independent Director	Non-Executive
5	08961904	Mr. Bhaskara Reddy Karna	Independent Director	Non-Executive
6	09690829	Ms. Hari Priya Yerukalapudi	Independent Director	Non-Executive

**b) Attendance of each Director at the Board Meetings and the last AGM**

The table hereunder gives the attendance record of the Directors at the Six (6) Board Meetings held during the year 2022-23 and the last Annual General Meeting (AGM) held on 28th September 2022:

Name of the Directors	No. of Board	No. of Board Meeting entitled to attend	Attendance at AGM attended
Mr. Gaddam Venkata Ramana	6	6	No
Mr. Satyanarayana Raju Bhupathiraju	6	6	Yes
Mr. Kandula Murali Mohan	6	4	Yes
Ms.Thotakura Uma Sangeetha*	2	1	NA
Ms. Hari Priya Yerukalapudi	4	4	No
Mr. Dilip Vishnu Acharekar	6	6	No
Mr. Bhaskara Reddy Karna	6	6	Yes

\* Resigned w.e.f June 5, 2022

**c) Number of other Boards or Board Committees in which the director of the company is a member or Chairperson.**

S.No	Name of Directors	No. of other directorships held *	No . of other Board Committees **		Directorship in other listed entity
			As a Member	As a Chairman	
1	Mr. Gaddam Venkata Ramana	-	-	-	Resigned from Ortin Laboratories Limited as Non - Executive - Non - Independent Director w.e.f 30/09/2022
2	Mr. Satyanarayana Raju Bhupathiraju	-	-	-	Resigned from Ortin Laboratories Limited as Non - Executive - Non - Independent Director w.e.f 30/09/2022
3	Mr. Kandula Murali Mohan	-	-	-	-
4	Ms. Hari Priya Yerukalapudi	-	-	-	-
5	Mr. Dilip Vishnu Acharekar	-	-	-	-
6	Mr. Bhaskara Reddy Karna	-	-	-	-

Note: \* Excluding Private Limited Companies, Foreign Companies and Section 8 Companies.

\*\* Only membership of Audit and Shareholders' Grievances Committees are considered.

None of the Directors on the Board is a Director in more than 7 listed entities. None of the Non – Executive Directors is an Independent Director in more than 7 listed entities as required under the Listing Regulations. Further, the Managing Director and the Executive Directors do not serve as Independent Directors in any listed company. None of the Directors held Directorships in more than 20 Indian companies, with more than 10 public limited companies. None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all Public Companies in India, in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

All Directors are in compliance with the limit on Directorships /Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

The Company has received declarations on criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2023.

**d) Number of Board meetings held, dates on which held.**

Six (6) Board Meetings were held during the financial year ended 31st March 2023. The maximum gap between any two consecutive meetings did not exceed 120 days.

The dates on which the Board meetings were held are 28th April 2022, 28th May 2022, 29th July 2022, 30th August 2022, 14th November 2022 and 14th February 2023. The necessary quorum was present for all the meetings. Minutes of the meetings of all the Board and Committees are circulated to all the Directors.

During the FY 2023, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

**e) Meeting of Independent Directors.**

A separate meeting of Independent Directors was held on 14th February, 2023, inter-alia to review the performance of the Non-Independent Directors and the Board of Directors as a whole, review the performance of Chairperson of the Company and assess the quality, quantity and timeliness of flow of information between the management of the company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

**f) Disclosure of relationship between Directors inter-se.**

None of the other Directors are related to each other.

**g) Shares and Convertible Instruments held by Non-Executive Directors.**

S.No	Name of the Director	Number of Equity Shares held in the Company
1	Mr. Dilip Vishnu Acharekar	Nil
2	Mr. Bhaskara Reddy Karna	Nil
3	Ms. Hari Priya Yerukalapudi	Nil

**h) The detail of Familiarization programmes imparted to Independent Directors is given below.**

The details of programs for familiarization of the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the weblink [http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/familiarisation-programme\\_independent-directors.pdf](http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/familiarisation-programme_independent-directors.pdf)

**I) Skills/expertise/competence of the Board of Directors for the effective functioning of the Company which are currently available with the Board:**

As required under the Listing Regulations, the list of core skills/expertise/competencies as identified by the Board of Directors in the context of its business and sector for it to function effectively and those available with the Board are as under:

Matrix of skills/expertise/competencies:

Knowledge	Understanding of the Company's business, policies and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates.
Pharma	A significant background in pharma industry, resulting in knowledge, generate disruptive markets, and extend or create new business models.
Behavioural Skills	Attributes and competencies to use their knowledge and skills to function well as team-members and to interact with key stakeholders.
Strategic thinking and Planning	Appreciation of long-term trends, strategic choices, and experience in guiding and leading management teams to make decisions in uncertain environments.
Leadership	Leadership Skill to ensure effective guidance to and monitoring of the management and to set a corporate culture and the values by which executives throughout the group should behave.
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation
Financial Discipline and Risk Oversight	Understanding of Financial Management, Financial Reporting Process and Financial & Operational controls. Ensuring focus on returns.  Understand and oversee internal and external risks associated with the Business and to put in place appropriate policies and procedures to effectively manage such risks.
Corporate Governance	Experience in implementation of the statutory laws, rules, regulations etc. for effective implementation and ensuring proper corporate governance.

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

The details of Directors of the Company who possess the above referred skills/expertise/competencies are as given below:

Director	Knowledge of the Company's business	Behavioral Skills	Strategic thinking and Planning	Financial Skills	Sales and marketing	Governance Skills	Technical/ Professional skills and specialized Knowledge
Mr. Gaddam Venkata Ramana	#	#	#	#	#	#	#
Mr. Satyanarayana Raju Bhupathiraju	#	#	#	#	#	#	#
Mr. Kandula Murali Mohan	#	#	#	#	#	#	#
Ms. Hari Priya Yerukalapudi	#	#	#	#	#	#	#
Mr. Dilip Vishnu Acharekar	#	#	#	#	#	#	#
Mr. Bhaskara Reddy Karna	#	#	#	#	#	#	#

#### j) Confirmation about Independent Directors in the opinion of the Board

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence with an objective independent judgment and without any external influence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

Ms. Thotakura Uma Sangeetha has resigned from the office of Director effective June 5, 2022 due to personal reasons and confirmed in her resignation that there is no other material reason other than that.

#### k) Code of Conduct.

The Board has laid down two separate Codes of Conduct, one for all the Board Members and the other for Senior Management of the Company. These Codes have been posted on the Company's website <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/code-of-conduct-for-board-of-directors.pdf> and <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/code-of-conduct-for-senior-management.pdf> respectively. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Chairman and Managing Director to this effect is enclosed at the end of this Report is enclosed as **Annexure VIII**. The Code of Conduct for the Board Members of the Company is in line with the provisions of the Companies Act, 2013, which includes Code for Independent Directors, which is a guide to professional conduct for Independent Directors of the Company pursuant to section 149(8) and Schedule IV of the Companies Act, 2013.

#### l) CEO/CFO Certification.

As required under the Listing Regulations, the Managing Director and CFO of the Company have certified the Financial Statements for the year ended 31st March 2023 before their submission to the Board. The Chairman and Managing Director and CFO also furnish quarterly certification on Financial Statements while placing the Financial Statements before the Board in terms of Regulation 17(8). The Annual Certificate given by the Managing Director and CFO forms part of the Annual Report as **Annexure IX**.

**3) Audit Committee.**

**(a) Brief description of terms of reference.**

The Committee is empowered with the role and powers as prescribed under Regulation 18 of the Listing Regulations and section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

Terms of reference of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommend for appointment, remuneration and terms of appointment of auditors
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to
  - o matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
  - o changes, if any, in accounting policies and practices and reasons for the same
  - o major accounting entries involving estimates based on the exercise of judgment by management
  - o significant adjustments made in the financial statements arising out of audit findings
  - o compliance with listing and other legal requirements relating to financial statements
  - o disclosure of any related party transactions
  - o modified opinion(s) in the draft audit report
- review, with the management, the quarterly financial statements before submission to the board for approval
- review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter
- review and monitor the auditor's independence and performance, and effectiveness of audit process
- approval or any subsequent modification of transactions of the listed entity with related parties
- scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the listed entity, wherever it is necessary
- evaluation of internal financial controls and risk management systems
- review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- discussion with internal auditors of any significant findings and follow up there on
- review 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
- discussion 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
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- to review the functioning of the whistle blower mechanism
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary

exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- management discussion and analysis of financial condition and results of operations
- management letters / letters of internal control weaknesses issued by the statutory auditors
- internal audit reports relating to internal control weaknesses
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- statement of deviations – quarterly and annual

In addition, the Committee is also required to discharge such other roles / functions as may be decided from time to time.

**(b) Composition, Name of Members and Chairperson including meetings and attendance**

The Audit Committee of the Board is constituted with Three (3) Directors. All of the members of the Committee are financially literate and have adequate accounting knowledge. Accordingly, the Composition of the Audit Committee is in conformity with Regulation 18 of the Listing Regulations.

The Composition, Meetings and Attendance of Members of Audit Committee, is given below:

S.No	Name of Director	Designation	No. of Meetings Held	No. of Meetings attended
1	Mr. Bhaskara Reddy Karna	Chairman	5	5
2	Ms. Thotakura Uma Sangeeta *	Member	1	1
3	Mr. Dilip Vishnu Acharekar	Member	5	5
4	Mr. Satyanarayana Raju Bhupathiraju **	Member	1	1
5	Ms. Yerukalapudi Hari Priya ***	Member	3	3

\* Ms. Thotakura Uma Sangeeta resigned w.e.f June 5, 2022

\*\* The Audit Committee was reconstituted on July 11, 2022 with Mr.Bhaskara Reddy Karna, Mr. Dilip Vishnu Acharekar and Mr. Satyanarayana Raju Bhupathiraju.

\*\*\* After the appointment of Ms. Yerukalapudi Hari Priya as Additional Independent Director w.e.f July 29, 2022, the Audit Committee was again reconstituted on July 29, 2022 with Mr.Bhaskara Reddy Karna, Mr. Dilip Vishnu Acharekar and Ms. Yerukalapudi Hari Priya.

During the Financial Year 2022-23, the Audit Committee met 5 (Five) times on the following dates:

28th May 2022, 29th July 2022, 30th August 2022, 14th November 2022 and 14th February 2023.

The Statutory Auditor, Internal Auditor, Chief Financial Officer and Senior Manager (Finance and Accounts) are invited to the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

**4) Nomination and Remuneration Committee (NRC)**

**(a) Brief description of terms of reference**

The Committee is empowered with the role and powers as prescribed under Regulation 19 of the Listing Regulations, section 178 of the Companies Act, 2013 and in Nomination & Remuneration Policy of the Company. The Committee also acts in terms of reference and directions of the Board from time to time.

Terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - o For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - use the services of an external agencies, if required;
    - consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - consider the time commitments of the candidates.
- Formulate the criteria for evaluation of performance of independent directors and the board of directors;
- Devise a policy on diversity of board of directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

**(b) Composition, name of members and Chairperson including meetings and attendance**

The Nomination and Remuneration Committee of the Board is constituted with three Independent Directors. During the financial year 2022-23, Nomination and Remuneration committee met three (3) times i.e., on 28th April 2022, 29th July 2022 and 30th August 2022

The Composition, Meetings and Attendance of Members of Nomination and Remuneration Committee, is given below:

S.No	Name of the Director	Designation	No of Meetings Held	No. of meetings attended
1	Ms.Thotakura Uma Sangeeta *	Chairperson	1	1
2.	Mr. Kandula Murali Mohan**	Member	1	1
3.	Mr. Bhaskara Reddy Karna	Chairman	3	3
4.	Ms. Yerukalapudi Hari Priya***	Member	1	1
5.	Mr.Dilip Vishnu Acharekar	Member	3	3

\* Ms. Thotakura Uma Sangeeta resigned w.e.f June 5, 2022. She was the Chairperson of NRC during her tenure.

\*\* The NRC was reconstituted on July 11, 2022 with Mr.Bhaskara Reddy Karna, Mr. Dilip Vishnu Acharekar and Mr. Kandula Murali Mohan.

\*\*\* After the appointment of Ms. Yerukalapudi Hari Priya as Additional Independent Director w.e.f July 29, 2022, the NRC was again reconstituted on July 29, 2022 with Mr.Bhaskara Reddy Karna (Chairman), Mr. Dilip Vishnu Acharekar and Ms. Yerukalapudi Hari Priya.

**(c) Nomination and Remuneration policy.**

The Committee recommends the compensation package to the executive directors of the Company. The remuneration will include salary, perquisite, allowances and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is available on the Company's website at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/nomination-remuneration-policy.pdf>

**The Policy ensures that:**

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**(d) Performance Evaluation criteria for independent directors**

The performance evaluation criteria for Independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgement.

**5) Stakeholders' Relationship Committee.****(a) Brief description of terms of reference**

The Committee is empowered with the role and powers as prescribed under Regulation 20 of the Listing Regulations and section 178(5) of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

Terms of reference of the Stakeholders Relationship Committee, inter alia, includes the following:

- Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**(b) Composition, name of members and Chairperson including meetings and attendance**

The Stakeholders' Relationship Committee (SRC) of the Board is constituted with three Independent Directors. During the financial year 2022-23, SRC met only once on 30th August 2022.

The Composition, Meetings and Attendance of Members of Stakeholders' Relationship Committee, is given below:

S.No	Name of Director	Designation	No. of meetings held	No. of meetings attended
1	Thotakura Uma Sangeeta *	Chairperson	0	0
2	Mr. Dilip Vishnu Acharekar	Chairman	1	1
3	Mr. Bhaskara Reddy Karna	Member	1	1
4	Mr. Kandula Murali Mohan **	Member	0	0
5	Ms. Yerukalapudi Hari Priya ***	Member	1	1

\* Ms. Thotakura Uma Sangeeta resigned w.e.f June 5, 2022. She was the Chairperson of NRC during her tenure.

\*\* The SRC was reconstituted on July 11, 2022 with Mr. Bhaskara Reddy Karna (Chairman), Mr. Dilip Vishnu Acharekar and Mr. Kandula Murali Mohan.

\*\*\* After the appointment of Ms. Yerukalapudi Hari Priya as Additional Independent Director w.e.f July 29, 2022, the SRC was again reconstituted on July 29, 2022 with Mr. Bhaskara Reddy Karna (Chairman), Mr. Dilip Vishnu Acharekar and Ms. Yerukalapudi Hari Priya.

The Committee has been delegated with following powers:

- To review and redress shareholder / investor's complaints etc. relating to transfer of shares, non-receipt of balance sheet/ annual reports, non-receipt of declar



- To approve transfer and transmission and issue of duplicate/fresh share certificates.
- To consolidate and sub-division of share certificates etc.
- To redress, approve and dispose of any other complaint, transaction and request etc. received from any shareholder of the Company and investor in general

Venture Capital and Corporate Investments Private Limited, the Registrar and Share Transfer Agents have been delegated the power to process the transfer and transmission of shares.

**(c) Name and designation of Compliance Officer**

Designation - Company Secretary and Compliance Officer Email id for investor grievances - grievance@vineetlabs.co.in / investorcomplaints@vineetlabs.co.in
Name – Ms. Nirosha Ravikanti Appointed on April 28, 2022

**(d) Complaints of shareholders**

Number of complaints received during 2022-23	0
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints	0

**6) Senior Management**

S.No	Name	Designation
1	B V Ramakrishna	Senior Manager Finance & Accounts
2	N Srinivasa Reddy	General Manager (Unit Operations)
3	P Srinivasulu	Manager HR & Admin

**7) Remuneration of Directors**

There are no pecuniary transactions with any non-executive director of the Company.

Non-Executive Directors are paid sitting fee for attending the Board and Committee meetings.

- Criteria of making payments to non-executive directors is displayed on the website at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/criteria-for-makingpayment-to-NEDs.pdf>
- The details of sitting fee paid to the Independent Directors during the financial year 2022-23 are as follows:

Name of the Director	Amount (Rs.)
Ms. Yerukalapudi Hari Priya	1,00,000
Mr. Bhaskara Reddy Karna	1,00,000
Mr. Dilip Vishnu Acharekar	1,00,000

- The details of remuneration paid to Executive and Non- Executive Directors during the year are as follows:

Amount (Rs.)

Name of the Director and Designation	Salary Rs in Lakhs	Benefits	Bonus	Commission	Service Contracts	Notice Period
Mr. Gaddam Venkata Ramana Managing Director	49.50	-	-	-	Appointed for 3 yrs w.e.f 01/01/ 2021 to 31/12/2023.	As per the Company Rules
Mr. Satyanarayana Raju Bhupathiraju CFO & Whole-Time Director	38.00	-	-	-	Appointed for 3 yrs w.e.f 01/01/ 2021 to 31/12/2023.	As per the Company Rules
Mr. Kandula Murali Mohan Whole-Time Director	23.00	-	-	-	Appointed for 2 yrs w.e.f 01/07/2022 to 30/06/2024	As per the Company Rules

There were no severance fees, stock option plan or performance linked incentive for Executive / Non- Executive Directors.

### 8) General Body Meetings

#### (a) Location and time, where last three AGMs held:

The following are the details of the last three Annual General Meetings held:

Financial Year	Date	Time	Venue
2019-20	19-12-2020	9.30 AM	SY.No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta, Eshwaramma Nilayam, L B Nagar, Hyderabad-500074
2020-21	30-09-2021	2.00 PM	Audio Video Conference
2021-22	28-09-2022	11.00 AM	Minerva Coffee Shop, 3rd Floor, Beside Sanjeevini Hospital, Kiran Nagar, Doctors' Colony, Kothapet, Hyd, Telangana 500035

#### (b) Special Resolutions passed in the previous three AGMs:

Financial Year	Special Resolution
2019-20	Amendment of Articles of Association
2020-21	Appointment of Mr. Satyanarayana Raju Bhupathiraju, who is beyond the age of 70 Years, as Whole-time Director
2021-22	<ul style="list-style-type: none"> <li>Set out the borrowing limits of the company</li> <li>Create charge on the movable and immovable properties of the company, both present and future, in respect of borrowings</li> <li>Approve existing as well as new material related party transactions with Vineet Life Sciences Private Limited, Wohler Laboratories Private Limited, Vineet Chem Trade Private Limited</li> <li>Appoint Ms. Hari Priya Yerukalapudi (DIN: 09690829) as an Independent Director of the company</li> <li>Approve revision in the remuneration of Mr. Gaddam Venkata Ramana (DIN: 00031873), Managing Director of the company</li> <li>Approve revision in the remuneration of Mr. Satyanarayana Raju Bhupathiraju (DIN: 02697880), Whole-Time Director of the company</li> <li>Change the designation of Mr. Kandula Murali Mohan (DIN: 03313407) from Non-Executive Director to Whole Time Director of the company</li> <li>Fix the remuneration of Mr. Kandula Murali Mohan (DIN: 03313407), Whole Time Director</li> </ul>

- (c) **Special Resolution passed last year through postal ballot – details of voting pattern –** None
- (d) **Person who conducted the postal ballot exercise –** Not Applicable
- (e) **Whether any special resolution is proposed to be conducted through postal ballot –**  
At present, there is no proposal to pass any special resolution through Postal Ballot.
- (f) **Procedure for Postal Ballot –** Since postal ballot was neither conducted nor proposed to be conducted, no procedure was followed for postal ballot.
- 9) Means of Communication.**
- (a) **Quarterly results:**  
The quarterly results of the Company are published in accordance with the requirements of the Listing Regulations.
- (b) **Newspapers wherein results normally published:**  
Quarterly / Half Yearly / Annual Audited Results are generally published in widely circulated newspapers viz., Business Standard / Financial Express (English daily) and Nava Telangana (Regional Newspaper – Telugu Daily).
- (c) **Any website, where displayed:**  
Quarterly / Half Yearly / Annual Audited Results, Annual Reports, Announcements, Investor information, Policies etc. are displayed on the Company's website: <http://vineetlabs.co.in/financials2.html>
- (d) **Annual Report**  
Pursuant to the MCA circulars and SEBI Circulars, the Annual Report for FY 2022-23 containing the Notice of AGM will be sent through e-mails to all those Members whose e-mail IDs were registered with the Company/ Depository Participants.
- (e) **Whether it also displays official news releases:** None
- (f) **Presentations made to institutions investors or to the analysts:** No presentations were being made during the financial year
- 10) General Shareholder Information.**
- (a) Annual General Meeting: 28 September 2023, 09.30 A.M at Minerva Coffee Shop, 3rd Floor, Beside Sanjeevini Hospital, Kiran Nagar, Doctors' Colony, Kothapet, Hyderabad, Telangana 500 035
- (b) Financial Year: 1 April 2022 to 31 March 2023.
- (c) Record Date / Book Closure Date for the purpose of AGM: September 20, 2023 to September 28, 2023.  
(both days inclusive)
- (d) Dividend Payment Date: Not Applicable
- (e) Listing on Stock Exchanges: BSE Limited  
P. J. Towers, Dalal Street, Mumbai 400 001  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051

The Company confirms that it has paid annual listing fees to the Stock Exchanges for the year 2023-2024.

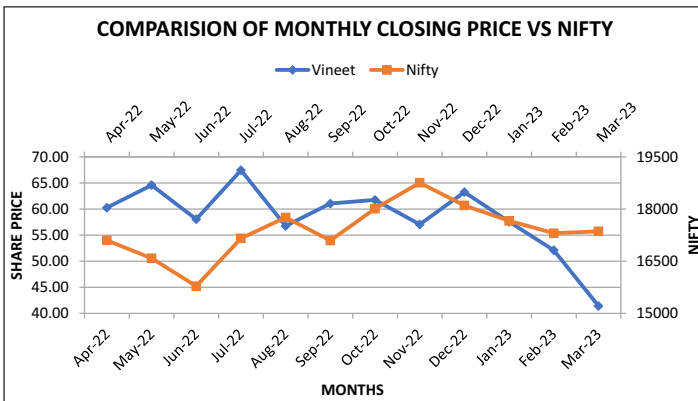
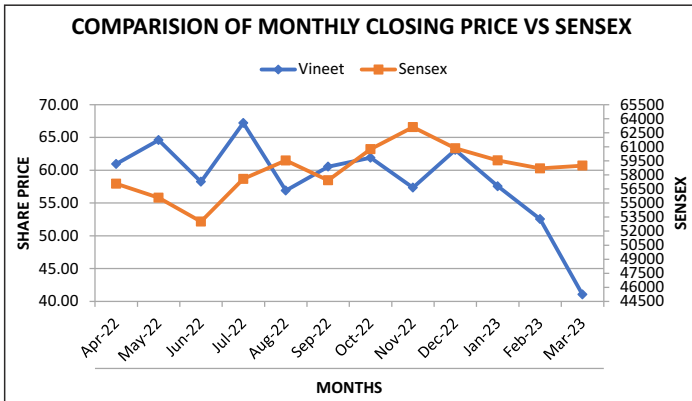
- (f) Stock Code:
- |  |                    |
|--|--------------------|
| Demat ISIN No. for NSDL & CDSL           | INE505Y01010       |
| Name of the Stock Exchange               | Stock / Scrip Code |
| BSE Limited                              | 543298             |
| National Stock Exchange of India Limited | VINEETLAB          |

(g) Market Price Data: High, Low during each month in financial year 2022-2023.

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	No. of Shares traded	High (Rs.)	Low (Rs.)	No. of Shares traded
Apr-22	81.85	48.45	2,69,748	70.65	59.25	2,88,634
May-22	64.60	48.20	43,954	64.60	50.05	2,29,539
Jun-22	74.60	54.00	1,17,232	71.05	54.05	4,26,656
Jul-22	68.80	57.00	1,04,478	69.55	57.15	1,89,030
Aug-22	65.00	54.85	68,255	65.05	55.10	2,41,016
Sep-22	66.05	55.75	1,16,445	65.90	53.35	4,36,831
Oct-22	72.80	50.10	1,27,129	73.00	59.50	4,74,523
Nov-22	74.60	56.35	1,03,607	74.75	56.25	8,15,921
Dec-22	71.80	53.35	2,76,740	71.00	53.25	11,93,410
Jan-23	64.00	54.40	1,01,196	63.80	54.30	4,69,785
Feb-23	64.40	47.65	69,492	58.85	50.00	2,05,487
Mar-23	52.37	38.20	2,09,098	52.40	38.35	18,47,328

Note: The equity shares of the company were listed on both BSE and NSE w.e.f June 15, 2021.

(h) Performance of the share price of the Company in comparison to the broad based indices BSE SENSEX and NSE NIFTY:



- (i) There was no suspension of trading in Securities of the Company during the year under review.
- (j) Registrars and Share Transfer Agents:  
 Venture Capital and Corporate Investments Private Limited  
 "AURUM", D No.4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57,  
 Jayabheri Enclave Phase – II, Gachibowli, Serilingampally,  
 Hyderabad – 500 032. Ranga Reddy Dist., Telangana  
 Phone: +91 – 40 -23818475  
 Fax: +91 – 40 -23868024  
 E-mail Id: investor.relations@vccipl.com
- (k) Share Transfer system

The Company has appointed Venture Capital and Corporate Investments Private Limited, Hyderabad as Registrar and Share Transfer Agents for the purpose of carrying on the work relating to share transfers both physical and demat form. The requests received for transfer of shares from the shareholders are normally completed within prescribed time, subject to the documents being valid and complete in all respects. The Company obtains from P S Rao & Associates, Practicing Company Secretaries, Hyderabad, Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the said Certificate with BSE Limited and National Stock Exchange of India Limited.

As per the Listing Regulations, requests for effecting transfer of equity shares in physical form shall not be accepted by Venture Capital and Corporate Investments Private Limited, Registrars and Transfer Agents/Company, w.e.f. 01.04.2019 unless the equity shares are held in the dematerialized form with a Depository. This was communicated to the members who hold the shares in physical form. The shareholders need to convert the shares to demat form compulsorily, if they wish to effect any transfer. However, the restriction is not applicable to the requests received for transmission or transposition of physical shares. All the shareholders, who hold the shares in physical form, are requested to dematerialize the shares at the earliest to avoid inconvenience in future, for transferring the shares.

- (l) Distribution of Shareholding

Distribution of Shareholding as on 31st March 2023:

Nominal Value (Rs.)	Holders		Amount	
	Number	% To Total	In (Rs.)	% To Total
Upto - 5000	8,135	83	89,87,460	10
5001 - 10000	882	9	61,01,690	7
10001 - 20000	410	4	56,71,880	6
20001 - 30000	134	1	32,57,910	4
30001 - 40000	65	1	22,90,310	2
40001 - 50000	47	0	21,56,780	2
50001 - 100000	78	1	55,96,660	6
100001 and above	70	1	5,81,27,390	63
Total	9,821	100	9,21,90,080	100

## Shareholding Pattern as on 31st March 2023:

S.No	Description	Equity Shares	% Equity
1	Promoter Individuals	35,63,692	38.66
2	Resident Individuals	54,04,902	58.63
3	Bodies Corporates	1,55,564	1.69
4	HUF	-	-
5	Non - Resident Indians (NRIs)	88,513	0.96
6	NRI Non-Repatriation	-	-
7	Clearing Members	6,337	0.07
8	IEPF	-	-
9	Foreign Portfolio Investors	-	-
10	Alternative Investment Fund	-	-
11	Trusts	-	-
12	Banks	-	-
13	Directors and Relatives	-	-
14	Foreign Nationals	-	-
	<b>Total</b>	<b>92,19,008</b>	<b>100.00</b>

## (m) Dematerialization of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. All the shares were in dematerialized form as on 31st March 2023. The ISIN No/Code for the Company's Equity Shares is INE505Y01010.

(n) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity - Nil

(o) Commodity Price Risk or Foreign Exchange risk and hedging activities:

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities; hence same are not applicable to the Company.

(p) Plant Location

Sy.No.300, Malkapur Village, Choutuppal Mandal,  
Yadadri bhuvangir Dist, - 508252 Telangana State

(q) Address for correspondence

Company:

The Company Secretary and Compliance Officer,  
Sy. No. 11/A3, Saheb Nagar, Kurdu Vill,  
Chintal Kunta, Eshwaramma Nilayam,  
LB Nagar, Hyderabad, Telangana – 500 074  
Phone: 040-24128833  
E-mail Id: cs@vineetlabs.co.in

Registrar and Share Transfer Agents:

Venture Capital and Corporate Investments Private Limited  
"AURUM", D No.4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57,

Jayabheri Enclave Phase – II, Gachibowli, Serilingampally,  
Hyderabad – 500 032. Ranga Reddy Dist., Telangana.  
Phone: +91 – 40 -23818475  
Fax: +91 – 40 -23868024  
E-mail Id: investor.relations@vccipl.com

- (r) Corporate Identity Number: L24304TG2016PLC112888
- (s) Credit rating: Not obtained any Credit rating during the FY 2022-23.

## **11) Disclosures.**

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

During the year 2022-2023, there was no materially significant related party transaction which had potential conflict with the interests of the Company at large. The details of the related party transactions are disclosed in the notes on accounts forming part of the Annual Report. In terms of Regulation 23 of the Listing Regulations, the Board has formulated a Related Party Transaction Policy.

The Related Party Transaction Policy is uploaded on the website of the Company at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/related-party-transactions-policy.pdf>

- (b) Details of Non-Compliance and Penalties.

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities except for late submission of Annual Secretarial Compliance Report by one day as required under Regulation 24A of SEBI LODR Regulations. The amount of fine paid to BSE on June 30, 2022 was Rs.2,360. None of the Company's listed securities is suspended from trading.

- (c) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has framed a Whistle Blower Policy with a view to provide a vigil mechanism for Directors and Employees of the Company to report genuine concerns about unethical behaviour, any wrongdoings, actual or suspected fraud or violation of the Company's Code of Conduct, legal or regulatory requirements and to provide direct access to the Chairperson of the "Audit Committee" in appropriate or exceptional cases, to provide adequate safeguards for protection of Employees and Directors from victimization or unfair treatment and ensure that frivolous accusations are not made.

The Audit Committee periodically reviews the functioning of the Whistle Blower Mechanism.

No personnel have been denied access to the Audit Committee. Whistle Blower Policy is uploaded on the website of the Company at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/whistle%20blower-policy.pdf>

The Whistle Officer has not received any complaint for the financial year ended 31st March 2023.

- (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of the Listing Regulations entered into with the Stock Exchanges. For the year under review, the qualifications are as detailed in the Auditors' Report.

However, your Company strives to adopt best practices to ensure regime of unqualified financial statements from non-mandatory requirements.

Extent of adoption of discretionary requirement as specified in Part E of Schedule II:

- Mr.Dilip Vishnu Acharekar, Independent Director is the Chairperson of the company and he maintained chairperson's office at the Company's expense and was also allowed reimbursement of expenses incurred in performance of his duties. Further, Mr.Gaddam Venkata Ramana is the Managing Director of the Company. The Chairperson and the Managing Director are not related to each other.

- The Company has been disclosing the financial performance on the website of the company for the knowledge of the shareholders.
  - The Company so far has provided financial statements with unmodified audit opinion.
  - The Internal Auditor reports directly to the Audit Committee.
- (e) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable
- (f) Policy for determining 'material subsidiaries'  
The Company does not have any subsidiaries
- (g) SEBI Complaints Redress System (SCORES): The investors' complaints are also being processed through the centralized web base complaint Redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26th March, 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at <https://www.sebi.gov.in/legal/circulars/>
- (h) A certificate (**Annexure VII**) has been received from M/s. P.S. Rao & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has 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 statutory authority.
- (i) A certificate (**Annexure VI**) has been received from M/s. P.S. Rao & Associates, Practicing Company Secretaries regarding compliance of conditions of corporate governance, which is annexed to the Board's Report.
- (j) The Board has accepted the recommendations of all the Committees during the year 2022-2023.
- (k) NSVR & Associates LLP, Chartered Accountants, Registration No. 008801S/S2000600 have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees for FY 2022-23, on consolidated basis is given below:

Particulars	Rs.
Services as statutory auditors	4,00,000
Other matters (including quarterly audits)	2,00,000
Re-imbursment of out-of-pocket expenses	-
<b>Total</b>	<b>6,00,000</b>

- (l) The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During FY 2022-2023, the Company has not received any complaints pertaining to Sexual Harassment. Further there were no cases / complaints pending disposal as at the end of the financial year.
- (m) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'- No such transactions during the year under review.
- (n) As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of this AGM.



(o) Disclosure of Accounting Treatment in preparation of Financial Statements:

The Company has followed the Indian Accounting Standards and Accounting Principles Generally Accepted in India in preparation of its Financial Statements.

(p) Code for Prevention of Insider Trading Practices

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Fair Disclosure and Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Code has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable.

The Code of Conduct for prohibition of insider trading, and to regulate, monitor and report trading by designated person is posted on the website of the Company at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/code-of-conduct-for-prohibition.pdf>

The Code of practices and procedures for fair disclosure of UPSI is posted on the website of the Company at <http://vineetlabs.co.in/images/pdf/policies-and-code-of-conduct/code-of-practices-procedures-for-fair-disclosure-of-UPSI.pdf>

(q) Management Discussion and Analysis Report

The Report on Management Discussion and Analysis is annexed to the Directors' Report and forms part of this Annual Report.

(r) Proceeds from public issues, rights issue, preferential issues, etc. Nil

(s) Disclosures in respect of demat suspense account/unclaimed suspense account as on 31.03.2023

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	212 Shareholders holding in aggregate 92,719 shares were in suspense account lying at the beginning of the year
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	None
Number of shareholders to whom shares were transferred from suspense account during the year.	None
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	212 shareholders holding in aggregate 92,719 shares in the suspense account lying at the end of the year
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	

(t) No Agreements were entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity. Consequently, there was no rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.

**CERTIFICATE ON CORPORATE GOVERNANCE BY PRACTICING COMPANY SECRETARIES**

*[Pursuant to Regulation 34(3) read with Para E of Schedule V to Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Members  
VINEET LABORATORIES LIMITED  
SY.No. 11/A3, Saheb Nagar, Kurdu Vill,  
Chintal Kunta, Eshwaramma Nilayam,  
LB Nagar Hyderabad, Telangana- 500074

We have examined the compliance of the conditions of Corporate Governance by Vineet Laboratories Limited (hereinafter referred to as “the Company”) for the year ended March 31, 2023, as stipulated in Chapter IV of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the Corporate Governance Report in accordance with the established systems and procedures selected by us depending on our judgement, including assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but are not limited to, verification of secretarial records and other information of the Company, as we deem necessary to arrive at an opinion.

Based on the procedures performed by us as mentioned above and according to the information and explanations provided to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2023.

We further state that such compliance is neither an assurance as to the financial viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates  
Company Secretaries

Place: Hyderabad  
Date: August 12, 2023

P S Rao  
M.No:F10322;  
C P No: 3829  
UDIN: F010322D000665185  
P R.No:P2001TL078000

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with clause (10)(i) of Para C of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members,  
Vineet Laboratories Limited  
SY.No. 11/A3, Saheb Nagar, Kurdu Vill,  
Chintal Kunta, Eshwaramma Nilayam,  
LB Nagar Hyderabad, Telangana- 500074

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of Vineet Laboratories Limited having CIN: L24304TG2016PLC112888 and registered office at SY.No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta, Eshwaramma Nilayam, L B Nagar Hyderabad 500074 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director 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, 2023, 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.

S.No	Name of Director	Nature/Category of Directorship	Director Identification Number (DIN)
1	Mr. Gaddam Venkata Ramana	Managing Director	00031873
2	Mr. Satyanarayana Raju Bhupathiraju	CFO & Whole-time Director	02697880
3	Mr. Kandula Murali Mohan	Whole Time Director	03313407
4	Ms. Thotakura Uma Sangeetha*	Independent Director	08120320
5	Ms. Yerukalapudi Hari Priya**	Independent Director	09690829
6	Mr. Dilip Vishnu Acharekar	Independent Director	08849689
7	Mr. Bhaskara Reddy Karna	Independent Director	08961904

\*Resigned as Director w.e.f June 5, 2022

\*\* Appointed as Independent Director w.e.f July 29, 2022

Ensuring 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 the above based on our verification. This certificate 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 P S Rao & Associates  
Company Secretaries

Place: Hyderabad  
Date: August 12, 2023

P S Rao  
M.No:F10322;  
CPNo: 3829  
UDIN: F010322D000665185  
PR.No:P2001TL078000

**DECLARATION BY THE CHAIRMAN AND THE MANAGING DIRECTOR UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To

The Members of Vineet Laboratories Limited

We, Dilip Vishnu Acharekar, Chairman and Gaddam Venkata Ramana, Managing Director of Vineet Laboratories Limited declare that all Board Members and Senior Management personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company for the year ended 31st March 2023.

For Vineet Laboratories Limited

Place: Hyderabad  
Date: August 12, 2023

Dilip Vishnu Acharekar  
Chairman  
DIN: 08849689

Gaddam Venkata Ramana  
Managing Director  
DIN: 00031873

**COMPLIANCE CERTIFICATE  
CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

We, the Managing Director and the Chief Financial Officer of Vineet Laboratories Limited, certify that:

1. We have reviewed financial statements and the cash flow statement of the company for the financial year ended 31st March 2023 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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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 in violation of Company's Code of Conduct.
3. 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 we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - (iii) That there have been no instances of significant fraud of which we have become aware, involving of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Vineet Laboratories Limited

Place: Hyderabad  
Date :August 12, 2023

Satyanarayana Raju Bhupathiraju  
Whole-time Director & CFO  
DIN: 02697880

Gaddam Venkata Ramana  
Managing Director  
DIN: 00031873

## INDEPENDENT AUDITORS' REPORT

To the members of Vineet Laboratories Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Vineet Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Cash Flows and the Statement of changes in equity 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.

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 Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the 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 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 financial statements under the provisions of the Act and the Rules made there under, 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 as the Key audit matters to be communicated in our report.

#### Key audit matter

##### 1. Revenue recognition:

Revenue from the sale of products is recognized when control over goods is transferred to a customer. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered with customers.

The Company has many customers operating in various geographies and sales contracts with customers have distinct terms relating to the recognition of revenue, the right of return and price adjustments.

We identified the recognition of revenue from sale of products as a key audit matter considering:

Revenue is a key performance indicator for the Company. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders and/ or

To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following:

- Compared the accounting policies in respect of revenue recognition with applicable accounting standards to test for compliance.
- Tested design, implementation and operating effectiveness of the Company's internal controls including general IT controls and key IT application controls over recognition of revenue.
- Performed substantive testing of

<p>to meet revenue targets stipulated in performance incentive schemes for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed during the year and at period end.</p> <p>Company's assessment of accrual towards rebates, discounts, returns, service level penalties and allowances require estimates and judgement and change in these estimates can have a significant financial impact.</p>	<p>selected samples of revenue transactions recorded during the year.</p> <ul style="list-style-type: none"> <li>• For a sample of year-end sales, we verified contractual terms of sales invoices/ contracts, shipping documents and acknowledged delivery receipts for those transactions including management assessment and quantification of any sales reversal for undelivered goods.</li> <li>• Verified Company's assessment of accruals of rebates, discounts, returns, service level penalties and allowances in line with the past practices to identify bias.</li> <li>• Tested any unusual non-standard journal entries that impacted</li> </ul>
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**Information other than the 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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report there on.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

**Responsibilities of management and those charged with governance for the financial statement**

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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and statement of changes of equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS ) referred to in Section 133 of Companies Act 2013 read with Companies ( Indian Accounting Standards) Rules 2015 as amended.

This responsibility also includes 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 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.

In preparing the 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Companies Act 2013, 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 purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.



- c) The Balance Sheet and Statement of Profit and Loss including Other Comprehensive Income, the Cash flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financials comply with the Accounting Standards specified under of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- 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 on 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, 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 litigation on its financial position in its financial statements.
  - ii. The Company does not have any derivatives contracts. Further there are no long term contracts for which provisions for any material foreseeable losses is required to be made.
  - iii. There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.
  - iv. (a) The management has represented, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures performed by us, which has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e) as provided under (a) and (b), contain any material mis-statement.

- v) The amount of dividend is in accordance with the section 123 of the Act.
    - (a) The final dividend paid by the company during the year in respect of previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.
    - (b) The Board of Directors of the Company have not proposed any dividend for the year and hence provisions of section 123 in respect of approval of dividend by the members at the ensuing Annual General Meeting is not applicable.
  - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020, issued by the department of company affairs, in terms of section 143 (11) of the companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
FRN No.008801S/S200060

V Gangadhara Rao N  
Partner  
Membership Number: 219486  
UDIN: 23219486BGQCWA3303

Date: 29 May 2023  
Place: Hyderabad

## **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 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 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Vineet Laboratories Limited (“the Company”) as at 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **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 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.

### **Auditor’s 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standard 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 procedure 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 with reference to financial statements.

### **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 statement for external purpose in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **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, 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 31 March 2023, 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.

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
FRN No.008801S/S200060

V Gangadhara Rao N  
Partner  
Membership Number: 219486  
UDIN: 23219486BGQCWA3303

Date: 29 May 2023  
Place: Hyderabad

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report even date

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
B) The company does not have intangible assets and hence reporting under clause(i)(a)(B) of the order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year.
- e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company as at 31 March 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) a) The inventories (except for goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with books of account.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising of value of closing stock of inventory, receivables and payables filed by the Company with such bank are in agreement with the audited books of account of the Company of the respective quarters (quarter ended 30 June, 2022, 30 September 2022, 31 December 2022 and 31 March 2023). The Company has not been sanctioned any working capital limit from the financial institutions.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Hence reporting under clause (iii)(a) to (iii)(f) of the Order is not applicable.

- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Hence, reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records, there are certain delays in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, Goods and Services Tax, duty of customs, duty of excise, cess and other material statutory dues as applicable to the appropriate authorities.

The following are the undisputed statutory dues which has not been deposited by the company and outstanding for a period of six months from the date they become payable.

Statement of arrears of statutory dues outstanding for more than six months.

Name of the statute	Nature of the due	Amount (Rupees in lakhs)	Period to which the amount relates	Due date	Date of payment	Remarks if any
Income tax	Tax deducted at source (TDS)	30.13	Financial year 2022-23	7th day of following month in respect of previous month	15 June 2023	The company has paid the outstanding liability of TDS outstanding for more than six months as on 15 June 2023.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. there are no unutilised term loans at the beginning of the year.

- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for longterm purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year) and hence reporting under clause (x)(b) of the Order is not applicable.
- (xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration, the whistle blower complaints received by the Company during the year and up to the date of this report and provided to us, when performing our audit.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company) and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In respect of internal audit
  - a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi)(a),(b) and (c) of the Order is not applicable.
- d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) and hence reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and

based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company not has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

Relevant Financial Year	Amount identified for spending on CSR Activities	Unspent amount of (b)	Amount transferred to fund specified in Schedule VII of the Act	Due date of transferred to specified fund	Actual date of transferred to fund	Number if any of days of delays if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
2022-2023	8.93	8.93	NIL	30 September 2023	NA	NA

The company still required to transfer to the fund specified in Schedule VII of the Act amounting to Rs. 8.93 Lakhs (relating to F.Y 2022-23 amounting to Rs.8.93 Lakhs)

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
FRN No.008801S/S200060

V Gangadhara Rao N  
Partner  
Membership Number: 219486  
UDIN: 23219486BGQCWA3303

Date: 29 May 2023  
Place: Hyderabad



**VINEET LABORATORIES LIMITED**  
**Balance sheet as at 31 March 2023**

(All amounts are in INR lakh except share data or unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3	2,664.57	2,138.41
<b>(b) Financial assets</b>			
(i) Investments	3(l)	13.35	13.57
(ii) Trade receivables	4	-	403.44
(iii) Other financial assets	5	130.08	487.73
(c) Other non-current asset	6	30.61	18.04
<b>Total non-current assets (A)</b>		<b>2,838.61</b>	<b>3,061.18</b>
<b>(2) Current assets</b>			
(a) Inventories	7	4,617.38	4,353.98
<b>(b) Financial assets</b>			
(i) Trade receivables	4	3,516.31	3,619.84
(ii) Cash and cash equivalents	8	63.07	1,665.94
(iii) Bank balances other than (ii) above	9	31.60	145.75
(iv) Other financial assets	5	2.96	-
(c) Other current assets	6	514.99	484.95
<b>Total current assets (B)</b>		<b>8,746.31</b>	<b>10,270.46</b>
<b>Total assets (A+B)</b>		<b>11,584.92</b>	<b>13,331.64</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	10	921.90	921.90
(b) Other equity	11	2,446.45	2,399.92
<b>Total equity (A)</b>		<b>3,368.35</b>	<b>3,321.82</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	12	484.79	172.19
(ii) Trade payables	13	-	72.05
(b) Provisions	14	75.45	109.57
(c) Deferred tax liabilities (Net)	15	205.36	179.11
<b>Total non-current liabilities (B)</b>		<b>765.59</b>	<b>532.92</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	12	2,624.09	2,479.17
(ii) Trade payables	13		
(a) Total outstanding dues of micro and small enterprises		1,176.46	-
(b) Total outstanding dues of creditors other than micro and small enterprises		2,312.98	6,009.18
(iii) Other financial liabilities	16	26.69	442.23
(b) Provisions	14	34.03	-
(c) Other current liabilities	17	1,232.73	259.43
(d) Current tax liabilities (net)	18	43.99	286.89
<b>Total current liabilities (C)</b>		<b>7,450.98</b>	<b>9,476.91</b>
<b>Total liabilities (D=B+C)</b>		<b>8,216.57</b>	<b>10,009.83</b>
<b>Total equity and liabilities (A+D)</b>		<b>11,584.92</b>	<b>13,331.65</b>

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

for **NSVR & Associates LLP**  
Chartered Accountants  
Firm Regn No:008801S/S200060

**V Gangadhara Rao N**  
Partner  
Membership No: 219486  
UDIN: 23219486BGQCWA3303  
Place: Hyderabad  
Date: 29 May 2023

for and on behalf of the Board of Directors  
**Vineet Laboratories Limited**

**G. Venkata Ramana**      **B. Satyanarayana Raju**  
Managing Director      Whole-time Director & CFO  
DIN: 00031873      DIN: 02697880

**Nirosha Ravikanti**  
Company Secretary

**VINEET LABORATORIES LIMITED**  
**Statement of Profit and Loss for the year ended 31 March 2023**

(All amounts are in INR Lakh except share data or unless otherwise stated)

S. No.	Particulars	Note No.	For the period ended 31 March, 2023	For the year ended 31 March, 2022
I	Revenue from contracts with customers	19	21,229.33	19,117.23
II	Other income	20	12.30	28.51
III	<b>Total income</b>		<b>21,241.63</b>	<b>19,145.74</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	21	16,809.76	15,139.89
	Changes in inventories of finished goods, work-in progress and stock-in-trade	22	423.03	(585.25)
	Employee benefits expense	23	600.29	571.02
	Finance costs	24	338.02	208.57
	Depreciation and amortisation expense	25	237.26	201.57
	Other expenses	26	2,630.28	2,675.40
	<b>Total expenses (IV)</b>		<b>21,038.64</b>	<b>18,211.19</b>
V	<b>Profit/(loss) before exceptional items and tax from continuing operations (I-IV)</b>		<b>202.99</b>	<b>934.55</b>
VI	Exceptional items		-	-
VII	<b>Profit/(loss) before tax from continuing operations (V-VI)</b>		<b>202.99</b>	<b>934.55</b>
VIII	<b>Tax expense :</b>			
	a. Current tax		80.01	318.33
	b. Adjustment of tax relating to earlier periods		(23.99)	-
	c. Deferred tax		21.72	(47.63)
IX	<b>Profit / (loss) for the year from continuing operations (VII-VIII)</b>		<b>125.25</b>	<b>663.86</b>
X	<b>Other comprehensive income</b>			
	<b>A (i) Items that will not be reclassified to profit or loss</b>			
	Re-measurement gains/ (losses) on defined benefit plans		17.99	3.54
	Income tax effect relating to above item		(4.53)	-
	<b>B (i) Items that may be reclassified to profit or loss</b>		-	-
	Income tax effect relating to above item		-	-
	<b>Other comprehensive income for the year, net of tax</b>		<b>13.46</b>	<b>3.54</b>
XI	<b>Total comprehensive income for the year (IX+ X)</b>		<b>138.72</b>	<b>660.32</b>
XII	<b>Earning per equity share (for Continuing Operations)</b>			
	(i) Basic earnings per share of Rs. 10/- each.		1.36	7.20
	(ii) Diluted earning per share of Rs. 10/- each.		1.36	7.20

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

for NSVR & Associates LLP  
Chartered Accountants  
Firm Regn No:008801S/S200060

V Gangadhara Rao N  
Partner  
Membership No: 219486  
UDIN: 23219486BGQCWA3303  
Place: Hyderabad  
Date: 29 May 2023

for and on behalf of the Board of Directors  
**Vineet Laboratories Limited**

G. Venkata Ramana  
Managing Director  
DIN: 00031873

B. Satyanarayana Raju  
Whole-time Director & CFO  
DIN: 02697880

Nirosha Ravikanti  
Company Secretary

## VINEET LABORATORIES LIMITED

## Statement of Cash Flows for the year ended 31 March 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>A. Cash flow from/(used in) operating activities</b>		
Profit before tax	202.99	934.55
Adjustment for:		
Finance costs	338.02	208.57
Interest income	(12.30)	(16.24)
Fair value loss on financial instruments at fair value through profit and loss	0.22	-
Depreciation and amortisation expenses	237.26	201.57
Foreign exchange (gain)/loss, net	33.72	-
Other comprehensive income	17.99	(3.54)
<b>Operating profit before working capital changes</b>	<b>817.90</b>	<b>1,324.91</b>
<b>Movement for working capital:</b>		
<b>Changes in operating assets and liabilities</b>		
Trade receivables	506.96	651.56
Inventories	(263.39)	(385.41)
Other current assets	(30.04)	(301.30)
Other non current assets	(12.58)	(680.37)
Other financial assets	386.29	-
Trade payables	(2,625.51)	410.42
Provisions	(0.09)	194.26
Other liabilities	973.30	(132.51)
Other financial liabilities	(415.54)	-
<b>Cash generated from operations before tax</b>	<b>(662.70)</b>	<b>1,081.55</b>
Income tax paid, net	(298.92)	(318.33)
<b>Net cash from/(used in) operating activities</b>	<b>(961.62)</b>	<b>763.22</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property plant and equipment	(763.42)	-
Interest income	12.30	16.24
Proceeds from fixed deposits and margin money deposits with banks	82.56	-
Investments in fixed deposits and margin money deposits with banks	-	(384.12)
<b>Net cash from investing activities</b>	<b>(668.56)</b>	<b>(367.88)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Non current borrowings	416.91	1,404.08
Proceeds from current borrowings	40.61	-
Dividends paid	(92.19)	-
Interest paid	(338.02)	(208.57)
<b>Net cash from financing activities</b>	<b>27.31</b>	<b>1,195.51</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,602.86)</b>	<b>1,590.85</b>
Cash and cash equivalents at the beginning of the year	1,665.94	75.09
<b>Cash and cash equivalents at the end of the year</b>	<b>63.08</b>	<b>1,665.94</b>

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

for NSVR & Associates LLP  
Chartered Accountants  
Firm Regn No:008801S/S200060

V Gangadhara Rao N  
Partner  
Membership No: 219486  
UDIN: 23219486BGQCWA3303  
Place: Hyderabad  
Date: 29 May 2023

for and on behalf of the Board of Directors  
Vineet Laboratories Limited

G. Venkata Ramana  
Managing Director  
DIN: 00031873

B. Satyanarayana Raju  
Whole-time Director & CFO  
DIN: 02697880

Nirosha Ravikanti  
Company Secretary

VINEET LABORATORIES LIMITED

Statement of changes in equity for the year ended 31 March 2023

(All amounts are in INR Lakh except share data or unless otherwise stated)

**A Equity Share Capital**

Particulars	Amount
Balance as at 31 March 2022	921.90
Issue of Share Capital	-
<b>Balance as at 31 March 2023</b>	<b>921.90</b>

**B Other Equity**

Particulars	Reserves and Surplus		Other comprehensive income	Total Other Equity
	Retained Earnings	Capital Reserve	Re-measurement gains/(losses) on defined benefit plans	
<b>Balance as at 1 April 2022</b>	<b>1,290.97</b>	<b>1,108.95</b>	-	<b>2,399.92</b>
Profit for the year	125.25	-	-	125.25
Dividend paid	(92.19)	-	-	(92.19)
Re-measurement gains/(losses) on defined benefit plans net of tax	-	-	13.46	13.46
<b>Balance as at 31 March 2023</b>	<b>1,324.03</b>	<b>1,108.95</b>	<b>13.46</b>	<b>2,446.45</b>
<b>Balance as at 1 April 2021</b>	<b>630.65</b>	<b>1,108.95</b>	-	<b>1,739.60</b>
Profit for the year	660.32	-	-	660.32
<b>Balance as at 31 March 2022</b>	<b>1,290.97</b>	<b>1,108.95</b>	-	<b>2,399.92</b>

**Nature and purpose of reserves**

**Retained earnings**

The balance in the Retained Earnings primarily represents the surplus after payment of dividend and transfer to reserves.

**Re-measurement gains/(losses) on defined benefit plans**

Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations.

**Capital Reserve**

The company recognise the profit on demerger from Ortin laboratories limited to capital reserve.

The accompanying notes are an integral part of the financial statements.

for **NSVR & Associates LLP**  
Chartered Accountants  
Firm Regn No:008801S/S/200060

**V Gangadhara Rao N**  
Partner  
Membership No: 219486  
UDIN: 23219486BGQCWA3303  
Place: Hyderabad  
Date: 29 May 2023

for and on behalf of the Board of Directors  
**Vineet Laboratories Limited**

**G. Venkata Ramana**      **B. Satyanarayana Raju**  
Managing Director      Whole-time Director & CFO  
DIN: 00031873      DIN: 02697880

**Nirosha Ravikanti**  
Company Secretary

## 1. NOTES TO FINANCIAL STATEMENTS

### DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. Company Information

VINEET LABORATORIES LIMITED (Formerly Known as Ortin Laboratories Limited, Unit-II) is incorporated under the provisions of Companies Act, 2013 on 10 November 2016 having its registered office at SY. No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta, Eshwaramma Nilayam, L B Nagar, Hyderabad, Telangana-500074, India. The company is engaged in the manufacture of Drug Intermediates & Bulk Dugs.

Vineet Laboratories Limited is specialized in pharmaceutical intermediates & fine chemicals. Vineet Laboratories Limited is widely acknowledged for its abilities in product development & process technology and therefore is the preferred source for many multinational companies for their outsourcing requirements. Our infrastructure is very versatile & is specially designed to address the requirements of carrying out complex and hazardous chemical process safely and efficiently. Our personnel are highly skilled at handling different kind of process chemistry.

The shares of the company are listed in Bombay Stock Exchange.

#### 1.2 Basis of Preparation of financial Statements

##### a) Statement of Compliance

The financial statements of Vineet Laboratories Limited (Formerly Known as Ortin Laboratories Limited, Unit-II) have been prepared and presented in accordance with and in compliance in all material aspects, with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2022.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2023. These financial statements for the year ended 31 March 2023 were approved by the Company's Board of Directors on 29 May 2023.

##### b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- a) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- b) Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- c) Long-term borrowings are measured at amortized cost using the effective interest rate method and

## 2. Summary of significant accounting policies

### 2.1 Current and noncurrent classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Company classifies all other liabilities as noncurrent.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. Deferred tax assets and liabilities are always disclosed as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## **2.2 Functional and presentation currency**

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest lakhs.

## **2.3 Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved, wherever considered necessary. 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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## **2.4 Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or profit or loss are also recognized in OCI or profit or loss, respectively).

## **2.5 Property plant and equipment:**

The cost of an item of property, plant and equipment are recognized as an asset if, and only if 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.

Items of property, plant and equipment (including capital-work-in progress) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, non-refundable duties and taxes applicable, and other expenses related to acquisition and installation.

The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably.

**Depreciation**

Depreciation on items of PPE is provided on straight line basis, computed on the basis of useful lives as mentioned in Schedule II to the Companies Act, 2013. Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The estimated useful lives are as follows:

Type of Asset	Useful life in years
Land	Non depreciable asset
Factory Building	30
Plant & Machinery	20
Testing Equipment	20
Furniture & Fixtures	10
Electrical Fittings	10
Motor Vehicles	8
Computers	3
Air Conditioner	15

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress.

**2.6 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 recognized initially 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. 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 recognized 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 in four categories:



- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) 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, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

#### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met: (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at 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 FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as 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. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company

has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control 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 recognize 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 risks and obligations that the Company has retained.

#### **Impairment of Financial Assets**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The company follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### **b. Financial liabilities**

##### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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 including bank overdrafts, financial guarantee contracts.

##### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded

derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

### ***Loans and borrowings***

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized 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.

### ***De-recognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 de-recognition 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.

### ***Reclassification of financial assets and liabilities***

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### ***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.

## **2.7 Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment, and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## **2.8 Inventories**

Inventories of all procured raw materials, spares and stores, consumables, supplies and loose tools are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw material and packing materials includes all charges in bringing the goods to their present location and condition, including non-creditable taxes and other levies, transit insurance and receiving charges. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, non-creditable duties and taxes as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

## **2.9 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories, contract assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

### ***Reversal of Impairment of Assets***

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.10 Employee benefits**

### ***Short term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or

constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

***Defined contribution plans***

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

***Defined benefit plans***

The liability in respect of defined benefit plans and other post-employment benefits 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 to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the statement of profit and loss in 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 recognized immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. The Company recognizes gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

***Termination benefits***

Termination benefits are recognized as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

***Other long-term employee benefits***

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

***Compensated absences***

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

## 2.11 Provisions, contingent liabilities and contingent assets

### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **Contingent liabilities and contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

### **Onerous contracts**

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

### **Reimbursement rights**

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

## 2.12 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

## 2.13 Interest Income

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee and term deposits.

Interest income or expense is recognised using the effective interest method (EIR).

Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

## 2.14 Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 2.15 Tax Expenses

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### **Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from 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 reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability 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 and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that 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 taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised 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 period when the asset is realised 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 the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In

the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses**

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**2.16 Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

**Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

**2.17 Segment reporting**

The Company is engaged in the in " manufacture of Drug Intermediates & Bulk Dugs" and the same constitutes a single reportable business segment as per Ind AS 108.

**2.18 Share capital**

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

**2.19 Significant accounting judgements, estimates, and assumption**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

**Property, plant and equipment**

The depreciation of property, plant and equipment is derived on determining an estimate



of an asset's expected useful life and the expected residual value at the end of its life. The residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

**Impairment of financial and non-financial assets**

Significant management judgement is required to determine the amounts of impairment loss on the financial and nonfinancial assets. The calculations of impairment loss are sensitive to underlying assumptions.

**Tax provisions and contingencies**

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans**

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. 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 reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**2.20 New standards adopted by the company**

**Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

This amendment is essentially clarification and had there is no significant impact on the financial statements.

**Amendments to Ind AS 16- Property, Plant and Equipment: Proceeds before Intended Use**

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the financial statements.

Amendments to Ind AS 103, Business Combinations: Reference to the Conceptual Framework

This amendment added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

In accordance with the transitional provisions, the company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the company as there were no transactions within the scope of these amendments that arose during the period.

**2.21 New Accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its financial statements.

## 3. Property, Plant and Equipment

Particulars	Land	Factory	Plant & building	Testing machinery	Furniture & equipment	Electrical fixtures	fittings	Office Vehicles	Computer equipment	Air conditioner	Total
<b>Gross carrying value</b>											
Balance as at 1 April 2022	12.25	432.96	2,870.66	71.95	32.44	92.61	362.89	14.24	30.32	1.47	3,921.79
Additions for the year	-	26.54	703.05	12.21	-	3.25	18.37	-	-	-	763.42
Disposals for the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>12.25</b>	<b>459.50</b>	<b>3,573.71</b>	<b>84.16</b>	<b>32.44</b>	<b>95.86</b>	<b>381.26</b>	<b>14.24</b>	<b>30.32</b>	<b>1.47</b>	<b>4,685.21</b>
<b>Accumulated depreciation</b>											
Balance as at 31 March 2022	-	139.81	1,338.31	43.96	14.13	79.67	138.04	8.05	20.76	0.66	1,783.38
Depreciation charge for the year	-	12.95	165.29	4.27	2.80	2.06	43.68	0.72	5.40	0.10	237.26
On Disposals											-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>152.76</b>	<b>1,503.60</b>	<b>48.23</b>	<b>16.93</b>	<b>81.72</b>	<b>181.72</b>	<b>8.76</b>	<b>26.16</b>	<b>0.76</b>	<b>2,020.64</b>
<b>Net carrying amount</b>											
As at 31 March 2022	12.25	293.15	1,532.35	27.99	18.31	12.94	224.85	6.19	9.56	0.81	2,138.41
As at 31 March 2023	12.25	306.74	2,070.11	35.93	15.51	14.14	199.54	5.48	4.16	0.71	2,664.57

## VINEET LABORATORIES LIMITED

## Notes annexed to and forming part of the Financial Statements

## 3(l). Investments

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current:</b>		
Investments in Quoted Mutual Funds (21,469 units of Flexi cap mutual funds(regular) at the rate of Rs.62.19 each per units at 31 March 2023 and Rs.63.21 at 31 March 2022)	13.35	13.57
<b>Total</b>	<b>13.35</b>	<b>13.57</b>
Foot notes: Aggregate value of quoted investments and market value thereof	13.35	13.57

## 4. Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non current Trade receivables</b>		
Trade receivables considered good - unsecured	-	403.44
	-	403.44
<b>Current Trade receivables</b>		
Trade receivables considered good - unsecured	3,516.31	3,619.84
<b>Total</b>	<b>3,516.31</b>	<b>3,619.84</b>

## Ageing schedules

## Trade receivables ageing schedule as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables-considered good	-	3,149.61	366.70	-	-	-	3,516.31
Undisputed trade receivables-considered Doubtful	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-	-
Disputed trade receivables-considered Doubtful	-	-	-	-	-	-	-
Less: Allowances for credit losses	-	-	-	-	-	-	-

## Trade receivables ageing schedule as on as at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivables-considered good	-	3,619.84	403.44	-	-	-	4,023.27
Undisputed trade receivables-considered Doubtful	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-	-
Disputed trade receivables-considered Doubtful	-	-	-	-	-	-	-
Less: Allowances for credit losses	-	-	-	-	-	-	-
<b>Total trade receivables current</b>	-	<b>3,619.84</b>	<b>403.44</b>	-	-	-	<b>4,023.27</b>

**VINEET LABORATORIES LIMITED**  
Notes annexed to and forming part of the Financial Statements

**5. Other financial assets**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non Current:</b>		
<b>I. Non current financial assets</b>		
Deposits with government and other agencies	130.08	487.73
	<b>130.08</b>	<b>487.73</b>
<b>II. Current financial assets</b>		
Interest receivable	2.76	-
Other receivable	0.20	-
<b>Total</b>	<b>2.96</b>	<b>-</b>
	<b>133.04</b>	<b>487.73</b>

**6. Other assets**

<b>Non current assets</b>		
Advances other than capital advances	30.61	18.04
	<b>30.61</b>	<b>18.04</b>
<b>Current assets</b>		
Advances-others	137.25	179.76
Balances with statutory authorities	361.13	288.58
Preliminary expenses	16.61	16.61
	<b>514.99</b>	<b>484.95</b>

**7. Inventories**

Raw material	3,073.46	2,387.04
Work in process	1,543.91	1,966.94
	<b>4,617.38</b>	<b>4,353.98</b>

**8. Cash and cash equivalents**

<b>Cash on hand</b>	20.35	55.33
Bank balance in current accounts	42.72	1,610.60
	<b>63.07</b>	<b>1,665.94</b>

**9. Other bank balances**

Margin money deposits with maturity more than 3 months but less than 12 months	31.60	145.75
	<b>31.60</b>	<b>145.75</b>

## VINEET LABORATORIES LIMITED

Notes annexed to and forming part of the Financial Statements

## 10. Equity share capital

a. Equity share capital	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	Amount in Lakh	No. of Shares	Amount in Lakh
<b>Authorised</b> Equity shares of Rs.10/- each	1,08,10,000	1,081.00	1,08,10,000	1,081.00
<b>Issued</b> Equity shares of Rs.10/- each	-	-	-	-
<b>Subscribed and Paid-up</b> Equity shares of Rs.10/- each fully paid-up	92,19,008	921.90	92,19,008	921.90
<b>Total</b>	<b>92,19,008</b>	<b>921.90</b>	<b>92,19,008</b>	<b>921.90</b>

## a. Reconciliation of the number of equity shares outstanding and the amount of share capital

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Equity Shares Issued and Subscribed:</b> Shares outstanding at the beginning of the year	92,19,008	921.90	92,19,008	921.90
Add: Issued during the year	-	-	-	-
Less: Shares brought buy back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>92,19,008</b>	<b>921.90</b>	<b>92,19,008</b>	<b>921.90</b>

## b. Details of shareholders holding more than 5% share in the company

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
Satyanarayana Raju Bhupathiraju	5,19,487	5.63%	5,12,987	5.56%
Venkata Ramana Gaddam	13,78,168	14.95%	11,52,540	12.50%

## c. Details of shares held by promoters

Particulars	As at 31 March, 2023		As at 31 March, 2022		% Change during the year
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding	
Satyanarayana Raju Bhupathiraju	5,19,487	5.63%	5,12,987	5.56%	0.07%
V Varaprasada Rao	1,62,083	1.76%	1,62,083	1.76%	-
A Srinivasa Raju	2,54,972	2.77%	2,38,819	2.59%	0.18%
A Ranga Raju	1,92,093	2.08%	1,92,093	2.08%	-
A Prabhakar Raju	3,57,205	3.87%	3,57,205	3.87%	-
Alluri Maithili	2,04,521	2.22%	2,04,521	2.22%	-
Venkata Ramana Gaddam	13,78,168	14.95%	11,52,540	12.50%	2.45%
Alluri Anantha Laxmi	1,65,891	1.80%	1,66,891	1.81%	(0.01%)
Murali Mohan Kandula	1,15,746	1.26%	1,15,746	1.26%	-
Penmetsa Venkata Krishnam Raju	85,988	0.93%	85,988	0.93%	-
P Kishore Raju	74,312	0.81%	74,312	0.81%	-
Gaddam Srinivasarao	36,233	0.39%	36,233	0.39%	-
Gaddam Balaji	16,993	0.18%	16,993	0.18%	-

## VINEET LABORATORIES LIMITED

## Notes annexed to and forming part of the Financial Statements

## 11. Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Capital reserve:</b>		
Balance at the beginning of the year	1,108.95	1,108.95
Add: Addition during the year	-	-
<b>Balance at the end of the year</b>	<b>1,108.95</b>	<b>1,108.95</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	1,290.97	630.65
Add: Profit during the year	125.25	660.32
Less: Dividend paid	(92.19)	-
<b>Balance at the end of the year</b>	<b>1,324.03</b>	<b>1,290.97</b>
<b>Items of Other comprehensive income</b>		
Opening balance	-	-
Add: Re-measurement gains/ (losses) on defined benefit plans net of tax	13.46	-
<b>Total</b>	<b>13.46</b>	<b>-</b>
<b>Total other equity</b>	<b>2,446.45</b>	<b>2,399.92</b>

## 12. Non current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non current borrowings</b>		
<b>Secured loans</b>		
Term loans from banks	409.95	-
Vehicle loans from banks	48.60	111.72
<b>Vehicle loans</b>		
From Institutions	-	34.23
<b>Unsecured Loans</b>		
Loans from directors	26.24	26.24
	<b>484.79</b>	<b>172.19</b>
<b>Current borrowings</b>		
<b>Secured loans</b>		
Cash credit from bank	2,519.78	2,479.17
Current maturities of non current borrowings	104.31	-
	<b>2,624.09</b>	<b>2,479.17</b>

## 12. Non current borrowings (Contd...)

Bank	Sanctioned Amount	Rate of Interest (per annum)	Security	Repayment	Amount Outstanding as at 31 March 2023	Starting date	End date
Yes bank - Audi loan	30.00	9.36	Hypothecation of Motor Vehicle	Repayable in 60 monthly installments of Rs.0.63 lakh in each installment	8.83	15 July 2019	15 June 2024
HDFC Bank- Bus	17.80	8.02	Hypothecation of Motor Vehicle	Repayable in 48 monthly installments of Rs. 0.43 Lakh in each installment	11.07	05 August 2021	05 July 2025
HDFC Bank- DCM Eicher	16.00	8.01	Hypothecation of plant and machinery	Repayable in 48 equal monthly installments of Rs. 0.39 Lakh	13.07	15 June 2022	15 May 2026
Yes bank- Volvo	56.00	7.83	Hypothecation of Motor Vehicle	Repayable in 60 equal monthly installments of Rs. 1.13 lakh each	33.41	15 January 2021	15 December 2025
Alphaera Financial Services- Volvo	56.00	7.74	Hypothecation of Motor Vehicle	Repayable in 36 monthly installments with first installment of Rs. 1.69 lakh and 35 monthly equal installments of Rs. 1.75 lakh	15.24	16 January 2021	16 December 2023
HDFC Bank - Term loan	499.97	7.55%	Hypothecation of Plant & Machinaries, Debtors, Stock, Capex LC Margin	Repayable in 84 monthly installments of Rs. 7.79 lakh each	468.12	07 September 2022	07 August 2029
HDFC Bank- CRETA	17.78	7.25%	Hypothecation of Motor Vehicle	Repayable in 48 monthly installments of Rs. 0.43 lakh each	13.11	05 February 2022	05 January 2026



## VINEET LABORATORIES LIMITED

## Notes annexed to and forming part of the Financial Statements

## 13. Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Non current trade payables</b>		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	72.05
	-	<b>72.05</b>
<b>Current trade payables</b>		
Total outstanding dues of micro and small enterprises (MSME)	1,176.46	-
Total outstanding dues of creditors other than micro and small enterprises (Others)	2,312.98	6,009.18
	<b>3,489.44</b>	<b>6,009.18</b>

## Trade payables ageing

## Trade payables ageing as at 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	1,176.46	-	-	-	1,176.46
(ii) Others	-	1,622.69	623.54	-	66.75	2,312.98
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	<b>2,799.15</b>	<b>623.54</b>	-	<b>66.75</b>	<b>3,489.44</b>

## Trade payables ageing as at 31 March 2022

(i) MSME	-	-	-	-	-	-
(ii) Others	-	4,863.56	1,143.84	-	72.05	6,079.45
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	-	<b>4,863.56</b>	<b>1,143.84</b>	-	<b>72.05</b>	<b>6,079.45</b>

## VINEET LABORATORIES LIMITED

## Notes annexed to and forming part of the Financial Statements

**Dues to Micro, Small and Medium Enterprises**

The information as required to be disclosed Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is as given below and the information mentioned in Balance Sheet. Trade Payables dues to Micro and Small Enterprises, has been determined on the basis of information available with the Company and relied on by the auditors:

Particulars	As at 31 March 2023	As at 31 March 2022
i) Principal amount remaining unpaid as on 31 March (overdue amounts)	1,176.46	-
ii) Interest due thereon as on 31 March	Nil	Nil
iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the suppliers beyond the appointed day during the year.	Nil	Nil
iv) 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 Act.	Nil	Nil
v) Interest accrued and remaining unpaid as at 31 March	Nil	Nil
vi) Further, interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	Nil	Nil
vii) Amount shown against dues to Micro & Small Enterprises under the head trade payables represents amount outstanding as on 31st March but not due for payment.		
<b>14. Provisions</b>		
<b>Non current provisions</b>		
Gratuity	58.78	87.43
Leave encashment	16.67	22.14
	<b>75.45</b>	<b>109.57</b>
<b>Current provisions</b>		
Gratuity	25.49	-
Leave encashment	8.54	-
	<b>34.03</b>	-
<b>15. Deferred tax liabilities ( Net)</b>		
<b>Deferred tax liability</b>		
Opening Balance	179.11	226.75
Adjustment for the year	26.25	(47.63)
Closing Balance	205.36	179.11
<b>Net Deferred Tax Liability</b>	<b>205.36</b>	<b>179.11</b>

**VINEET LABORATORIES LIMITED**  
Notes annexed to and forming part of the Financial Statements

**16. Other financial liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Electricity Charges Payable	26.69	23.22
Bills Payable	-	419.01
	<b>26.69</b>	<b>442.23</b>

**17. Other current liabilities**

Advances from customers	993.28	-
Provident fund payable	2.62	8.89
Statutory dues payables	83.02	131.11
TDS payable	63.33	80.87
Provision for CSR liability	8.93	-
Salaries and wages payable	70.26	33.52
Directors remuneration payable	11.29	5.05
	<b>1,232.73</b>	<b>259.43</b>

**18. Current Tax Liabilities (net)**

Current tax liability	43.99	286.89
	<b>43.99</b>	<b>286.89</b>

**19. Revenue from contract with customers**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from sale of products</b>		
<b>Sale of manufactured goods</b>		
Domestic	20,331.39	19,031.37
Exports	358.62	0.58
Sale of Services	539.32	85.28
	<b>21,229.33</b>	<b>19,117.23</b>

**20. Other Income**

<b>Interest income</b>		
Interest income	12.30	16.24
Foreign exchange gain, net	-	9.15
Other miscellaneous income	-	3.13
	<b>12.30</b>	<b>28.51</b>

**21. Cost of Material Consumed**

<b>Raw Material Consumed</b>		
Raw materials at the beginning of the year	2,387.04	2,586.88
Add: Purchases During the year	17,496.19	14,940.04
Less: Raw materials at the end of the year	3,073.46	2,387.04
	<b>16,809.76</b>	<b>15,139.89</b>

**VINEET LABORATORIES LIMITED**  
Notes annexed to and forming part of the Financial Statements

**22. Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Opening Balance</b>		
Work in Progress	1,966.94	1,381.69
	1,966.94	1,381.69
<b>Closing Balance</b>		
Work in Progress	1,543.91	1,966.94
	1,543.91	1,966.94
	<b>423.03</b>	<b>(585.25)</b>

**23. Employee benefits**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	415.07	431.55
Contribution to provident fund and others	17.20	16.68
Gratuity	14.83	14.52
Leave encashment	3.07	2.51
Directors remuneration	110.50	80.09
Staff welfare expenses	39.63	25.67
	<b>600.29</b>	<b>571.02</b>

**24. Finance cost**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on term loans	33.85	22.37
Interest on working capital loan	231.99	126.52
Other borrowing cost	72.18	59.68
	<b>338.02</b>	<b>208.57</b>

**25. Depreciation and amortisation expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on plant, property and equipment	237.26	180.67
<b>Total</b>	<b>237.26</b>	<b>180.67</b>

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

**26. Other expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Power and fuel	615.24	474.29
Labour wages	540.49	461.54
Repairs and maintenance	377.23	420.23
Jobwork charges	329.98	792.00
Freight & transportation	249.84	134.89
Legal & professional charges	121.25	61.45
Consumption of stores	92.02	19.99
Miscellaneous expenses	74.76	78.88
Rates and taxes	58.49	129.19
Security charges	56.77	26.07
Foreign exchange loss, net	33.72	-
Insurance	16.76	28.00
Travelling & conveyance expenses	14.64	8.10
Printing & stationery	9.90	9.48
Commission and brokerage	7.62	6.50
Rent	1.82	4.58
Audit fees	6.00	4.33
Telephone & communication expenses	5.22	3.72
Sales & business promotion	5.02	7.50
Financial instruments measured at FVTPL	0.22	-
Subscriptions & renewables	1.37	4.65
Corporate social responsibility( CSR)	8.93	-
Director sitting fees	3.00	-
	<b>2,630.28</b>	<b>2,675.40</b>

## VINEET LABORATORIES LIMITED

## Notes annexed to and forming part of the Financial Statements

## 27. Changes in liabilities arising from financing activities

For the year ended 31 March 2023

Particulars	Current Borrowings	Non-current Borrowings	Lease liabilities
<b>As at 1 April 2022</b>	<b>2,479.17</b>	<b>172.19</b>	<b>-</b>
Borrowings made during the year	40.61	416.91	-
Borrowings repaid during the year	-	-	-
Effect of changes in foreign exchange rates	-	-	-
<b>As at 31 March 2023</b>	<b>2,519.78</b>	<b>589.10</b>	<b>-</b>

For the year ended 31 March 2022

Particulars	Current Borrowings	Non-current Borrowings	Lease liabilities
<b>As at 1 April 2021</b>	<b>900.73</b>	<b>346.56</b>	<b>-</b>
Borrowings made during the year	1,578.44	-	-
Borrowings repaid during the year	-	(174.70)	-
Effect of changes in foreign exchange rates	-	-	-
<b>As at 31 March 2022</b>	<b>2,479.17</b>	<b>172.19</b>	<b>-</b>

\*Non-current borrowings include current maturities of non-current borrowings also.

## 28. Revenue from contract with customer

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from contracts with customers</b>		
Sale of products		
Manufactured	20,690.01	19,031.95
Traded	-	-
Sale of services	539.32	85.28
<b>Total</b>	<b>21,229.33</b>	<b>19,117.23</b>
<b>(a) Disaggregated revenue information</b>		
<b>Sale of products</b>		
<b>Manufactured</b>		
India	20,690.01	19,031.95
Outside India	-	-
	<b>20,690.01</b>	<b>19,031.95</b>
<b>Sale of services</b>		
(i) Domestic	539.32	85.28
(ii) Exports	-	-
	<b>539.32</b>	<b>85.28</b>
	<b>21,229.33</b>	<b>19,117.23</b>
<b>(b) Timing of revenue recognition</b>		
Services rendered at a point in time	539.32	63.56
Products transferred at a point in time	20,690.01	19,031.95
	<b>21,229.33</b>	<b>19,117.23</b>

**VINEET LABORATORIES LIMITED**  
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**29. Auditor Remuneration**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Audit fees	4.00	3.00
b) Other charges		-
Tax Audit	2.00	-
Certification fee	-	-
<b>Total</b>	<b>6.00</b>	<b>3.00</b>

**30. Earnings per Share**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit attributable to equity holders	125.25	663.86
Profit attributable to equity holders for basic EPS	125.25	663.86
Number of shares at the beginning of the year	92,19,008	92,19,008
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	92,19,008	92,19,008
Weighted average number of equity shares outstanding during the year – Basic	92,19,008	92,19,008
Weighted average number of equity shares outstanding during the year – Diluted	92,19,008	92,19,008
Earnings per share of par value ₹ 10/- Basic	1.36	7.16
Earnings per share of par value ₹ 10/- Diluted	1.36	7.16

**31. Income Taxes**

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Current income tax:</b>		
Current income tax charge	56.02	318.32
<b>Deferred Tax:</b>	-	-
Relating to origination and reversal of temporary differences	21.72	(47.63)
Income tax expense reported in the statement of profit and loss	77.74	270.69
<b>OCI section</b>		
Deferred tax related to items recognised in OCI during in the year:		
<i>Other comprehensive income section</i>		
Deferred tax related to items recognised in OCI during in the year:		

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Re-measurement gains/ (losses) on defined benefit plans	17.99	3.54
Deferred tax charged to OCI	(4.53)	-

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before income tax	202.99	934.55
<b>Accounting profit before income tax</b>	<b>202.99</b>	<b>934.55</b>
<b>Enacted tax rate in India</b>	<b>25.17%</b>	<b>29.90%</b>
Computed expected tax expense	51.09	279.43
Tax effect of adjustments tax relating to earlier periods	(23.99)	-
Tax effect of items non-deductible for tax purposes	23.94	33.93
Tax effect of relating to origination and reversal of temporary differences	26.70	(42.67)
<b>Total tax expense reported in the statement of profit and loss</b>	<b>77.74</b>	<b>270.69</b>
Effective income tax rate	38.30%	28.97%

**Deferred tax relates to the following Balance Sheet**

Particulars	As at 31 March 2023	As at 31 March 2022
<b><u>Deferred tax liabilities:</u></b>		
WDV differences of assets as per books and tax laws	225.78	226.75
Investment in mutual funds	2.61	-
Re-measurement gains/ (losses) on defined benefit plans	4.53	-
	<b>232.92</b>	<b>226.75</b>
<b><u>Deferred tax assets:</u></b>		
Post-employment benefits gratuity	21.21	-
Provision for leave encashment	6.34	-
Others	-	47.63
	<b>27.55</b>	<b>47.63</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>205.36</b>	<b>179.11</b>

**Reflected in the balance sheet as follows:**

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets (continuing operations)	(27.55)	(47.63)
Deferred tax liabilities	232.92	226.75
Deferred tax liabilities/(assets), net	205.36	179.11



**VINEET LABORATORIES LIMITED**  
Notes annexed to and forming part of the Financial Statements

**32. Employee benefits**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	415.07	431.55
Contribution to provident fund and others	17.20	16.68
Gratuity	14.83	14.52
Leave Encashment	3.07	2.51
Director's remuneration	110.50	80.09
Staff welfare expenses	39.63	25.67
	<b>600.29</b>	<b>571.02</b>

**Notes:**

- The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
- The Company operates defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

During the period the Company has recognized the following amounts in the Statement of profit and loss.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employers Contribution to Provident fund	17.20	16.68
<b>Total</b>	<b>17.20</b>	<b>16.68</b>

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31 March 2023 and 31 March 2022 consist of the following.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	8.40	8.66
Interest on net defined benefit liability/(asset)	6.43	5.86
Components of defined benefit costs recognized in statement of profit or loss – (A)	14.83	14.52
Actuarial (gain) / loss on plan obligations	(17.99)	(11.78)
Components of defined benefit costs recognized in other comprehensive income – (B)	(17.99)	(11.78)
<b>Total (A+B)</b>	<b>(3.16)</b>	<b>2.74</b>

The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present value of defined benefit obligation	84.27	87.43
Less: Fair value of plan assets	-	-
<b>Net liability recognized in the balance sheet</b>	<b>84.27</b>	<b>87.43</b>
Current portion of the above	25.49	17.98
Non-current portion of the above	58.78	69.45

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

Movement in the present value of the defined benefit obligation is as follows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Defined benefit obligations at the beginning of the year	87.43	84.69
Benefits Paid		
<b>Expenses Recognised in statement of Profit &amp; Loss</b>		
Current service cost	8.40	8.66
Interest on defined obligations	6.43	5.86
<b>Expenses Recognised in statement of OCI</b>		
Actuarial loss/(gain) due to change in assumptions	(0.70)	(2.70)
Actuarial loss/(gain) due to experience changes	(17.29)	(9.08)
<b>Defined benefit obligations at the end of the year</b>	<b>84.27</b>	<b>87.43</b>

**Summary of Actuarial Assumptions**

The actuarial assumptions used to determine benefit obligations in accounting for the Gratuity Plan are as follows.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	7.51%	7.36%
Employee attrition Rate	5.00%	5.00%

**Leave Encashment**

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof 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. The total liability recorded by the Company towards this obligation was Rs.25.21 Lakhs as at 31 March 2023 (Rs.22.14 Lakhs as at 31 March 2022).

**33. Related Party Transactions**

Name of the related party	Nature of relationship
Gaddam Venkata Ramana	Executive and Managing Director
Satyanarayana Bhupathiraju	Executive Director & Chief Financial Officer
Kandula Murali Mohan	Executive Director
Nirosha Ravikanti	Company Secretary (w.e.f. 28 April 2022)
Chetna	Company Secretary (till 30 October 2021)
Dilip Vishnu Achrekar	Non-executive-Independent director- Chairperson
Bhaskar Reddy Karna	Non-Executive- Independent Director
Hari Priya Yerukalapudi	Non-Executive- Independent Director (w.e.f 29 July 2022)
Thotakura Uma Sangeetha	Independent Director (till 05 June 2022)
Wohler Laboratories Private Limited	
Vineet Life sciences Private Limited	Entities in which directors are interested
Vineet Chem Trade Private Limited	
Satyanarayana Raju Bhupathiraju	Promoters
V Varaprasada Rao	
A Srinivasa Raju	

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

A Ranga Raju A Prabhakar Raju Alluri Maithili Venkata Ramana Gaddam Murali Mohan Kandula Penmetsa Venkata Krishnam Raju Gaddam Srinivasarao Gaddam Balaji	
--	--

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Sales</b>		
Vineet Life Sciences Private Limited	1,657.93	2,411.06
Vineet Chem Trade Private Limited	1,365.85	5,021.01
<b>Remuneration expense</b>		
G. Venkata Ramana	49.50	33.00
K. Murali Mohan	23.00	24.00
Bh. Satyanarayana Raju	38.00	27.00
Nirosha Ravikanti	2.78	-
Chetna	-	1.40
<b>Sitting fee expense</b>		
K. Bhaskar Reddy	1.00	1.00
T. Umasangeeta	-	1.00
Dilip Achrekar	1.00	1.00
Hari Priya Yerukalapudi	1.00	-
<b>Purchases</b>		
Vineet Life Sciences Private Limited	3,408.69	4,895.88
Vineet Chem Trade Private Limited	547.79	1,969.73
<b>Outstanding as on balance sheet date:</b>		
<b>Trade Payable</b>		
Vineet Life Sciences Private Limited	-	69.41
<b>Trade Receivable</b>		
Vineet Chem Trade Private Limited	1.63	1,969.73
Vineet Life Sciences Private Limited	827.50	-
Wohler Laboratories Private Limited	208.48	204.70
<b>Remuneration payable</b>		
G. Venkata Ramana	6.11	2.25
Bh. Satyanarayana Raju	5.18	1.34
K. Murali Mohan	-	1.46
<b>Sitting fee payable</b>		
K. Bhaskar Reddy	-	22.50
Dilip Achrekar	0.73	
T. Uma Sangeeta	0.90	0.90
Nirosha Ravikanth	1.00	-

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

**34. Financial instruments and fair value**

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Total carrying value	Total fair value	Total carrying value	Total fair value
<b>Assets</b>				
Cash and cash equivalents including the other bank balances	94.67	94.67	1,881.69	1,881.69
Investments	13.35	13.35	13.57	13.57
Trade receivables	3,516.31	3,516.31	4,023.27	4,023.27
Other financial assets	133.04	133.04	487.73	487.73
<b>Total</b>	<b>3,757.37</b>	<b>3,757.37</b>	<b>6,336.26</b>	<b>6,336.26</b>
<b>Liabilities</b>				
Trade payables	3,489.44	3,489.44	6,081.23	6,081.23
Non-current borrowings	484.79	484.79	172.19	172.19
Current borrowings	2,624.09	2,624.09	2,479.17	2,479.17
Other financial liabilities	26.69	26.69	442.23	442.23
<b>Total</b>	<b>6,625.02</b>	<b>6,625.02</b>	<b>9,174.82</b>	<b>9,174.82</b>

There have been no transfers between levels during the year. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

**35. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings and trade payables.

**i. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
<b>31 March 2023</b>		
INR	50.00	(15.54)
INR	(50.00)	15.54
<b>31 March 2022</b>		
INR	50.00	(13.26)
INR	(50.00)	13.26

ii. *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 foreign currency borrowings and trade payables. The summary of derivative instruments and unhedged foreign currency exposure is as below:

Derivatives (not designated as hedges) outstanding as at the reporting date

Particulars	As at 31 March 2023		As at 31 March 2022	
	USD	INR	USD	INR
Trade payables	1.32	108.79	6.34	479.41

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant and without considering impact of derivatives not designated as hedges.

Particulars	As at 31 March 2023		As at 31 March 2022	
	5% increase	5% decrease	5% increase	5% decrease
Impact on profit before tax				
Average rate	82.14	82.14	75.75	75.75
Impact on profit before tax	(5.44)	5.44	(23.97)	23.97

(b) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

*Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

*Investments*

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

*Details of financial assets – not due, past due and impaired*

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as of 31 March 2023. The Company's credit period for trade and other receivables payable by its customers generally ranges from 30 – 90 days.

The ageing of trade and other receivables is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Neither past due nor impaired		
Past due but not impaired		
Less than 365 days	3,516.31	3,619.84
More than 365 days	-	403.44
Less : Allowance for credit losses	-	
<b>Total</b>	<b>3,516.31</b>	<b>4,023.27</b>

**c) Liquidity risk**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities on undiscounted basis:

Maturities	Upto 1 year	1-3 Years	3-5 Years	Above 5 Years	Total
<b>31 March 2023</b>					
Non-current borrowings	104.31	253.69	204.86	26.24	589.10
Current borrowings	2519.78	-	-	-	2,519.78
Trade payables	3489.44	-	-	-	3,489.44
Other financial liabilities	26.69	-	-	-	26.69
<b>Total</b>	<b>6140.22</b>	<b>253.69</b>	<b>204.86</b>	<b>26.24</b>	<b>6,625.02</b>
<b>31 March 2022</b>					
Non-current borrowings	64.28	81.67	-	26.24	172.19
Current borrowings	2479.17	-	-	-	2,479.17
Trade payables	6009.18	72.05	-	-	6,081.23
Other financial liabilities	442.23	-	-	-	442.23
<b>Total</b>	<b>8994.86</b>	<b>153.72</b>	<b>-</b>	<b>26.24</b>	<b>9174.82</b>

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

**36. Details of CSR expenditure**

Particulars	As at 31 March 2023	As at 31 March 2022
i) Amount required to be spent by the company during the year	8.93	-
ii) Amount required to be set off for the financial year, if any	-	-
iii) Total CSR obligation for the financial year	8.93	-
iv) Amount of expenditure incurred	-	-
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	-	-
v) Shortfall/ (Pre spent) at the end of the year ((iii)-(iv))*	-	-
vi) Total of previous years shortfall	-	-
vii) Reason for shortfall	-	-
viii) Nature of CSR activities	N.A	
ix) Details of related party transactions, e.g. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	N.A	N.A

**37. Ratio Analysis**

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	Variance (in %)	Reason
Current ratio	Current Assets	Current Liabilities	1.17	1.08	8.69	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	2.44	3.01	(19.05)	
Debt Service Coverage ratio	Earnings for debt service	Debt service	0.23	0.47	(51.98)	1
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.04	0.20	(81.26)	2
Inventory Turnover ratio	Turnover	Average Inventory	4.73	4.59	3.01	
Trade Receivable Turnover Ratio	Revenue Net credit purchases	Average Trade Receivable	5.95	4.54	31.14	3
Trade Payable Turnover Ratio		Average Trade Payables	3.68	2.54	44.87	4
Net Capital Turnover Ratio	Revenue	Working capital	16.39	14.76	(31.97)	5
Net Profit ratio	Net Profit	Revenue	0.01	0.03	(82.90)	6
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.13	0.30	(56.96)	7

**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

**Reasons:**

1. Decrease in net profit before interest and also increase in debt for the current year.
2. Decrease in net profit after tax for the current year as compared to last year.
3. Increase in purchases and decrease in trade payables for the current year.
4. Increase in net working capital turnover as compared to last year.
5. Decrease in net profits as compared to last year.
6. Decrease in profit after tax and before interest.

**38. Other statutory information**

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company does not have any transactions with struck off companies.
3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
8. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
9. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
10. The Company has borrowings from banks against security of its current assets. The reports or statements of Current assets filed by the company with banks are in agreement with the books of accounts.

**39. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.



**VINEET LABORATORIES LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings	484.79	172.19
Lease liabilities	-	-
Current borrowing	2624.09	2,479.17
Less: cash and cash equivalents	(63.07)	(1,665.94)
<b>Net debt</b>	<b>3,045.81</b>	<b>985.42</b>
Equity share capital	921.90	921.90
Other equity	2,446.44	2,399.92
<b>Total capital</b>	<b>3,368.34</b>	<b>3,321.82</b>
<b>Capital and net debt Gearing Ratio</b>	<b>0.90</b>	<b>0.30</b>

40. Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

As per our report of even date attached  
for **NSVR & Associates LLP**  
Chartered Accountants  
Firm Regn No:008801S/S200060

for and on behalf of the Board of Directors  
**Vineet Laboratories Limited**

**V Gangadhara Rao N**  
Partner  
Membership No: 219486  
UDIN: 23219486BGQCWA3303  
Place: Hyderabad  
Date: 29 May 2023

**G. Venkata Ramana**  
Managing Director  
DIN: 00031873

**B. Satyanarayana Raju**  
Whole-time Director & CFO  
DIN: 02697880

**Nirosha Ravikanti**  
Company Secretary

**VINEET LABORATORIES LIMITED**

**CIN: L24304TG2016PLC112888**

Registered Office: SY.No.11/A3, Saheb Nagar, Kurdu Vill,  
Chintal Kunta, Eshwaramma Nilayam, L B Nagar, Hyderabad - 500074 Telangana

**Form No. MGT-11  
Proxy Form**

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

Name of the Member(s):	
Registered Address	
Email ID:	
Folio No/ Client ID:	
DP ID:	

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

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him;
- Name: ..... Address: .....  
E-mail Id: ..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 07th Annual General Meeting of the Company, to be held on Thursday, September 28, 2023 at 09.30 a.m. at Minerva Coffee Shop, 3rd Floor, Beside Sanjeevini Hospital, Kiran Nagar, Doctors' Colony, Kothapet, Hyderabad, Telangana 500 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolution	Vote	
		In Favour	Against
<b>Ordinary Business</b>			
1.	To receive, consider, and adopt the Audited Financial Statements for the financial year ended March 31, 2023		
2.	To appoint Mr. Gaddam Venkata Ramana (DIN: 00031873), who retires by rotation as a Director		
<b>Special Business</b>			
3.	To ratify the remuneration of Cost Auditors for the financial year 2023-24		
4.	To approve existing as well as new material related party transactions with with Organo Metallica Private Limited		
5.	To re-appoint and to fix remuneration of Mr. Gaddam Venkata Ramana (DIN: 00031873) as the Managing Director of the Company		

Resolution No	Resolution	Vote	
		In Favour	Against
<b>Special Business</b>			
6.	To re-appoint and fix remuneration of Mr. Satyanarayana Raju Bhupathiraju (DIN: 02697880) as the Whole-Time Director of the Company		
7.	To appoint Mr. Ranga Raju Alluri (DIN: 10044882) as Non-Executive Director (Promoter Category) of the Company		

Signed this ..... day of ..... 2023

\_\_\_\_\_  
Signature of Proxy holder(s)

\_\_\_\_\_  
Signature of Member

Affix Revenue Stamp of Re. 1/- and sign across
--

**Note:**

1. The proxy duly stamped, completed, signed should be deposited at the Registered Office of the Company, not less than 48 (Forty-Eight) hours before commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The shareholder may vote either for or against each resolution. It is optional to indicate your preference. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person, if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# VINEET LABORATORIES LIMITED

CIN: L24304TG2016PLC112888

**Registered Office:** SY.No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta,  
Eshwaramma Nilayam, L B Nagar Hyderabad - 500074 Telangana, India

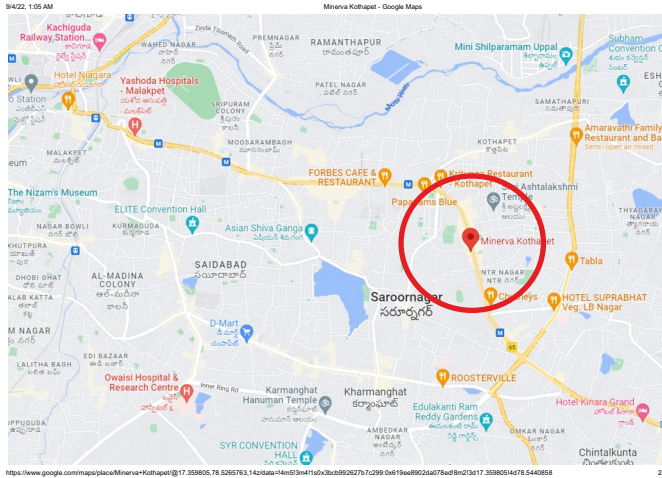
## ATTENDANCE SLIP

**7<sup>th</sup> Annual General Meeting to be held on Thursday, the 28<sup>th</sup> September 2023 at 09.30 am**

I hereby record my presence at the 7th Annual General Meeting of the Company being held on

Name of the Shareholder:
Name of the Proxy:
Registered Folio No. /DP ID No. / Client ID No:
Number of Equity Shares held:
Signature of Shareholder / Proxy:
Date :

**Note: Please fill up this attendance slip and hand it over at the entrance of the venue. Members are requested to bring their copies of the Annual Report to the AGM.**



# *BOOK POST*

*If undelivered please return to :*



## **Vineet Laboratories Limited**

**Registered Office**

SY. No. 11/A3, Saheb Nagar, Kurdu Vill, Chintal Kunta,  
Eshwaramma Nilayam, L B Nagar Hyderabad - 500074. Telangana.