



**Vivimed**

Date: 11.12.2024

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001  
Scrip Code: **532660**

National Stock Exchange of India Limited  
Exchange Plaza, Sandra Kurla Complex,  
Bandra (E), Mumbai - 400 051  
Symbol: **VIVIMEDLAB**

**Dear Sir,**

**Sub: Notice of 36<sup>th</sup> Annual General Meeting (AGM), Annual Report for the financial year 2023-24 and Book Closure for AGM.**

This is to inform you that the 36<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Friday, the 3<sup>rd</sup> day of January, 2025 at 3.00 P.M. ("IST") through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM").

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of Annual Report for the financial year 2023-24 along with notice of the AGM for your information and records which is being dispatched to the shareholders of the Company.

We also hereby inform you that pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer books of the Company will be closed from December 28, 2024 to January 03, 2025 (both days inclusive) for the purpose of AGM.

Further, e-voting facility for the AGM will be made available to all the members of the Company. The date and time of remote e-voting facility are as under:

Date and time of commencement of remote e-voting	Tuesday, December 31, 2024 at 09.00 a.m.
Date and time of end of remote e-voting	Thursday, January 2, 2025 at 05.00 p.m.
Cut-off date for determining the eligibility to vote by electronic means or in the AGM	Friday, December 27, 2024

Please take the information on record.

Thanking you,

Yours faithfully,  
**For Vivimed Labs Limited**

**Yugandhar Kopparthi**  
**Company Secretary**



Encl: As above

**Vivimed Labs Limited.**

CIN : L02411KA1988PLC009465  
Registered Office: #78/A, Kolhar Industrial Area,  
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Vivimed

... AGILITY HOPE

**RESILIENCE**

SUCCESS EFFORT

POSSIBILITY

IDEA

**WINS**

STRENGTH

TEAMWORK VISION

SOLUTION

GROWTH RESEARCH

MOTIVATE

VIVIMED LABS LIMITED  
REPORT 2023-24

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SHAREHOLDER INFORMATION  
CIN: L02411KA1988PLC009465  
ISIN: INE526G01021  
NSE Code: VIVIMEDLAB  
BSE Code: 532660  
AGM Date: 03-01-2025  
AGM Mode: Virtual



**“PERSISTENCE AND  
RESILIENCE ONLY COME FROM  
HAVING BEEN GIVEN THE  
CHANCE TO WORK THROUGH  
DIFFICULT PROBLEMS.”**

*Gever Tulley*

In the crucible of challenges, we are often tested, refined, and ultimately strengthened.

It is through facing and overcoming adversity that we cultivate the persistence and resilience essential for long-lasting achievement.







# RESILIENCE WINS

**In the fast-paced world of pharmaceuticals, where challenges arise as swiftly as opportunities, resilience is not just a trait- it's a winning strategy.**

Vivimed has embodied this spirit of resilience since its inception.

From its humble beginnings, Vivimed Labs has navigated the complex waters of the industry with unwavering determination. Each obstacle, whether market fluctuations, regulatory challenges, or global disruptions, has been met with a steadfast commitment to innovation, quality, and sustainability.

FY 2023-24 has been a year that tested every facet of the business, but Vivimed Labs has emerged stronger, more agile, and more focused on the future. Vivimed Labs has not only weathered the storm but has also set new benchmarks in excellence and sustainability.

As the world continues to evolve, Vivimed Labs remains at the forefront, driven by a passion for creating products that improve lives and a dedication to the principles of sustainability and ethical business practices.

In the face of adversity,

**VIVIMED LABS HAS PROVEN THAT RESILIENCE IS NOT JUST ABOUT SURVIVING—IT'S ABOUT WINNING.**

## ABOUT US

# VIVIMED LABS

Vivimed Labs, founded in 1988 has evolved from a contract manufacturer of formulations to a diversified pharmaceutical company. Headquartered in Hyderabad, India, the company is publicly listed on the BSE and NSE.

Over the past three decades, it has expanded its operations to include formulations and contract manufacturing services for domestic and international clients, besides its prescription market presence in Indian market.

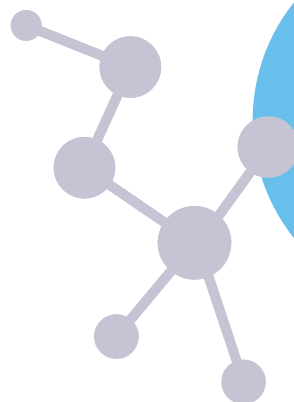
With 5 certified manufacturing facilities and a dedicated R&D centre, Vivimed Labs is committed to innovation in the pharmaceutical industry.



## QUALITY CERTIFICATION

Health Canada

PICS/GMP



5

MANUFACTURING  
FACILITIES

2

R&D  
FACILITIES



**159**

REVENUE  
(₹ CRORE)

**(23)**

EBITDA  
(₹ CRORE)

**(45)**

NET PROFIT/(LOSS)  
(₹ CRORE)

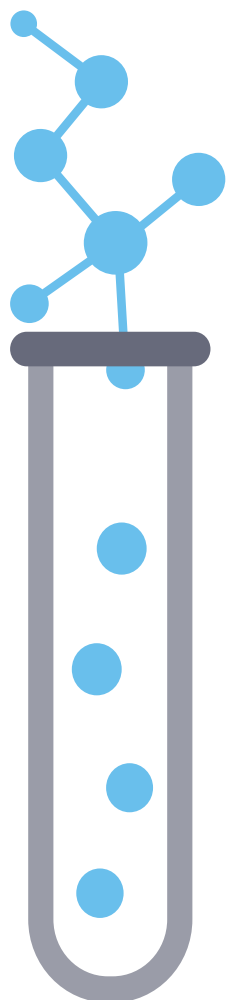




# OUR **VISION** & **MISSION**

**WE ASPIRE TO BECOME A FULLY INTEGRATED BRANDED FORMULATIONS & CDMO PARTNER OF CHOICE IN GLOBAL AND DOMESTIC MARKETS.**

**WE SHALL CONTINUOUSLY ENHANCE OUR COMPETITIVENESS BY BUILDING STRONG CAPABILITIES IN R&D AND END TO END OPERATIONAL EXCELLENCE.**



# OUR **VALUES** & **PRINCIPLES**

## WE FOCUS ON OPPORTUNITIES

At Vivimed, we believe that there is no room for a second chance. An opportunity presents itself only once, and we usually make it ours.

## WE BUILD ON OUR CAPABILITIES

Capability building is the key to our Company's performance and growth. At both individual and organisational level, there is a consistent effort to build up on our competencies.

## WE EMBRACE CHANGE

At Vivimed, we consider the only constant to be, is change itself.

## WE STRIVE FOR CONTINUOUS IMPROVEMENT

There are others; and there is Vivimed. We strive for continuous improvement in our quality standards, operational efficiency and customer service.

## WE ENDEAVOUR TO RISE AND SHINE

We work towards efficient and smart execution of our plans in a methodical way with intense focus on precision and teamwork.

# OUR JOURNEY

## 2011

- Embarked upon building an integrated Healthcare company vis-à-vis pure play Spechem player
- Acquired Uquifa, which marked Vivimed's entry into the API domain; added new customers, diversified product portfolio, and 3 USFDA-approved manufacturing facilities.
- Acquired Klar Sehen and Octantis Nobel to establish a footprint in the domestic FDF market as a branded manufacturer

## 2005

- Expansion of Product Portfolio & Clientele
- Listed on BSE & NSE
- Development of new active ingredients
- Introduction of Small Volume Parentals facility and Specialty Chemicals facility
- Added new customers such as L'Oreal, P&G
- Inorganic Growth Healthcare
- Acquired Uquifa, Octantis Nobel, Klar Sehen, Finoso and Actavis SOD facility to increase presence in APIs & formulations
- Active Ingredients: Acquired James Robinson to increase global presence and increase product portfolio

## 2000

- Breakthrough in Specialty Chemicals
- Established an R&D centre Approved by Unilever for the supply of Viv-20 and Vivcal-G to Unilever's Asian locations.

## 1997

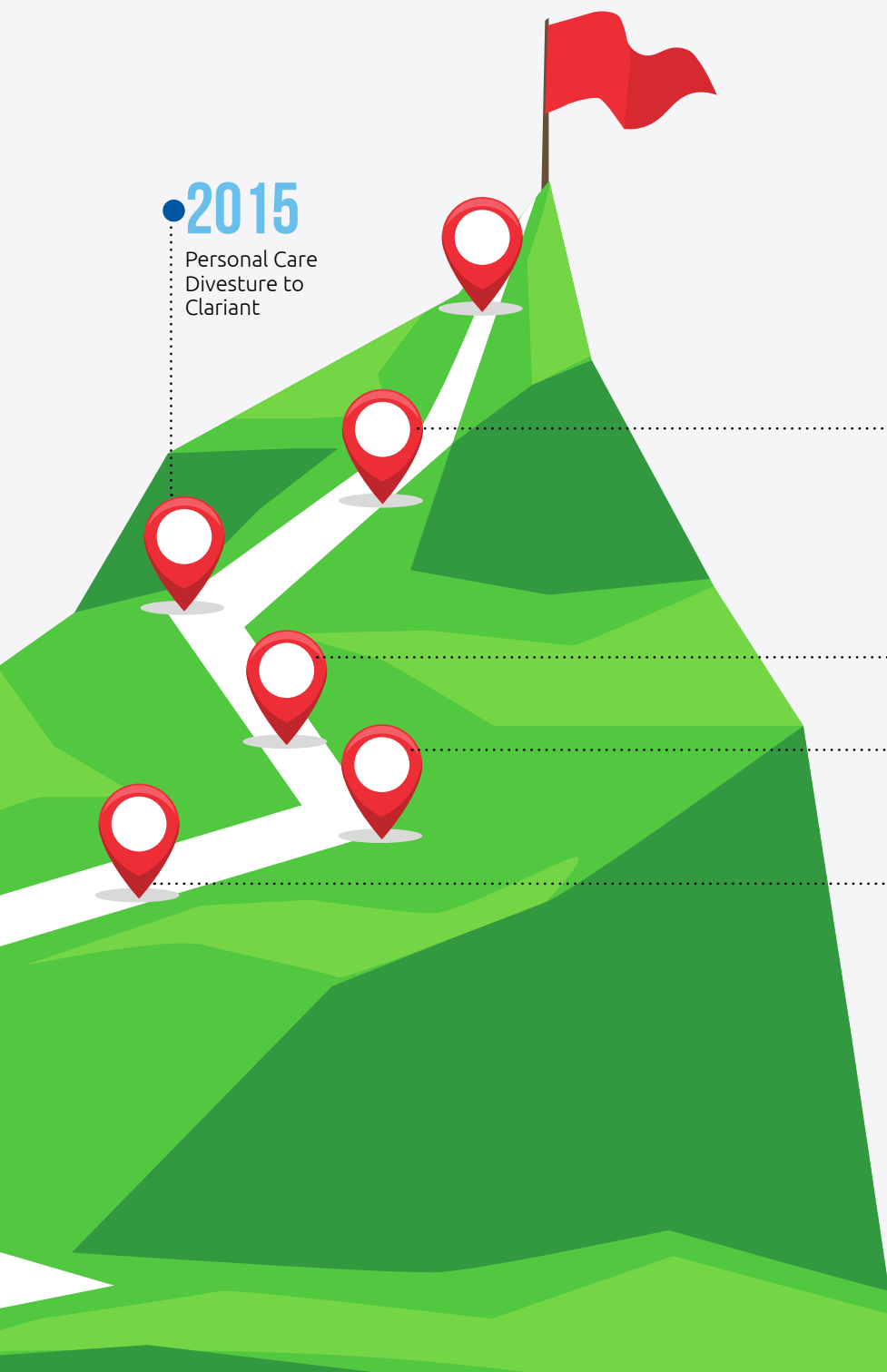
- Exploration into Specialty Chemicals- VIV-20 Patent grant by Indian Patents Office
- Foray into speciality chemicals through the development and process innovation of Anti-Bacterial Viv-20 (Triclosan)

## 1991

- API and Bulk Drug Manufacturing – Commenced production at Bidar, Karnataka.
- Manufacturing APIs and bulk drugs such as ibuprofen, chlorzoxazone, and nalidixic acid.

## 1989

Inception as a contract manufacturer for pharmaceutical formulations.



## 2015

Personal Care  
Divesture to  
Clariant

## 2018

Acquisition of Soneas, a CDMO based out of Budapest, Hungary.

## 2014

- Focused on integration and simulation
- The acquisition of APMPL, a US FDA-approved FDF facility, has opened doors in the regulated markets for generics.
- Recent PIC/S GMP approval; access to the regulated CIS market for formulations
- All building blocks in place to take the healthcare segment to the next level of growth

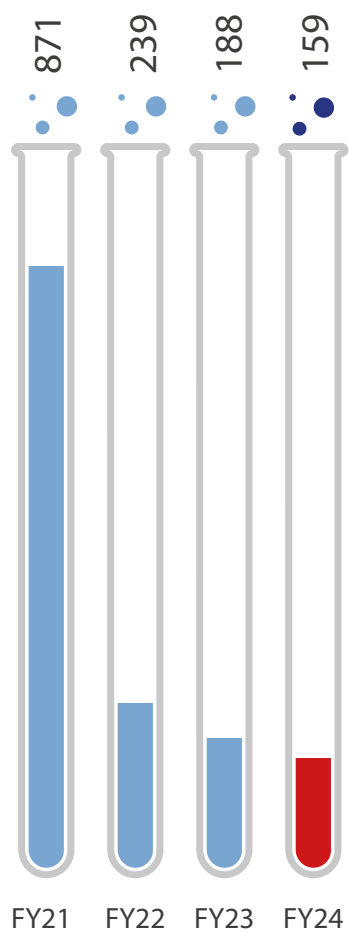
## 2013

- Investment for future pipeline
- Commissioning of Bidar block for Pharma Intermediates
- Upgradation of Jeedimetla facility to PICS standards
- Established API R&D with 65 scientists and formulations R&D with 45 scientists
- Health Canada approval for FR&D centre

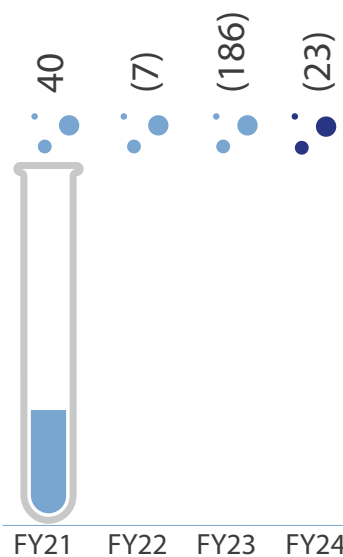
## 2012

- Harnessing the future
- Focused on strengthening the API business with backward integration and procurement synergies

# KEY PERFORMANCE INDICATORS



REVENUE (₹ CRORE)



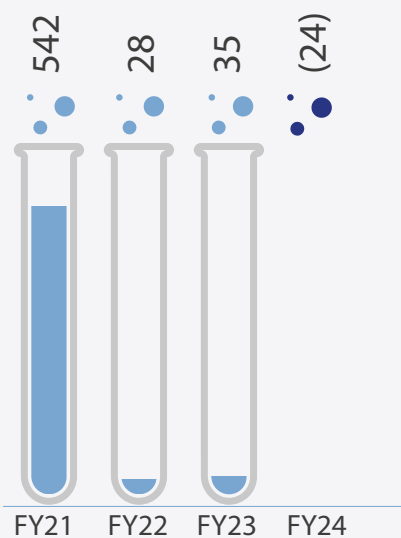
EBIDTA (₹ CRORE)



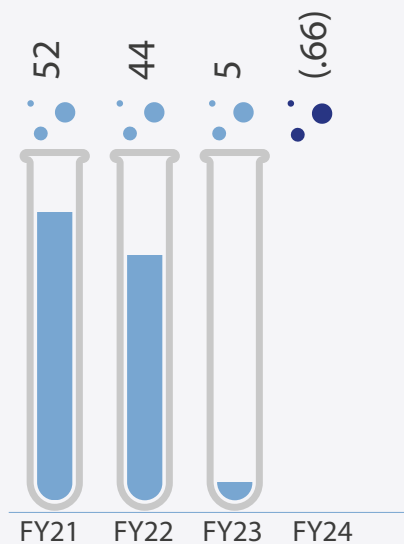
NET PROFIT/(LOSS)  
(₹ CRORE)



NETWORTH (₹ CRORE)



CASH FLOW FROM OPERATIONS (₹ CRORE)



BOOK VALUE PER SHARE (₹ CRORE)



FROM THE MANAGING DIRECTOR'S DESK

**“IN THE FACE OF CHALLENGES,  
WE ARE TESTED, REFINED, AND  
ULTIMATELY MADE STRONGER. BY  
CONFRONTING AND SURMOUNTING  
ADVERSITY, WE DEVELOP THE  
PERSEVERANCE AND RESILIENCE  
CRUCIAL FOR ENDURING  
SUCCESS.”**



## Dear Shareholders,

We are pleased to present our Company's Annual Report for the financial year 2023-24. Our company successfully weathered a challenging fiscal year marked by global economic uncertainties and geopolitical tensions. Despite these headwinds, we demonstrated resilience and continued growth, a testament to our employees' dedication and hard work.

The year 2023-24 was characterised by a global economy experiencing steady growth but grappling with geopolitical challenges, particularly in regions like Russia, Ukraine, and the Middle East. The ongoing trade tensions between China and the United States further shaped the global economic landscape.

The manufacturing sector continued to face pressures from high inflation, supply chain disruptions, and regional conflicts. Central banks worldwide responded to these challenges with hawkish monetary policies, leading to increased interest rates and potential impacts on consumer confidence.

Despite these global challenges, India exhibited remarkable economic resilience, driven by government investments, a resurgence in the manufacturing sector, and a service industry revival. However, most sectors were not immune to the effects of global disruptions, commodity price volatility, and trade route fragilities. The pharmaceutical sector, while impacted, showed signs of recovery.

In keeping with the sectoral trend, we experienced considerable challenges, too. Further, the business encountered challenges due to disruptions within the field force, which led to limited traction. Despite these difficulties, the Company sustained an average monthly sales performance.

The Company experienced notable advancements in its international business. A commercial order for Bilastine was secured from Propharma Ukraine, and the product was successfully commercialised in Kyrgyzstan. Furthermore, regulatory filings for RupaTidine and Empagliflozin were initiated in Canada. In a strategic partnership, a Sitagliptin +Metformin combination was filed in Mexico, along with additional filings in Ukraine and Azerbaijan.

Further, the Company achieved significant milestones, including a positive pivotal bio outcome and the successful completion of the Sertraline Capsules project. This progress accelerated the development of internal products and commercial supplies. Regulatory filings for specific tablets were finalised in multiple ROW countries, and several ophthalmic products were also filed in various ROW regions.

Additionally, productive discussions with clients from Australia, the EU, Canada, and India regarding product development and technology transfer collaborations were held. The company has targeted a focused approach to developing a range of ophthalmic and nasal formulations for global markets. It has demonstrated ability to develop complex product range.

Looking ahead, I am optimistic about new opportunities that will unfold. I anticipate a significant improvement in our overall performance.

Our team has demonstrated unwavering resilience and determination despite the challenging economic landscape. We have consistently persevered, exploring every avenue to restore profitability. While setbacks have been inevitable, we have emerged from each challenge stronger, more focused, and more equipped to drive our business forward.

While we acknowledge that significant work must be done to deliver value to all our stakeholders, particularly our shareholders, I am confident in our team's ability to transform our business operations. We aim to achieve a positive bottom line within the next two years through strategic initiatives and renewed focus.

Finally, I would like to sincerely thank all our stakeholders for their continued trust and support. As our new business strategies take hold, we are committed to enhancing our operations, delivering superior results, and creating sustainable value for all.

Warm regards,

**Santosh Varalwar**  
 Managing Director







# MANAGEMENT, **DISCUSSION** & ANALYSIS



## Economic Overview

### Global Economy

In 2023, the global economy navigated a landscape marked by ongoing challenges and evolving opportunities. The year began with persistent concerns about inflation, which remained high in many regions, prompting central banks around the world to maintain or increase interest rates in an effort to stabilize prices. This monetary tightening had mixed effects: while it helped curb inflationary pressures, it also led to slower economic growth and tighter financial conditions.

The World Economic Situation and prospects report predicts a global GDP growth deceleration from 2.7% in 2023 to 2.4% in 2024, indicating a persistent slowdown in economic expansion.

Emerging markets and developing economies faced particular difficulties as they struggled with debt burdens exacerbated by rising interest rates and slower global growth. However, some countries in Asia, notably India and Vietnam, showed resilience and continued to experience robust growth driven by strong domestic demand and competitive manufacturing sectors.

The major economies of the world saw varying degrees of recovery from the disruptions caused by the COVID-19 pandemic. The United States, while grappling with high inflation and a tight labour market, managed moderate economic growth due to consumer spending and a strong job market. Europe, on the other hand, faced headwinds from high energy costs and geopolitical uncertainties, particularly the ongoing effects of the Russia-Ukraine conflict, which strained energy supplies and led to increased costs.

China's economy, which had been a major engine of global growth in the past, encountered significant challenges in 2023. The country struggled with a slowdown in economic activity, partly due to persistent issues in its real estate sector and ongoing COVID-19 restrictions. Despite these difficulties, China continued to play a crucial role in global trade and investment, though its growth was more subdued compared to previous years.

Technological advancements and green energy investments emerged as significant themes in 2023. The global transition towards sustainability and digitalization created new opportunities for growth and innovation, although the pace and impact varied by region.

Source: World Economic Situation and Prospects

Overall, the global economy in 2023 was characterized by a complex interplay of recovery from past disruptions, ongoing inflationary pressures, and significant regional disparities.

### Outlook

The global economic outlook for 2024 presents a mixed but cautiously optimistic picture. As the world emerges from a period of intense inflationary pressures and economic uncertainty, several key factors are likely to shape the trajectory of the global economy.

Economic growth is expected to stabilize and potentially improve in 2024, as many economies adjust to the new monetary and fiscal conditions established in previous years. Global trade is likely to remain robust, though supply chain disruptions could continue in some sectors. Efforts to diversify supply chains and strengthen trade partnerships will be important for mitigating risks and ensuring smoother global commerce.

As economies navigate these complexities, strategic policy adjustments and international cooperation will play crucial roles in shaping the future economic environment.

### Indian Economy

India's economy demonstrated remarkable resilience in FY 2023-24, continuing its upward trajectory post-pandemic. The nation solidified its position as the world's fastest-growing major economy, outpacing global peers.

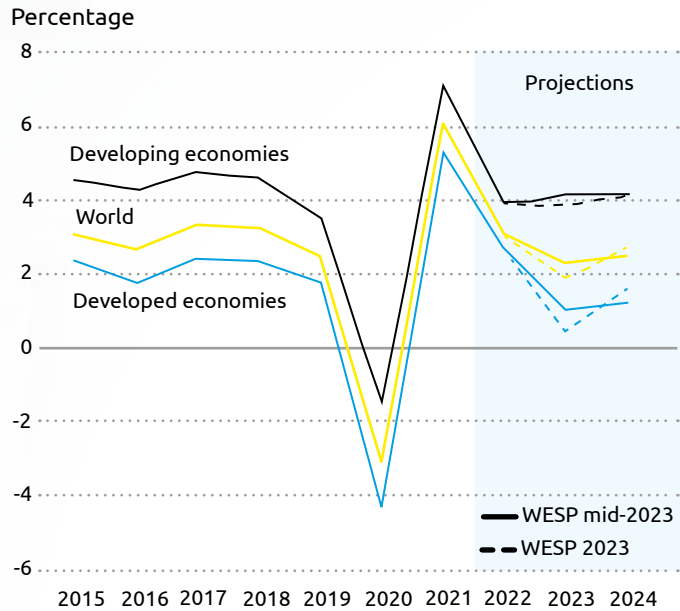
Real GDP growth is estimated at a robust 8.2%, surpassing the previous year's 7.0%. This expansion was driven by a combination of factors, including a surge in private consumption, which reached its highest level since FY 2015. The manufacturing and construction sectors also contributed significantly, expanding by 8.5% and 10.7%, respectively.

The government's fiscal management was commendable, with the fiscal deficit narrowing to 5.8% of GDP from 6.4% in the previous year. Robust tax collections exceeded expectations, aiding in this improvement.

Inflationary pressures, however, posed a notable challenge. The prices of essential commodities, including food and fuel, experienced fluctuations due to supply chain disruptions and geopolitical tensions. The Reserve Bank of India (RBI) adopted a cautious approach, balancing its monetary policy between managing inflation and supporting growth. Interest rates were adjusted periodically in response to these economic dynamics.

Trade and external sector performance also played a crucial role in shaping the economic landscape. While export growth remained steady, reflecting strong demand for Indian goods and services, the trade deficit widened slightly due to elevated import levels. The government sought to address this through policies aimed at enhancing export competitiveness and promoting domestic production.

**Figure 1**  
**Growth of economic output in the world, developed and developing economies**



**Source:** UN DESA, based on estimates and forecasts produced with the World Economic Forecasting Model.

**Note:** e - estimates, f - forecasts.



Employment and labour market conditions showed signs of improvement, with increasing job opportunities and a gradual reduction in the unemployment rate. The government's focus on skill development and vocational training programs was aimed at aligning the workforce with evolving industry needs.

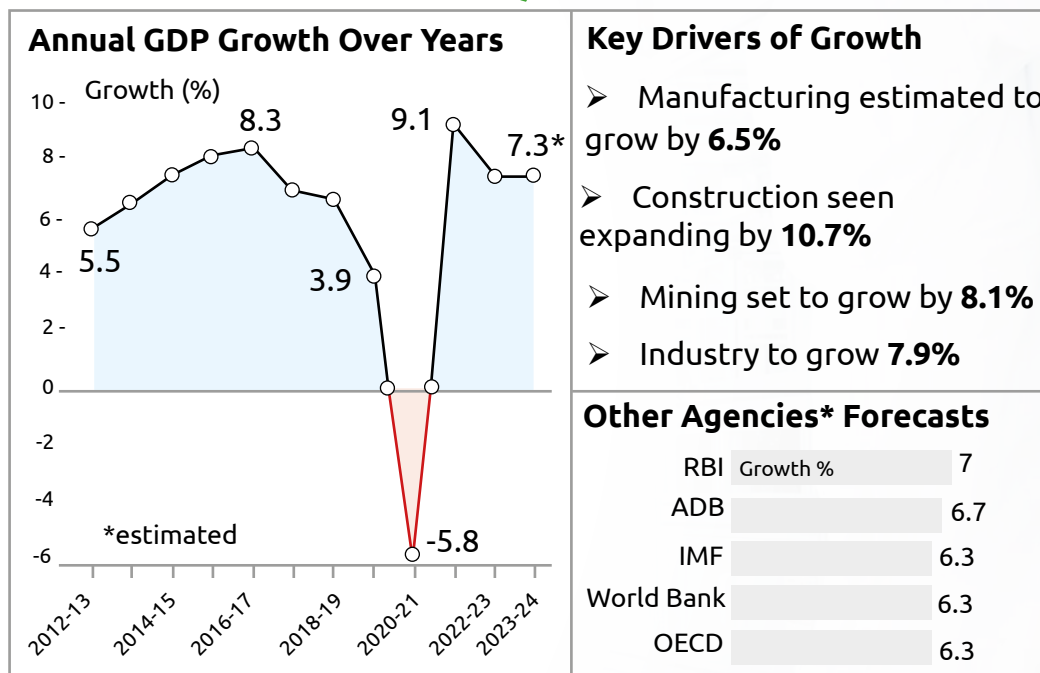
While the overall economic outlook is positive, challenges persist. Inflationary pressures, though easing, remain a concern. The global economic environment, marked by geopolitical tensions and uncertainties, could impact India's export-oriented sectors.


### Outlook

India's economic trajectory continues to be optimistic for FY 2024-25, with projections indicating sustained growth. While challenges persist, the nation's inherent resilience and robust domestic demand position it favourably. The nation's demographic dividend, with a burgeoning young workforce, further enhances its long-term prospects.

India's economy is projected to grow by 6.5 to 7 percent in the financial year ending March 2025, according to the 2023-24 Economic Survey report. This growth will be driven by strong domestic demand, robust infrastructure development, and the expansion of the digital economy.

## POWERED BY MFG, CONST & MINING





# PHARMA INDUSTRY

## Global Pharma Industry

The global pharmaceutical market is a dynamic and expansive sector instrumental in advancing healthcare worldwide. Valued at an estimated USD 1,559.53 billion in 2023, it is projected to surge to USD 2,832.66 billion by 2033, exhibiting a robust compound annual growth rate (CAGR) of 6.15% during this period.

This industry encompasses the research, development, manufacturing, and distribution of medications and medical treatments. Its pivotal role in public health is undeniable, as it provides essential drugs for preventing, treating, and managing a vast array of diseases. A diverse range of stakeholders, including multinational pharmaceutical giants, biotechnology firms, generic drug manufacturers, and contract research organizations, collectively drive this industry.

### Market Dynamics

Several factors converge to propel the pharmaceutical market's growth. Demographic shifts, particularly aging populations and increased life expectancy, necessitate a higher demand for medications addressing age-related health challenges. Moreover, rising healthcare expenditures, especially in emerging economies, fuel investments in healthcare infrastructure and pharmaceutical research and development (R&D).

Advancements in biotechnology, genomics, and personalized medicine are revolutionizing drug discovery and development, enabling the creation of more targeted and efficacious treatments. Additionally, the escalating prevalence of lifestyle-related diseases, such as diabetes and cardiovascular disorders, sustains demand for pharmaceutical interventions.

## The Pharmaceutical Industry's Impact

The pharmaceutical industry is a cornerstone of modern healthcare. It drives innovation by developing novel drugs and therapies, leading to improved patient outcomes, extended life expectancy, and enhanced quality of life. The industry plays a crucial role in managing a wide spectrum of diseases, from chronic conditions to infectious diseases.

Beyond healthcare, the pharmaceutical industry is a significant economic contributor, generating employment, investment, and revenue. Its substantial R&D investments stimulate economic growth, foster innovation, and create avenues for scientific collaboration. Furthermore, the industry has a global impact, addressing public health challenges through collaborations with healthcare organizations, governments, and non-profit entities.

Ensuring access to essential medicines, particularly in underserved regions, is a key focus. The industry strives to develop affordable generic drugs, expand access to life-saving medications, and implement patient assistance programs to support those with limited financial resources.

### Industry Trends and Challenges

The pharmaceutical industry is undergoing a transformative phase, influenced by emerging trends and challenges. Artificial intelligence (AI) is accelerating drug discovery and development by analysing vast datasets to identify potential drug targets and predict treatment responses. Precision medicine, tailoring treatments to individual patient characteristics, is gaining prominence. Gene editing therapies hold immense promise for correcting disease-causing genetic mutations.



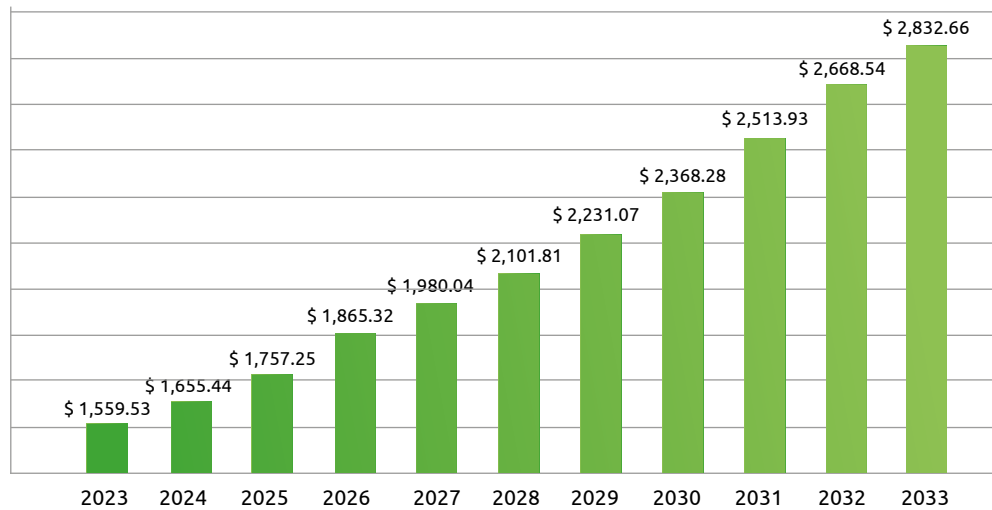
There is a growing emphasis on mental health, with increased investment in developing effective treatments for mental health conditions. However, the high cost of prescription drugs remains a significant challenge, prompting efforts to develop more affordable medications and explore value-based pricing models.

Industry growth is also influenced by factors such as aging populations, rising healthcare expenditures, and the increasing prevalence of chronic diseases. Conversely, stringent regulatory requirements,

intellectual property challenges, high development costs, drug pricing pressures, and emerging market complexities pose obstacles to industry growth.

In conclusion, the pharmaceutical industry is a complex and dynamic sector with a profound impact on global health and economies. Its ability to address emerging healthcare challenges, drive innovation, and ensure access to essential medicines will continue to shape the future of healthcare.

**Pharmaceutical Market Size 2023 to 2033 (USD Billion)**



Source: [www.visionresearchreports.com](http://www.visionresearchreports.com)



## Indian Pharma Industry

The Indian pharmaceutical industry is poised for significant growth, with its market size expected to reach US\$ 65 billion by 2024, approximately US\$ 130 billion by 2030, and a substantial US\$ 450 billion by 2047. As of now, the industry is valued at around US\$ 50 billion, with exports contributing over US\$ 25 billion. India plays a critical role in the global pharmaceutical landscape, supplying 20% of the world's generic drugs.

The Indian hospital market, valued at US\$ 98.98 billion in FY23, is projected to grow at a compound annual growth rate (CAGR) of 8%, reaching US\$ 193.59 billion by FY32. This growth underlines India's position as a major player in the global healthcare sector.

India is the 3rd largest producer of Active Pharmaceutical Ingredients (APIs), accounting for 8% of the global API industry. Over 500 different APIs are manufactured in India, contributing 57% of the APIs to the World Health Organization's prequalified list.

The medical devices sector in India is currently valued at US\$ 11 billion, holding a 1.5% share of the global market. The government has set an ambitious goal to elevate this sector to US\$ 50 billion by 2030. Pharmaceutical and healthcare remain among the top ten sectors for foreign investment in India, with the country's pharmaceutical exports reaching more than 200 nations, including highly regulated markets like the USA, Western Europe, Japan, and Australia. Notably, India supplied around 45 tonnes and 400 million tablets of hydroxychloroquine to 114 countries during global health crises.

In terms of exports, the drugs and pharmaceuticals sector has shown robust growth. Exports increased by 7.36% to US\$ 2.43 billion in April 2024, compared to US\$ 2.26 billion in April 2023. Over the FY24 period (April-March), the sector recorded a year-on-year growth of 9.7%, with total exports standing at US\$ 27.82 billion. In January 2024 alone, exports of drugs and pharmaceuticals were estimated at US\$ 2.13 billion, accounting for 5.8% of India's total exports for that month.

### Industry Trends and Challenges

#### Key Trends

- **Generic Drug Dominance:** India remains a global leader in generic drug manufacturing, leveraging its cost-effective production to serve both domestic and international markets.
- **Rising R&D Investments:** There's a growing emphasis on research and development to create innovative products and reduce dependence on generics.

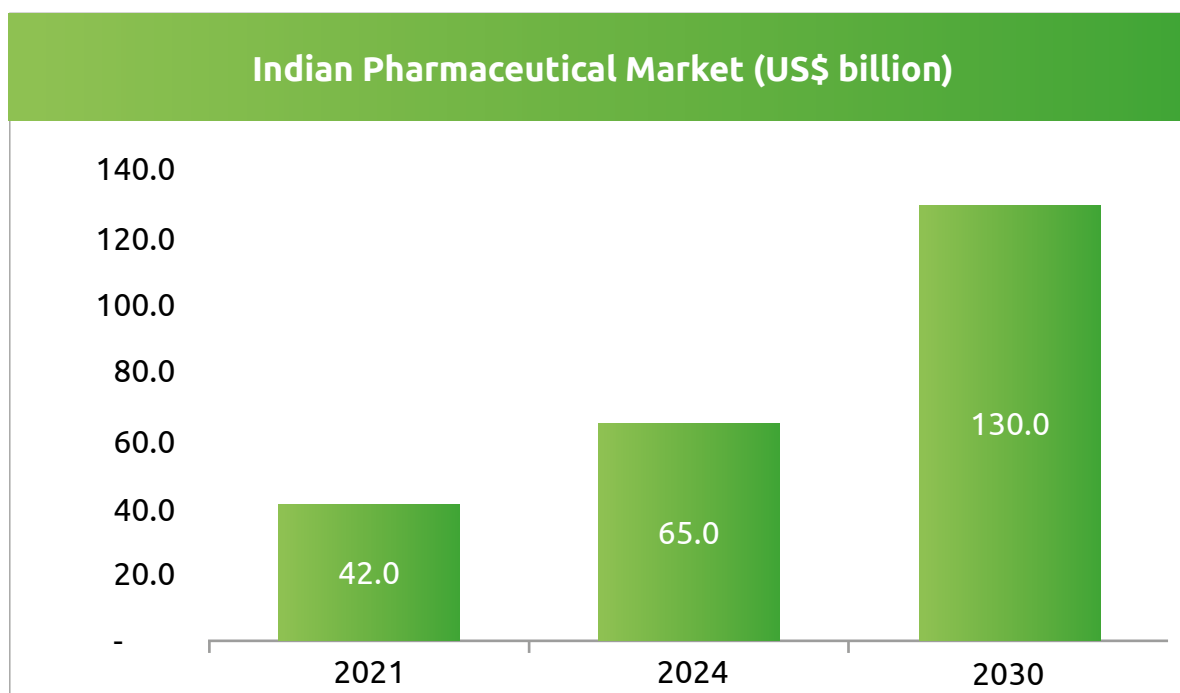
- **Digital Transformation:** Adoption of digital technologies is accelerating to enhance supply chain management, patient engagement, and data analytics.
- **Contract Research and Manufacturing Services (CRAMS):** India is becoming a preferred destination for CRAMS, attracting global pharmaceutical companies.
- **Focus on APIs:** The country's strength in API manufacturing is being leveraged to strengthen the domestic pharmaceutical industry.

### Major Challenges

- **Regulatory Compliance:** Adhering to stringent global regulatory standards, such as those of the US FDA and EMA, is a significant challenge.
- **Intellectual Property Rights (IPR):** Balancing IPR protection with affordable drug access is a complex issue.
- **Price Controls:** Government price controls on essential medicines can impact profitability and investment in R&D.
- **Supply Chain Vulnerabilities:** Dependence on imports for certain raw materials and APIs can disrupt production.
- **Increasing Competition:** Growing competition from other low-cost manufacturing countries is intensifying.

### Government Initiatives

- The Ministry's scheme "Strengthening of Pharmaceutical Industry (SPI)" with a total financial outlay of Rs. 500 crore (US\$ 60.9 million) extends support required to existing pharma clusters and MSMEs across the country to improve their productivity, quality and sustainability.
- The Government has set a target to increase the number of Pradhan Mantri Bhartiya Jan Aushadhi Kendras to 10,500 by March 2025. The product basket of PMBJP comprises 1,451 drugs and 240 surgical instruments.
- The Union Cabinet, on April 26, 2023, approved the National Medical Devices Policy, 2023, which is expected to facilitate the growth of the medical device sector to meet the public health objectives of access, affordability, quality, and innovation.
- The PLI scheme for pharmaceuticals is being implemented with a total outlay of the Rs. 15,000 crore (US\$ 2.04 billion) spanning from 2020-21 to 2028-29, to boost India's manufacturing capacity, elevate investment, and diversify product offerings in the sector.
- In the Interim Budget 2024-25, the government earmarked Rs. 1,000 crore (US\$ 120 million) for the promotion of bulk drug parks for FY25, a significant increase from the previous year.







# OUR BUSINESS

Vivimed is a global pharmaceutical company specializing in the development and manufacturing of generic and branded generic formulations across diverse delivery platforms. The company serves both domestic and international markets.

Originally an integrated player encompassing both API and formulations, Vivimed recently streamlined its operations by divesting its API /CDMO business. Today, it focuses exclusively on formulations, delivering high-quality products to its customers. Additionally, Vivimed offers contract manufacturing services to leading pharmaceutical companies.

In FY24, the company generated revenue of 159 crore, from the previous year's 188 crore.

## Export segment

- Ongoing discussions with large Canadian partners for CDMO projects, substantial offtake of generics expected from next financial year.

- Regulatory filings for Edoxaban in Bolivia and Chile.
- Commercial order for Bilastine from various ROW markets received.
- Upcoming filings for many products in Canada markets.

## Domestic Branded Business

This business has faced challenges due to disruptions within the field force, resulting in limited traction. Despite these obstacles, the Company maintained an average monthly sales of INR 2 crore, with the potential to increase this to INR 3 crore per month. Efforts have been made to harmonise salary levels for Medical Representatives and Area Managers, as this is critical to reducing the high attrition rates within the field force. A proactive approach a new product launches will see a sharp rise of its export earnings.



### Finoso Pharma Pvt. Ltd.

The R&D unit is instrumental in driving innovation within the company, consistently enhancing the innovation pipeline with developments poised to become future growth drivers. During the year under review, the team achieved significant progress in both developing new products and scaling approved ones, reinforcing the company's commitment to staying ahead in the industry.

- Successful completion and delivery of various projects for our domestic/overseas customers:
- Positive pivotal Bio outcome and successful completion of a critical and potential project.
- Provided technical support for client approvals of products with regulatory queries.
- Ensured commercial supplies of Rivaroxaban Tablets.
- Accelerated development of internal products with commercial supplies in current and upcoming quarters.
- Completed regulatory filings for certain Tablets in several ROW countries.
- Filed multiple Ophthalmic Products in various ROW countries.
- Engaged in discussions with various Australian, EU, Canadian, and Indian clients for product development and tech transfer activities.
- Successfully concluded a business trip to Greece, resulting in anticipated projects worth 2.5 million USD in the next financial year.



# HUMAN RESOURCE

The Company is deeply committed to fostering a people-centric culture that values growth, empowerment, and excellence. Over the years, it has cultivated a meritocratic environment that encourages innovation, lateral thinking, and multi-skilling, preparing its employees for future leadership roles.

The Company believes in nurturing talent through continuous learning and development opportunities. By providing its employees with the tools and support they need, it empowers them to reach their full potential and contribute meaningfully to the organisation.

Safety is a paramount concern for the Company. It is dedicated to ensuring a safe, conducive, and secure work environment for all its employees, contractors, and the communities in which it operates. This commitment is reflected in its rigorous safety policies, standards, and working procedures.

The Company expects its employees to uphold the highest standards of integrity, commitment, and professionalism in their work. By honouring its values and working together as a team, the Company can achieve its shared goals and create a positive impact on the world.

## **Internal Control Systems and their Adequacy**

Vivimed maintains a robust system of internal controls to ensure efficient operations and compliance. The Company continuously works to integrate its various functions, from strategic support roles like finance, human resources, and regulatory affairs to core operations such as research, manufacturing, and supply chain management.

To enhance internal audit oversight, Vivimed collaborates with statutory auditors to monitor both statutory and operational matters. Independent agencies have been appointed as internal auditors to assess the adequacy and effectiveness of internal control systems and recommend improvements. Significant findings are presented to the audit committee for regular review.

# RISK MANAGEMENT

In today's dynamic market environment, businesses face constantly evolving risks. Vivimed's management team actively monitors both internal and external factors to identify potential risks and assess their impact on the company. This includes evaluating risks that could affect strategic, operational, compliance, and reporting objectives.

The Company's risk management framework is designed to be flexible and adaptable, allowing for decentralized

risk management practices. By identifying emerging risks and implementing appropriate mitigation measures across all functions, Vivimed ensures that it is well-prepared to address challenges and seize opportunities.

Regular reports on risk management are presented to the board committee responsible for risk governance, ensuring that the company's risk management efforts are aligned with its overall strategic objectives.



## Cautionary statement

This document contains statements about expected events and financial and operational results which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant chance that the assumptions, predictions and other forward-looking statements may not be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, and actual results and events to differ materially from those expressed here.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dr. Manohar Rao Varalwar** – *Chairman (Whole Time Director)*

**Mr. Santosh Varalwar** – *Managing Director*

**Mr. Sandeep Varalwar** – *Whole Time Director*

**Ms. Aparna Bidarkar** – *Independent Director*

**Ms. Subbarathnamma Palepu** – *Independent Director\*\**

**Mr. Jarugula Siva Prasad** – *Independent Director\*\*\**

**Mr. Subhash Varalwar** – *Non Executive Director##*

**Dr. Jamalapuram Harigopal** – *Independent Director\**

## CHIEF FINANCIAL OFFICER

**Mr. Ramakanta Tripathy #**

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mr. Yugandhar Kopparthi**

## STATUTORY AUDITORS

**M/s. SVRL & Co.,**

Chartered Accountants

2<sup>nd</sup> Floor, SNR Towers,

Nagarjuna Hills Road, Nagarjuna Hills,

Punjagutta, Hyderabad -500082

## SECRETARIAL AUDITORS

**Mr. N.V.S.Suryanarayana Rao,**

Practicing Company Secretary

Plot No 232B, Road No. 6,

Samathapuri Colony, New Nagole,

Hyderabad- 500035

## COST AUDITORS

**M/s. J K & Co, Cost Accountants**

Srinivasa Avasa Homes, Flat No.101,

Road No.20, Alkapur Township, Manikonda,

Hyderabad-500089, Telangana

## AUDIT COMMITTEE

**Mr. Jarugula Siva Prasad** – *Chairman \*\*\**

**Mr. Sandeep Varalwar** - *Member*

**Ms. Aparna Bidarkar** - *Member*

**Ms. Subbarathnamma Palepu** – *Member \*\**

## MANAGEMENT COMMITTEE

**Dr. Manohar Rao Varalwar** - *Chairman*

**Mr. Santosh Varalwar** - *Member*

**Mr. Sandeep Varalwar** - *Member*

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Mr. Santosh Varalwar** – *Member*

**Dr. Manohar Rao Varalwar** – *Member*

**Ms. Subbarathnamma Palepu** – *Member\*\**

**Mr. Jarugula Siva Prasad** – *Member\*\*\**

## NOMINATION AND REMUNERATION COMMITTEE

**Ms. Aparna Bidarkar** – *Chairperson*

**Ms. Subbarathnamma Palepu** – *Member\*\**

**Mr. Jarugula Siva Prasad** – *Member\*\*\**

## STAKEHOLDERS RELATIONSHIP COMMITTEE

**Ms. Subbarathnamma Palepu** – *Chairman\*\**

**Mr. Santosh Varalwar** – *Member*

**Dr. Manohar Rao Varalwar** – *Member*

**Mr. Jarugula Siva Prasad** – *Member\*\*\**

## REGISTERED OFFICE

Plot No.78/A, Kolhar Industrial Area,

Bidar – 585403, Karnataka

Tel: 08482 - 232045, Fax: 08482 – 232436

## CORPORATE OFFICE

D.No.6-3-866/1/G1, 3<sup>rd</sup> Floor, GMR Towers, Greenlands, Begumpet,

Hyderabad, Telangana – 500 016, India

Tel: 91-40-6608 6608, Fax: 91-40-6608 6699

## REGISTRAR & TRANSFER AGENTS

Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad – 500029

Phone : 040-27638111/27634445,

Fax : 040-27632184

Email : info@aarthicconsultants.com

## LISTING

BSE Limited

National Stock Exchange of India Limited

## BANKERS / INSTITUTIONS

STATE BANK OF INDIA

INDIAN BANK

BANK OF BAHRAIN & KUWAIT B.S.C

INTERNATIONAL FINANCE CORPORATION

## Note:

#Mr. Ramakanta Tripathy(Chief Financial Officer)Resigned on 23.02.2024

##Mr.Subhash Varalwar– Non Executive Director Resigned on 11.12.2024

\*Dr. Jamalapuram Harigopal – Independent Director demised on 19.11.2024)

\*\*Ms.Subbarathnamma Palepu– Independent Director appointed on 11.12.2024)

\*\*\*Mr.Jarugula Siva Prasad– Independent Director appointed on 11.12..2024)



# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report of your Company for the financial year ended 31<sup>st</sup> March, 2024.

## FINANCIAL RESULTS

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2024 is summarized below:

(₹ in million)

	Standalone		Consolidated	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
Gross Income	1463.69	1770.65	1590.47	1880.68
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	(240.68)	(1879.36)	(234.51)	(1863.43)
Finance Charges	19.04	352.80	24.32	359.03
Depreciation/Amortization	184.10	1069.10	199.41	1084.07
Net Profit Before Tax	(443.82)	(3301.28)	(458.24)	(3306.53)
Provision for Tax	-	(21.17)	(3.77)	(21.17)
Net Profit After Tax carried to Balance Sheet	(443.82)	(3280.11)	(454.46)	(3285.36)

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On a consolidated basis for FY2024, your Company reported total revenue of ₹1590.47 million as against ₹1880.68 million. EBITDA for FY2024 was ₹(234.51) million compared to ₹(1863.43) million in the previous year. Net profit after tax for the group for the current year is ₹(454.46) million as against ₹(3285.36) million in the previous year.

Total revenue for FY2024 from operations on standalone basis is ₹1463.69 million as against ₹1770.65 million in the previous year. FY2024 EBITDA was ₹(240.68) million compared to ₹(1879.36) million in the previous year. The Profit after Tax for the current year is ₹(443.82) million as against ₹(3280.11) million in the previous year.

## OUTLOOK:

Business prospects may remain positive because of the growing global demand for generics and opportunities provided by the expiry of patents in developed markets.

## MANAGEMENT DISCUSSION & ANALYSIS:

Various business aspects including market conditions, business opportunities, challenges etc. have been discussed at length in the Management Discussion and Analysis (MD&A), which forms part of this Annual Report.

## DIVIDEND

Due to losses, the board of directors of the company have not recommend any dividend for the year FY2024.

## TRANSFER TO RESERVES:

Due to losses your Company propose to transfer losses to Reserves.

## SHARE CAPITAL

The Authorised Share Capital of the Company is ₹111,00,00,000/- (Rupees One Hundred Eleven Crores only) comprising 20,00,00,000 (Twenty crores) Equity Shares of ₹2/- (Rupees Two Only) each, and 71,00,00 (Seven Lakh Ten Thousand only) Preference Shares of the Company with a par value of ₹1,000/- (Rupees One Thousand only) each. The paid-up share capital of the Company is ₹16,58,27,830/- (Rupees Sixteen Crores Fifty Eight lakhs Twenty seven thousand Eight hundred and thirty only) comprising 8,29,13,915 (Eight crores Twenty nine lakhs thirteen thousand nine hundred and fifteen only) Equity Shares of ₹2/- (Rupees Two Only) each.

## TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND (IEPF):

During the year there are no transfer required to the IEPF.

## SUBSIDIARIES / ASSOCIATE COMPANIES

The statement containing the salient features of the Financial Statements of the Company's subsidiaries/ associate companies is given in **Form AOC-1**, provided in Notes to the Consolidated Financial Statements, forming part of the Annual Report.

The highlights of performance of subsidiaries and associate companies and their contribution to the overall performance of the Company during the financial year is given under '**Annexure 1**' to the Consolidated Financial Statements forming part of the Annual Report.

## CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:

There is no change in the nature of the business of the Company or any of its subsidiaries or associates, during the year under review.

## MATERIAL CHANGES AFFECTING THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company. The lead banker of the Company (SBI) has filed petition against the Company for recovery of their dues in DRT & NCLT. The Company is negotiating one time settlement/ restructuring of loans with the bankers.

## FIXED DEPOSITS:

The Company did not accept any fixed deposits.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sandeep Varalwar [DIN:01682951] (executive Director) of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment, the Board of Directors on the recommendation of the Nomination and Remuneration Committee, has decided to re-appoint Mr. Sandeep Varalwar, (executive Director) of the Company.

Ms. Aparna Bidarkar and Dr. Jamalapuram Harigopal, (demised on 19.11.2024) are the Independent Directors of your Company in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) 2015 (including any statutory modification(s) or reenactment(s) for the time being in force).

Mr.Subhash Varalwar, Non- executive Director of the company resigned on 11.12.2024 due to ill health

To broad base the Board and in compliance with Companies Act 2013 & Listing agreements with stock exchanges, the Board of Directors have appointed Ms.Subbarathnamma Palepu & Mr.Jarugula Siva Prasad as an Additional Directors on the Board. Resolutions pertaining to the

appointment Ms.Subbarathnamma Palepu & Mr.Jarugula Siva Prasad as an Independent directors is contained in the notice calling Annual General Meeting.

During the year under review, Mr.Ramakanta Tripathy (CFO) of the Company resigned on 23.02.2024 due to personnel reasons.

Mr.Santosh Varalwar, Managing Director, Dr.Manohar rao Varalwar, Whole Time Director, Mr.Sandeep Varalwar, Whole Time Director, Mr.Ramakanta Tripathy, CFO (resigned on 23.02.2024) and Mr.K.Yugandhar, Company Secretary, are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) for the time being in force).

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Act and Listing Regulations and are independent of the management.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when CXOs are asked to make presentations about performance of the Company to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

## BOARD EVALUATION:

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors. Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued there under and the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force), the process for annual evaluation



of the performance of the Board, its Committees and individual Directors was carried out in accordance with the policies in force.

### **DECLARATION FROM INDEPENDENT DIRECTORS:**

The independent directors have submitted the declaration of independence stating that they meet the criteria of independence as prescribed in sub-section (6) of Section 149 of the Companies Act, 2013 as well as under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **DIVIDEND DISTRIBUTION POLICY:**

The web link of the Dividend Distribution Policy has been provided below for the perusal of the shareholders.

<https://www.vivimedlabs.com/other-data/>

### **BOARD MEETINGS:**

The Board and Committee meetings are pre-scheduled and a tentative calendar of the meetings shall be finalized in consultation with the Directors to facilitate them to plan their schedule. However, in case of urgent business needs, approval is taken by passing resolutions through circulation.

During the year under review, five (5) board meetings were held. The details of the meetings including the composition of various committees are provided in the Report on Corporate Governance.

### **PERFORMANCE EVALUATION:**

The formal annual evaluation of the performance of the Board as well as non-independent directors was undertaken by the Nomination and Remuneration Committee. The performance of Board Committees and of individual independent directors was undertaken by the Board members. The manner of the evaluation of the Board and other Committees has been determined by the Nomination and Remuneration Committee as per SEBI circular dated January 5, 2017

### **RISK MANAGEMENT:**

Your Company had formulated a risk management policy for dealing with different kinds of risks that it faces in the day-to-day operations of the Company. Risk Management Policy of the company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal financial control systems and procedures to mitigate the risk. The risk management procedure is reviewed by the Risk Management Committee and Board of Directors on a regular basis at the time of review of quarterly financial results of the Company. Further, your Company had constituted a Risk Management Committee which lays down various risk mitigating practices that your Company is required to implement in the Company.

### **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements of your Company for the financial year FY2024 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited/ unaudited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

### **COMPLIANCE WITH SECRETARIAL STANDARDS:**

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

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit / loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis for the financial year ended March 31, 2024;
- e) the Directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the Company.

## **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The Managing Director/ other whole time Directors of your Company does not receive remuneration from any of the subsidiaries of your Company.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure-2** to this report and is also available on the website of your Company ([www.vivimedlabs.com](http://www.vivimedlabs.com)).

## **FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

In compliance with the requirements of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarisation Programme conducted are available on the website of the Company [www.vivimedlabs.com](http://www.vivimedlabs.com).

## **HUMAN RESOURCES:**

The management believes that the competent and committed human resources are vitally important to attain success in the organization. In line with this philosophy, utmost care is being exercised to attract quality resources and suitable training is imparted on various skill-sets and behavior. Annual sports and games were conducted across the

organization to enhance the competitive spirit and encourage bonding teamwork among the employees.

## **LOANS, GUARANTEES & INVESTMENTS**

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March, 2024, are set out in the Standalone Financial Statements forming part of this report.

## **INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your Company. The accounts of the subsidiary companies are audited and certified by their respective Statutory Auditors for consolidation.

Your Company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

Your Company operates a shared service center which handles all payments made by your Company. This center ensures adherence to all policies laid down by the management.

Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.



The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and actioned upon in line with the Whistle Blower Policy.

Your Company gets its Standalone accounts limited review every quarter by its Statutory Auditors.

### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

### **CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

### **EMPLOYEES' STOCK OPTION SCHEMES**

The Company has granted 25,00,000 options to eligible employees under the Vivimed Labs ESOP 2017 at ₹35/- per option (exercise price) in FY2019. The shares covered by such options are 25,00,000 equity shares of ₹2/- each (face value).

Pursuant to regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, certificate from N.V.S.S.Rao, PCS is given as **Annexure-3** to the Board's report.

Disclosure with respect to the Employees' Stock Option Scheme in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is available on the Company's website.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and material orders passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

### **INSURANCE:**

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

## **AUDITORS AND AUDITORS' REPORT**

### **AUDITORS**

#### **(i) Statutory Auditor**

During the year under review, M/s.PCN & Associates., Hyderabad, Chartered Accountants, (Registration No. 0160165), were re-appointed as Statutory Auditors in 35th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company. However, the respective firm has resigned with effect from May 18, 2024 from the aforementioned position Pursuant to the Order Issued by NFRA Dated 26.04.2024, Order No.014/2024, In the matter of M/s PCN & Associates, and CA Gopala Krishna Kandula under Section 132(4) of the Companies Act, 2013.

Pursuant to the provisions of Section 139(8), 141 and 142 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s.SVRL & Co., Chartered Accountant (FRN:0161825), were appointed as Statutory Auditors of the Company at the Extra Ordinary General Meeting held on August 14, 2024 to fill the casual vacancy caused by the resignation of the existing Statutory Auditor i.e., M/s.PCN & Associates., to undertake the Statutory Audit of the Company for the financial year 2023-24, who shall hold the office till the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company.

Based on the recommendation of the Audit Committee, the Board has recommended the re-appointment of M/s. SVRL & Co., Chartered Accountants, as Statutory Auditors of the Company, for a second term of five (5) consecutive years from the conclusion of 36<sup>th</sup> AGM till the conclusion of 41<sup>st</sup> AGM of the Company, subject to the approval of the Members in the ensuing AGM (for conducting audit from FY2025 to FY2029).

They have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The Auditor's Report for the financial year ended March 31, 2024, has been issued with modified opinion, by the Statutory Auditors.

During the year under review, there were audit qualifications on your Company's financial statements Management clarifications attached as **Annexure -9**.

#### **(ii) Cost Auditors:**

In accordance with Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors') Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the Company

maintains the cost records in respect of its business.

Your Board has appointed M/s. J K & Co, Cost Accountants, (Firm Registration No. 004010), as the Cost Auditors of the Company for the Financial Year 2024-25. As required by the Act, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

### (iii) Secretarial Auditors & Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.N.V.S.S.Suryanarayana Rao, Practicing Company Secretary (Certificate of Practice No.2886), to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report issued in Form MR-3 is in **Annexure -4** to this Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report.

## AUDITORS' QUALIFICATIONS/RESERVATIONS/ADVERSE REMARKS/FRAUDS REPORTED:

There are Auditors' Qualifications or reservations or adverse remarks on the financial statements of the Company. The Auditors have not reported any frauds to the Audit Committee as prescribed under Sec. 143(12) of the Companies Act, 2013.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/ REGULATORS:

There are no significant and material orders passed by the Courts or Regulators against the Company.

## DISCLOSURES:

### Meetings of the Board

Five meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

### Audit Committee

The Audit Committee comprises majority of Independent Directors namely Ms.Aparna Bidarkar, Mr.Sandeep Varalwar and Dr.Harigopal Jamalapuram as members. During the year all the recommendations made by the Audit Committee were accepted by the Board.

### Vigil Mechanism

The Company has a Vigil mechanism and a Whistle - blower policy in accordance with provisions of the Act and Listing Regulations, under which the employees are free to report violations of applicable laws

and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at: [www.vivimedlabs.com](http://www.vivimedlabs.com)

### Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the annual report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure -5** to the Board's Report.

### Extract of Annual Return

The Extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 is annexed as **Annexure -6** to this report.

### Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended thereof, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this Report.

### Maintenance of Cost Records specified by the Central Government under Section 148 of the Companies Act, 2013

The Company has complied with the provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 during the year under review.

### Policy on Sexual Harassment and Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" for the matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment



of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013” and constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

The Company regularly conducts awareness programs for its employees.

### General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employee Stock Option Scheme referred to in this Report.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

### RELATED PARTY TRANSACTIONS:

In accordance with Sec 134(h) of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with the Related Parties referred to in Sec.188(1) of the Act, have been provided in **Form AOC-2** and attached the same as **Annexure-7**. The details of related party disclosures as stated in the notes to the financial statements forms part of this annual report.

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors had framed the policy on Corporate Social Responsibility and the Projects and Programs undertaken by the Company during the year under review have been provided in **Annexure - 8** and forms part of this Report.

### ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, employees and business partners, Company's bankers, medical professionals and business associates for their continued support and valuable cooperation.

The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board for **Vivimed Labs Limited**

	Sd/-	Sd/
	<b>Santosh Varalwar</b>	<b>Manohar Rao Varalwar</b>
Place: Hyderabad	Managing Director	Whole time Director
Date: 11.12.2024	DIN : 00054763	DIN : 00059815

# ANNEXURE -1 TO BOARD'S REPORT

## FORM AOC-1

Performance and financial position of each of the subsidiaries, associates  
(Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

### Part- A- Subsidiaries

Sl.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/ (Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
1	Finoso Pharma Pvt ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	-	30.15	16.62	221.95	221.95	-	189.81	(14.4)	(3.70)	(10.7)	-
2	Vivimed Holdings Limited Rooms 2702-03, 27/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong	-	0.07	(281.64)	3024.78	3024.78	-	-	-	-	-	-
3	Vivimed Labs USA INC. 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	-	0.001	421.95	1069.62	1069.62	-	-	-	-	-	-
4	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	-	460.41	852.91	3827.23	3827.23	-	-	-	-	-	-

### Part B- Associates

Sl.No.	Name of the Subsidiary Company & Address	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Refer Note 4 below)	Turnover	Profit/(Loss) before Taxation	Tax Expense/ (Benefit)	Profit/(Loss) after Taxation	Proposed Dividend
1	Yantra Green Power Pvt. Ltd., Plot No.1303&1304, 2 <sup>nd</sup> Floor, Khanamet,Ayyappa Society, Madhapur,Hyderabad-500081	-	150	(136.68)	31.62	31.62	-	0.26	0.18	0.05	0.13	-

Part C. Particulars of Loans, Guarantees or Investments made/ given during the year under Section 186

₹ (Millions)

Nature of transaction (whether loan/ guarantee/security/ acquisition)	Date of making loan/acquisition/ giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or givenor whose securities have been acquired (Listed/Unlisted entities)	Amount of loan/ security/ acquisition/ guarantee	Time period for which it is made/ given	Rate of interest	Date of maturity	For loans
(1)	(2)	(3)	(4)	(5)	(7)	(8)	
Nil	Nil	Nil	Nil	Nil	Nil	Nil	

For and on behalf of the Board for Vivimed Labs Limited

Sd/-  
**Santosh Varalwar**  
 Managing Director  
 DIN : 00054763

Sd/  
**Manohar Rao Varalwar**  
 Whole time Director  
 DIN : 00059815

Place: Hyderabad  
 Date: 14.11.2024



## ANNEXURE - 2 TO BOARD'S REPORT

### PARTICULARS OF REMUNERATION AS PER SECTION 197[12] OF THE COMPANIES ACT, 2013 READ WITH RULE 5[1] OF THE COMPANIES [APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL] RULES, 2014

- A. Ratio of remuneration of each Director to the median remuneration of all the employees of your company for the Financial year 2023-24 is as follows:

Name of Director(s)	Total Remuneration (₹)	Ratio of remuneration of director to the Median remuneration
Santosh Varalwar	1,20,00,000	46.81
Manohar Rao Varalwar	30,00,000	11.70
Sandeep Varalwar	1,00,00,000	39.01
Subhash Varalwar	1,00,000	0.39
Aparna Bidarkar	2,75,000	1.07
Hari Gopal Jamalapuram	2,50,000	0.97

**Notes:**

- The information provided above is on standalone basis.
- The remuneration of Non-Executive Directors is sitting fees paid to them for the financial year 2023-24
- Median remuneration of the Company for all its employees is ₹2,56,320/- for the financial year 2023-24
- The remuneration to Directors is within the overall limits approved by the shareholders of your Company.

- B. Details of percentage increase in the remuneration of each Director and CEO, CFO & Company Secretary in the financial year 2023-24 are as follows:

Name(s)	Designation	Remuneration (in ₹)		Increase/ (decrease) (in %)
		2023-24	2022-23	
Santosh Varalwar	Managing director	1,20,00,000	1,20,00,000	0
Manohar Rao Varalwar	Whole-time director	30,00,000	60,00,000	(50)
Sandeep Varalwar	Whole-time director	1,00,00,000	1,00,00,000	0
Subhash Varalwar	Non Executive Director	1,00,000	1,75,000	(42.85)
Aparna Bidarkar	Independent Director	2,75,000	3,75,000	(26.66)
Hari Gopal Jamalapuram	Independent Director	2,50,000	3,75,000	(33.33)
Ramakanta Tripathy*	Chief Financial Officer	53,83,334	60,00,000	(10.27)
Yugandhar Kopparthi	Company Secretary	30,58,107	30,56,300	0.06

**\* Note:**

- Mr. Ramakanta Tripathy (Chief Financial Officer) Resigned on 23.02.2024



C. Percentage increase/decrease in the median remuneration of all employees in the financial year 2023-24:

(Amount in ₹)

	2023-24	2022-23	Increase (in %)
Median remuneration of all employees per annum	2,56,320/-	2,05,800/-	24.55

D. Number of permanent employees on the rolls of your Company as on 31<sup>st</sup> March, 2024:

<b>Executive/Manager cadre</b>	<b>102</b>
Staff	360
Operators/Workmen	188
<b>Total</b>	<b>650</b>

E. Explanation on the relationship between average increase/decrease in remuneration and Company Performance:

The increase in average remuneration of all employees in the financial year 2023-24 as compared to the financial year 2022-23 was 28.96%.

The key indices of Company's performance are:

(₹ in millions)

	2023-24	2022-23	Growth (%)
Net Revenue from operations	1463.69	1,770.64	(17.34)
Profit Before Tax and Exceptional Items	(385.53)	(3,301.27)	(88.32)
Profit After Tax	(443.82)	(3,280.10)	(86.47)

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Your Company maintains a simple compensation structure which allows the employees to have flexibility in the way in which they realize their salaries. Internal equity is ensured by appropriate fitment at the time of the employee joining a particular cadre and grade. The fixed pay for an employee depends on his/her performance against the objectives set for the year. The variable pay is paid out to the employee on the basis of the performance of your Company and the corresponding business unit or function he/ she forms a part of. Thus, there will be a positive correlation in the increase in remuneration of employees and your Company's performance; however, a perfect correlation will not be visible given the dependency on the other factors stated above.

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:

The Profit Before Tax and Exceptional Items decreased by (88.32)% in 2023-24, compared to 2022-23.

The details of remuneration of Key Managerial Personnel are given in point 'H' below.

G. Details of Share price and market capitalization:

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on 31 <sup>st</sup> March,2024	As on 31 <sup>st</sup> March,2023	Increase/ (decrease) (%)
Price Earnings Ratio	*	(0.16)	*
Market Capitalization(₹ In millions)	*	553.04	*

**Note:** \* Trading in equity shares of the Company Suspended due to Penal reasons



Comparison of share price at the time of first public offer and market price of the share of 31<sup>st</sup> March, 2024:

<b>Market Price as on 31<sup>st</sup> March, 2024</b>	*
Price at the time of initial public offer in 2005 (converted to price of each share for face value of ₹2/- each) ₹2/- each)	14.00
% decrease of market price over the price at the time of initial public offer	*

**Note:** \* Trading in equity shares of the Company Suspended due to Penal reasons.

- H.** Comparison of average percentage increase in salary of employees other than key managerial personnel and the percentage increase in the key managerial remuneration:

	2023-24 (₹)	2022-23 (₹)	Increase/ (decrease) (%)
Average salary of all employees (other than Key Managerial Personnel)	3,80,524	3,06,924	23.98
<b>Key Managerial Personnel</b>			
Santosh Varalwar	1,20,00,000	1,20,00,000	0
Manohar Rao Varalwar	30,00,000	60,00,000	(50)
Sandeep Varalwar	1,00,00,000	1,00,00,000	0
Ramakanta Tripathy*	53,83,334	60,00,000	(10.27)
Yugandhar Kopparthi	30,58,107	30,56,300	0.06

**Note:** \* Mr.Ramakanta Tripathy (Chief Financial Officer) Resigned on 23.02.2024

- I.** Key parameters for the remuneration paid to the Directors:

The key parameters for the remuneration paid to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

Following are major principles for determining remuneration to the Directors:

- (i) Commission to the Non-Executive Directors: The Nomination and Remuneration Committee recommends the Commission (variable component) payable to the Non- Executive Directors after considering their contribution to the decision making process at meetings of the Board / Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness. The Committee also reviews the commission and remuneration paid to Non-Executive Directors including Independent Directors of other similar sized companies. It is within the overall limits fixed by the shareholders of your Company.
- (ii) Commission to the Managing Director, and other whole time Directors: The Nomination and Remuneration Committee evaluate the performance of the Managing Director and other whole time Directors by setting their Key Performance Objectives or Key Performance Parameters at the beginning of each financial year. The Committee approves the compensation package of them and ensures that the compensation package is in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, industry standards and have an adequate balance between fixed and variable components.

- J.** Affirmation that the remuneration is as per the Nomination and Remuneration Policy of your Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of your Company.

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- K.** List of employees of your Company employed throughout the financial year 2023-24 and were paid remuneration not less than ₹60 lakhs per annum



Name	Designation	Remuneration (₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Santosh Varalwar	Managing director	1,20,00,000	Management Graduate	38	09/11/1989	62	Shipping Corporation of India
Sandeep Varalwar	Whole-time director	1,00,00,000	Graduation in B.Pharmacy	29	23/01/2008	55	V V S Pharmaceuticals & Chemicals Pvt Ltd.

**Notes:**

1. Shri Santosh Varalwar, and Shri. Sandeep Varalwar (Directors) are relatives to each other.
2. The contractual terms of Shri.Santosh Varalwar, and Shri.Sandeep Varalwar (Directors) are governed by the resolutions passed by the shareholders in the 32<sup>nd</sup> AGM of your Company held on 30<sup>th</sup> December, 2020.
3. The above mentioned Directors are part of the promoter group and holding (Along with other promoters and persons acting in concert with them) 1,73,64,635 shares of ₹2/- each 20.94% to the total paid up capital) of your Company.
4. Remuneration includes salary, bonus, commission, various allowances, performance incentive, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision for gratuity and leave encashment.

- L. Employees employed for the part of the year and were paid remuneration during the financial year 2023-24 at a rate which in aggregate was not less than ₹5 lakhs per month:

Name	Designation	Remuneration paid(₹)	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Ramakanta Tripathy	Chief Financial Officer	53,83,334	A FCA, AICWA, DISA, CS (E) and LLB	27	12.04.2022	57	MIT Group of Educational Institutions (Pune),

**Notes:**

Mr.Ramakanta Tripathy (Chief Financial Officer) Resigned on 23.02.2024

For and on behalf of the Board for **Vivimed Labs Limited**

Sd/-

**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/

**Manohar Rao Varalwar**  
Whole time Director  
DIN : 00059815

Place: Hyderabad  
Date: 14.11.2024

## ANNEXURE - 3 TO BOARD'S REPORT

### PRACTICING COMPANY SECRETARY CERTIFICATE ON IMPLEMENTATION OF SHARE BASED EMPLOYEE BENEFIT SCHEME

To,  
The Board of Directors  
**Vivimed Labs Limited**  
PlotNo.78/A, Kolhar Industrial Area,  
Bidar – 585403, Karnataka

We NVSS Suryanarayana Rao, the practicing company secretary, were appointed as the Secretarial Auditor vide a resolution passed at their meeting held on 06/09/2024 by the Board of Directors of Vivimed Labs Limited (hereinafter referred to as 'the Company'). having CIN L02411KA1988PLC009465 and having its registered office at Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka. As Secretarial Auditors, pursuant to the requirements of the Regulation 13 of (Share Based Employee Benefits and Sweat Equity) Regulations, 2014 (hereinafter referred to as "the Regulations"), the Management of the Company has requested us to issue the required certificate with respect to the Employee Stock Option Scheme 2013-A and Vivimed Labs Limited Employee Stock Appreciation Rights Scheme 2017 (collectively 'Schemes'), the Securities and Exchange Board of India This certificate of compliance, for the year ended 31<sup>st</sup> March, 2024, is issued under Regulation 13 of the Regulations.

#### Management's Responsibility

It is the responsibility of the Management of the Company to implement the Schemes including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### Verification:

The Company has implemented Employee Stock Option Scheme 2013-A and Vivimed Labs Limited Employees Stock Option Plan 2017 at their general meeting held on 29 September 2017 respectively (hereinafter collectively referred to as "Shareholders' Resolution")

For the purpose of verifying compliance of the Regulations, we have examined the following:

1. Schemes received from/ furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders' Resolution passed at the General meeting & Postal Ballot;
5. Shareholders' Resolution passed at the General meeting w.r.t. approval for implementing the scheme through a trust - Not Applicable;
6. Shareholders' Resolution passed at the General meeting w.r.t. variation in scheme (if any) – Not Applicable;
7. Detailed terms and conditions of the schemes as approved by Nomination and Remuneration Committee;
8. Minutes of the meetings of Nomination & Remuneration Committee, which is authorized to administer the schemes;
9. Trust Deed - Not Applicable;
10. Details of trades in securities of the Company executed by the trust through which the schemes are implemented - Not Applicable;
11. Exercise price/Pricing Formula;
12. Valuation Report - Not Applicable
13. Bank Statements towards Application money received under the Scheme;
14. Relevant Accounting Standards as prescribed by the Central Government;
15. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder, as applicable;
16. Other relevant documents/ filings/ records/ information as sought and made available to us for issuing this Certificate.



### **Certification:**

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its officers, we certify that the Company has implemented the aforesaid Schemes in accordance with the applicable provisions of the Regulations and the Shareholders' Resolutions.

### **Assumption & Limitation of Scope and Review:**

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give a certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Place: Hyderabad,  
Date: 24.10.2024

Sd/-  
**NVSS SURYANARAYANA RAO**  
Company Secretary in practice  
ACS No.5868, CP NO.2886  
UDIN number: A005868F001725267

# ANNEXURE - 4 TO BOARD'S REPORT

Form No. MR – 3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March, 2024

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

To,  
The Members,  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465  
78/A, Kolhar Industrial Area,  
Bidar – 585403, Karnataka,

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by Vivimed Labs Limited (hereinafter called 'the Company') for the financial year ended 31<sup>st</sup> March, 2024. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and 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 authorised 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 31<sup>st</sup> March, 2024 complied with 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 and papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not applicable as there was no reportable event during the financial year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the Company as there was no reportable event during the financial year under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as there was no reportable event during the financial year under review;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable as there was no reportable event during the financial year under review; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test – check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. The Environment (Protection) Act, 1986 and the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- b. Air (Prevention and Control of Pollution) Act, 1981 and Rules issued by the State Pollution Control Boards; and
- c. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.
- d. Drugs (Control) Act, 1950
- e. Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945
- f. Narcotic Drugs and Psychotropic Substances Act, 1985
- g. The Food Safety and Standards Act, 2006
- h. The Indian Boilers Act, 1923

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- (ii) Adequate notice is given to all Directors to schedule 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 agenda items before the meeting and for meaningful participation at the meeting;
- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Managing Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

(i) As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the financial year under review, following events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred: - **NIL**

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

Place: Hyderabad,  
Date: 03.09.2024

Sd/-  
**NVSS SURYANARAYANA RAO**  
Company Secretary in practice  
ACS No.5868, CP NO.2886  
UDIN number: A005868F001116340

## **Annexure A**

To,  
The Members,  
**Vivimed Labs Limited**  
CIN: L02411KA1988PLC009465  
78/A, Kolhar Industrial Area,  
Bidar – 585403, Karnataka,

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad,  
Date: 03.09.2024

Sd/-  
**NVSS SURYANARAYANA RAO**  
Company Secretary in practice  
ACS No.5868, CP NO.2886  
UDIN number: A005868F001116340



## ANNEXURE - 5 TO BOARD'S REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

#### Particulars of conservation of energy

All the manufacturing units continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on a daily basis at individual factory/ block level and also at consolidated manufacturing level. Energy conservation initiatives are being planned and implemented across manufacturing locations. Energy audits are conducted at all the manufacturing units at regular intervals and the findings of the audits are implemented. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units by Process optimization and automation, Optimisation of Electrical Equipment, Lighting, Other key initiatives for Energy conservation:

#### Power and Fuel Consumption

Particulars	FY 2023-24	FY 2022-23
<b>1. Electricity</b>		
Unit (KWH)(in Mn)	2.79	3.51
Total amount ( ₹in Mn)	26.27	46.91
Average rate/Unit (₹)	9.42	13.36
<b>2. Own generation from Diesel generator set</b>		
Unit (KWH)(in Mn)	0.15	0.54
Total amount (₹ in Mn)	14.36	15.44
Average rate/Unit (₹)	92.70	28.59
Quantity (MT)	-	2176.00
Total cost ( ₹ in Mn)	-	62.35
Average rate/MT (₹)	-	28653.49

#### Consumption per unit of production

Particulars	Standards	Current year	Previous year
Products (with details) unit Electricity Furnace oil Coal	Since the Company manufactures a wide range of specialty chemicals and different combinations of finished dosages, it is not practicable to give consumption per unit of production.		

#### Technology absorption

##### Particulars of absorption

##### 1. Technology absorption, adaptation and innovation

The Research and Development (R&D) discipline aims to work on products that strengthen the competitive position in the Market primarily on differentiated portfolio. Formulation R&D efforts at Vivimed are directed towards exploring the options of vertical integration. To meet customer demands, our teams focus on innovate techniques in product development. The Company is continuously striving to strengthen its R&D teams and infrastructure.

##### 2. Benefits derived as a result of the above efforts

- Efficient processes.
- Robust Product development engine
- Super value proposition to our customers and key stake holders
- Competitive advantage in the specialty chemicals /pharmaceutical space



### 3. Imported technology:

- **Research and Development (R&D)**

The Vivimed R&D is focused on revitalizing our growth engine to balance short, mid and long-term goals. The company is committed to offer superior and affordable solutions for products with intrinsic challenges at the chemistry, engineering and formulation technology areas.

Our R&D primarily caters to our in-house product development requirements for Finished Dosage products. Our development philosophy aims to collaborate and offer a business model of delivering end-to-end solutions across Over the Counter (OTC) monograph, OTC Abbreviated New Drug Application (ANDA) and prescription drugs.

The Company provides comprehensive drug development resources and solutions for pre-formulation, formulation development, analytical development, CGMP, scale-up, stability and also co-ordinate for conducting bioavailability and bioequivalence studies for regulated and emerging markets. The Company possesses capabilities to develop several IR and MR solid dosage products and filing dossier and ANDA for regulated markets including the U.S., Canada, Europe, Australia and other countries.

R&D currently focuses on developing and filing generic products for regulated markets and also on large volume OTC drugs and the products with intrinsic challenges. In addition, R&D is working to build a healthy products portfolio for enhanced and sustainable growth on extending our product reach line extensions for existing products and also adding value through applications such as extended release.

- **Benefits derived as a result of the above R & D**

Vivimed could achieve a long term sustainability to offer superior value to its customers which would enable the Company to achieve Global leadership position.

- **Future plan of action**

The Company intends to focus on different classes of projects, in line with our Business strategy; some, which can generate revenue in the short-term and some, more in the future. The pipeline is being designed to cater products of variable complexities in the areas of chemistry, IP, regulatory, engineering and manufacturing.

The Company will offer wider basket of Products to the regulated Markets including CIS countries, North America and Europe.

#### Expenditure incurred on Research and Development

	(₹ In million)	
Particulars	FY 2023-24	FY 2022-23
Capital	-	-
Revenue	14.08	2.66
<b>Total</b>	<b>14.08</b>	<b>2.66</b>

#### Foreign exchange earnings and Outgo

	(₹ In million)	
Particulars	FY 2023-24	FY 2022-23
Foreign Exchange Earnings	142.98	16.55
Foreign Exchange Outgo	6.78	-

For and on behalf of the Board for **Vivimed Labs Limited**

Sd/-

**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/

**Manohar Rao Varalwar**  
Whole time Director  
DIN : 00059815

Place: Hyderabad  
Date: 14.11.2024



## ANNEXURE - 6 TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2024

FORM NO. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION & OTHER DETAILS:

i. <b>CIN</b>	L02411KA1988PLC009465
ii. <b>Registration Date</b>	22/09/1988
iii. <b>Name of the Company</b>	Vivimed Labs Limited
iv. <b>Category/Sub-Category of the Company</b>	Limited Company
v. <b>Address of the Registered office and contact details</b>	Vivimed Labs Limited Plot No.78/A, Kolhar Industrial Area, Bidar, Karnataka-585403,INDIA Phone No.:+ 91-8482-232045, +91- 8482 - 232436 www.vivimedlabs.com
vi. <b>Whether shares listed on recognized Stock Exchange(s)</b>	YES
	BSE Limited (BSE) 532660
	The National Stock Exchange of India Limited (NSE) VIVIMEDLAB
vii. <b>Name and Address of Registrar &amp; Transfer Agents (RTA)</b>	Aarathi Consultants Private Limited 1-2-285, Domalguda, Hyderabad, Telangana- 500029, INDIA Phone : +91-40-27638111/27634445, Fax : +91-40-27632184 Email : info@aarthiconsultants.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Pharmaceutical / chemical Products	21002	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled] - 5

SN	Name and address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Finoso Pharma Pvt Ltd SP Biotech Park - Phase-I, Block-I Turkapally, Shameerpet Mandal Hyderabad TG 500078 IN	U24231TG2009PTC064774	Subsidiary	a) 3015000 equity shares held by Vivimed Labs Limited b) ₹10 each c) 100%	2(87)
2	Vivimed Holdings Limited Rooms 2702-03, 27/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong	Not Applicable	Subsidiary	a) 10,000 equity shares held by Vivimed Labs Limited b) HK \$ 1 each c) 100% held by Vivimed Labs Limited	2(87)

SN	Name and address of the Company	Company Identification Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
3	Vivimed Labs USA INC. 1100 Cornwall Road, Suite 160, Monmouth Junction, NJ 08852	Not Applicable	Subsidiary	a) 1000 b) US \$ 0.01 each c) 100% held by Vivimed Labs Limited	2(87)
4	Vivimed Labs Mauritius Limited C/o First Island Trust Company Ltd, ST. James Court, Suite 308, ST. Denis Street, Port Louis, Mauritius	Not Applicable	Subsidiary	a) 90,00,000 equity shares b) US \$ 1 each c) 100% held by Vivimed Labs Limited	2(87)

#### Associates

1	Yantra Green Power Pvt. Ltd Plot No.1303 and 1304, Sy.No.11/27, Second Floor, Khanamet, Hi-Tech City, Ayyappa Society, Madhapur, Hyderabad,Telangana	U40108TG2013PTC087049	Associate	2500000 shares of ₹10 each 35.66% held by Vivimed Labs Ltd	2(6)
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## VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2023]@ ₹2/- each				No. of Shares held at the end of the year [As on 31-March-2024]@ ₹2/- each #				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	78,69,131	-	78,69,131	9.49	78,69,131	-	78,69,131	9.49	0
b) Central Govt	0	-	0	0.00	0	-	0	0.00	0
c) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0
d) Bodies Corp.	94,95,504	-	94,95,504	11.45	94,95,504	-	94,95,504	11.45	0
e) Banks / FI	0	-	0	0.00	0	-	0	0.00	0
f) Any other	0	-	0	0.00	0	-	0	0.00	0
<b>Total shareholding of Promoter (A)</b>	<b>1,73,64,635</b>	<b>-</b>	<b>1,73,64,635</b>	<b>20.94</b>	<b>1,73,64,635</b>	<b>-</b>	<b>1,73,64,635</b>	<b>20.94</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	-	0	0.00	0	-	0	0.00	0
b) Banks / FI	0	-	0	0.00	0	-	0	0.00	0
c) Central Govt	96,130	-	96,130	0.12	96,130	-	96,130	0.12	0
d) State Govt(s)	0	-	0	0.00	0	-	0	0.00	0
e) Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2023]@ ₹2/- each				No. of Shares held at the end of the year [As on 31-March-2024]@ ₹2/- each #				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	0	-	0	0.00	0	-	0	0.00	0
g) FIs	0	-	0	0.00	0	-	0	0.00	0
h) Foreign Venture Capital Funds	0	-	0	0.00	0	-	0	0.00	0
i) Others (specify) -Foreign Portfolio Investor	13,59,791	-	13,59,791	1.64	13,59,791	-	13,59,791	1.64	0
<b>Sub-total (B)(1):-</b>	<b>14,55,921</b>	<b>-</b>	<b>14,55,921</b>	<b>1.76</b>	<b>14,55,921</b>	<b>-</b>	<b>14,55,921</b>	<b>1.76</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	39,69,492	-	39,69,492	4.79	36,51,073	-	36,51,073	4.44	0.35
ii) Overseas	77,66,387	-	77,66,387	9.37	77,66,387	-	77,66,387	9.37	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	4,40,52,735	27,870	4,40,80,605	53.16	42366153	30720	42396873	51.13	2.03
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	32,52,462	-	32,52,462	3.92	50,59,386	-	50,59,386	6.11	-2.19
c) Others (specify)- NBFCs Registered with RBI									
Non Resident Indians	36,44,578	-	36,44,578	4.40	3809165	-	3809165	4.59	-0.19
Foreign Nationals	-	13,69,840	13,69,840	1.65	-	13,69,840	13,69,840	1.65	0
Clearing Members	5,995	-	5,995	0.01	5,585	-	5,585	0.01	0
Trusts	4,000	-	4,000	0.00	5,050	-	5,050	0.01	-0.01
Foreign Bodies - D R	0	-	0	0.00	0	-	0	0.00	0
<b>Sub-total (B)(2):-</b>	<b>6,26,95,649</b>	<b>13,97,710</b>	<b>6,40,93,359</b>	<b>77.30</b>	<b>6,26,93,399</b>	<b>13,69,840</b>	<b>6,40,93,359</b>	<b>77.30</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>6,41,51,570</b>	<b>13,97,710</b>	<b>6,55,49,280</b>	<b>79.06</b>	<b>6,41,49,320</b>	<b>13,69,840</b>	<b>6,55,49,280</b>	<b>79.06</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>8,15,16,205</b>	<b>13,97,710</b>	<b>8,29,13,915</b>	<b>100.00</b>	<b>8,15,13,955</b>	<b>13,69,840</b>	<b>8,29,13,915</b>	<b>100.00</b>	<b>0</b>

**B. Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2023) @₹2/- each			Shareholding at the end of the year (As on 31.03.2024) @₹2/- each			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	BBR PROJECTS PRIVATE LIMITED	9495504	11.45	3.78	9495504	11.45	3.78	0
2	SANTOSH VARALWAR	13,00,254	1.57	0.13	13,00,254	1.57	0.13	0
3	VARALWAR SANDEEP	18,75,647	2.26	0.60	18,75,647	2.26	0.60	0
4	MANOHAR RAO VARALWAR	10,34,225	1.25	0.08	10,34,225	1.25	0.08	0
5	SUJATHA VARALWAR	3,93,995	0.48	0.48	3,93,995	0.48	0.48	0
6	VITHABAI VARALWAR	23,345	0.03	0	23,345	0.03	0	0
7	VARALWAR SUBHASH	16,16,200	1.95	1.50	16,16,200	1.95	1.50	0
8	SHEETAL VARALWAR	5,68,985	0.69	0	5,68,985	0.69	0	0
9	S RAGHUNANDAN	3,17,500	0.38	0	3,17,500	0.38	0	0
10	VIJAYKUMAR VARALWAR	1,50,000	0.18	0	1,50,000	0.18	0	0
11	MADHAVI VARALWAR	2,00,000	0.24	0	2,00,000	0.24	0	0
12	MAMATHA GURNUKAR	1,50,000	0.18	0.18	1,50,000	0.18	0.18	0
13	VARALWAR PADMA	33,250	0.04	0	33,250	0.04	0	0
14	NEELIMA VIJAYA VARALWAR	1,00,000	0.12	0	1,00,000	0.12	0	0
15	SATISH GOOTY AGRAHARAM	55,635	0.07	0	55,635	0.07	0	0
16	CHANDRASHEKHARRAO SUDIGALI	50,095	0.06	0	50,095	0.06	0	0
		<b>1,73,64,635</b>	<b>20.94</b>	<b>7.76</b>	<b>1,73,64,635</b>	<b>20.94</b>	<b>7.76</b>	<b>0</b>

\* The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of your Company.

The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**C. Change in Promoters' Shareholding (please specify, if there is no change)**

SI.No.	Particulars	Shareholding			Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2022 to 31.03.2023)	
		No. of Shares at the beginning (01.04.2023) / end of the year (31.03.2024)	% of total Shares of the Company	No. of Shares				% of total Shares of the Company	
1	BBR PROJECTS PRIVATE LIMITED	94,95,504	11.45	01-04-2023	-	-	94,95,504	11.45	
		94,95,504	11.45	31-03-2024	-	-	94,95,504	11.45	



SI.No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2022 to 31.03.2023)	
		No. of Shares at the beginning (01.04.2023) / end of the year (31.03.2024)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
2	NEELIMA VIJAYA VARALWAR	1,00,000	0.12	01-04-2023	-	-	1,00,000	0.12
		1,00,000	0.12	31-03-2024	-	-	1,00,000	0.12
3	VIJAYKUMAR VARALWAR	1,50,000	0.18	01-04-2023	-	-	1,50,000	0.18
		1,50,000	0.18	31-03-2024	-	-	1,50,000	0.18
4	VARALWAR SUBHASH	16,16,200	1.95	01-04-2023	-	-	16,16,200	1.95
		16,16,200	1.95	31-03-2024	-	-	16,16,200	1.95
5	MADHAVI VARALWAR	2,00,000	0.24	01-04-2023	-	-	2,00,000	0.24
		2,00,000	0.24	31-03-2024	-	-	2,00,000	0.24
6	VITHABAI VARALWAR	23,345	0.03	01-04-2023	-	-	23,345	0.03
		23,345	0.03	31-03-2024	-	-	23,345	0.03
7	VARALWAR SANDEEP	18,75,647	2.26	01-04-2023	-	-	18,75,647	2.26
		18,75,647	2.26	31-03-2024	-	-	18,75,647	2.26
8	SANTOSH VARALWAR	13,00,254	1.57	01-04-2023	-	-	13,00,254	1.57
		13,00,254	1.57	31-03-2024	-	-	13,00,254	1.57
9	MANOHAR RAO VARALWAR	10,34,225	1.25	01-04-2023	-	-	10,34,225	1.25
		10,34,225	1.25	31-03-2024	-	-	10,34,225	1.25
10	MAMATHA GURNUKAR	1,50,000	0.18	01-04-2023	-	-	1,50,000	0.18
		1,50,000	0.18	31-03-2024	-	-	1,50,000	0.18
11	SATISH GOOTY AGRAHARAM	55,635	0.07	01-04-2023	-	-	55,635	0.07
		55,635	0.07	31-03-2024	-	-	55,635	0.07
12	SUJATHA VARALWAR	3,93,995	0.48	01-04-2023	-	-	3,93,995	0.48
		3,93,995	0.48	31-03-2024	-	-	3,93,995	0.48
13	SHEETAL VARALWAR	5,68,985	0.69	01-04-2023	-	-	5,68,985	0.69
		5,68,985	0.69	31-03-2024	-	-	5,68,985	0.69
14	VARALWAR PADMA	33,250	0.04	01-04-2023	-	-	33,250	0.04
		33,250	0.04	31-03-2024	-	-	33,250	0.04
15	S RAGHUNANDAN	3,17,500	0.38	01-04-2023	-	-	3,17,500	0.38
		3,17,500	0.38	31-03-2024	-	-	3,17,500	0.38
16	CHANDRASHEKHARRAO SUDIGALI	50,095	0.06	01-04-2023	-	-	50,095	0.06
		50,095	0.06	31-03-2024	-	-	50,095	0.06

**D. Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1</b>	<b>KITARA PIIN 1102</b>				
	At the beginning of the year	7766387	9.36	7766387	9.36
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	7766387	9.36	7766387	9.36
<b>2</b>	<b>WILLIAM F HARVEY</b>				
	At the beginning of the year	1369840	1.65	1369840	1.65
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1369840	1.65	1369840	1.65
<b>3</b>	<b>SAMEER MAHENDRA SAMPAT</b>				
	At the beginning of the year	1359165	1.64	1359165	1.64
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1359165	1.64	1359165	1.64
<b>4</b>	<b>K INDIA OPPORTUNITIES FUND LIMITED CLASS S</b>				
	At the beginning of the year	1219300	1.47	1219300	1.47
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1219300	1.47	1219300	1.47
<b>5</b>	<b>ASHISH BHARATKUMAR SHAH</b>				
	At the beginning of the year	806463	0.86	806463	0.86
	Bought during the year	368393	0.44	368393	0.44
	Sold during the year	-	-	-	-
	At the end of the year	1174856	1.42	1174856	1.42
<b>6</b>	<b>BIPIN DHARAMSEY NENSEY</b>				
	At the beginning of the year	703060	0.85	703060	0.85
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	703060	0.85	703060	0.85
<b>7</b>	<b>SAI VEERAN AGENCIES</b>				
	At the beginning of the year	697277	0.84	697277	0.84
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	697277	0.84	697277	0.84
<b>8</b>	<b>AAKARSHAN TRACOM PRIVATE LIMITED</b>				
	At the beginning of the year	595000	0.72	595000	0.72
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	595000	0.72	595000	0.72



Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>9</b>	<b>A V REDDY</b>				
	At the beginning of the year	510000	0.62	510000	0.62
	Bought during the year	8000	0.009	8000	0.009
	Sold during the year	-	-	-	-
	At the end of the year	518000	0.63	518000	0.63
<b>10</b>	<b>SUMATIPRAKASH MADANLAL JAIN</b>				
	At the beginning of the year	267133	0.32	267133	0.32
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	267133	0.32	267133	0.32

Note

- The above information is based on the weekly beneficiary position received from the Depositories.
- Date wise increase or decrease in shareholding of the top ten shareholders is available on the website of your Company ([www.vivimedlabs.com](http://www.vivimedlabs.com))

#### A. Shareholding of Directors and Key Managerial Personnel:

##### 1. DIRECTORS

Sl. No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2023 to 31.03.2024)	
		No. of Shares at the beginning (01.04.2023) / end of the year (31.03.2024)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	MANOHAR RAO VARALWAR	10,34,225	1.25	01-04-2023	-	-	10,34,225	1.25
		10,34,225	1.25	31-03-2024	-	-	10,34,225	1.25
2	SANTOSH VARALWAR	13,00,254	1.57	01-04-2023	-	-	13,00,254	1.57
		13,00,254	1.57	31-03-2024	-	-	13,00,254	1.57
3	VARALWAR SUBHASH	16,16,200	1.95	01-04-2023	-	-	16,16,200	1.95
		16,16,200	1.95	31-03-2024	-	-	16,16,200	1.95
4	VARALWAR SANDEEP	18,75,647	2.26	01-04-2023	-	-	18,75,647	2.26
		18,75,647	2.26	31-03-2024	-	-	18,75,647	2.26



## 2. KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2023 to 31.03.2024)	
		No. of Shares at the beginning (01.04.2023) / end of the year (31.03.2024)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	RAMAKANTA TRIPATHY	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
2	YUGANDHAR KOPPARTHI	-	-	-	-	-	-	-
		-	-	-	-	-	-	-

Note: \* Mr.Ramakanta Tripathy (Chief Financial Officer) resigned on 23.02.2024

## V) INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment ( ₹ In Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (As on 01.04.2023)</b>				
i) Principal Amount	760.40			760.40
ii) Interest due but not paid	432.91			432.91
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>1193.31</b>			<b>1193.31</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-			-
• Reduction	-			-
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year (As on 31.03.2024)</b>				
i) Principal Amount	760.40			760.40
ii) Interest due but not paid	432.91			432.91
iii) Interest accrued but not due	-			-
<b>Total (i+ii+iii)</b>	<b>1193.31</b>			<b>1193.31</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹.)

Sl. No	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Dr. V. Manohar Rao	Santosh Varalwar	Sandeep Varalwar	
1	Gross salary (excluding Commission)				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30,00,000	1,20,00,000	1,00,00,000	2,50,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	<b>30,00,000</b>	<b>1,20,00,000</b>	<b>1,00,00,000</b>	<b>2,50,00,000</b>
	Ceiling as per the Act	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>1,20,00,000</b>	<b>3,60,00,000</b>

\* Remuneration paid to the Managing Director & Other Whole time Directors is within the ceiling provided under Resolutions passed in general meeting.

(As per schedule V of Companies act 2013).

### B. Remuneration to other directors

#### 1. Independent Directors:

(Amount in ₹.)

Name of Director	Fee for attending board /committee meetings	Commission	Others#	Total
HARI GOPAL JAMALAPURAM	2,50,000	-	-	2,50,000
APARNA BIDARKAR	2,75,000	-	-	2,75,000
<b>Total</b>	<b>5,25,000</b>	-	-	<b>5,25,000</b>
<b>Ceiling as per the Act</b>	<b>22,00,000</b>	-	-	<b>22,00,000</b>

#### 2. Non-Executive Directors:

(Amount in ₹.)

Name of Director	Fee for attending board /committee meetings	Commission	Others	Total
SUBASH VARALWAR	1,00,000	-	-	1,00,000
<b>Total</b>	<b>1,00,000</b>	-	-	<b>1,00,000</b>
<b>Ceiling as per the Act</b>	<b>6,00,000</b>	-	-	<b>6,00,000</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		K.Yugandhar Company Secretary	Ramakanta Tripathy (Chief Financial Officer) *	Total
1	Gross salary	30,58,107	53,83,334	84,41,441
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>30,58,107</b>	<b>53,83,334</b>	<b>84,41,441</b>

Note: \* Mr.Ramakanta Tripathy (Chief Financial Officer) resigned on 23.02.2024

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

For and on behalf of the Board for **Vivimed Labs Limited**

Place: Hyderabad

Date: 14.11.2024

Sd/-  
**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/  
**Manohar Rao Varalwar**  
Whole time Director  
DIN : 00059815



## ANNEXURE - 7 TO BOARD'S REPORT

### Disclosure of Particulars of Contracts/Arrangements entered into by the Company 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)

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. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis:

(₹ In Millions)

SI No	Party Name	Nature of Transaction	During Apr 2023- March 2024
			Debit /(Credit)
1	Finoso Pharma Private Limited	Loans & Advances	4.90
		Purchases	-6.48
		Sales/Services	72.93
2	BBR Green Fields Pvt Ltd	Loans & Advances	495.68
		Purchases	0
		Sales/Services	10
3	Yantra Green Power Pvt Ltd	Purchases	0

For and on behalf of the Board for **Vivimed Labs Limited**

Place: Hyderabad  
Date: 14.11.2024

Sd/-  
**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/  
**Manohar Rao Varalwar**  
Whole time Director  
DIN : 00059815

# ANNEXURE - 8 TO BOARD'S REPORT

## CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline of your Company's CSR policy:

In accordance with the CSR Policy of your Company, the CSR initiatives would be focused around the following identified thrust areas for channelizing the resources on a sustained basis:

**Promoting Education:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

The CSR Policy of your Company is available on its website: (<http://www.vivimedlabs.com/investor-relations>).

### 2. Composition of the CSR Committee

Name of the Member(s)	Nature of Directorship
Ms. Aparna Bidarkar	Independent, Non- Executive
Dr.Hari Gopal Jamalapuram	Independent, Non- Executive
Dr.V.Manohar Rao	Non Independent, Executive / Promoter
Mr.Santosh Varalwar	Non Independent, Executive / Promoter

3. Average Net Profit of the Company for last 3 financial years: ₹(1392.43) Millions

4. Prescribed CSR expenditure (2% of this amount as in Sr. No.3 above): ₹ NIL

### 5. Details of CSR spent for the financial year:

a. Total amount spent for the financial year: NIL

b. Amount unspent, if any: ₹ NIL

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Programs	Amount Spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct
					1. Direct Expenditure	2.Overheads		
NIL								
<b>TOTAL</b>				<b>NIL</b>				

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report: **NIL**

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

For and on behalf of the Board for **Vivimed Labs Limited**

Place: Hyderabad  
Date: 14.11.2024

Sd/-  
**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/  
**Manohar Rao Varalwar**  
Chairman CSR Committee  
DIN : 00059815



## ANNEXURE - 9 TO BOARD'S REPORT

### STATEMENT OF IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS – STANDALONE BASIS – VIVIMED LABS LIMITED

#### Statement of Impact of Audit Qualifications for the Financial Year Ended March 31, 2024

(Regulation 33 / 52 of the SEBI (LODR) (Amendment), Regulations, 2016)

(Rupees in Millions)

I		Audited Figures (as reported before adjustment)	Adjusted Figures
S. No.	Particulars		
1.	Turnover/ Total Income	1,463.69	1463.69
2.	Total Expenditure	1,907.51	2,360.85
3.	Net Profit / (Loss)	(443.82)	(897.16)
4.	Earnings Per Share	(5.35)	(10.82)
5.	Total Assets	6,841.70	6,841.70
6.	Total Liabilities	5,920.61	6,373.95
7.	Net Worth	894.09	440.75
8.	Any Other Financial Items (as felt appropriate by the Management)	Nil	Nil
<b>II Audit Qualification:</b>			
1	<p>a. Details of Audit Qualification: As disclosed in note 3 of financial results, the company has not recognized interest on an accrual basis, amounting to ₹453.34 Million(approx.), which is not in compliance with the applicable Indian Accounting Standards (Ind AS). Consequently, the reported loss for the period is understated by ₹453.34 Million(approx.). This deviation from Ind AS requirements impacts the accuracy of the financial statements, particularly affecting the reported loss for the period.</p>		
	b. Type of Audit Qualification : Qualified Opinion		
	c. Frequency of Qualification : 1 <sup>st</sup> Time		
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company is engaged in the negotiations with its Bankers for a settlement and is confident for settlement with Banks. Hence, the company has not recorded interest on outstanding loan for the year 2023-24.</p>		
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL		
2	<p>a. Details of Audit Qualification: The Company has disclosed related party transactions in the financial results, including items such as Investments, Receivables, Payables, Advances, Purchases, and Sales. Additionally, the balances related to Creditors, Debtors, Other Financial Assets, and Banks are subject to confirmation, as the Company has not provided external confirmations for these balances. In the absence of such confirmations, we are unable to verify the accuracy completeness, and validity of these balances and related party transactions</p>		
	b. Type of Audit Qualification : Qualified Opinion		
	c. Frequency of Qualification : 1 <sup>st</sup> Time		
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company has the system of periodical reconciliation of balances with vendors, customer and related parties. The statutory auditors requested for balance confirmation letters from all. We have requested for the balance confirmation letters. On receipt of the same we will submit them to statutory auditors.</p>		
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL		

3	a.	<b>Details of Audit Qualification:</b> As disclosed note no 6 of the standalone financial results, investment carrying amounts are reduced from ₹1,543.91 Million (31/03/2023) to ₹560.58 Million (31/03/2024). However, the details of diminution, including the assumptions, methodology, and supporting evidence used by management to determine the recoverable amount for these investments, was not provided to us for verification
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of Qualification : 1 <sup>st</sup> Time
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: During Previous years, It was decided to infuse additional investment in both companies for certain business opportunity in anticipation of infusion of funds, the investment entries were passed during the FY 2020-21. Subsequently the company faced liquidity crunch and it could not proceed with investment. Since the investments were not made no shares were allotted. As there were no transactions took place in subsequent years, the balances were inadvertently continued. The same is reversed as on 31.03.2024.
	e.	For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL

**STATEMENT OF IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG WITH ANNUAL AUDITED FINANCIAL RESULTS – CONSOLIDATED BASIS – VIVIMED LABS LIMITED**

**Statement of Impact of Audit Qualifications for the Financial Year Ended March 31, 2024**

(Regulation 33 / 52 of the SEBI (LODR) (Amendment), Regulations, 2016)

(Rupees in Millions)

I	S. No.	Particulars	Audited Figures (as reported before adjustment)	Adjusted Figures
	1.	Turnover/ Total Income	1,590.47	1,590.47
	2.	Total Expenditure	2,048.70	2,502.04
	3.	Net Profit / (Loss)	(454.46)	(907.80)
	4.	Earnings Per Share	(5.48)	(10.95)
	5.	Total Assets	9,509.11	9,509.11
	6.	Total Liabilities	9,563.72	10,017.06
	7.	Net Worth	(54.61)	(507.95)
	8.	Any Other Financial Items (as felt appropriate by the Management)	-	-

**II Audit Qualification:**

1	a.	<b>Details of Audit Qualification:</b> As disclosed in note 3 of financial results, the company has not recognized interest on an accrual basis, amounting to ₹453.34 Million(approx.), which is not in compliance with the applicable Indian Accounting Standards (Ind AS). Consequently, the reported loss for the period is understated by ₹453.34 Million(approx.). This deviation from Ind AS requirements impacts the accuracy of the financial statements, particularly affecting the reported loss for the period.
	b.	Type of Audit Qualification : Qualified Opinion
	c.	Frequency of Qualification : 1 <sup>st</sup> Time
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: The Company is engaged in the negotiations with its Bankers for a settlement and is confident for settlement with Banks. Hence, the company has not recorded interest on outstanding loan for the year 2023-24.
	e.	For Audit Qualification(s) where the impact is not quantified by the Auditor:
	(i)	Management's estimation on the impact of audit qualification: NIL
	(ii)	If management is unable to estimate the impact, reasons for the same: NIL
	(iii)	Auditors' Comments on (i) or (ii) above: NIL



2	<p><b>a. Details of Audit Qualification:</b> The Company has disclosed related party transactions in the financial results, including items such as Investments, Receivables, Payables, Advances, Purchases, and Sales. Additionally, the balances related to Creditors, Debtors, Other Financial Assets, and Banks are subject to confirmation, as the Company has not provided external confirmations for these balances. In the absence of such confirmations, we are unable to verify the accuracy completeness, and validity of these balances and related party transactions</p> <p><b>b. Type of Audit Qualification : Qualified Opinion</b></p> <p><b>c. Frequency of Qualification : Repetitive</b></p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</b> The Company has the system of periodical reconciliation of balances with vendors, customer and related parties. The statutory auditors requested for balance confirmation letters from all. We have requested for the balance confirmation letters. On receipt of the same we will submit them to statutory auditors.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</b></p> <p>(i) Management's estimation on the impact of audit qualification: NIL</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: NIL</p> <p>(iii) Auditors' Comments on (i) or (ii) above: NIL</p>
3	<p><b>a. Details of Audit Qualification:</b> As disclosed note no 6 of the standalone financial results, investment carrying amounts are reduced from ₹1,543.91 Million (31/03/2023) to ₹560.58 Million (31/03/2024). However, the details of diminution, including the assumptions, methodology, and supporting evidence used by management to determine the recoverable amount for these investments, was not provided to us for verification</p> <p><b>b. Type of Audit Qualification : Qualified Opinion</b></p> <p><b>c. Frequency of Qualification : 1<sup>st</sup> Time</b></p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</b> During Previous years, It was decided to infuse additional investment in both companies for certain business opportunity in anticipation of infusion of funds, the investment entries were passed during the FY 2020-21. Subsequently the company faced liquidity crunch and it could not proceed with investment. Since the investments were not made no shares were allotted. As there were no transactions took place in subsequent years, the balances were inadvertently continued. The same is reversed as on 31.03.2024.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</b></p> <p>(i) Management's estimation on the impact of audit qualification: NIL</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: NIL</p> <p>(iii) Auditors' Comments on (i) or (ii) above: NIL</p>
4	<p><b>a. Details of Audit Qualification:</b> The financial statements of one of the Company's subsidiaries (Finoso Pharma Private Limited) reflect an amount of ₹ 38.55 Million as intangible assets under progress, as disclosed in the consolidated financial results. However, in the absence of sufficient information and documentary evidence, the subsidiary's auditors were unable to verify the existence and valuation of these intangible assets, and we are therefore unable to ascertain their appropriateness in the consolidated financial results.</p> <p><b>b. Type of Audit Qualification : Qualified Opinion</b></p> <p><b>c. Frequency of Qualification : 1<sup>st</sup> Time</b></p> <p><b>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</b> Operations of Finoso Pharma Pvt. Ltd involve development of Product Related Technology to its Customers. In addition to executing contracts for the Customers, the company also purchases Technology for Manufacturing Products from the market in anticipation of the same being accepted by its Customers in future. The said spent amount relates to the previous years and the company is in the process of proceeding for Bio Studies and the documents relating to the time frame for completing the same could not be shared to the Auditors satisfaction.</p> <p><b>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</b></p> <p>(i) Management's estimation on the impact of audit qualification: NIL</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: NIL</p> <p>(iii) Auditors' Comments on (i) or (ii) above: NIL</p>



5	<p>a. Details of Audit Qualification: In relation to the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"), the subsidiary (Finoso Pharma Private Limited) is required to provide for interest of ₹1.27 Million due to delays in payments to vendors registered under the Act. This interest provision has not been recorded, resulting in an understatement of loss and liabilities in the consolidated financial statements to the extent of ₹1.27 Million.</p>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 <sup>st</sup> Time
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: Most of the amounts due to Micro, Small and Medium Enterprises have been cleared by the Company on due date as per the agreed Terms &amp; Conditions. Delay in the payment to vendors was due to the Product Quality not adhering to the company requirement. The vendors are in the process of accepting the same and agreeing to replace the product or Provide Credit Note, so no Interest was provided for the amount due as the final liability is yet to be established.</p>
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor:
	(i) Management's estimation on the impact of audit qualification: NIL
	(ii) If management is unable to estimate the impact, reasons for the same: NIL
	(iii) Auditors' Comments on (i) or (ii) above: NIL
6	<p>a. Details of Audit Qualification: The subsidiary (Finoso Pharma Private Limited) has also not maintained proper documentation relating to internal controls during the year, as reported by its auditors. This lack of documentation limits the ability to assess the effectiveness of internal control systems at the subsidiary level, which may impact the reliability of financial reporting.</p>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 <sup>st</sup> Time
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: We have provided the established SOP relating to various activities of the company like Purchases, IT, Finance, Capex etc. The shared SOP documents contain the Internal Control Procedures that are to be followed. The daily operational documents shared by the company supports the fact that the company is following the said established process. Still going forward, the company proposes to appoint Internal Auditor to further ensure the laid down Internal Controls are in place.</p>
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor:
	(i) Management's estimation on the impact of audit qualification: NIL
	(ii) If management is unable to estimate the impact, reasons for the same: NIL
	(iii) Auditors' Comments on (i) or (ii) above: NIL

For and on behalf of the Board for **Vivimed Labs Limited**

Place: Hyderabad  
Date: 14.11.2024

Sd/-  
**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/  
**Manohar Rao Varalwar**  
Whole-time Director  
DIN : 00059815



# CORPORATE GOVERNANCE REPORT

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations'], the report containing details of Corporate Governance of Vivimed Labs Limited ('the Company'/'VLL') is as follows:

## Company's Philosophy on Corporate Governance

Corporate Governance is creation and enhancing long term sustainable value for the stakeholders through ethically driven business process. At VLL, it is imperative that your Company affairs are being managed in a fair and transparent manner. Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success and we remain committed towards maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed hereinafter. The Corporate Governance framework of the Company is based on the following broad practices:

- (a) Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law.
- (b) Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organization.
- (c) Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures.
- (d) Making high level of disclosures for dissemination of corporate, financial and operational information to all its stakeholders.
- (e) Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance

## Best Corporate Governance practices

VLL maintains the highest standards of Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. Some of the best implemented global governance norms include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed by the Company's Board of Directors.
- The Company has following Board Committees: Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management Committee.
- The Company also undergoes Secretarial Audit conducted by an independent firm of Practicing Company Secretaries. The Secretarial Audit Report is placed before the Board and forms part of the Annual Report.
- Observance and adherence of all applicable Laws including Secretarial Standards issued by The Institute of Company Secretaries of India.

## Governance Policies

At VLL, we strive to conduct our business and strengthen our relationship in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders.

Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of the codes and policies are as follows:

- Code of Conduct for Board of Directors and Senior Management;
- Code of Conduct for Prohibition of Insider Trading;
- Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information;
- Policy on Related Party Transactions;
- Corporate Social Responsibility Policy;
- Policy for Determination of Material Subsidiary and Governance of Subsidiaries;
- Policy for Determination of Materiality of Events / Information;
- Remuneration Policy for Directors, Key Managerial Personnel, Members of Senior Management and other Employees of the Company;
- Familiarization Programme for Independent Directors;
- Vigil Mechanism/Whistle Blower Policy;
- Policy for Preservation of Documents;
- Policy on Diversity of the Board of Directors;
- Risk Management Policy;
- Dividend Distribution Policy;
- Archival Policy;

- Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace; and
- Grievance Redressal Policy.

## BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD AS ON 31ST MARCH, 2024:

Category	No. of Directors
Non-Executive /Independent Directors	2
Non-Executive / Promoter Directors	1
Executive/Promoter Directors	3
<b>Total</b>	<b>6</b>

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by an Independent Chairman and has an optimum combination of Executive, Non- Executive and Independent Directors.

### NUMBER OF BOARD MEETINGS:

During the financial year 2023-24, 5 (Five) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held:

30-05-2023	14-11-2023
14-08-2023	14-02-2024
18-10-2023	

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

The details of attendance at Board Meetings held either in person or through video conference during the financial year 2023-24 and at the Annual General Meeting (AGM) are detailed below:

Name of the Director	Designation	Number of Board Meetings		Attendance at AGM
		Held	Attended	
Mr.Santosh Varalwar	Managing Director	5	5	Yes
Mr.Subhash Varalwar	Non Executive/ Non-Independent Director	5	3	No

Name of the Director	Designation	Number of Board Meetings		Attendance at AGM
		Held	Attended	
Dr.Manohar Rao Varalwar	Whole Time Director	5	5	No
Dr.Hari Gopal Jamalapuram	Independent Director	5	4	No
Mr.Sandeep Varalwar	Whole Time Director	5	4	No
Ms.Aparna Bidarkar	Independent Director	5	5	Yes

## RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board and Committee meeting. The draft minutes are circulated to Board / Committee members for their comments thereon as prescribed under Secretarial Standard-1. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

## POST MEETING FOLLOW-UP MECHANISM

The guidelines for Board / Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments. Action taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board /Committees for noting.

## COMPLIANCE

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

## NUMBER OF BOARD MEETINGS

Five (5) Board meetings were held during the year, as against the minimum requirement of four meetings. The details of Board meetings held are given below:

Date	Board Strength	No. of Directors Present
30-05-2023	6	5
14-08-2023	6	6
18-10-2023	6	5
14-11-2023	6	5
14-02-2024	6	5



## EVALUATION OF THE BOARD EFFECTIVENESS:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2023-24.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. These assessment sheets with respect to the evaluation of the performance of the Directors were based on various aspects which, inter alia, included assessment of the level of participation, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for your Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions

at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization, succession planning, discharging fiduciary and governance duties and performance of specific duties.

The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The Board of Directors, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

## DIRECTORSHIP AND MEMBERSHIP ON COMMITTEES:

The details of nature of Directorships, relationship inter-se, number of directorships and committee chairmanships / memberships held by them in other public companies are detailed below:

Name of the Director	Nature of Directorships	Relationship with each other	As on 31 <sup>st</sup> March, 2024		
			No. of other Directorships*	Membership	Chairmanship
Mr.Santosh Varalwar DIN –00054763	Managing Director	Son of Manohar Rao Varalwar, Brother of Sandeep Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Mr.Subhash Varalwar DIN –00054789	Non Executive/ Non- Independent Director	Brother of Manohar Rao Varalwar, Uncle of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Dr.Manohar Rao Varalwar DIN –00059815	Whole-time Director	Brother of Subhash Varalwar, Father of Santosh Varalwar & Sandeep Varalwar	Nil	Nil	Nil
Mr.Sandeep Varalwar DIN –01682951	Whole-time Director	Son of Manohar Rao Varalwar, Brother of Santosh Varalwar, Nephew of Subhash Varalwar	Nil	Nil	Nil
Dr.Hari Gopal Jamalapuram DIN –08687353	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil
Ms.Aparna Bidarkar DIN –05112945	Non-Executive/ Independent Director	No inter-se relationship with any of the Directors	Nil	Nil	Nil

**Note:**

° Excludes directorship/ Membership/Chairmanship in Vivimed Labs Limited. Also excludes directorship in Foreign Companies, Private Limited Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

° For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in Vivimed Labs Limited.

**The shareholding of the Non-Executive Directors of your Company as on 31<sup>st</sup> March, 2024 is as follows:**

Name of the Director(s)	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
Ms.Aparna Bidarkar	Non-Executive/ Independent Director	NIL	NIL
Mr.Subhash Varalwar	Non-Executive /Promoter Director	1616200	1.96
Dr.Hari Gopal Jamalapuram	Non-Executive/ Independent Director	NIL	NIL

**The shareholding of Executive Directors of your Company as on 31<sup>st</sup> March, 2024 is as follows:**

Name of the Director(s)	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
Mr.Santosh Varalwar	Managing Director	13,00,254	1.57
Dr.Manohar Rao Varalwar	Whole-time Director	10,34,225	1.25
Mr.Sandeep Varalwar	Whole-time Director	18,75,647	2.26

**Given below is the chart setting out the skills/ expertise/ competence of the Board of Directors:**

Sl. No.	Name of the Director	Category	Specialisation
1	Mr.Santosh Varalwar	Managing Director	He has around 40 years of experience in General Management, cost efficient, quality complaint pharmaceutical /chemicals products manufacturing and marketing
2	Mr.Subhash Varalwar	Non Executive/ Non- Independent Director	He has around 45 years of experience in Production, Quality control and R&D function
3	Dr.Manohar Rao Varalwar	Whole-time Director	He has around 55 years of experience in Administration, Biotechnology, pharmaceutical /chemicals products manufacturing and marketing
4	Mr.Sandeep Varalwar	Whole-time Director	He has more than 32 years of rich experience in manufacturing and marketing divisions of Pharma industry
5	Ms.Aparna Bidarkar	Non-Executive/ Independent Director	She has more than 27 years experience in consulting relating to healthcare, retail, housing, Technology driven infrastructure facilities-with large number of private and government clientele like APSRTC, APTDC, TSMSIDC, ICSI, GHMC etc.,
6	Dr.Hari Gopal Jamalapuram	Non-Executive/ Independent Director	He has more than 29 years experience in General Medical Practice.

**COMMITTEES OF THE BOARD:**

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. These Committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. Your Company currently has 5 (five) Committees of the Board viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management Committee.



## MANAGEMENT STRUCTURE

The management structure of your Company comprises of the Executive and Operating teams which have been constituted to drive strategic initiatives of your Company strengthen effectiveness of interface areas, bring in ability, multi-dimensional perspective and responsiveness within the organization and to strengthen the capabilities to enhance value creation.

### MANAGING DIRECTOR:

The overall management of the affairs of your Company is entrusted to the Managing Director who functions under the direct supervision of the Board of Directors and also leads the Executive Management. He spearheads the strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board and its various Committees.

### EXECUTIVE MANAGEMENT TEAM (EMT):

The EMT comprises of the heads of different functions of the organization. The members of the EMT report to the Managing Director. This EMT is entrusted with the initiatives pertaining to the strategies and vision of your Company, Risk Management, Financial Accounting & Reporting, and Corporate Governance. The EMT meets on a regular basis to discuss on various matters including effectiveness of the businesses / functions which report to them.

### OPERATING MANAGEMENT TEAM (OMT):

The OMT consists of heads of functions / businesses within your Company who report to the EMT members. The OMT members lead the identified strategic initiatives, they deliberate on the efficiency and effectiveness of the day-to-day operations, capability building within your Company to service customers and other stakeholders.

The effective functioning of the EMT and OMT has led to increased holistic connection within the organization.

## SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he

participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

## LEAD INDEPENDENT DIRECTOR

Mr.Harigopal Jamalapuram, was elected as the Lead Independent Director by the Independent Directors of the Company. The Lead Independent Director's role is as follows:

- To preside over all meetings of Independent Directors
- To ensure there is an adequate and timely flow of information to Independent Directors
- To liaise between the Chairman, Managing Director, the Management and the Independent Directors.
- To perform such other duties as envisaged by the Companies Act, 2013 and the Listing Regulations.

## INDEPENDENT DIRECTORS:

Mr.Harigopal Jamalapuram (Independent Director) of your Company have been appointed for a tenure of 5 (five) year by the shareholders of your Company through Postal ballot held on 28<sup>th</sup> March, 2020 (up to 37<sup>th</sup> Annual General Meeting to be held in calendar year 2025). Ms.Aparna Bidarkar (Independent Director) of your Company have been appointed for a tenure of 5 (five) year by the shareholders of your Company through Postal ballot held on 13<sup>th</sup> May, 2022 (up to 39<sup>th</sup> Annual General Meeting to be held in calendar year 2027). The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample Terms of appointment is available on the website of your Company and can be accessed through the following link: <http://www.vivimedlabs.com>.

## INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on February 14, 2024, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non- Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

## **BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES**

### **INSTITUTIONALIZED DECISION-MAKING PROCESS**

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders long term interests are being served. The Board has constituted five Committees, namely Audit Committee, Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. The Board is authorised to constitute additional functional Committees, from time to time, depending on business needs and framework of the law for the time being in force.

### **SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD AND COMMITTEE MEETINGS**

Minimum four pre-scheduled Board meetings are held annually, once in each quarter inter-alia to review the financial results of the Company. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Board / Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and ensure meaningful participation in the meetings.

The meetings are generally held at the corporate office of the Company.

The Company's functional heads are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion / approval / decision at Board / Committee meetings. Such matters are communicated by them to the Company Secretary in advance so that they are included in the agenda for Board / Committee meetings.

The Board is given presentations covering finance, marketing, operations, overview of business operations of wholly owned subsidiary companies and joint venture companies, global business environment, the Company's business opportunities and strategy and risk management practices before taking on record the Company's quarterly/annual financial results.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board / Committee meetings.

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this

effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

### **Board Business**

The business of the Board inter-alia includes:

- Framing and overseeing progress of the Company's annual plan and operating framework.
- Framing strategies for direction of the Company and for corporate resource allocation.
- Reviewing financial plans of the Company.
- Reviewing the quarterly and annual financial results of the Company.
- Reviewing the Annual Report including Audited Annual Financial Statements for adoption by the Members.
- Reviewing progress of various functions and business of the Company.
- Reviewing the functioning of the Board and its Committees.
- Reviewing the functioning of subsidiary companies.
- Considering approving the declaration / recommendation of dividend.
- Reviewing and resolving fatal or serious accidents or dangerous occurrences, any material significant effluent or pollution problems or significant labour issues, if any.
- Reviewing the details of significant development in human resources and industrial relations front.
- Reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement.
- Reviewing compliance with all relevant legislations and regulations and litigation status, including materiality, important show cause, demand, prosecution and penalty notices, if any.
- Advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any.
- Appointing Directors on the Board and Key Managerial Personnel, if any.
- Reviewing various policies of the Company and monitoring implementation thereof.
- Reviewing details of risk evaluation and internal controls.
- Reviewing reports on progress made on the ongoing projects.
- Monitoring and reviewing board evaluation framework.
- Review report(s) on Environment, Social and Governance.

### **FAMILIARISATION PROGRAM**

Your Company has in place a structured induction and familiarization program for all its Directors including the Independent Directors. Your



Company through such programs familiarizes not only the Independent Directors but any new appointees on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, on-going events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Brief details of the familiarization program are uploaded on the website of your Company and can be accessed through the following link: <https://www.vivimedlabs.com/other-data/>.

## APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent in the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established Five Committees to discharge its responsibilities in an effective and efficient manner. The Company Secretary at Vivimed acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013. The Managing Director (MD) provide overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation of decisions and policies. In the operations and functioning of the Company, the MD is assisted by the Executive Directors/ CEO/ CFO and a core group of senior level executives.

## BOARD LEADERSHIP

The Board contains 2 Independent Directors (Includes chairman of Board), 3 executive Directors and 1 non-executive non Independent Director as on March 31, 2024. At Vivimed, it is believed that an experienced Board consciously creates a culture of leadership which in turn provides a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. Vivimed is committed to the goal of sustainability and elevating the Company's value creation.

The Board critically evaluates the Company's strategic direction, management policies and its effectiveness. The agenda for the Board review included a detailed analysis of annual strategic and operating plans, capital allocation and budgets. Additionally, the Board reviews related party transactions, possible risks and risk mitigation measures, financial reports. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

The Audit Committee is, inter alia, entrusted with the responsibility to

monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, Executive Directors, CEO, CFO, Statutory Auditor, Internal Auditor and other executives to attend the meetings of the Committee.

Shri K.Yugandhar, Company Secretary of the Company acts as Secretary to the Committee.

The Audit Committee, during the financial year 2023-24, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

### THE COMPOSITION OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COMPANY ALONG WITH THE DETAILS OF THE MEETINGS HELD AND ATTENDED DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2024 IS DETAILED BELOW:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Dr.Hari Gopal Jamalapuram	Chairperson	4	4
Mr.Sandeep Varalwar	Member	4	3
Ms. Aparna Bidarkar	Member	4	4
<b>Date(s) on which meeting(s) were held</b>			
30-05-2023		14-11-2023	
14-08-2023		14-02-2024	

### THE AUDIT COMMITTEE IS EMPOWERED, PURSUANT TO ITS TERMS OF REFERENCE AND ITS ROLE, INTER ALIA, INCLUDES THE FOLLOWING:

1. Overseeing your Company's financial reporting process and the disclosure of its information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;



4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Sec 134(3)(c) of the Companies Act, 2013;
  - (b) Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - (c) Compliance with the Listing Regulations and other legal requirements relating to financial statements;
  - (d) Disclosure of any related party transactions; and
  - (e) Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - (a) qualifications and experience of the individual/ firm proposed to be considered for appointment as auditor;
  - (b) whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - (c) giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board, the appointment, re- appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the 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;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditors;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing 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;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve, policy formulated for determination of material subsidiaries;
31. Review and approve, policy on materiality of related party transactions and also dealing with related party transactions; and
32. Any other matter referred to by the Board of Directors.

#### NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Nomination & Remuneration Committee has reviewed and evaluated the performance evaluation criteria for Board and its Committees and Directors including Independent Directors as per SEBI Circular dated January 5, 2017.

The Committee met 1 (one) time during the financial year 2023-24 on 14-08-2023. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2023-24 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Dr.Hari Gopal Jamalapuram	Member	1	1
Mr.Subhash Varalwar	Member	1	1
Ms.Aparna Bidarkar	Chairperson	1	1

Shri K.Yugandhar, Company Secretary of the Company acts as Secretary to the Committee.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy:

1. Formulate a criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees, ESOPs administration, implementation;
3. Devise a policy on Board Diversity;

4. 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 their appointment and removal;
5. Carry out the evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/ Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of your Company; and
7. Undertake any other matters as the Board may decide from time to time.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. Share Transfer and Stakeholders Relationship Committee was constituted to specifically look into the matters of investor's grievances such as transfer, transmission, split and consolidation of investor's holding, replacement of lost / mutilated / stolen share certificates, dematerialization of shares, non-receipt of dividend / notices / annual reports and change of addresses, among others. The main object of the Committee is to strengthen investor relations. The Committee also evaluates the performance and service standards of the Registrar and Share Transfer Agent of the Company and also provides continuous guidance to improve the service levels for the investors.

The Committee met 1 (One) time during the financial year 2023-24 on 14.02.2024. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2023-24 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Mr.Subhash Varalwar	Chairman	1	1
Mr.Santosh Varalwar	Member	1	1
Dr.Manohar Rao Varalwar	Member	1	1
Dr.Hari Gopal Jamalapuram	Member	1	1

Shri.K.Yugandhar is the compliance officer for complying with the requirements of Securities Law and acts as Secretary to the Committee.

The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve the grievance of the security holders of your Company.

**DETAILS PERTAINING TO THE NUMBER OF COMPLAINTS RECEIVED AND RESPONDED AND THE STATUS THEREOF DURING THE FINANCIAL YEAR 2023-24 ARE GIVEN BELOW:**

No. of complaints received during the year	0
No. of complaints resolved during the year	0
No. of complaints pending at the end of the year	0

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met on 14.02.2024 during the financial year 2023-24. The constitution of the CSR Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2023-24 is detailed below:

Name of the Director	Nature of Membership	Number of Meetings	
		Held	Attended
Ms. Aparna Bidarkar	Member	1	1
Dr.Hari Gopal Jamalapuram	Member	1	1
Mr. Santosh Varalwar	Member	1	1
Dr. Manohar Rao Varalwar	Member	1	1

Shri.K.Yugandhar, Company secretary of the Company acts as Secretary to the Committee.

**THE CSR COMMITTEE IS EMPOWERED, PURSUANT TO ITS TERMS OF REFERENCE, INTER ALIA, TO:**

1. Recommend the amount of expenditure to be incurred on the activities;

2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects /programs/ activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives of your Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of your Company and can be accessed through the following link: <http://www.vivimedlabs.com/investor-relations>.

**DIRECTORS' REMUNERATION**

**REMUNERATION POLICY**

The Company has formulated Remuneration Policy for Directors, Key Managerial Personnel and other employees. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board and other individual Directors.

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

**REMUNERATION PAID TO THE MANAGING DIRECTOR / WHOLE-TIME DIRECTORS DURING THE FY 2023-24**

(Amount in ₹)

Name of the Director	Salary	Perquisites*	Commission#	Amount ₹
Mr.Santosh Varalwar, Managing Director	1,20,00,000	-	-	1,20,00,000
Dr.Manohar Rao Varalwar, Whole time Director	30,00,000	-	-	30,00,000
Mr.Sandeep Varalwar, Whole time Director	1,00,00,000	-	-	1,00,00,000

**REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS DURING THE FY 2023-24**

- a. There were no pecuniary transactions with any Non-Executive Director of the Company.
- b. Non-Executive Directors were paid sitting fees for attending the Board and Committee meetings.



Following are the details of sitting fees paid to the Directors for attending Board and Committee meetings during the FY 2023-24:

	(Amount in ₹)
Name of the Director	Sitting fees
Ms.Aparna Bidarkar, Independent Director	2,75,000
Dr.Hari Gopal Jamalapuram, Independent Director	2,50,000
Mr.Subhash Varalwar, Non Executive,/Non- Independent Director	1,00,000

### GENERAL BODY MEETINGS

Details of last three AGM and the summary of Special Resolutions passed therein are as under:

Year(s)	Location(s)	Meeting(s) Date	Time	No. of special resolution(s) set out at the AGM
2022-23	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403,Karnataka.	Nov 13, 2023	12:30 PM	0
2021-22	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	March 27, 2023	12:30 PM	1
2020-21	Plot No.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka.	February 17, 2023	12:30 PM	0

All special resolutions set out in the notices for the AGMs were passed by the shareholders at the respective meetings with requisite majority.

### MEANS OF COMMUNICATION

**Quarterly results:** The Company's quarterly results are published in 'Financial Express and Karnataka edition of Samyukta Karnataka newspapers and are displayed on website [www.vivimedlabs.com](http://www.vivimedlabs.com).

**News releases, presentations, among others:** Official news releases and official media releases are sent to Stock Exchanges and are displayed on website [www.Vivimedlabs.com](http://www.Vivimedlabs.com).

**Website:** The Company's website [www.vivimedlabs.com](http://www.vivimedlabs.com) contains a separate dedicated section 'Investor Relations' where shareholder's information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

**Annual Report:** The annual report containing, inter alia, audited standalone financial statement, consolidated financial statement, Director's report, auditor's report, corporate governance report and

other important information is circulated to members and others entitled thereto.

**Management Discussion and Analysis (MDA) Report:** The report on MDA forms part of the annual report.

**Disclosures to Stock Exchanges:** The Company informs BSE Limited (BSE) and National Stock Exchange of India limited (NSE) all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**Dedicated e-mail ID:** [yugandhar.kopparthi@vivimedlabs.com](mailto:yugandhar.kopparthi@vivimedlabs.com)

### GENERAL SHAREHOLDER INFORMATION

#### Company Registration Details

The Company is registered in the State of Karnataka, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L02411KA1988PLC009465

#### 36<sup>th</sup> Annual General Meeting

**Date :** 3.1.2025

**Time :** 03:00 P.M.

**Venue/Mode:** Through Video Conferencing / Other Audio Visual Means facility

#### Financial year

April 1 to March 31

#### Date of Book Closure

Saturday, of December 28, 2024 to Friday, of January 3, 2025 (both days inclusive)

#### Dividend Payment

The Company has not declared any dividend during the year.

### Listing on Stock Exchanges

Equity Shares

#### BSE Limited (Bombay Stock Exchange)

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001  
Scrip Code – 532660

#### National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
Trading Symbol – VIVIMEDLAB

### Payment of Listing Fees

The listing fees for the financial year has been paid to the respective stock exchanges.

### Payment of Depository Fees

The Annual Custody fee for the financial year has been paid to the respective Depositories

### Tentative calendar for financial year ending 31<sup>st</sup> March 2025:

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31<sup>st</sup> March, 2025 are as follows:

Results	Tentative Dates
First Quarter	Around January, 2025
Second Quarter and Half Yearly	Around January, 2025
Third Quarter and Nine Months	Around Second Week of February, 2025
Fourth Quarter and Annual	Around Last Week of May, 2025

### Market Price Data

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended 31<sup>st</sup> March, 2024 are as under:

Month	BSE			NSE		
	High (₹)	Low (₹)	Traded Volume (No. of Shares) (Lakhs)	High (₹)	Low (₹)	Traded Volume (No. of Shares) (Lakhs)
<b>2023</b>						
Apr-23	7.29	5.97	2.92	6.90	5.95	12.72
May-23	6.97	5.70	1.96	6.85	5.60	5.53
Jun-23	5.97	5.25	1.16	6.00	5.35	5.48
Jul-23	5.80	4.85	1.56	5.70	4.85	8.49
Aug-23			Suspended due to Penal reasons			
Sep-23						
Oct-23						
Nov-23						
Dec-23						
<b>2024</b>						
Jan-24			Suspended due to Penal reasons			
Feb-24						
Mar-24						

Source: BSE and NSE website

**Note:** High and low are in ₹ per traded share. Volume is the total monthly volume of trade (in numbers in Lakhs) in Vivimed Labs Limited's shares on BSE and NSE.

### Performance in comparison to broad-based Indices

The Charts below shows the comparison of your Company's share price movement on (i) BSE vis-à-vis the movement of the BSE Sensex (ii) NSE vis-à-vis the movement of the NSE Nifty for the year 2023-24 (based on month end closing):

**Registrar & Share Transfer Agents:**

(for Shares held in both Physical and Demat mode)

Aarthi Consultants Private Limited

1-2-285, Domalguda, Hyderabad, India – 500029

Phone : 040-27638111/27634445

Fax : 040-27632184

Email : info@aarthiconsultants.com; website: www.aarthiconsultants.com

**Share Transfer System**

Your Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force) and files a copy of the said certificate with BSE & NSE.

**Reconciliation of Share Capital**

A qualified practicing Company Secretary carried out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total paid-up capital was in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL. The reports are uploaded in the NSE and BSE websites for public view.

**Distribution of shareholding of shares of your Company as on 31<sup>st</sup> March, 2024 is as follows:**

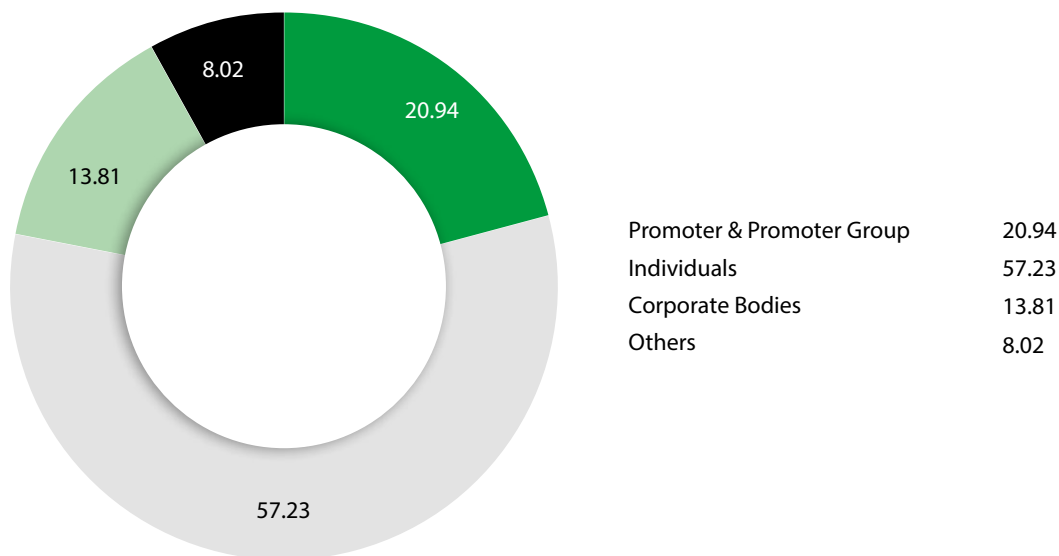
SI No	Category (₹)	Holders	Holders Percentage	Shares	Amount (₹)	Amount Percentage
1	1 - 5000	45365	92.55	18206339	36412678	21.96
2	5001 - 10000	1918	3.91	7159288	14318576	8.63
3	10001 - 20000	948	1.93	7093146	14186292	8.55
4	20001 - 30000	284	0.58	3536789	7073578	4.27
5	30001 - 40000	155	0.32	2798074	5596148	3.37
6	40001 - 50000	80	0.16	1802932	3605864	2.17
7	50001 - 100000	148	0.30	5635590	11271180	6.8
8	100001 & Above	118	0.24	36681757	73363514	44.24
	<b>Total:</b>	<b>49016</b>	<b>100</b>	<b>82913915</b>	<b>165827830</b>	<b>100</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2024:**

SI	Category of Shareholder	No of Shareholders	Total Number of shares	shareholding as a percentage of total number of shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
a.	Individuals/Hindu Undivided Family	15	78,69,131	9.46
b.	Central Government/State Government(s)	-	-	-
c.	Bodies Corporate	1	94,95,504	11.45
d.	Financial Institutions/Banks	-	-	-
	<b>Sub Total (A)(1)</b>	<b>16</b>	<b>1,73,64,635</b>	<b>20.94</b>
(2)	Foreign	-	-	-
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>16</b>	<b>1,73,64,635</b>	<b>20.94</b>
	<b>(A)=(A)(1)+(A)(2)</b>	<b>16</b>	<b>1,73,64,635</b>	<b>20.94</b>

SI	Category of Shareholder	No of Shareholders	Total Number of shares	shareholding as a percentage of total number of shares
(B)	Public Shareholding			
<b>1</b>	<b>Institutions</b>			
a.	Mutual Funds	-	-	-
b.	Foreign Portfolio Investor	5	13,59,791	1.64
c.	Financial Institutions/Banks	-	-	-
d.	Foreign Institutional Investors	-	-	-
<b>2</b>	<b>Sub Total (B)(1)</b>	<b>5</b>	<b>13,59,791</b>	<b>1.64</b>
	Central Government/State Government(s)/President of India	1	96,130	0.12
a.	Central Government/State Government(s)/ President of India	-	-	-
	<b>Sub Total (B)(2)</b>	<b>1</b>	<b>96,130</b>	<b>0.12</b>
<b>3</b>	<b>Non-Institutions</b>			
(a-i)	Individual shareholders holding nominal share capital up to ₹2 lakhs	48,329	4,23,96,873	51.13
(a-ii)	Individual shareholders holding nominal share capital excess ₹2 lakhs	22	50,59,386	6.10
(b)	NBFCs Registered with RBI	-	-	-
(e-i)	Non-Resident Indian (NRI) - Non Repatriable	430	38,09,165	4.59
(e-ii)	Non-Resident Indian (NRI) - Repatriable	-	-	-
(e-iii)	Corporate Bodies	207	36,81,073	4.44
(e-iv)	Corporate Bodies - Foreign Bodies	1	77,66,387	9.37
(e-ix)	Clearing Member	2	5,585	0.01
(e-vii)	Foreign National - FN	1	13,69,840	1.65
(e-viii)	Trust	2	5,050	0.01
	<b>Sub Total (B)(3)</b>	<b>48,994</b>	<b>6,40,93,359</b>	<b>77.30</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>49,000</b>	<b>6,55,49,280</b>	<b>79.06</b>
	<b>Total (A)+(B)</b>	<b>49,016</b>	<b>8,29,13,915</b>	<b>100.00</b>

**Category-wise shareholding:**



**BREAK UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON 31STMARCH, 2024:**

Particulars	No. of Shares @ ₹2/- each	% of Shares
<b>Physical segment</b>	1399960	1.68845
<b>Demat segment</b>		
NSDL	48047421	57.94856
CDSL	33466534	40.36299
<b>TOTAL</b>	<b>82913915</b>	<b>100.00000</b>

**Dematerialization of shares**

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact M/s.Aarathi Consultants Private Limited.

The Company's shares are regularly traded on the National Stock Exchange of India Limited and the BSE Limited in electronic form. Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE526G01021.

**Outstanding GDRs /ADRs/ Warrants /Convertible Instruments and their impact on equity:**

Your Company has 25,00,000 (Twenty five lakhs) outstanding employee stock options convertible into equity shares of ₹2/- each as on 31<sup>st</sup> March, 2024.

**PLANT LOCATIONS AS ON 31.03.2024:****SPECIALTY CHEMICALS DIVISION**

- Plot No. 78/A, Kolhar Industrial Area, Bidar – 585403, State - Karnataka

**PLANT LOCATIONS****PHARMA DIVISION**

- D-125 & 128, Phase III, Jeedimetla Industrial Estate, Hyderabad – 500055, State – Telangana
- Plot No. 25, Kundeshwari Village, Kashipur, Udham Singh Nagar – 244713, State – Uttarakhand,
- D-9, Industrial Area, Haridwar – 249401, State – Uttarakhand,
- Plot No: 8, Phase V,IDA Jeedimetla , Hydearabad, 500055, State – Telangana
- Kishlay , Kashipur, Uttarkhand – 110001, State – Uttarakhand,

**R&D CENTERS**

- H.No:A-1/ABC, Main Road, Opp: Surana Wires Pvt. Ltd. IDA, Nacharam, Hyderabad – 500076 State – Telangana

**Address for Correspondence:**

For any queries relating to the shares of your Company, correspondence may please be addressed at:

M/s.Aarathi Consultants Private Limited

1-2-285, Domalguda

Hyderabad, India – 500029

Phone : 040-27638111/27634445

Fax : 040-27632184, Email : info@aarthiconsultants.com

**For the benefit of shareholders, documents will continue to be accepted at the following Corporate Office of the Company:**

Yugandhar Kopparthi

Company Secretary & Compliance Officer

Vivimed Labs Limited

(CIN: L02411KA1988PLC009465)

Corporate Off: D.No.6-3-866/1/G1, 3<sup>rd</sup> Floor, GMR Towers, Greenlands, Begumpet, Hyderabad, Telangana – 500 016, India

Tel: 91-40-6608 6608; Fax: 91-40-6608 6699

E-mail: yugandhar.kopparthi@vivimedlabs.com

Website: www.vivimedlabs.com

Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Transfer Agent.

**Addresses of Regulatory Authority/ Stock Exchanges:****Securities and Exchange Board of India**

Plot No. C4-A, G Block, Bandra Kurla Complex

Bandra (East), Mumbai 400 051, Maharashtra, India

Tel.: +91 22 2644 9000; Fax: +91 22 2644 9019-22

**National Stock Exchange of India**

Exchange Plaza, Plot No. C/1, G Block,

Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051, Maharashtra, India

Tel.: +91 22 2659 8100; Fax: +91 22 2659 8120

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400 001, Maharashtra, India

Tel.: +91 22 2272 1233; Fax: +91 22 2272 1919



## DISCLOSURES

### i) **Related Party Transactions**

During the year ended March 31, 2024, there were no materially significant related party transactions, which could have potential conflict with the Company's interests at large. Statement in summary form of transactions with related parties is placed before the audit committee for review. All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests. In compliance with regulation 53(f) of the Listing Regulations and the accounting standard 18, transactions with related parties are disclosed in the notes to accounts.

The Company has not entered into any transaction with any person or entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company.

Related Party Transaction policy is placed on the Company's website <https://www.vivimedlabs.com/other-data/>

### ii) **Details of non-Compliance etc.**

The Company complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI. Except mentioned in secretarial compliance report.

### iii) **Disclosure of Accounting Treatment**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under Sec 133 of Companies Act, 2013 and other relevant provisions of the Act.

### iv) **Whistle Blower policy**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the head of the Department by the employees. Employees may also report to the member of the Audit Committee / the Chairman and in exceptional cases to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Whistle Blower Policy of the Company is placed on the Company website <https://www.vivimedlabs.com/other-data/>.

### v) **Board Disclosures -Risk Management**

The Company has a Risk Management Procedure in place which is

reviewed periodically. Risk management is carried out to ensure the Company is not overly dependent on a particular product, customer or geography. In addition, the above facilitates not only in risk assessment and timely rectification but also helps in minimization of risk associated with any strategic, operational, financial and compliance risk across all business operations.

### vi) **Subsidiary Companies**

The Company has material un-listed Indian subsidiary company by name Finoso Pharma Private Limited. However, the Company has 3 foreign subsidiaries namely, (1) Vivimed Labs USA, Inc.,(2)Vivimed Labs Mauritius Limited (3) Vivimed Holdings Limited.

#### **Subsidiary Companies Monitoring Framework**

All subsidiary companies are Board managed with their respective Boards having the rights and to manage such companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies periodically.

### vii) **Code of Conduct**

The Company has laid down a "Code of Conduct" for the Directors and the Senior Management Personnel. The code has been posted on the website of the Company. The members of the Board including Independent Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as at March 31, 2024. A declaration to this effect signed by Mr.Santosh Varalwar, Managing Director is given in Annexure to this report.

### viii) **MD and Director certification**

The Managing Director and Director have certified to the Board regarding compliance of matters specified in regulation 17(8) read with Part B of Schedule II of the Listing Regulations and the same forms part of this Corporate Governance Report. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on 14.11.2024.

### ix) **Compliance Certificate of the PCS**

Certificate from Practicing Company Secretary, NVSS Suryanarayana Rao, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

### x) **Certificate from a Company Secretary in Practice**

A certificate from a Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.



**xi) Proceeds from public issues, rights issues and preferential issues etc.**

The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2024.

**xii) Recommendations of the Committees of the Company**

There has been no such incidence where the Board has not accepted the recommendation of the Committees of the Company during the year under review.

**xiii) Details of fees paid to the statutory auditors**

Given below are the details of fees paid to M/s.PCN & Associates, Chartered Accountant, Statutory Auditors of the Company on a consolidated basis during the Financial Year ended March 31, 2024:

Sl. No	Payments to the Statutory Auditors (excluding taxes)	Fees paid in ₹ in Lakhs
1	Statutory Audit fees paid for Audit of the Company	18
2	Fees paid for Limited review of the Company	
3	Fees paid for other services	
4	Reimbursement of expenses	
	<b>Total</b>	18

**xiv) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The below are the details of complaints received/resolved during the year under review.

Sl. No	Particulars	No.
1	Number of complaints on Sexual harassment received during the year	NIL
2	Number of Complaints disposed off during the year	
3	Number of cases pending as on March 31, 2024	

**xx) Disclosures in Relation to Loans and Advances in the Nature of Loans to Firms/Companies in which Directors are interested by the Company and its Subsidiaries:**

Sl.No	Name of Firm/company to which Loans or Advances have been provided	Amount (in crore)	Name of the interested Director	Nature of Interest	Name and status of the Disclosing Entity
1					
2		NIL			

**xv) Details of compliance with mandatory requirements and adoption of Discretionary Requirements**

The Company has complied with all the mandatory requirements of Corporate Governance as per SEBI Listing Regulations. Reporting of Internal Auditors to the Audit Committee has been adopted from discretionary requirements

**xvi) Familiarisation programmes for Board Members**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Details of the familiarization programmes imparted to Independent Directors are placed on the website of the Company, <https://www.vivimedlabs.com/other-data/>.

**xvii) Policy on Material Subsidiaries**

In terms of regulation 16 of the Listing Regulations, the Board of Directors has adopted a policy with regard to determination of Material Subsidiaries. The policy is placed on the website of the Company, <https://www.vivimedlabs.com/other-data/>.

**xviii) Related Party Transactions Policy**

In terms of regulation 23 of the Listing Regulations, the Board of Directors has adopted a policy to determine Related Party Transactions. The policy is placed on the website of the Company <https://www.vivimedlabs.com/other-data/>.

**xix) Prevention of Insider Trading**

In accordance with the requirements of SEBI(Insider Trading) Regulations, 2015, Company has formulated the code of conduct for prohibition of Insider Trading in the Company's Shares.

**xxi) Commodity Price Risks and Commodity Hedging activities**

The Company is not undertaken any commodity hedging activities.

**xxii) The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

<b>Regulations</b>	<b>Particular of Regulations</b>	<b>Compliance Status Yes/No/N.A</b>
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	N.A
22	Vigil Mechanism	Yes
23	Related party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Functional Website	Yes

**Green Initiative in the Corporate Governance**

As part of the Green Initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Auditors Report, Audited Financial Statements, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the depositories / Registrar and Transfer Agent and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Transfer Agent / concerned Depository to enable the Company to send the documents in electronic form or inform the Company in case they wish to receive the above documents in paper mode.

**Transfer of unclaimed dividend to Investor Education and Protection Fund:**

In terms of Section 123 of the Companies Act, 2013 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Members are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF. As per the provisions of Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has placed on its website ([www.vivimedlabs.com](http://www.vivimedlabs.com)), the information on dividend which remains unclaimed with the Company.

**Disclosures with respect to demat suspense account/ unclaimed suspense account: Nil**

**Disclosure of certain types of agreements binding listed entity: Nil**

**Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024**

**Declaration of Compliance with the Code of Conduct**

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2024.

Place: Hyderabad

Date: 14.11.2024

Sd/-  
**Santosh Varalwar**  
Managing Director  
DIN : 00054763



## PART B: COMPLIANCE CERTIFICATE

[See Regulation 17(8)]

### MANAGING DIRECTOR AND DIRECTOR CERTIFICATION

- A. We have reviewed financial statements for the quarter and Year ended 31.03.2024 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and Year ended 31.03.2024 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- D. we have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the quarter and Year ended 31.03.2024 -**NIL**
  - (2) Significant changes in accounting policies during the quarter and Year ended 31.03.2024 -**NIL**
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting - **NIL**

Place: Hyderabad  
Date: 14.11.2024

Sd/-  
**Santosh Varalwar**  
Managing Director  
DIN : 00054763

Sd/  
**Manohar Rao Varalwar**  
Whole-time Director  
DIN : 00059815

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To  
The Members,  
**Vivimed Labs Limited**  
Plot No.78-A, Kolhar Industrial Area,  
Bidar – 585403, Karnataka.

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s.Vivimed Labs Limited** having CIN: **L02411KA1988PLC009465** and having its Registered Office at Plot No.78-A, Kolhar Industrial Area, Bidar–585403, Karnataka State, India (the Company), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and 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 31<sup>st</sup> March, 2024 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 the Director	Designation	DIN No.
1	Santosh Varalwar	Managing director	00054763
2	Manohar Rao Varalwar	Whole-time director	00059815
3	Sandeep Varalwar	Whole-time director	01682951
4	Subhash Varalwar	Non-Executive Director	00054789
5	Hari Gopal Jamalapuram	Independent Director	08687353
6	Aparna Bidarkar	Independent Director	05112945

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

Place: Hyderabad,  
Date: 03.09.2024

Sd/-  
**NVSS SURYANARAYANA RAO**  
Company Secretary in practice  
ACS No.5868, CP NO.2886  
UDIN number: A005868F001116241



## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of **Vivimed Labs Limited**

- 1 This certificate is issued in accordance with the terms of our engagement letter dated: 03.09.2024.
- 2 Vivimed Labs Limited ('the Company') requires practicing Company Secretary (PCS) certificate on corporate governance as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 April 2023 to 31 March 2024.

### Management responsibility

- 3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for compliance with conditions of corporate governance as stipulated in regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2023 to 31 March 2024. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance report and applying an appropriate basis of preparation.

### PCS Responsibility

- 4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the above said compliances of the conditions of the Corporate Governance for the period 1 April 2023 to 31 March 2024.
- 5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 1 April 2023 to 31 March 2024 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.
- 6 We conducted our examination in accordance with the Guidance Note on Certificates issued by the Institute of Company secretaries of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Company secretaries of India.
- 7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

- 8 In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of the Schedule V of the Listing Regulations, as applicable.
- 9 We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### Restrictions on Use

- 10 This certificate is issued solely for the purpose of complying with regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2023 to 31 March 2024 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Place: Hyderabad,  
Date: 03.09.2024

Sd/-  
**NVSS SURYANARAYANA RAO**  
Company Secretary in practice  
ACS No.5868, CP NO.2886  
UDIN number: A005868F001116241

## Annual Secretarial Compliance Report of M/s.Vivimed Labs Limited

for the financial year ended 31<sup>st</sup> March, 2024

(CIN: L02411KA1988PLC009465)

Registered Office: Plot No. 78-A,Kolhar Industrial Area, Bidar, Karnataka. India – 585403

I, N.V.S.Suryanarayana Rao, Practicing Company Secretary (ACS No.5868 & CP No.2886) have examined:

- (a) all the documents and records made available to us and explanation provided by M/s.Vivimed Labs Limited
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the Company,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2024 in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

1. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 : Not Applicable during the year under review
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the year under review
- (e) Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable during the year under review
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Review Period)

2. Following are the additional affirmations are being provided hereunder:

Sr.No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none"><li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li><li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/ circulars/ guidelines issued by SEBI</li></ul>	Yes  Yes	



Sr.No.	Particulars	Compliance Status (Yes/NO/NA)	Observations/ Remarks by PCS
3	Maintenance and disclosures on Website: <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the Website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	Yes Yes Yes	
4	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5	To examine details related to Subsidiaries of listed entities: <ul style="list-style-type: none"> <li>a. Identification of material subsidiary companies</li> <li>b. Requirements with respect to disclosure of material as well as other subsidiaries</li> </ul>	Yes Yes	
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of /during every financial year as prescribed in SEBI Regulations	Yes	
8	Related Party Transactions: <ul style="list-style-type: none"> <li>a. The listed entity has obtained prior approval of Audit Committee for all Related party transactions</li> <li>b. In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified /rejected by the Audit committee</li> </ul>	Yes NA	All RPT Taken Prior Approval
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11	Actions taken by SEBI or Stock Exchange(s), if any: Actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	No	
12	Additional Non-compliances, if any: additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	No	



3. based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. no	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made in previous report.

Sr. no	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

Place: Hyderabad,  
Date: 03.09.2024

Sd/-  
**NVSS SURYANARAYANA RAO**  
Company Secretary in practice  
ACS No.5868, CP NO.2886  
UDIN number: A005868F001116241



# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**VIVIMED LABS LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying Standalone financial statements of **M/s VIVIMED LABS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity, Statement of cash flows for the year ended and Notes to Financial Statements, including a summary of 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, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of "the Company" as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

1. As disclosed in Note 28 of financial statements, The Company has not recognized interest on an accrual basis, amounting to ₹453.34 Millions, which is not in compliance with the applicable **Indian Accounting Standards (Ind AS)**. Consequently, the reported loss for the period is understated by ₹453.34 Million. This deviation from Ind AS requirements impacts the accuracy of the financial statements, particularly affecting the reported loss for the period.

Further, the Company is engaged in negotiations with Bankers for settlement. As these negotiations have not yet materialized, any potential adjustments arising from a finalized settlement have not been accounted for in the financial statements. Considering the uncertainties, we are unable to ascertain/quantify the amount of impact which is required to be stated in the financial statements.

2. The balances related to Trade payables (Note no 21), Trade Receivables (Note no 8), Other Financial Assets (Note no 11), Other

Current Assets (Note no 13) and Banks including borrowings are subject to confirmation, as the Company has not provided external confirmations for these balances. In the absence of such confirmations, we are unable to verify the accuracy, completeness, and validity of these balances.

3. As disclosed in the Note 6 of standalone financial statements, investment carrying amounts are reduced from ₹1,543.91 Million (31/03/2023) to ₹560.58 Million (31/03/2024). However, the details of diminution, including the assumptions, methodology, and supporting evidence used by management to determine the value for these investments, was not provided to us for verification.

In the absence of sufficient documentation and evidence, we are unable to evaluate whether the diminution has been appropriately adjusted in the financial statement.

### Going Concern Section

#### Uncertainty Relating to Going Concern

We draw attention to the certain factors that may indicate potential uncertainties regarding the Company's ability to continue as a going concern. During the financial year, the Company has incurred cash losses, has defaulted on its borrowings, and is reporting negative financial ratios as at the reporting date. These conditions indicate a concern on company ability to continue as a going concern.

In evaluating of the going concern assumption, management has considered factors such as future business prospects, cost cutting measures and plans to restructure borrowings to improve liquidity (Refer Notes 2.7A). Based on these actions, management is optimistic that the Company will be able to meet its obligations and continue its operations in the foreseeable future. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our audit
<p><b>Contingent Liabilities and litigation Matters</b></p> <p>Refer note 2.17 of the basis of preparation of financial statements and Note 33 to the standalone financial statements.</p> <p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area are related to Income Tax . The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment.</p> <p>These provisions are based on judgements and accounting estimates made by management reflect in determining the likelihood and magnitude of an unfavourable outcome on the claims.</p> <p>Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position</p>	<p>Our audit procedures included the following:</p> <p>Evaluating the design and testing the effectiveness of controls over the recognition and measurement of provisions for litigation and claims.</p> <p>Corroborating management's assessment by:</p> <ul style="list-style-type: none"> <li>• Conducting enquiries with the Company's in-house legal counsel.</li> <li>• Reviewing relevant correspondence, orders, and appeals related to ongoing litigation.</li> <li>• Obtaining confirmations from internal legal counsel, where applicable, and/or assessing any external legal opinions obtained by management.</li> <li>• Reviewing significant adjustments to legal provisions during the year to identify any indication of management bias.</li> <li>• Assessing the adequacy of disclosures provided in Note 33 to the standalone financial statements to ensure they are comprehensive and accurate.</li> </ul>

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon:**

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of "the Act" with respect to the preparation of these

standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of "the Act". 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of Standalone Financial statements**

Our objective is to obtain reasonable assurance about whether the financial statements free from material misstatements, 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 it is not guarantee that an audit conducted in accordance with the Standards on Auditing 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 economic decisions of users taken the basis of these standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

### Emphasis of Matter paragraph

1. We draw attention to Note 7 and Note 23 of the financial statements, which describe the disposal of inventory at the Company's Bidar plant amounting to ₹269.18 Million. Our opinion is not modified in respect of this matter.
2. Company has received questionnaire from SEBI and is in the process of compiling/consolidating/drafting the reply. Our opinion is not modified in this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
3. As required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books including the manner prescribed in Rule 3(1) of Companies (Accounts) Rules, 2014, except that

the audit trail feature was not enabled as reported under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended except as reported in the "Basis for qualified opinion" paragraph.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". wherein we have expressed modified opinion; and.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. As detailed in note 33 to standalone financial statements, the company has disclosed the impact of pending litigations on its financial position as at 31 March 2024.
  - ii. As detailed in note 35.1, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes

to 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- v. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- vi. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub- clauses (a) and (b) above contain any material misstatement.
- vii. The company has not declared or paid any dividend during the year.
- viii. The Company uses accounting software for maintaining its books of account which has a feature of recording Audit Trail (edit log) facility, but the same was not enabled in the software during the year.

For **SVRL & Co Chartered Accountants**

Firm's Regn.No:016182S

Sd/-

**G Ramakrishna Partner**

M No: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024



## “ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure referred to in Independent Auditors Report to the Members of M/s VIVIMED LABS LIMITED on the financial statements for the year ended March 31, 2024, we report that:**

- 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 has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the title deeds of immovable properties, they 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 (including Right of Use assets) or intangible assets or both 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 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made there under.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the Periodicity of such verification is reasonable and procedures and coverage as followed by the management were appropriate. Inventories are stated at the lower of cost or Net Realisable Value. The company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions. Write-downs and write-offs are charged to cost of goods sold. During the year, the company experienced total write-offs of ₹269.19 million which is inclusive of expired stock of nil/zero realizable value. This written off inventory is mostly related to the segment Specialty Chemicals. The Written off value of Inventory of ₹269.19 million is included in Changes in Inventories of finished goods work in progress and stock-in-Trade.
- (b) The Company has not been sanctioned working capital limits in excess of ₹5 crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The Company has not granted any loans, Secured or Unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv) According to the information and explanations given to us and on the basis of examination of records of the Company, The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi) We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company is not regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were undisputed amounts payable in respect of the following statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable which are given below:

S.No	Nature	Amount in ₹
1	TDS	6,57,32,460
2	TCS	1,22,235
3	Professional Tax	14,19,200
4	Provident Fund	4,61,81,662
5	Employee State Insurance	22,30,573
6	Entry tax	7,71,304
7	GST	25,61,862
8	Service tax	1,92,43,729
9	Income tax	97,50,360
10	IRPF Headcount, Professionals, Non-Residents	5,87,71,545

c) According to the information and explanation given to us and based on the records of the company examined by us, there are no statutory dues other than referred in sub clause (a) which have not been deposited as at March 31, 2024 on account of any dispute except the following:

S.No	Nature	Assessment Year	Demand Amount in ₹	Forum where the matter is pending	Section No.
1	Income Tax,1961	2014-15	21,41,96,832	CIT(A)	271(1)(c)
2	Income Tax,1961	2015-16	23,11,83,295	CIT(A)	271(1)(c)
3	Income Tax,1961	2017-18	6,68,61,780	CIT(A)	270A
4	Income Tax,1961	2018-19	1,50,000	CIT(A)	271B
5	Income Tax,1961	2020-21	16,83,413	CIT(A)	154
6	Income Tax,1961	2021-22	4,57,325	CIT(A)	154
7	Income Tax,1961	2022-23	6,06,132	CIT(A)	154
8	Income Tax,1961	2022-23	-	CIT(A)	143(3)
9	The Central Sales Tax,1956	2011-12	17,78,511	Sales Tax (A)	-
10	The Central Sales Tax,1956	2012-13	25,96,406	Sales Tax (A)	-
11	Goods and Service Tax Act, 2017	2017-18	47,26,585	Appellate Tribunal	

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) Based on our audit procedures and according to the information and explanations given to us, the company has defaulted in repayment of dues to various banks and financial institutions as at 31st March 2024 are as given below:



Nature of Borrowing	Name of the Bank/Institution	Amount (Mn) not paid on due date*	Whether principal or interest or both
Term Loan	SBI (CTL)	406.54	Both
Term Loan	IFC ECB	357.70	Both
Term Loan	Vehicle Loans	0.09	Both
Term Loan	IFC FCCB	629.50	Both
Working Capital	SBI	2135.05	Both
Working Capital	SBI -FITL	177.21	Both
Working Capital	BBK	50.25	Both
Working Capital	Allahabad Bank	3.16	Both

\*In the above statement, amount not paid on due date does not include the interest accrued for the FY 2023-24.

The above loan accounts with SBI, IFC and Allahabad bank have become NPA.

- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been utilized for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(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 convertible debentures (fully or partly or optionally) and hence reporting under clause 3(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 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) The company has not received any whistle blower complaints during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable, and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) (a) In our opinion, the Company has an internal audit system that does not commensurate with the size and the nature of its business.
- (b) Internal audit reports provided at short notice, hence not considered.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected



with its directors. and hence provisions of section 192 of the Companies Act, 2013 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act,1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(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). Accordingly, the requirements of clause 3(xvi)(d) is not applicable.
- xvii) The Company has incurred cash losses of ₹259.72millions during the current year i.e., FY 2023-24 and immediately preceding financial year i.e., FY2022-23 of ₹3082.60millions.
- xviii) There has been a resignation of the statutory auditors during the year and we have 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 realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For SVRL & Co Chartered Accountants**

Firm's Regn.No:016182S

Sd/-

**G Ramakrishna Partner**

M No: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024



## “ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT

### Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the standalone financial statements of **M/s VIVIMED LABS LIMITED ('the Company')** as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk 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 and the company's internal financial control system over financial reporting.

### Meaning of Internal Financial Controls with Reference to Financial Statements

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

### Inherent Limitation of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

In our opinion, as a result of matters given in the Basis for Qualified Opinion section of this report, we have not obtained sufficient and appropriate audit evidence regarding the company's internal financial controls over financial reporting. Consequently, we are unable to determine whether the company has established adequate internal financial controls over financial reporting, or whether such controls were operating effectively as of March 31, 2024. This opinion is based on the criteria established in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

For **SVRL & Co Chartered Accountants**

Firm's Regn.No:0161825

Sd/-

**G Ramakrishna Partner**

M No: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024

# STANDALONE BALANCE SHEET

as at 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)  
(₹ in Million)

Particulars	Note	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. ASSETS</b>			
<b>1. Non - Current Assets</b>			
(a) Property, Plant, Equipment	3	2,576.05	2,722.34
(b) Capital Work in Progress	4	206.51	206.65
(c) Goodwill		169.14	169.14
(d) Other Intangible Assets	5	517.97	537.13
(e) Financial Assets			
(f) Investments	6	587.83	1,611.35
<b>Total Non Current Assets</b>		<b>4,057.51</b>	<b>5,246.61</b>
<b>2. Current Assets</b>			
(a) Inventories	7	627.68	783.09
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	8	595.37	503.02
(iii) Cash and cash equivalents	9	11.44	33.48
(iv) Bank Balances Other than (iii) Above			
(v) Loans	10	18.98	30.39
(vi) Others -Financial assets	11	701.53	602.57
(c) Current Tax Assets	12	97.70	97.65
(d) Other current assets	13	704.49	661.42
<b>Total Current Assets</b>		<b>2,757.19</b>	<b>2,711.62</b>
<b>TOTAL ASSETS</b>		<b>6,814.70</b>	<b>7,958.24</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	14	165.83	165.83
(b) Other equity	15	728.26	1,167.32
<b>Total Equity</b>		<b>894.09</b>	<b>1333.15</b>
<b>2. Liabilities</b>			
<b>A. Non- Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16(a)	633.16	619.81
(ii) Other financial liabilities (other than those specified in item (b), to be specified)	17(a)	1,238.35	1,690.21
(b) Provisions	18(a)	40.73	39.51
(c) Deferred tax liabilities (Net)	19	90.33	90.33
(d) Other non-current liabilities	20(a)	6.30	60.32
<b>Total Non Current Liabilities</b>		<b>2,008.87</b>	<b>2,500.18</b>
<b>B. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16(b)	3,121.56	3,146.62
(ii) Trade Payables			
(A) Dues to micro and small enterprises			
(B) Dues to others	21	388.40	563.86
(iii) Other financial liabilities (other than those specified in item (b), to be specified)	17(b)	76.99	103.68
(b) Other Current Liabilities	20(b)	132.15	117.16
(c) Provisions	18(b)	12.06	10.70
(d) Current Tax Liabilities	22	180.58	182.91
<b>Total Current Liabilities</b>		<b>3,911.74</b>	<b>4,124.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,814.70</b>	<b>7,958.24</b>

Summary of significant accounting policies

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315



Vivimed

# STANDALONE STATEMENT OF PROFIT & LOSS

for the year ended 31<sup>st</sup> March, 2024(All amounts in Indian Rupees Millions, except share data and where otherwise stated)  
(₹ in Million)

Particulars	Note	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Income</b>			
Revenue from operations	23	1,367.97	1,768.25
Other Income	24	95.72	2.39
<b>Total income</b>		<b>1,463.69</b>	<b>1,770.65</b>
<b>Expenses</b>			
Cost of Material Consumed	25	853.87	2,060.05
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(180.70)	626.29
Employee Benefit Expenses	27	294.48	296.74
Finance costs	28	19.04	352.80
Depreciation and amortisation expense	29	184.10	1,069.10
Other expenses	30	678.43	666.95
<b>Total Expenses</b>		<b>1,849.22</b>	<b>5,071.93</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>(385.53)</b>	<b>(3,301.28)</b>
<b>Prior Period Items</b>	13(a)	58.29	-
<b>Profit/(loss) before tax</b>		<b>(443.82)</b>	<b>(3,301.28)</b>
<b>Tax expense:</b>			
Current tax			
Deferred tax	31	-	(21.17)
<b>Total tax expense</b>		<b>-</b>	<b>(21.17)</b>
<b>Profit/(Loss) for the period</b>		<b>(443.82)</b>	<b>(3,280.11)</b>
<b>Other comprehensive income</b>			
(A) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plan			
Income-tax effect	32	4.76	40.52
(B) Items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income / (loss), net of tax</b>		<b>4.76</b>	<b>40.52</b>
<b>Total comprehensive income for the year</b>		<b>(439.06)</b>	<b>(3,239.59)</b>
<b>Earning per equity share of ₹10/- each:</b>			
(1) Basic		(5.35)	(39.56)
(2) Diluted		(5.20)	(38.40)

Summary of significant accounting policies

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315

# STANDALONE STATEMENT OF CASH FLOW

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

(₹ in Million)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	(443.82)	(3,301.26)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	184.10	1,069.11
Amortisation of intangible assets		-
Finance income (including fair value change in financial instruments)		-
Finance costs (including fair value change in financial instruments)	19.04	352.80
<b>Operating profit before working capital changes</b>	<b>(240.68)</b>	<b>(1,879.35)</b>
<b>Changes in working capital:</b>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(92.35)	104.32
Inventories	155.42	1,607.59
Loans - current	11.41	11.94
Other assets - current	(142.03)	(24.96)
Current tax assets(net)	(0.05)	9.06
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	(175.45)	331.63
Other liabilities	(517.58)	(19.78)
Borrowings	35.84	183.34
Current tax liabilities(net)	(2.33)	(1.53)
Provisions	2.58	6.44
<b>Cash generated from operations</b>	<b>(965.24)</b>	<b>328.69</b>
Income taxes paid		-
<b>Net cash generated from/(used in) operating activities</b>	<b>(965.24)</b>	<b>328.69</b>
<b>II. Cash flows from investing activities</b>		
Proceeds from sale/ (Purchase of) property, plant and equipment and intangibles (including capital work in progress), net	(25.26)	(15.99)
Investments reversed during the year	1,023.52	-
Interest received (finance income)		-
<b>Net cash used in investing activities</b>	<b>998.26</b>	<b>(15.99)</b>



# STANDALONE STATEMENT OF CASH FLOW (CONTD.)

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

(₹ in Million)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>III. Cash flows from financing activities</b>		
Share issue proceeds		-
Dividend paid		-
Proceeds from/(repayment of) long-term borrowings, net		6.19
Proceeds from/(repayment of) short-term borrowings, net	(36.00)	-
Interest paid	(19.04)	(352.80)
Provisions	0	(0.36)
<b>Net cash provided by financing activities</b>	<b>(55.05)</b>	<b>(346.98)</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(22.03)</b>	<b>(34.28)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>33.48</b>	<b>67.77</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>11.44</b>	<b>33.48</b>
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	2.02	1.17
Balances with banks:		
- in current accounts	9.42	32.31
	<b>11.44</b>	<b>33.48</b>

## Summary of significant accounting policies

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 016182S

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## A. Equity Share Capital

### (1) Current reporting period (31-03-2024)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Balance at the end of the current reporting period
165.83	-	-	-	165.83

### (2) Previous reporting period (31-03-2023)

Balance at the beginning of the previous reporting period	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
165.83	-	-	-	165.83

## B. Other Equity

### (1) Current reporting period (31-03-2024)

Particulars	Reserves and Surplus					Other Items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings		
<b>Balance at the March 31, 2023</b>	8.57	167.80	1,775.18	380.00	(1,157.61)	(6.59)	1,167.36
Restated balance at the beginning of the current reporting period	8.57	167.80	1,775.18	380.00	(1,157.61)	(6.59)	1,167.36
Profit for the year	-	-	-	-	(443.82)	-	(443.82)
other comprehensive income	-	-	-	-	-	4.76	4.76
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	-	-
<b>Balance at the March 31, 2024</b>	<b>8.57</b>	<b>167.80</b>	<b>1,775.18</b>	<b>380.00</b>	<b>(1,601.43)</b>	<b>(1.83)</b>	<b>728.31</b>



# STANDALONE STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

**(2) Previous reporting period (31-03-2023)**

Particulars	Reserves and Surplus					Other Items of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings		
<b>Balance at the March 31, 2022</b>	8.57	167.80	1,775.18	380.00	2,122.47	(47.11)	4,406.92
Restated balance at the beginning of the current reporting period	8.57	167.80	1,775.18	380.00	2,122.47	(47.11)	4,406.92
Profit for the year	-	-	-	-	(3,280.08)	-	(3,280.08)
other comprehensive income	-	-	-	-	-	40.52	40.52
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	-	-
<b>Balance at the March 31, 2023</b>	<b>8.57</b>	<b>167.80</b>	<b>1,775.18</b>	<b>380.00</b>	<b>(1,157.61)</b>	<b>(6.59)</b>	<b>1,167.36</b>

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 1 Corporate Information

Vivimed Labs Limited is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacture of Active Pharmaceutical ingredients (API's), Intermediates and Nutraceutical ingredients with predominance in exports. In addition to generic business, the Company, through its custom synthesis business, supports innovator pharma companies for their patented products business right from gram scale requirements for clinical trials to launch as well as late life cycle management. The Company is a public limited company and the Company's equity shares are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

The Financial statements are approved for issue by the Company's Board of Directors on Nov 14, 2024. The Financial Statement of the Company for the year ended March 31, 2023 were audited by M/s PCN & Associates Chartered Accounts, the Predecessor auditors.

## 2 Significant accounting policies

### 2.1 Basis of preparation:

#### (i) Compliance with Ind AS

These financial statements as of and for the year ended 31 March 2024 comply, in all Material aspects, with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, and the presentation requirements of Division II of Schedule III to the Companies Act 2023, along with applicable SEBI guidelines. Comparative information for the year ended 31 March 2024 is presented accordingly.

These financial statements have been prepared for the Company as going concern on the basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2024.

#### (ii) Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value; (refer accounting policy regarding financial instruments)
- Defined benefit plans – plan assets measured at fair value

#### (iii) Current and non-current classification:

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### Assets:

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.

#### Liabilities:

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.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

#### (iv) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Managing Director of the Company has been identified as being the Chief Operating Decision Maker. Refer Note 43 for the segment information presented.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## (v) Functional and presentation currency

The financial statements are presented in Indian rupees millions, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupee millions except share data, unless otherwise stated.

## (vi) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

## (vii) Going Concern

The Financial statements have been prepared on a going concern basis. As of the reporting date, the company has incurred cash losses, experienced defaults in servicing its borrowings, and recorded certain adverse financial ratios. These factors indicate financial challenges.

The Management has implemented measures aimed at addressing these challenges including cost reduction initiatives, strategies to improve operational efficiency and restructuring plans for borrowings to enhance cash flow. Based on these actions the management has assessed that the Company has adequate resources to continue operating for the foreseeable future and accordingly, considers the going concern basis of accounting appropriate for the preparation of these financial statements.

## 2.2 Revenue recognition

Revenue is measured at the transaction price determined under IND AS 115- Revenue from contracts with customers. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods & Service Tax (GST) collections and amounts collected on behalf of third parties.

### (i) Revenue from Sale of Goods:

Revenue from sale of goods is recognized when the customer obtains control of the Company's product, which occurs at a point in time, usually upon shipment, with payment terms typically in the range of 60 to 180 days after invoicing depending on product and geographic region. Taxes collected from customers relating to product sales and remitted to

government authorities are excluded from revenues. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money. For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation based on the relative standalone selling price. The Standalone selling price of each performance obligation is estimated using expected costs of satisfying such performance obligation and then an appropriate margin is added for such goods or services.

### (ii) Revenue from Sale of Services:

Revenue from Sale of services is recognised as per the terms of the contracts with customers when the related services are performed, or the agreed milestones are achieved.

### (iii) Interest Income:

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

## 2.3 Income Taxes:

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

### Current tax:

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax:

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 2.4 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, inventories 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.

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 inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. 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. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

## 2.5 Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## 2.7 Inventories:

Inventories are valued at lower of cost, determined on "Weighted average" basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials, fuel, stores & spare parts and packing materials:**  
Valued at lower of cost and net realisable value (NRV). 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 is determined on FIFO basis.
- **Work-in-progress (WIP), finished goods and stock-in-trade:**  
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

## 2.8 Investments and other financial assets:

### (i) Classification:

The Company classifies its financial assets in the following measurement categories:



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

- those to be measured subsequently cost value
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

## (ii) Recognition:

Purchases and sale of financial assets are recognised on trade date, the date on which company commit to purchase or sale the financial assets.

## (iii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

#### i. Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses).

#### ii. Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue, foreign exchange gains and

losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

### iii. Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### b) Equity instruments

The Company subsequently measures all equity investments at cost value.

### c) Financial liabilities:

"Classification, Subsequent measurement and gains and losses financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### d) Derecognition

#### i. Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## ii. Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

## iii. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## iv. Property, Plant & Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the Company had elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can

be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

## Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is provided on straight-line basis to allocate their cost, net of residual value over the estimated useful lives of the assets. The useful lives have been determined in order to reflect the actual usage of the assets.

Following are the estimated useful lives:

Plant & Machinery	20 years
Electrical Equipment	10 years
Furniture and Fixtures	10 years
Vehicles	10 years
Office Equipment	5 years
Building	30 years
Laboratory Equipment	10 years
Computers	3 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/other expense.

## 2.9 Intangible Assets:

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## Amortization methods and periods

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Company amortizes intangible assets over a period of 3 years based on their estimated useful lives.

## 2.10 Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method

## 2.11 Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

## 2.12 Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

## 2.13 Provisions

Provision for legal claims is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense. Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

## 2.14 Employee benefits

### (i) Short-term obligations

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

### (ii) Long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (iii) Post-employment obligations

The Company operates the following postemployment schemes:

#### a) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or

curtailments are recognized immediately in profit or loss as past service cost.

In respect of funded post-employment defined benefit plans, amounts due for payment within 12 months to the fund may be treated as 'current'. Regarding unfunded post-employment benefit plans, settlement obligations which are due within 12 months in respect of employees who have resigned or expected to resign or are due for retirement within the next 12 months is 'current'. The remaining amount attributable to other employees, who are likely to continue in the services for more than a year, is classified as "non-current".

Normally an actuary should determine the amount of current and non-current liability for unfunded post-employment benefit obligations.

#### b) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

### 2.15 Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting, or paid

### 2.16 Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 2.17 Contingent liabilities & Commitments

### Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- a present obligation arising from past events when no reliable estimate possible.
- a possible obligation arising from past events unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

## 2.18 Critical estimates and Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercise judgement in applying the Company's accounting policies.

Detailed information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included

In relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- (i) Estimation of current tax expense and current tax payable – refer Note: 31
- (ii) Estimation of defined benefit obligations- refer note: 18
- (iii) Allowance for uncollected accounts receivable and advances. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrevocable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

## 2.19 Government grants:

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

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

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

Export incentives comprise of Duty draw back and MEIS (Merchandise Exports Incentive scheme) scrips. Export entitlements from government authorities are recognised in the statement of profit and loss as income or as a reduction from "Cost of materials consumed", when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received

## 2.20 Rounding of Amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Million as per the requirement of Schedule III of the Companies Act, 2013 unless otherwise stated.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 3 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Electrical equipment	Laboratory equipment	Office equipment	Computers	Furniture	Vehicles	Books and Periodicals	Total
<b>Year ended March 31, 2023</b>											
<b>Gross carrying amount</b>											
At the beginning of the year	1,099.55	871.63	2,093.09	144.58	195.64	107.99	24.15	125.85	36.66	0.04	4,699.18
Additions	-	207.14	-	-	-	2.50	-	-	-	-	209.64
Impairment	-	-	(892.80)	-	-	-	-	-	-	-	(892.80)
<b>At the end of the year</b>	<b>1,099.55</b>	<b>1,078.77</b>	<b>1,200.29</b>	<b>144.58</b>	<b>195.64</b>	<b>110.49</b>	<b>24.15</b>	<b>125.85</b>	<b>36.66</b>	<b>0.04</b>	<b>4,016.02</b>
<b>Accumulated depreciation</b>											
At the beginning of the year	0.09	259.89	697.69	36.89	36.49	14.15	5.87	55.29	33.50	0.03	1,139.89
Depreciation charged during the year	-	27.63	57.01	13.74	18.59	20.99	7.65	5.22	2.98	-	153.81
Disposals	-	-	-	-	-	-	-	-	-	-	-
At the end of the year	<b>0.09</b>	<b>287.52</b>	<b>754.70</b>	<b>50.63</b>	<b>55.08</b>	<b>35.14</b>	<b>13.52</b>	<b>60.51</b>	<b>36.48</b>	<b>0.03</b>	<b>1,293.70</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>1,099.46</b>	<b>791.25</b>	<b>445.59</b>	<b>93.95</b>	<b>140.56</b>	<b>75.35</b>	<b>10.63</b>	<b>65.34</b>	<b>0.18</b>	<b>0.01</b>	<b>2,722.34</b>
<b>Year ended March 31, 2024</b>											
<b>Gross carrying amount</b>											
At the beginning of the year	1,099.55	1,078.77	1,200.29	144.58	195.64	110.49	24.15	125.85	36.66	0.04	4,016.02
Additions	-	-	13.97	-	-	0.07	0.62	-	-	-	14.66
Disposals	-	-	-	-	-	-	-	-	-	-	-
At the end of the year	<b>1,099.55</b>	<b>1,078.77</b>	<b>1,214.26</b>	<b>144.58</b>	<b>195.64</b>	<b>110.56</b>	<b>24.77</b>	<b>125.85</b>	<b>36.66</b>	<b>0.04</b>	<b>4,030.68</b>
<b>Accumulated depreciation</b>											
At the beginning of the year	0.09	287.52	754.70	50.63	55.08	35.14	13.52	60.51	36.48	0.03	1,293.70
Depreciation charged during the year	-	37.39	57.68	13.74	18.59	20.99	7.85	4.72	-	-	160.94
Impairment	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
At the end of the year	<b>0.09</b>	<b>324.91</b>	<b>812.38</b>	<b>64.36</b>	<b>73.66</b>	<b>56.14</b>	<b>21.36</b>	<b>65.22</b>	<b>36.48</b>	<b>0.03</b>	<b>1,454.64</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>1,099.46</b>	<b>753.86</b>	<b>401.88</b>	<b>80.22</b>	<b>121.98</b>	<b>54.42</b>	<b>3.41</b>	<b>60.63</b>	<b>0.18</b>	<b>0.01</b>	<b>2,576.05</b>

### Note

- The Title deeds of the Immovable properties included in PPE are held in the name of the company.
- Charge on Property, plant and equipment: All the property, plant and equipment are subject to a first charge, second charge and pari passu to secure the Company's working capital and Term loan bank loans.
- For the FY 2022-23, the Company has impaired its Property, Plant and Equipment during the year by an amount of ₹892.80 million in respect of Plant & Machinery which is included in Depreciation and Amortisation Expense. Calculation of impairment of PPE has been done by independent valuer, they have identified the indicators of impairment and designed appropriate methodology and valuation model to estimate the recoverable value of assets. Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, discount rates etc., based on historical results, current developments and future plans of business estimated by management. Accordingly brought the carrying amount of such assets to its estimated value in use.
- The company has received an advance from BBR Green fields Private Limited against the proposed sale of part of the speciality Chemical Business of the company, pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.
- The Management has physically verified the major item of property, Plant & Equipment during the year.
- There are no proceedings initiated or pending against the company for holding any benami property under the benami transaction (prohibition) Act, 1988.
- The Company has not revalued its PPE during Financial year 2023-24.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 4 Capital Work in Progress

Particulars	Amount
<b>Year ended March 31, 2023</b>	
At the beginning of the year	400.31
Additions	13.48
Capitalisations	(207.14)
<b>As at March 31, 2023</b>	<b>206.65</b>
<b>Year ended March 31, 2024</b>	
At the beginning of the year	206.65
Additions	
Capitalisations	0.14
<b>As at March 31, 2024</b>	<b>206.51</b>

### Note 4(a): Capital work-in-progress ageing schedule

As at March 31, 2024	Amount in CWIP for a period of				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	206.51	-	206.51
<b>As at March 31, 2023</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
<b>CWIP</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	-	206.65	-	-	206.65

### Note 4(b):

- The Company has capitalized the CWIP amounting to ₹0.14 Mn.
- The CWIP majorly consists of Plant & Machinery, Factory Equipment, and Furniture that has been purchased by the company but not has been installed for use.

## 5 Intangible assets

Particulars	Brands, Trademarks and Technical know how
<b>Year ended March 31, 2023</b>	
<b>Gross carrying amount</b>	
At the beginning of the year	865.15
Additions	-
Disposals	-
At the end of the year	865.15
<b>Accumulated amortisation</b>	
At the beginning of the year	305.52
Amortisation charge during the year	22.50
Disposals	-
At the end of the year	328.02
<b>Net carrying amount as at March 31, 2023</b>	<b>537.13</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Brands, Trademarks and Technical know how
<b>Year ended March 31, 2024</b>	
<b>Gross carrying amount</b>	
At the beginning of the year	865.15
Additions	4.00
Disposals	-
At the end of the year	<b>869.15</b>
<b>Accumulated amortisation</b>	
At the beginning of the year	328.02
Amortisation charge during the year	23.16
Disposals	-
At the end of the year	<b>351.18</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>517.97</b>

**Note:**

(a) The company has not revalued the Intangible Assets during the year.

## 6 Investments

Particulars	Percentage of ownership	Percentage of voting pwer	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Non-current investments</b>				
<b>Investments carried at cost</b>				
<b>Unquoted equity shares</b>				
<b>Investments in equity instruments in subsidiary companies</b>				
3,015,000 (March 31, 2024: 1,015,000) equity shares of ₹10 each in Finoso Pharma Private Limited	100%	100%	100.00	100.00
10,000 (March 31, 2024: 10,000) equity shares of HKD 1 each in Vivimed Holdings Limited, Hong Kong	100%	100%	0.07	615.20
1,000 (March 31, 2024: 1,000) equity shares of USD 0.01 each in Vivimed Labs USA Inc, USA	100%	100%	0.0008	0.0005
90,00,000 (March 31, 2024: 90,00,000) equity shares of USD 1 each in Vivimed Labs Mauritius Limited, Mauritius	100%	100%	460.41	869.68
10,000 (March 31, 2024: 10,000) equity shares of ₹10 each in Vivimed Speciality Chemicals Private Limited			0.10	0.10
Less: Provision for Impairment of Investments				(41.07)
<b>Investments in equity instruemnts in other companies</b>				
<b>Unquoted equity shares</b>				
2,500,000 (March 31, 2024: 2,500,000) equity shares of ₹10 each in Yantra Green Power Private Limited	35.66%	35.66%	25.00	25.00
Others			-	0.99



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Percentage of ownership	Percentage of voting pwer	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Investments through fair value of corporate guarantees				
Vivimed Labs Mauritius Limited			0.00	20.96
Vivimed Labs USA Inc.			-	2.65
Finoso Pharma Private Limited			2.25	2.25
Yantra Green Power Private Limited			(0.00)	15.60
<b>Total</b>			<b>587.83</b>	<b>1,611.35</b>
Total investments carried at cost			560.58	1,543.91
Total investments carried at fair value through profit and loss			25	25.99
Other investments			<b>2.25</b>	<b>41.46</b>

**Note:**

- The Investments held in by the company in its foreign subsidiaries, where the business operations are being carried out over past few years but taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books.
- The company has 100% Equity Investments in Vivimed Holdings Limited, Hong Kong and Vivimed Labs Mauritius Limited, Mauritius. There were some investment opportunities available, which precipitated the increase in amount of investment with a corresponding increase in loan in anticipation of infusion of funds in 2020-21. Subsequently, when these opportunities did not fructify and also the company faced liquidity crunch, it could not proceed with investment. Also no shares were allotted. As there were no transactions took place in subsequent years, the balances were inadvertently continued. The relevant entries were reversed in 2023-24.

## 7 Inventories

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(Valued at lower of cost and net realisable value)		
Raw Materials	186.06	335.03
Packing Materials	106.89	107.65
Semi-finished & Work-in-process	258.96	271.91
Finished Goods (including Goods in transit)	75.77	68.50
Less: Written off during the year		
<b>Total Inventories</b>	<b>627.68</b>	<b>783.09</b>

**Note:**

- The proposed sale of part of the speciality Chemical Business of the company couldnot be completed due to nonpayment of the agreed consideration. However, in view of the proposed sale, the Operations of Speciality Chemicals at Bidar Plant were on minimal scale. As such, leftover inventory of ₹269.18 Mn at Bidar Plant became obsolescence / expired and disposed off .
- The company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 8 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Trade receivables considered Good- Unsecured	655.63	563.28
<b>Total</b>	<b>655.63</b>	<b>563.28</b>
Less: Allowance for doubtful receivables	(60.26)	(60.26)
<b>Total Trade receivables</b>	<b>595.37</b>	<b>503.02</b>

### Ageing of trade receivables

Particulars	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	
<b>March 31, 2024</b>						
<b>Undisputed Trade Receivables</b>						
considered good	201.80	159.02	211.73	22.80	60.26	655.61
which have significant increase in credit risk credit impaired						
<b>Disputed Trade Receivables</b>						
considered good						
which have significant increase in credit risk credit impaired						
<b>Total</b>	<b>201.80</b>	<b>159.02</b>	<b>211.73</b>	<b>22.80</b>	<b>60.26</b>	<b>655.61</b>
Less: Allowance for credit loss					(60.26)	(60.26)
<b>Total Trade Receivables</b>	<b>201.80</b>	<b>159.02</b>	<b>211.73</b>	<b>22.80</b>	<b>-</b>	<b>595.35</b>
<b>March 31, 2023</b>						
<b>Undisputed Trade Receivables</b>						
considered good	432.08	32.53	-	24.52	74.15	563.28
which have significant increase in credit risk credit impaired						
<b>Disputed Trade Receivables</b>						
considered good						
which have significant increase in credit risk credit impaired						
<b>Total</b>	<b>432.08</b>	<b>32.53</b>	<b>-</b>	<b>24.52</b>	<b>74.15</b>	<b>563.28</b>
Less: Allowance for credit loss					60.26	(60.26)
<b>Total Trade Receivables</b>	<b>432.08</b>	<b>32.53</b>	<b>-</b>	<b>24.52</b>	<b>13.89</b>	<b>503.02</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 9 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>i) Balances with banks:</b>		
- On current accounts	9.42	32.31
<b>ii) Cash on hand</b>	2.02	1.17
<b>(A) Total -(i+ii)</b>	<b>11.44</b>	<b>33.48</b>

## 10 Loans (Unsecured, considered good unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current</b>		
Loans and advances to related parties	14.92	30.39
Loans and advances to Others	4.06	-
<b>Total</b>	<b>18.98</b>	<b>30.39</b>

Loans to related parties are interest free and repayable on demand

## 11 Others Financial Assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current</b>		
Security deposits	26.87	81.01
Other financial assets	674.66	521.56
<b>Total</b>	<b>701.53</b>	<b>602.57</b>

## 12 Current tax assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Advance tax and TDS receivable	97.70	97.65
<b>Total Current tax assets</b>	<b>97.70</b>	<b>97.65</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 13 Other current assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current</b>		
Unsecured, considered good		
Staff advances (net of provision)	-	17.13
Other advances	610.39	492.99
Prepaid expenses*	94.09	151.29
<b>Total other current assets</b>	<b>704.49</b>	<b>661.41</b>

**Note a)** Prepaid expenses amounting to ₹58.29 million were related to Insurance Premium paid for earlier periods, hence, during the year, the same is expensed out as Prior Period Expenditure.

## 14 Equity Share Capital

### (i) Authorised equity share capital

Particulars	Number of Shares	Amount
<b>As at April 1, 2022</b>	20,00,00,000	400.00
Movement during the year	-	-
<b>As at March 31, 2023</b>	<b>20,00,00,000</b>	<b>400.00</b>
Movement during the year	-	-
<b>As at March 31, 2024</b>	<b>20,00,00,000</b>	<b>400.00</b>

### Authorised preference share capital

Particulars	Number of Shares	Amount
<b>As at April 1, 2022</b>	7,10,000	710.00
Movement during the year	-	-
<b>As at March 31, 2023</b>	<b>7,10,000.00</b>	<b>710.00</b>
Movement during the year	-	-
<b>As at March 31, 2024</b>	<b>7,10,000.00</b>	<b>710.00</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## (ii) Issued, subscribed and fully paid-up equity share capital

Particulars	Number of Shares	Amount
<b>As at April 1, 2022</b>	8,29,13,915	165.83
Movement during the year	-	-
<b>As at March 31, 2023</b>	<b>8,29,13,915.00</b>	<b>165.83</b>
Movement during the year	-	-
<b>As at March 31, 2024</b>	<b>8,29,13,915.00</b>	<b>165.83</b>

### Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Equity shares of ₹2/- each fully paid</b>		
BBR Projects Private Limited		
Number of shares held	94,95,504	94,95,504
% of holding	11.45%	11.45%
Kitara PIIN 1102		
Number of shares held	77,66,387	77,66,387
% of holding	9.37%	9.37%

## (iv) Disclosure of share holding of promoters

Particulars	31 <sup>st</sup> March 2024			31 <sup>st</sup> March 2023		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Santosh Varalwar	13,00,254	1.57%	0.00%	13,00,254	1.57%	0.00%
Manohar Rao Varalwar	10,34,225	1.25%	0.00%	10,34,225	1.25%	0.00%
Varalwar Subash	16,16,200	1.95%	0.00%	16,16,200	1.95%	0.00%
Varalwar Sandeep	18,75,647	2.26%	0.00%	18,75,647	2.26%	0.00%
Vithabai Varalwar	23,345	0.03%	0.00%	23,345	0.03%	0.00%
Mamatha Gurnukar	1,50,000	0.18%	0.00%	1,50,000	0.18%	0.00%
Sujatha Varalwar	3,93,995	0.48%	0.00%	3,93,995	0.48%	0.00%
Madhavi Varalwar	2,00,000	0.24%	0.00%	2,00,000	0.24%	0.00%
Neelima Vijaya Varalwar	1,00,000	0.12%	0.00%	1,00,000	0.12%	0.00%
Vijay Kumar Varalwar	1,50,000	0.18%	0.00%	1,50,000	0.18%	0.00%
Satish Gooty Agraharam	55,635	0.07%	0.00%	55,635	0.07%	0.00%
Sheetal Varalwar	5,68,985	0.69%	0.00%	5,68,985	0.69%	0.00%
Varalwar Padma	33,250	0.04%	0.00%	33,250	0.04%	0.00%
S Raghunandan	3,17,500	0.38%	0.00%	3,17,500	0.38%	0.00%
Chandrashekar Rao Sudigali	50,095	0.06%	0.00%	50,095	0.06%	0.00%
<b>Promoters Group</b>						<b>0.00%</b>
BBR Projects Private Limited	94,95,504	11.45%	0.00%	94,95,504	11.45%	0.00%



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 15 Other equity

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Reserves and Surplus</b>		
Securities premium reserve	1775.18	1775.18
Capital reserve	8.57	8.57
General reserve	167.8	167.8
Revaluation reserve	380	380
Retained earnings	(1,603.30)	(1,164.24)
<b>Total Other Equity</b>	<b>728.26</b>	<b>1167.32</b>

- (i) As there was no movement in Securities premium reserve, General Reserve, Capital reserve and revaluation reserve during the reporting year and previous year, reconciliation is not given.
- (ii) The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- (iii) Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
- (iv) Retained earnings are the profits that the Company has earned till date, less any transfer to General reserve, dividends or other distributions paid to share holders.

### Retained earnings

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
At the beginning of the year	(1,164.22)	2,075.35
Profit/(loss) for the year	(443.82)	(3280.11)
Additions from amalgamated entities		
Dividend paid during the year (including tax on dividend)		
Ind AS Adjustment		
Other comprehensive income	4.76	40.52
<b>At the end of the year</b>	<b>(1603.30)</b>	<b>(1,164.24)</b>

## 16 Financial Liabilities

### 16(a) Non-current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Secured loans</b>		
<b>Term loans</b>		
- From banks	-	-
- From financial institutions	-	-
<b>Other loans</b>		
- From financial institutions	-	-
<b>Unsecured loans</b>		
Sales tax deferment loan	3.66	3.66
FCCB's From Financial Institutions	629.50	616.15
<b>Total non-current borrowings</b>	<b>633.16</b>	<b>619.81</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 16(b) Current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(b) Current Borrowings</b>		
<b>Secured loans repayable on demand</b>		
<b>Working capital loans</b>		
- Cash credit and packing credit loans	2,180.02	2,233.72
- Foreign bills discounting	-	-
Current maturities of long term Debt	941.54	912.90
Other Unsecured Loans		
<b>Total current borrowings</b>	<b>3,121.56</b>	<b>3,146.62</b>

### A. Loans:

#### Loan from Banks consists of:

- (i) Loan taken from SBI for ₹700 mn (USD 10.1 mn) repayable in 16 instalments from October 2017 to June 2022. This loan carries an interest rate of 16.5%. The same has been defaulted by the Company and So, the company is in negotiation with SBI for settlement.

#### Loan from Financial Institutions consists of:

- (i) ECB loan taken from IFC for USD 12.5 million repayable in 10 instalments from June 2015 to December 2019 and Company has applied for extension and its underprocess. This loan carries an interest rate of 6.02%.

All the term loans are secured by a charge on the moveable and immovable assets of the Company, present and future, with a paripassu charge.

### B. Sales tax deferrment loan:

The Company has been granted an interest free sales tax deferrment loan by the Government of Andhra Pradesh. This loan is unsecured.

### C. FCCB's from Financial Institutions:

The Company has obtained an FCCB from IFC in June 2011 for an amount of USD 7.5 million repayable in 5 years with a coupon rate of 0.55% per annum and an interest rate of 4.23% per annum compounded semiannually if the conversion option is not exercised. Subsequently, the due date for payment has been extended upto 30 September 2019. The Company has applied for extension and its underprocess. The entire portion was classified under "Borrowings", and there is no equity portion of the instrument.

### D. Cash credits and packaging credit loans:

The Company has working capital facilities in the form of cash credits and packaging credit from State Bank of India, Indian Bank( Erst.Allahabad Bank), Bank of Bahrain and Kuwait and Exim with interest rates varying between 14.5% to 16.5%.

During the previous year, EXIM Bank have not renewed PCFC facility and the loan was called back during the previous year. During the year, Loan taken from EXIM Bank have been repaid under One Time Settlement and no due certificate obtained.

- E.** The Company has defaulted in repayment of dues to Banks and Financial institution amounting to ₹3751.06 million as on 31.03.2024 as per books of Account including the interest. All the loan accounts outstanding as on 31.03.2024 are classified as NPA by the banks.

- F.** The company has not been declared as willful defaulter by any bank or financial institution.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 17 Other financial liabilities

### 17(a): Other financial liabilities- Non-current:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(A) Non-Current</b>		
Payable to others	563.22	239.18
Payable to related parties	675.13	1,451.03
	<b>1,238.35</b>	<b>1,690.21</b>

### 17(b): Other financial liabilities- Current:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(B) Current</b>		
Employee salaries payable	21.18	39.36
Employee bonus payable	29.61	30.19
Provision for expenses	2.91	2.80
Directors Remuneration Payable	23.28	31.33
<b>Total Other financial liabilities</b>	<b>76.99</b>	<b>103.68</b>

## 18 Provisions

### 18(a) Provisions- Non-current

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for employee benefits		
- Gratuity/Sick leave/Leave Encashment	40.73	39.51
<b>Total Provisions-Non-current</b>	<b>40.73</b>	<b>39.51</b>

### 18(b) Provisions- Current

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for employee benefits		
Gratuity/Sick leave/Leave Encashment	12.06	10.70
<b>Total Provisions-Current</b>	<b>12.06</b>	<b>10.70</b>

## 19 Deferred tax liabilities (net)

Particulars	Changes through Profit and Loss	Changes through OCI	As at 31 <sup>st</sup> March, 2024
Property, Plant and equipment	-	-	90.33
Employee benefit expenses	-	-	-
Others	-	-	-
Total	-	-	90.33
<b>Deferred tax liability(net)</b>	<b>-</b>	<b>-</b>	<b>90.33</b>

**Note:** A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	Tax base	Carrying Amount	Temporary (timing) differences
Property, plant and equipment and intangible assets	707.82	3094.02	2386.20
Employee benefit expense	-	52.79	52.79
Allowance for credit loss	3064.64	-	(3064.64)
Statutory amounts	-	132.15	132.15
<b>Total</b>			<b>(493.51)</b>
<b>Deferred tax liability/(Asset)</b>			<b>(128.31)</b>

## 20 Other liabilities

### 20(a) Other liabilities - Non-current

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Deferred interest	-	36.80
Advances received	6.30	23.06
Financial guarantee liability	-	0.45
<b>Total Non-Current liabilities</b>	<b>6.30</b>	<b>60.32</b>

### 20(b) Other liabilities - Current

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(B) Current</b>		
Statutory Liabilities	132.15	103.66
Financial guarantee liability	-	13.50
<b>Total Current liabilities</b>	<b>132.15</b>	<b>117.16</b>

## 21 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current</b>		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of others	388.40	563.86
<b>Total Trade payables</b>	<b>388.40</b>	<b>563.86</b>

The Company has not received any intimation from Suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure relating to the outstanding amount due to MSME & other than MSME has not been furnished.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## (a) Ageing of trade payables

As at 31<sup>st</sup> March, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables	-	-	-	-	-	-	-
Micro and Small Enterprises	-	-	-	-	-	-	-
Others	-	-	317.94	70.46	-	-	388.40
<b>Total Trade Payables</b>	-	-	<b>317.94</b>	<b>70.46</b>	-	-	<b>388.40</b>
<b>As at 31.3.2024</b>							
Undisputed trade payables	-	-	-	-	-	-	-
Micro and Small Enterprises	-	-	-	-	-	-	-
Others	-	-	563.86	-	-	-	563.86
<b>Total Trade Payables</b>	-	-	<b>563.86</b>	-	-	-	<b>563.86</b>

(b) There are no trade payables with no specified due date of payments as at March 31,2024 and March 31,2023.

(c) Total amount due on account of Trade payable as on March 2024 is 388.4 million, comprising of 550 vendors and out of total list of vendors, amount due around 15 vendors i.e. 9.36 (million) is under disputed considering the quality of the material supplied by them.

## 22 Current tax liabilities

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for taxes	184.44	184.44
Less: Advance tax and TDS receivable	3.86	1.53
<b>Total current tax liabilities</b>	<b>180.58</b>	<b>182.91</b>

## 23 Revenue from operations

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Revenue from sale of products</b>		
Domestic	1365.18	1,742.95
Export	2.79	25.30
	<b>1,367.97</b>	<b>1,768.25</b>
Other operating revenue	-	-
<b>Total Revenue from operations</b>	<b>1,367.97</b>	<b>1,768.25</b>

## 24 Other income

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Income from R & D Services	4.22	-
Scrap Sales	0.04	2.39
Job work Charges	0.54	-
Liabilities no longer required written back -Deffered Interest	36.80	-
Financial Guarntees No longer required	13.95	-
Portion of Investment No longer required	40.17	-
<b>Total Other Income</b>	<b>95.72</b>	<b>2.39</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 25 Cost of materials consumed

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Raw Materials and Consumables at the beginning of the year	335.02	1,309.50
Packing Materials at the beginning of the year	107.65	114.48
Add : Opening Stock of Raw Material on Amalgamated Entities		
Add : Opening Stock of Packing Material on Amalgamated Entities		
Less: Stock of Bidar Plant disposed off	(82.80)	
Add : Purchases during the year	786.95	1078.73
	<b>1146.82</b>	<b>2,502.72</b>
Less : Raw Materials and Consumables at the end of the period	186.06	335.02
Less : Packing Materials at the end of the period	106.89	107.65
<b>Total cost of raw materials consumed</b>	<b>853.87</b>	<b>2060.05</b>

## 26 Changes in inventories of finished goods ,Work-in-progress and stock- in-trade

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Finished Goods</b>		
Inventories at the beginning of the year	68.50	720.16
Less: Obsolete Stock disposed off	0	
Less : Inventories at the end of the year	75.77	68.50
<b>Sub Total (A)</b>	<b>(7.27)</b>	<b>651.66</b>
<b>Semi Finished Goods &amp; Work-in-Progress</b>		
Inventories at the beginning of the year	271.91	246.54
Less: Stock of Bidar Plant disposed off / Obsolete Stock Disposed off	(186.39)	
Less: Inventories at end of the year	258.96	271.91
<b>Sub Total (B)</b>	<b>( 173.44)</b>	<b>(25.37)</b>
<b>Goods in transit</b>		
<b>Total change in inventories of finished goods, work in progress and stock-in-trade</b>	<b>(180.70)</b>	<b>626.29</b>

## 27 Employee benefits expense

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Salaries, wages and bonus and other allowances	274.26	279.07
Contribution to provident and other funds	18.29	4.29
Staff welfare expenses	1.94	13.38
<b>Total Employee benefit expense</b>	<b>294.48</b>	<b>296.74</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 28 Finance costs

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Interest on term loans, ECB loans and vehicle loans	0.00	89.70
Interest on working capital loan and cash credit	7.49	258.05
Other borrowing cost	11.54	5.05
<b>Total Finance costs</b>	<b>19.04</b>	<b>352.80</b>

## 29 Depreciation and amortisation expense

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Depreciation on property, plant and equipment	160.94	153.81
Impairment on Plant & Machinery	-	892.80
Amortization of intangible assets	23.16	22.50
<b>Total Depreciation and amortisation expense</b>	<b>184.10</b>	<b>1,069.10</b>

## 30 Other expenses

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Consumption of Stores & Spares	12.85	31.49
Power & Fuel	48.65	87.25
Labour Charges	30.74	85.67
Repairs to Building	0.27	0.48
Repairs to Machinery	5.51	23.57
Repairs - Others	0.86	-
Other Manufacturing Expenses	42.04	52.76
Job Work Charges	10.32	0.27
R & D Expenses	2.11	2.66
Business & Marketing Expenses	11.18	3.02
Bank charges	2.60	2.69
Commission & Discounts	33.21	75.52
Interest on security deposit	2.50	-
Travelling Expenses - Foreign	0.35	0.47
Printing & Stationery	2.15	1.23
Telephone & Postage Expenses	2.07	2.09
Travelling Expenses	38.78	44.51
Rates & Taxes	15.68	0.55
Conveyance	1.37	26.53
Professional & Consultancy	10.02	36.46
Directors' Sitting Fee	0.25	0.67
Insurance	2.44	1.95
Rent	20.06	23.76



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Other Administrative Expenses including provision impairment of Investment	32.99	130.22
Security Expenses	0.91	-
Provision against doubtful receivables & Advances	-	6.26
Reversal of Investments through fair value of corporate guarantees	39.21	-
Stock Disposed off	269.18	-
Fluctuation on Foreign exchange	13.34	-
Directors' Remuneration - Salary	25.00	25.00
Payment to Auditors (Refer not no. 30(a))	1.80	1.89
<b>Total other expenses</b>	<b>678.43</b>	<b>666.95</b>

## 30(a): Details of payments to auditors

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
-As Statutory Auditor	1.80	1.82
-For Taxation Matters	-	0.07
<b>Total payment to auditors</b>	<b>1.80</b>	<b>1.89</b>

## 31 Tax expenses

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(i) Current tax expense:</b>		
Current tax on profits for the year	-	-
Current tax charge/(reversals) of earlier years	-	-
<b>Total current tax expense</b>		
<b>(ii) Deferred tax expense*</b>		
Decrease/(Increase) in deferred tax assets	-	(21.17)
(Decrease)/Increase in deferred tax liabilities	-	-
<b>Total Deffered tax expense/(benefit)</b>		<b>(21.17)</b>
<b>(iii) Current Tax expense recognised in statement of profit and loss(i+ii)</b>		<b>(21.17)</b>
<b>(iv) Current Tax expense recognised in other comprehensive income</b>		
Tax expense/(benefit)	-	-
<b>Total tax expense(iii+iv)</b>		<b>(21.17)</b>

\*Entire deferred tax for the year ended March 31, 2024 and March 31, 2023 relates to origination and reversal

## 32. Deferred tax related to items considered in OCI during the year

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Re-measurement gains/ (losses) on defined benefit plan	4.76	40.52
<b>Income tax charge to OCI</b>	<b>4.76</b>	<b>40.52</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 33 Contingent liabilities and commitments

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>i) Contingent liabilities:</b>		
- Corporate guarantees given on behalf of others	2.25	15.00
- Letter of credit outstanding		
- Bank guarantees	45.08	4.59
- Income tax demand	1109.53	1,209.75
<b>ii) Commitments:</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances		

**34** The company doesn't have any transactions which are not recorded in books of accounts that has been surrender or disclosed for tax assessments under Income Tax Act, 1961 during the year.

**35** The Company doesn't have any transactions or relationship with struck off companies.

**35.1** The company has not made any long term contracts including derivative contracts for which there were any material foreseeable losses as on 31-03-2024

**36** The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**37** The company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**38** The company has not traded or invested in crypto currency or virtual currency during the financial year.

**39** The company has complied with number of layers prescribed under clause (87) of section 2 of the act read with company rules,2017

**40** There are no charges or satisfaction of charges yet to be registered with ROC beyond the statutory period

**41** The company has not applied for any scheme of arrangements in terms of section 230 to 237 of the companies act.



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 42 Related party disclosures

### a) Names of related parties and description of relationship

<b>Subsidiary Companies</b>	Finoso Pharma Private Limited Vivimed Holdings Limited Vivimed Labs USA INC. Vivimed Labs Mauritius Limited Vivimed Labs Spain SL
<b>Associate Company</b>	Union Quimico Farmaceutica SAU, Spain
<b>Associate Company</b>	Yantra Green Power Pvt Limited
<b>Associate Company</b>	Uquifa Mexico S.A. DE
<b>Controlled by Relatives</b>	BBR Green fields Private Limited Nisarg Biosciences Private Limited
<b>Key Management Personnel (“KMP”)</b>	Santosh Varalwar (Managing Director) Manohar Rao Varalwar (Executive Director) Sandeep Varalwar (Executive Director) Ramakantha Tripathi (CFO) - upto 23.02.2024 Yugandhar Kopparthi (Company Secretary)

### b) Transactions with related parties

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Key Management Personnel</b>		
Remuneration Paid*	33.19	33.88
<b>Subsidiaries and step down subsidiaries</b>		
Sale of goods	63.02	190.11
Purchase of goods	6.62	16.7
Advances given	-	44.7
Investment Reversed	1023.52	-

\*\*Does not include insurance, which is paid for the Company as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

### c) Details of balances receivable from and payable to related parties are as follows:

Name of Related Party	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Finoso Pharma Private Limited	71.34	82.93
Vivimed Labs USA Inc.USA	33.20	(232.14)
Vivimed Labs Mauritius Limited	-	(640.76)
Vivimed Labs Spain SL	(169.44)	62.05
Union Quimico Farmaceutica SAU, Spain	8.13	(4.05)
Yantra Green Power Pvt Limited	3.32	3.32
Vivimed Holdings Ltd	10.04	(1,103.60)
Uquifa Mexico S.A. DE	0.45	0.45
BBR Green fields Private Limited	(505.69)	(891.01)
Nisarg Biosciences Private Limited	-	69.12

### d) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## e) Others:

The Company has given Corporate Guarantee for the credit facilities of ₹2.25 Mn availed by the Subsidiaries.

## 43 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

The Company has two reportable segments - Speciality Chemicals Business and Pharma Business.

The segment revenue, profitability, assets and liabilities are as under:

Segment Revenue	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Speciality Chemicals	58.98	112.21
b) Pharma	1308.99	1658.44
c) Others		
<b>Total revenue</b>	<b>1,367.97</b>	<b>1,770.65</b>
Segment Results	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(Profit before Tax & Interest)		
a) Speciality Chemicals	(260.33)	(1,274.51)
b) Pharma	(260.17)	(1,673.95)
c) Others	-	-
<b>Total:</b>	<b>(520.50)</b>	<b>(2,948.46)</b>
Less: (i) Interest	19.04	352.80
(ii) Other Un-allocable Expenditure	-	-
(iii) Un-allocable Income	95.72	-
<b>Total Profit before tax</b>	<b>(443.82)</b>	<b>(3,301.26)</b>
Segment Assets	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Speciality Chemicals	1,132.03	1,429.23
b) Pharma	5,682.67	6,567.19
<b>Total</b>	<b>6,814.70</b>	<b>7,996.42</b>
Segment Liabilities		
a) Speciality Chemicals	1,364.00	1,364.00
b) Pharma	4,556.60	5,261.09
<b>Total</b>	<b>5,920.61</b>	<b>6,625.09</b>
Capital Employed		
a) Speciality Chemicals	554.7	555.7
b) Pharma	2,348.26	3,208.5
<b>Total</b>	<b>2,902.96</b>	<b>3,764.22</b>



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 44 Auditors' remuneration include:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Statutory audit fee (including limited review)	1.82	1.82
Taxation matters	0.07	0.07
<b>Total</b>	<b>1.89</b>	<b>1.89</b>

## 45 Gratuity / Leave Encashment / Sick Leave

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

### Gratuity / Leave Encashment / Sick Leave

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Opening balance</b>	<b>50.21</b>	<b>80.99</b>
Current service cost	6.00	6.20
Interest cost	3.68	5.77
Benefits paid	(2.34)	(2.24)
Actuarial gain	(4.76)	(40.51)
<b>Closing balance</b>	<b>52.79</b>	<b>50.21</b>
Present value of projected benefit obligation at the end of the year	52.79	50.21
Fair value of plan assets at the end of the year	-	-
<b>Net liability recognised in the balance sheet</b>	<b>52.79</b>	<b>50.21</b>
Current provision	12.06	10.69
Non current provision	40.72	42.06
<b>Expenses recognised in statement of profit and loss</b>	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
Service cost	6.00	6.20
Interest cost	3.68	5.77
<b>Gratuity cost</b>	<b>9.68</b>	<b>11.97</b>
<b>Re-measurement gains/ (losses) in OCI</b>		
Actuarial gain / (loss) due to others	(4.76)	(40.51)
Remeasurement because of OB difference	-	-
Return on plan assets greater (less) than discount rate	-	-
<b>Total expenses routed through OCI</b>	<b>(4.76)</b>	<b>(21.37)</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

<b>Assumptions</b>	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
Discount rate (per annum)	7.13%	7.35%
Future salary increases	5.00%	5.00%

**A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:**

<b>Expenses recognised in statement of profit and loss</b>	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
Impact of 1% increase in discount rate	50.14	47.53
Impact of 1% decrease in discount rate	55.77	53.23
Impact of 1% increase in salary growth rate	55.64	52.99
Impact of 1% decrease in salary growth rate	50.19	47.67
Impact of 1% increase in withdrawal rate	52.26	49.73
Impact of 1% decrease in withdrawal rate	53.36	50.72

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

## 46 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
a) the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year.	Nil	Nil
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	Nil	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 47 Leases

### Where the Company is a lessee:

The Company has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

#### i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Not later than 1 year	13.02	13.02
Later than 1 year and not later than 5 years	11.30	11.30
Later than 5 years	-	-

#### ii) Amounts recognised in statement of profit and loss:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Cancellable lease expense	17.91	21.60
Non - cancellable lease expense	2.15	2.15
<b>Total</b>	<b>20.06</b>	<b>23.76</b>

## 48 Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Profit for the year attributable to equity share holders	(443.82)	(3,280.11)
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	8,29,13,915	8,29,13,915
Weighted average number of equity shares outstanding during the year – diluted	8,54,13,915	8,54,13,915
<b>Earnings per share</b>		
Earnings per share of par value ₹2 – basic (₹)	(5.35)	(39.56)
Earnings per share of par value ₹2 – diluted (₹)	(5.20)	(38.40)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 49 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance.

### Interest rate risk

Particulars	Increase/Decrease in Interest rate
<b>31<sup>st</sup> March, 2024</b>	
INR	+1%
INR	-1%
<b>31<sup>st</sup> March, 2023</b>	
INR	+1%
INR	-1%

### b) Credit risk

Allowance for credit loss	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Opening balance	60.26	27.41
Credit loss provided/ (reversed)	-	32.9
Closing balance	60.26	60.26

No single customer accounts for more than 10% of the revenue as of March 31, 2024, March 31, 2023 and hence there is no significant concentration risk of revenue .

### c) Liquidity risk

Particulars	On demand
<b>Year ended March 31, 2024</b>	
Borrowings	3,122
Trade payables	388
<b>Year ended March 31, 2023</b>	
Borrowings	3,147
Trade payables	564

## 50 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future.

The capital structure as of March 31, 2024, March 31, 2023 was as follows:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Total equity attributable to the equity shareholders of the Company	894	1,333
As a percentage of total capital	19.23%	26.14%
Long term borrowings	633	620
Short term borrowings	3,122	3,147
<b>Total borrowings</b>	<b>3,755</b>	<b>3,766</b>
As a percentage of total capital	80.77%	73.86%



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

<b>Total capital (equity and borrowings)</b>	<b>4,649</b>	<b>5,100</b>
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## 51 Ratios

S. No.	Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	Variance (%)	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	Variance (%)
1	Current ratio	Current assests	Current liabilities	0.70	0.66	7.22%	0.66	1.21	-45.67%
2	Debt-equity Ratio	Total Debt (1)	Share holders funds	4.20	2.83	48.64%	2.83	0.78	262.20%
3	Return on equity	Net profit after taxes	Average shareholder funds	-0.40	-1.11	-64.12%	-1.11	-0.14	693.42%
4	Trade receivables turnover ratio	Sales	Trade Receivable	2.30	3.52	-34.64%	3.52	3.44	2.19%
5	Inventory turnover Ratio	Sales	Average inventory	1.94	1.11	74.04%	1.11	0.89	25.20%
6	Trade payables turnover ratio	Purchases	Trade payables	2.03	1.91	5.91%	1.91	3.44	-44.39%
7	Net capital turnover Ratio	Sales	Working capital	-1.18	-1.25	-5.3%	-1.25	2.87	-143.59%
8	Net profit ratio	Net profit after tax	Sales	-0.32	-1.86	-82.51%	-1.85	-0.31	498.38%
9	Return on capital employed	earnings before interest and taxes	Capital employed (2)	-0.15	-0.77	-80.98%	-0.94	-0.03	3040.62%
10	Return on investment	Income generated from investments	Time weighted average investments	N/A	N/A	N/A	N/A	N/A	N/A

(1) Total debt comprise of long term Borrowings, current maturities of long term debt and short term borrowings

(2) Capital employed comprise of Networth, total debt and Deferred tax liability

### Reasons for Variance:-

- Debt-equity ratio: Decrease in shareholders fund due to losses
- Return on equity : Decrease in shareholders funds due to losses
- Trade receivables turnover ratio : Debtors reduced
- Inventory turnover ratio: Reduction of inventory
- Trade payables turnover ratio : Creditors reducdce
- Net capital turnover ratio : Gap in working capital increased
- Net profit ratio : Huge lossess
- Return on capital employed : Huge lossess



# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	2024	2023
Current Assets	2757.19	2711.62
Current liabilities	3911.74	4124.92
Total Debt (1)	3754.72	3,766.43
Share holders funds	894.09	1333.15
Net profit after taxes	-443.82	-3280.11
Average shareholder funds	1113.62	2952.95
Sales	1367.97	1768.25
Trade Receivable	595.37	503.02
Average inventory	705.39	1586.89
Purchases	786.95	1078.73
Trade payables	388.40	563.86
Working capital	-1154.55	-1413.29
earnings before interest and taxes	-424.78	-2948.48
Capital employed (2)	2902.96	3833.32

## 52 Subsequent Events

There are no significant events that occurred after the balance sheet date.

## 53 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAH1614

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315

# CONSOLIDATED FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

To the Members of

**M/s VIVIMED LABS LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

## Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **M/s VIVIMED LABS LIMITED ("the company")** and its subsidiaries (the Company, its subsidiaries together referred to as "the Group") its associates, which comprise the consolidated Balance Sheet as at 31st March, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year ended and notes to the consolidated financial statements, including material accounting policy information and other explanatory information. (herein referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, and based on the consideration of the reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2024, their consolidated loss (including other comprehensive income), consolidated changes in equity, and their consolidated cash flows for the year ended on that date.

## Basis for Qualified Opinion

1. As disclosed in Note 31 of consolidated financial statements, The Company has not recognized interest on an accrual basis, amounting to ₹453.34 Millions, which is not in compliance with the applicable Indian Accounting Standards (Ind AS). Consequently, the reported loss for the period is understated by ₹453.34 Million. This deviation from Ind AS requirements impacts the accuracy of the financial statements, particularly affecting the reported loss for the period.

Further, the Company is engaged in negotiations with Bankers for settlement. As these negotiations have not yet materialized, any potential adjustments arising from a finalized settlement have not been accounted for in the consolidated financial statements.

Considering the uncertainties, we are unable to ascertain/quantify the amount of impact which is required to be stated in the consolidated financial statements.

2. The balances related to Trade payables (Note no 22), Trade Receivables (Note no 10), Other Financial Assets (Note no 13), Other Current Assets (Note no 8B) and Banks including borrowings are subject to confirmation, as the Group has not provided external confirmations for these balances. In the absence of such confirmations, we are unable to verify the accuracy, completeness, and validity of these balances.

3. As disclosed in the Note 7 consolidated financial statements, investment of the company carrying amounts are reduced from ₹1,543.91 Million (31/03/2023) to ₹560.58 Million (31/03/2024). However, the details of diminution, including the assumptions, methodology, and supporting evidence used by management to determine the value for these investments, was not provided to us for verification.

In the absence of sufficient documentation and evidence, we are unable to evaluate whether the diminution has been appropriately adjusted in the consolidated financial statements.

4. The financial statements of one of the Company's subsidiaries (Finoso Pharma Private Limited) reflect an amount of ₹ 38.55 Million as intangible assets under progress, as disclosed in the consolidated financial statements. However, in the absence of sufficient information and documentary evidence, the subsidiary's auditors were unable to verify the existence and valuation of these intangible assets, and therefore we are unable to ascertain their appropriateness in the consolidated financial statements.

5. Additionally, in relation to the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"), the subsidiary (Finoso Pharma Private Limited) is required to provide for interest of ₹ 1.27 Million due to delays in payments to vendors registered under the Act. This interest provision has not been recorded, resulting in an understatement of loss and liabilities in the consolidated financial statements to the extent of ₹ 1.27 Million.

6. The subsidiary (Finoso Pharma Private Limited) has also not maintained proper documentation relating to internal controls during the year, as reported by its auditors. This lack of



documentation limits the ability to assess the effectiveness of internal control systems at the subsidiary level, which may impact the reliability of financial reporting.

We have relied on the report of the subsidiary's (Finoso Pharma Private Limited) auditors for the above matters.

## Going Concern Section

### Material Uncertainty Relating to Going Concern

We draw attention to Note 2.7 A in the consolidated financial statements, which describes the existence of certain factors that may indicate potential uncertainties regarding the Company's ability to continue as a going concern. The Company has incurred cash losses during the financial year, has defaulted on its borrowings, reporting negative financial ratios and the company's net worth is eroded by ₹448.83 Million as at the reporting date. These conditions indicate a concern on the Company's ability to continue as a going concern.

In evaluating the going concern assumption, management has considered factors such as future business prospects, cost reduction initiatives, and plans to restructure borrowings to improve liquidity. Based on these actions, management remains optimistic that the Company will be able to meet its obligations and continue its operations in the foreseeable future. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our audit
<p><b>Contingent Liabilities and litigation Matters</b></p> <p>Refer note 3.18 of the basis of preparation of financial statements and note 34 to the consolidated financial statements.</p> <p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area are related to Income Tax. The amount of litigation may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant Management judgment.</p> <p>These provisions are based on judgements and accounting estimates made by management reflect in determining the likelihood and magnitude of an unfavourable outcome on the claims.</p> <p>Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and balance sheet position</p>	<p>Our audit procedures included the following:</p> <p>Evaluating the design and testing the effectiveness of controls over the recognition and measurement of provisions for litigation and claims.</p> <p>Corroborating management's assessment by:</p> <ul style="list-style-type: none"> <li>• Conducting enquiries with the Company's in-house legal counsel.</li> <li>• Reviewing relevant correspondence, orders, and appeals related to ongoing litigation.</li> <li>• Obtaining confirmations from internal legal counsel, where applicable, and/or assessing any external legal opinions obtained by management.</li> <li>• Reviewing significant adjustments to legal provisions during the year to identify any indication of management bias.</li> </ul> <p>Assessing the adequacy of disclosures provided in Note 33 to the Consolidated financial statements to ensure they are comprehensive and accurate.</p> <ul style="list-style-type: none"> <li>• evaluating adequacy of disclosures given in Note 34 to consolidated financial statements.</li> </ul>

### Information Other than the Consolidated 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 report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. The Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

### **Auditor's Responsibilities for the Audit of Consolidated Financial statements**

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 Standards on Auditing specified under section 143(10) of the Act 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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, 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 Board of Directors' 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 ability of the



group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the entity or business activities within the group and its associates to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

## Emphasis of Matter

1. We draw attention to Note 9 and Note 26 of the financial statements, which describe the disposal of inventory at the Company's Bidar plant amounting to ₹269.18 Millions. Our opinion is not modified in respect of this matter.
2. Company has received questionnaire from SEBI and is in the process of compiling/consolidating/drafting the reply. Our opinion is not modified in this matter.

## Other Matters:

The Unaudited financial statements and other financial information of all three subsidiaries of the Holding company included in the statement, whose financial statements comprise total assets, before elimination, of ₹7,921.63 million as at March 31, 2024. The financial statements / financial information of these companies are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information.

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

## Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Companies Act, 2013, based on our audit and on the consideration of the reports of the other auditor, on the separate financial statements of the subsidiaries, we report that the Company and one subsidiary company incorporated in India, whose financial statements have been audited under the Act, have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the remaining three subsidiary companies, whose financial statements have not been audited under the Act, have not paid or provided for any managerial remuneration during the year.
2. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors, of companies included in the consolidated financial statements and covered under the Act we report that there are no

qualifications or adverse remarks reported in the respective Order reports of such companies.

3. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the management on the separate financial statements/financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except that the audit trail feature as further stated below in paragraph h(vii) on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) in case of Company and its Indian subsidiaries during the period 1 April 2023 to 31 March 2024.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended, except as reported in the "Basis for qualified opinion" paragraph.
  - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the group companies is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the maintenance of accounts and other matters connected therewith refer to our comments in paragraph (b) above on reporting under Section 143(3)(b) of the Act and refer paragraph h(vii) below on reporting under rule 11(g) of the of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses modified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies.
  - 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 and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 34 to the consolidated financial statements.
    - ii. As detailed in Note 35.1 to the consolidated financial statements, the Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a). The respective managements of the Company and its subsidiary companies, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced, loaned, or invested (either from borrowed funds, securities premium, or any other sources or kind of funds) by the Company or its subsidiary companies to or in any persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiary companies ("Ultimate



- Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
- (b). The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- v. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- vi. The Company or its Subsidiaries Incorporated in India has not declared or paid any Dividend during the year.
- vii. Based on our examination, which included test checks performed by us on the Company and its subsidiaries, as well as by the respective auditors of other subsidiaries of

the Company incorporated in India and audited under the Companies Act, 2013, we observed that the accounting software used by the Company and its subsidiaries incorporated in India for the financial year commencing on or after 1st April 2023 includes a feature for recording an audit trail (edit log). However, this audit trail (edit log) feature was not enabled throughout the year for all relevant transactions in the accounting software, except for one subsidiary, Finoso Pharma Private Limited.

For Finoso Pharma Private Limited., the audit trail (edit log) feature was not enabled for the period from 1st April 2023 to 15th June 2023 but was operational for the remainder of the financial year. We have placed reliance on the report of Finoso Pharma Private Limited's auditor regarding this matter. During the periods where the audit trail (edit log) was enabled in the respective accounting software, we did not encounter any instance of tampering with the audit trail feature.

For **SVRL & Co Chartered Accountants**

Firm's Regn.No:0161825

Sd/-

**G Ramakrishna Partner**

M No: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024



# “ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT

## **Independent Auditor's Report on the internal financial controls with reference to the Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the Consolidated financial statements of **M/s VIVIMED LABS LIMITED ('the Company')** and its subsidiaries (the company, its subsidiaries together referred to as “the Group”) and its associates , as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company, its subsidiaries and its associates which are covered under the act, as at that date.

## **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

The respective Board of Directors of the Company, its subsidiary companies and its associate companies, which are companies covered under the Act are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the company , its subsidiaries and its associates based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion and the internal financial control system over financial reporting of The company , its subsidiaries and its associates as afore said.

## **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

## **Inherent Limitation of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to



future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

In our opinion, as a result of matters give in the Basis for Qualified Opinion section of this report, we have not obtained sufficient and appropriate audit evidence regarding the company's internal financial controls over financial reporting. Consequently, we are unable to determine whether the company has established adequate internal financial controls over financial reporting, or whether such controls were operating effectively as of March 31, 2024. This opinion is based on the criteria established in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

### Other Matters:

Our aforesaid report under section 143(3)(i) of the companies Act, 2013 on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Indian subsidiary Company is based on the audit reports of the other auditors.

We did not audit the internal financial controls with reference to financial statements in so far as it relates to 3 unaudited foreign subsidiary companies, whose financial statement reflect total assets of ₹ 7,921.63 million as at March 31, 2024.

For **SVRL & Co Chartered Accountants**

Firm's Regn.No:016182S

Sd/-

**G Ramakrishna Partner**

M No: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)  
(₹ in Million)

Particulars	Note	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. ASSETS</b>			
<b>1. Non - Current Assets</b>			
(a) Property, Plant, Equipment	4	2,628.60	2,781.75
(b) Capital Work in Progress	6	206.51	206.65
(c) Goodwill		169.14	169.14
(d) Other Intangible Assets	5	1,381.51	1,407.25
(e) Financial Assets			
(i) Investments	7	1,684.95	1,988.21
(f) Deferred tax assets, net		4.35	-
(g) Other non-current assets	8(A)	8.21	7.58
<b>Total Non Current Assets</b>		<b>6,083.27</b>	<b>6,560.59</b>
<b>2. Current Assets</b>			
(a) Inventories	9	640.62	797.60
(b) Financial Assets			
(i) Trade Receivables	10	828.2	741.56
(ii) Cash and cash equivalents	11(A)	16.26	37.62
(iii) Bank balances other than cash and cash equivalents	11(B)	4.00	-
(iv) Loans	12	414.21	397.99
(v) Others	13	701.53	602.57
(c) Current Tax Assets (Net)	14	100.13	99.19
(d) Other current assets	8(B)	720.89	713.38
<b>Total Current Assets</b>		<b>3,425.84</b>	<b>3,389.91</b>
<b>TOTAL ASSETS</b>		<b>9,509.11</b>	<b>9,950.50</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	15	165.83	165.83
(b) Other equity	16	(220.44)	228.39
(c) Equity attributable to the owners of the Company		(54.61)	394.22
(d) Non-controlling interests			
<b>Total Equity</b>		<b>(54.61)</b>	<b>394.22</b>
<b>2. Non- Current liabilities</b>			
(a) Financial liabilities			
Borrowings	17(A)	635.65	623.19
Other financial liabilities	18(A)	4,679.18	4,492.91
Deferred Tax Liabilities, net	19	90.33	95.15
(b) Other non-current liabilities	20(A)	6.30	60.32
(c) Provisions	21(A)	49.00	43.81
<b>Total Non Current Liabilities</b>		<b>5,460.46</b>	<b>5,315.37</b>
<b>3. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17(B)	3,133.64	3,162.47
(ii) Trade Payables	22	440.69	552.30
(iii) Other financial liabilities	18(B)	173.92	199.99
(b) Other Current Liabilities	20(B)	160.54	130.77
(c) Provisions	21(B)	13.89	12.48
(d) Current Tax Liabilities (net)	23	180.58	182.91
<b>Total Current Liabilities</b>		<b>4,103.26</b>	<b>4,240.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,563.72</b>	<b>9,556.28</b>
		<b>9,509.11</b>	<b>9,950.50</b>

Summary of significant accounting policies

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)  
(₹ in Million)

Particulars	Note	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Income</b>			
Revenue from operations	24	1,490.71	1,870.99
Other Income	25	99.76	9.68
<b>Total income</b>		<b>1,590.47</b>	<b>1,880.68</b>
<b>Expenses</b>			
Cost of materials consumed	26	895.45	2,088.85
Changes in inventories and work in progress	27	(180.71)	626.29
Employee benefits expense	28	341.55	326.67
Other operating expenses	29	164.71	308.17
Depreciation and amortisation expense	30	199.41	1,084.07
Finance costs	31	24.32	359.03
Other expenses	32	545.68	394.12
<b>Total expense</b>		<b>1,990.41</b>	<b>5,187.20</b>
<b>Prior Period Items</b>		58.29	-
<b>Profit/(loss) before tax</b>		<b>(458.23)</b>	<b>(3,306.53)</b>
<b>Tax expense:</b>			
Current tax	33	0	0
Prior Period Tax		0.18	0
Deferred tax	33	(3.95)	(21.17)
<b>Total tax expense</b>		<b>(3.77)</b>	<b>(21.17)</b>
<b>Profit/(Loss) for the year before non-controlling interest</b>		<b>(454.46)</b>	<b>(3,285.36)</b>
Profit/(Loss) attributable to non controlling interest			
Profit/(Loss) attributable to owners of the Parent		(454.46)	(3,285.36)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit plan		5.92	40.62
Income-tax effect	33	(0.29)	
Items that will be reclassified to profit or loss			
<b>Total</b>		<b>5.63</b>	<b>40.62</b>
Other comprehensive income before non-controlling interest		5.63	40.62
Other comprehensive income attributable to non controlling interest		-	-
Other comprehensive income attributable to owners of the Parent		5.63	40.62
Total comprehensive income for the year before non controlling interest		(448.83)	(3,244.74)
Total comprehensive income attributable to non controlling interest		-	-
Total comprehensive income attributable to owners of the Parent		(448.83)	(3,244.74)
<b>Earnings per equity share (nominal value of INR 2) in INR</b>			
(1) Basic	46	(5.48)	(39.62)
(2) Diluted		(5.32)	(38.46)

Summary of significant accounting policies

3

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315

# CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

(₹ in Million)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	(458.23)	(3,306.50)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	199.41	1,084.07
Amortisation of intangible assets		-
Finance income (including fair value change in financial instruments)		-
Finance costs (including fair value change in financial instruments)	24.32	359.03
<b>Operating profit before working capital changes</b>	<b>(234.51)</b>	<b>(1,863.40)</b>
<b>Changes in working capital:</b>		
Adjustment for (increase)/decrease in operating assets		
Trade receivables	(86.64)	105.54
Inventories	156.98	1,610.06
Loans - current	(16.22)	1.13
Other Financial Assets	(98.96)	31.44
Other assets	(7.51)	(40.15)
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	(111.62)	275.19
Other financial liabilities	160.49	44.28
Other liabilities	(24.25)	(1.32)
Borrowings	14.76	183.59
Provisions	6.61	6.86
<b>Cash generated from operations</b>	<b>(240.85)</b>	<b>353.22</b>
Income taxes paid	(0.94)	-
<b>Net cash generated from/(used in) operating activities</b>	<b>(239.91)</b>	<b>353.22</b>
<b>II. Cash flows from investing activities</b>		
Proceeds from sale/ (Purchase of) property, plant and equipment and intangibles (including capital work in progress), net	(20.39)	(49.68)
Investments reversed during the year	303.26	-
Interest received (finance income)		-
<b>Net cash used in investing activities</b>	<b>282.88</b>	<b>(49.68)</b>



# CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

(₹ in Million)

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>III. Cash flows from financing activities</b>		
Share issue proceeds		-
Dividend paid		-
Proceeds from/(repayment of) long-term borrowings, net	(36.00)	21.21
Proceeds from/(repayment of) short-term borrowings, net		
Interest paid	(24.32)	(359.03)
Net cash provided by financing activities	(60.32)	(337.82)
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>(17.36)</b>	<b>(34.28)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>37.62</b>	<b>71.84</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>20.26</b>	<b>37.62</b>
<b>Note:</b>		
<b>Cash and cash equivalents comprise:</b>		
Cash on hand	2.35	5.31
Balances with banks:		
- in current accounts	17.91	32.31
	<b>20.26</b>	<b>37.62</b>

## Summary of significant accounting policies

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## A. Equity Share Capital

### (1) Current reporting period (31-03-2024)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Balance at the end of the current reporting period
165.83	-	-	-	165.83

### (2) Previous reporting period (31-03-2023)

Balance at the beginning of the previous reporting period	Changes in equity share capital during the current year	Changes in equity share capital during the current year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
165.83	-	-	-	165.83

## B. Other Equity

### (1) Current reporting period (31-03-2024)

Particulars	Reserves and Surplus						Other Items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserves	Foreign currency adjustment	Retained Earnings		
<b>Balance at the March 31, 2023</b>	8.57	141.16	2,313.80	380.00	(156.30)	(2,452.28)	(6.56)	228.38
Profit for the year	-	-	-	-	-	(454.46)	-	(454.46)
Other comprehensive income	-	-	-	-	-	-	5.92	5.92
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
IND AS Adjustment	-	-	-	-	-	-	-	-
<b>Balance at the March 31, 2024</b>	<b>8.57</b>	<b>141.16</b>	<b>2,313.80</b>	<b>380.00</b>	<b>(156.30)</b>	<b>(2906.76)</b>	<b>(0.64)</b>	<b>(220.17)</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended 31<sup>st</sup> March, 2023

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## (2) Previous reporting period (31-03-2023)

Particulars	Reserves and Surplus							Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Revaluation Reserves	Foreign currency adjustment	Retained Earnings	Other Items of Other Comprehensive Income (specify nature)	
<b>Balance at the March 31, 2022</b>	8.57	141.16	2,313.80	380	(156.30)	836.98	(47.18)	3,477.03
Profit for the year	-	-	-	-	-	(3285.34)	-	(3,285.34)
Other comprehensive income	-	-	-	-	-	-	40.62	40.62
Dividends	-	-	-	-	-	-	-	0.00
Transfer to retained earnings	-	-	-	-	-	-	-	0.00
IND AS Adjustment	-	-	-	-	-	(3.92)	-	(3.92)
<b>Balance at the March 31, 2023</b>	<b>8.57</b>	<b>141.16</b>	<b>2,313.80</b>	<b>380.00</b>	<b>(156.30)</b>	<b>(2,452.28)</b>	<b>(6.56)</b>	<b>228.40</b>

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 1 Corporate Information

Vivimed Labs Limited ('the Company') is a Public Limited Company incorporated in India, having its registered office at Bidder, India. The Company is primarily engaged in the Business of Active Pharmaceuticals Ingredients, CDMO Finished Dosage Formulation, Specialty Chemicals and Retail Branded Formulation manufacturing. The Company is listed in the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

## 2 Basis of preparation of financial statements

### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements have been prepared for the Company as going concern on the basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2024. The financial statements were authorised for issue by the Company's Board of Directors on November 14, 2024.

### 2.2 Group information

The consolidated financial statements of the Group includes subsidiaries and step down subsidiaries listed in the table below:

Name of investee	Relationship	Country of incorporation	Percentage of ownership/ voting rights	
			31 Mar 2024	31 Mar 2023
Finoso Pharma Private Limited	Subsidiary	India	100%	100%
Vivimed Holdings Limited	Subsidiary	India	100%	100%
Vivimed Labs USA INC.	Subsidiary	USA	100%	100%
Vivimed Labs Mauritius Limited	Subsidiary	Mauritius	100%	100%

### 2.3 Basis of consolidation

- The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-Group assets, liabilities, income, expenses and unrealised profits/losses on intra-Group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

### 2.4 Functional and presentation currency

The financial statements are presented in Indian rupees millions, which is the functional currency of the Group. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupee millions except share data, unless otherwise stated.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

## 2.5 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- 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;
- long term borrowings are measured at amortized cost using the effective interest rate method.

## 2.6 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### Assets:

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 Group'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.

### Liabilities:

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

- a) it is expected to be settled in the Group'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 Group 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.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

## 2.7 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

### Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

### Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2024 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

## 2.7A Going Concern

The Financial statements have been prepared on a going concern basis. As of the reporting date, the company has incurred cash losses, experienced defaults in servicing its borrowings, and

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

recorded certain adverse financial ratios. These factors indicate financial challenges.

The Management has implemented measures aimed at addressing these challenges including cost reduction initiatives, strategies to improve operational efficiency and restructuring plans for borrowings to enhance cash flow. Based on these action, the management has assessed that the Company has adequate resources to continue operating for the foreseeable future and accordingly, considers the going concern basis of accounting appropriate for the preparation of these financial statements.

## 2.8 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

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

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

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

## 3 Significant accounting policies

### 3.1 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much

and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of promised products or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange of those products or services.

- Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and VAT/ GST are recognised when all significant risks and rewards of ownership of the goods sold are transferred.
- Revenue from the sale of goods includes excise duty.
- Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds
- Dividend income is accounted for when the right to receive the income is established, which is generally when shareholders approve the dividend.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.
- Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.2 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Group determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 3.3 Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

### 3.4 Borrowing costs

Specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, ancillary costs incurred in connection with borrowing

of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

### 3.5 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

#### Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.6 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. The basic earnings per share is computed

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for the year ended 31<sup>st</sup> March, 2024

by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### 3.7 Property, plant and equipment

Freehold land and buildings (property) held for use in the production or supply of goods or services, or administrative purposes are stated at cost less accumulated depreciation and accumulated impairment. Freehold land is not depreciated.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

### 3.8 Expenditure during construction period

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under Other non-current Assets.

### 3.9 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group

The Group has componentised its PPE and has separately assessed the life of major components. The Group depreciates its fixed assets over the useful lives as prescribed in Schedule II to the Act.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

### 3.10 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

#### Amortization

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

### 3.11 Inventories

Inventories are valued at lower of cost, determined on Weighted average basis and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, fuel, stores & spare parts and packing materials: Valued at lower of cost and net realisable value (NRV). 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 is determined on FIFO basis.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

- Work-in-progress (WIP), finished goods and stock-in-trade:  
Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

### 3.12 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### 3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

### 3.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### 3.15 Impairment of non financial assets

The carrying amounts of the Group's non-financial assets, inventories 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.

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 inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. 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. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

### 3.16 Employee benefits

#### Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### Defined contribution plans

The Company's contribution to provident fund and employee state insurance schemes is charged to the statement of profit and loss. The Company's contributions towards Provident Fund are deposited with the Regional Provident Fund Commissioner under a defined contribution plan.

#### 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

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for the year ended 31<sup>st</sup> March, 2024

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 rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement 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 income. 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 income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

## Termination benefits

Termination benefits are recognized as an expense 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 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 Group'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 recognized in the statement of profit and loss in the period in which they arise.

### 3.17 Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

### 3.18 Contingent liabilities & 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 recognised 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 recognised in the period in which the change occurs.

### 3.19 Financial instruments

#### a. Recognition and Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### b. Classification and Subsequent measurement

##### Financial assets:

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

## Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

## Financial assets: Subsequent measurement and gains and losses

**Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost:** These assets are subsequently



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for the year ended 31<sup>st</sup> March, 2024

measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## **Financial liabilities: Classification, Subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## **c. Derecognition**

### **Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

## **d. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **e. Impairment**

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.



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for the year ended 31<sup>st</sup> March, 2024

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

## **Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash

shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## **Write off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Electrical equipment	Laboratory equipment	Office equipment	Computers	Furniture	Vehicles	Books and Periodicals	Leasehold improvements	Total
<b>Gross Carrying amount</b>												
<b>At April 1, 2017</b>	1,059.88	1,111.69	4,594.04	29.67	103.09	3.94	12.29	16.89	30.28	0.02	-	6,961.79
Additions	674.42	1,125.08	597.92	0.26	48.85	1.81	18.98	92.82	13.59		1.39	2,575.12
Disposals/adjustments	67.40	418.01	556.51	-	33.82	0.02	14.84	44.38	1.60			1,136.58
<b>At March 31, 2018</b>	<b>1,666.90</b>	<b>1,818.76</b>	<b>4,635.45</b>	<b>29.93</b>	<b>118.12</b>	<b>5.73</b>	<b>16.43</b>	<b>65.33</b>	<b>42.27</b>	<b>0.02</b>	<b>1.39</b>	<b>8,400.33</b>
Additions	361.69	502.76	937.31	0.13	48.91	20.03	36.88	14.86	9.96	0.27	0.64	1,933.46
Disposals/adjustments	990.84	401.50	605.14	(20.20)	-	(0.93)	25.09	44.06	3.70	0.12	0.13	2,049.44
<b>At March 31, 2019</b>	<b>1,037.75</b>	<b>1,920.02</b>	<b>4,967.62</b>	<b>50.26</b>	<b>167.03</b>	<b>26.69</b>	<b>28.23</b>	<b>36.14</b>	<b>48.52</b>	<b>0.17</b>	<b>1.90</b>	<b>8,157.20</b>
Additions	25.17	244.96	313.67	0.96	51.12	11.36	8.82	7.19	5.75	-	0.08	669.08
Disposals/adjustments	19.95	29.44	(233.33)	0.05	169.46	6.07	(4.18)	23.64	2.18	-	-	13.28
<b>At March 31, 2020</b>	<b>1,042.97</b>	<b>2,135.54</b>	<b>5,514.62</b>	<b>51.17</b>	<b>48.69</b>	<b>31.98</b>	<b>41.23</b>	<b>19.69</b>	<b>52.09</b>	<b>0.17</b>	<b>1.98</b>	<b>8,813.00</b>
Additions	62.35	62.35	70.66	41.56	83.13	62.35	12.47	20.78	-			415.64
Disposals/adjustments	5.85	1,200.35	2,181.04									3,387.24
<b>At March 31, 2021</b>	<b>1,099.47</b>	<b>997.54</b>	<b>3,404.24</b>	<b>92.74</b>	<b>131.82</b>	<b>94.33</b>	<b>53.70</b>	<b>40.47</b>	<b>52.09</b>	<b>0.17</b>	<b>1.98</b>	<b>5,968.55</b>
Additions	-	0.42	147.25	45.06	68.82	32.64	0.06	4.61	-	-	6.77	305.62
Disposals/adjustments									1.23			1.23
<b>At March 31, 2022</b>	<b>1,099.47</b>	<b>997.96</b>	<b>3,551.49</b>	<b>137.80</b>	<b>200.64</b>	<b>126.97</b>	<b>53.76</b>	<b>45.08</b>	<b>50.86</b>	<b>0.17</b>	<b>8.75</b>	<b>6,272.94</b>
Additions		207.14	0.95	0.08	0.06	2.88		0.24				211.35
Impairment			892.80									892.80
<b>At March 31, 2023</b>	<b>1,099.47</b>	<b>1,205.10</b>	<b>2,659.64</b>	<b>137.88</b>	<b>200.70</b>	<b>129.85</b>	<b>53.76</b>	<b>45.32</b>	<b>50.86</b>	<b>0.17</b>	<b>8.75</b>	<b>5,591.48</b>
Additions	-		15.22		0.12		1.04					16.39
Disposals/adjustments												
<b>At March 31, 2024</b>	<b>1,099.47</b>	<b>1,205.10</b>	<b>2,674.87</b>	<b>137.88</b>	<b>200.70</b>	<b>129.97</b>	<b>54.80</b>	<b>45.32</b>	<b>50.86</b>	<b>0.17</b>	<b>8.75</b>	<b>5,607.87</b>
<b>Accumulated depreciation</b>												
<b>At March 31, 2022</b>	<b>0.01</b>	<b>386.21</b>	<b>2,106.99</b>	<b>29.39</b>	<b>41.35</b>	<b>32.97</b>	<b>34.84</b>	<b>(25.86)</b>	<b>40.46</b>	<b>0.16</b>	<b>0.76</b>	<b>2,647.28</b>
Charge for the year	-	27.63	62.75	13.85	18.78	21.00	7.79	5.32	4.34	-	0.87	162.34
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>0.01</b>	<b>413.84</b>	<b>2,169.74</b>	<b>43.24</b>	<b>60.13</b>	<b>53.96</b>	<b>42.63</b>	<b>(20.54)</b>	<b>44.81</b>	<b>0.16</b>	<b>1.63</b>	<b>2,809.62</b>
Charge for the year		37.39	63.55	13.83	18.59	21.13	8.12	4.83	1.36	-	0.87	169.67
Disposals/adjustments												
<b>At March 31, 2024</b>	<b>0.01</b>	<b>451.23</b>	<b>2,233.29</b>	<b>57.08</b>	<b>78.72</b>	<b>75.10</b>	<b>50.75</b>	<b>(15.71)</b>	<b>46.17</b>	<b>0.16</b>	<b>2.50</b>	<b>2,979.29</b>
<b>Net Carrying amount</b>												
<b>At March 31, 2022</b>	<b>1,099.46</b>	<b>611.75</b>	<b>1,444.50</b>	<b>108.40</b>	<b>159.29</b>	<b>94.00</b>	<b>18.92</b>	<b>70.94</b>	<b>10.40</b>	<b>0.01</b>	<b>7.98</b>	<b>3,625.66</b>
<b>At March 31, 2023</b>	<b>1,099.46</b>	<b>791.25</b>	<b>489.90</b>	<b>94.63</b>	<b>140.57</b>	<b>75.88</b>	<b>11.12</b>	<b>65.86</b>	<b>6.06</b>	<b>0.01</b>	<b>7.11</b>	<b>2,781.75</b>
<b>At March 31, 2024</b>	<b>1,099.46</b>	<b>753.86</b>	<b>441.58</b>	<b>80.80</b>	<b>121.98</b>	<b>54.87</b>	<b>4.05</b>	<b>61.03</b>	<b>4.70</b>	<b>0.01</b>	<b>6.24</b>	<b>2,628.60</b>

### Note

- The Title deeds of the Immovable properties included in PPE are held in the name of the company.
- Charge on Property, plant and equipment:
- All the property, plant and equipment are subject to a first charge, second charge and pari passu to secure the Holding Company's working capital and Term loan bank loans. " For the FY 2022-23, the Holding Company has impaired its Property, Plant and Equipment during the year by an amount of ₹892.80 million in respect of Plant & Machinery which is included in Depreciation and Amortisation Expense. Calculation of impairment of PPE has been done by independent valuer, they have identified the indicators of impairment and designed appropriate methodology and valuation model to estimate the recoverable value of assets. Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, discount rates etc., based on historical results, current developments and future plans of business estimated by management. Accordingly brought the carrying amount of such assets to its estimated value in use.
- The holding company has received an advance from BBR Green fields Private Limited against the proposed sale of part of the speciality Chemical Business of the company, pursuant to the shareholders resolution passed through postal ballot notice dated: 23-08-2018. The transaction is subject to other regulatory/Bank/other agencies approval.
- The Management has physically verified the major item of property, Plant & Equipment during the year.
- There are no proceedings initiated or pending against the group for holding any benami property under the benami transaction (prohibition) Act, 1988.
- The Company has not revalued its PPE during Financial year 2023-24.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 5 Intangible assets

Particulars	Brands, Trademarks and Technical know how	Total
<b>At March 31, 2022</b>	1,607.47	1,607.47
Additions	31.99	31.99
Disposals/ adjustments	-	-
<b>At March 31, 2023</b>	<b>1,639.46</b>	<b>1,639.46</b>
Additions	4.00	4.00
Disposals/ adjustments	-	-
<b>At March 31, 2024</b>	<b>1,643.46</b>	<b>1,643.46</b>
<b>Accumulated depreciation</b>		
<b>At March 31, 2022</b>	<b>203.31</b>	<b>203.31</b>
Amortisation expense	28.89	28.89
Disposals/ adjustments	-	-
<b>At March 31, 2023</b>	<b>232.20</b>	<b>232.20</b>
Amortisation expense	29.74	29.74
Disposals/ adjustments	-	-
<b>At March 31, 2024</b>	<b>261.94</b>	<b>261.94</b>
<b>Carrying amount</b>		
<b>At March 31, 2022</b>	<b>1,404.15</b>	<b>1,404.15</b>
<b>At March 31, 2023</b>	<b>1,407.25</b>	<b>1,407.25</b>
<b>At March 31, 2024</b>	<b>1,381.51</b>	<b>1,381.51</b>

## 6 Capital Work in Progress

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Balance as at beginning of the year	206.65	400.31
Additions during the current year to CWIP	-	13.48
Capitalization/(Deletions) during the current year from CWIP	0.14	(207.14)
Balance at the end of the year	206.51	206.65

Capital work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

As at March 31, 2024		Amount in CWIP for a period of				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	-	-	206.51	-	206.51	
As at March 31, 2023		Amount in CWIP for a period of				Total
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	-	206.65	-	-	206.65	

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 7 Investments

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Non-current investments</b>		
<b>Investments carried at fair value through profit and loss</b>		
<i>Investments in others</i>		
<i>Unquoted equity shares</i>		
2,500,000 (March 31, 2021: 2,500,000) equity shares of ₹10 each in Yantra Green Power Private Limited	25	25
Others	1659.95	1,963.21
<b>Total</b>	<b>1684.95</b>	<b>1,988.21</b>
Total investments carried at fair value through profit and loss	1,684.95	1,988.21

### Note:

- The Investments held in by the holding company in its foreign subsidiaries, where the business operations are being carried out over past few years but taking into account the management internal assessment and initiatives to be implemented to improve the profitability in the medium to long term, the management of the company is of the view that carrying value of investments are realizable at the value stated in the books.
- The company has 100% Equity Investments in Vivimed Holdings Limited, Hong Kong and Vivimed Labs Mauritius Limited, Mauritius. There were some investment opportunities available, which precipitated the increase in amount of investment with a corresponding increase in loan in anticipation of infusion of funds in 2020-21. Subsequently, when these opportunities did not fructify and also the company faced liquidity crunch, it could not proceed with investment. Also no shares were allotted. As there were no transactions took place in subsequent years, the balances were inadvertently continued. The relevant entries were reversed in 2023-24.

## 8 Other assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(A) Non-current</b>		
Unsecured, considered good		
Security Deposit	3.40	3.21
Advances other than capital advances		
Fixed Assets with banks	4.81	4.4
	<b>8.21</b>	<b>7.58</b>
<b>(B) Current</b>		
Unsecured, considered good		
Advances other than capital advances		
Other advances	624.98	543.47
Prepaid expenses	95.91	152.78
Staff advances	-	17.13
	<b>720.89</b>	<b>713.38</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 9 Inventories

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Raw Materials	197.68	916.40
Packing Materials	108.21	19.20
Semi-finished & Work in process	258.96	458.60
Finished Goods (including Goods in transit)	75.77	212.70
Less: Written off during the year	-	(809.30)
<b>Total</b>	<b>640.62</b>	<b>797.60</b>

### Note:

- The proposed sale of part of the speciality Chemical Business of the holding company could not be completed due to nonpayment of the agreed consideration. However, in view of the proposed sale, the Operations of Speciality Chemicals at Bidar Plant were on minimal scale. As such, leftover inventory of ₹269.18 Mn at Bidar Plant became obsolescence / expired and disposed off.
- The group periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions.

## 10 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Unsecured, considered good	888.46	801.82
<b>Total</b>	<b>888.46</b>	<b>801.82</b>
Less: Allowance for doubtful receivables	(60.26)	(60.26)
<b>Total Trade receivables</b>	<b>828.20</b>	<b>741.56</b>

### Trade receivables Ageing Schedule as at march 31, 2024

Particulars	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	
<b>March 31, 2024</b>						
<b>Undisputed Trade Receivables</b>						
considered good	255.61	70.85	43.72	217.91	299.12	887.21
which have significant increase in credit risk						
credit impaired						
<b>Disputed Trade Receivables</b>						
considered good			1.25			1.25
which have significant increase in credit risk						
credit impaired						
<b>Total</b>	<b>255.61</b>	<b>70.85</b>	<b>44.97</b>	<b>217.91</b>	<b>299.12</b>	<b>888.46</b>
Less: Allowance for credit loss					(60.26)	(60.26)
<b>Total Trade Receivables</b>	<b>255.61</b>	<b>70.85</b>	<b>44.97</b>	<b>217.91</b>	<b>238.86</b>	<b>828.20</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

Particulars	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	
<b>March 31, 2023</b>						
<b>Undisputed Trade Receivables</b>						
considered good	432.08	32.53	-	-	15.22	563.28
which have significant increase in credit risk						
credit impaired						
<b>Disputed Trade Receivables</b>						
considered good						
which have significant increase in credit risk						
credit impaired						
<b>Total</b>	<b>432.08</b>	<b>32.53</b>	<b>-</b>	<b>-</b>	<b>15.22</b>	<b>563.28</b>
Less: Allowance for credit loss						(60.26)
<b>Total Trade Receivables</b>	<b>432.08</b>	<b>32.53</b>	<b>-</b>	<b>-</b>	<b>15.22</b>	<b>503.02</b>

## 11 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>i) Balances with banks:</b>		
- On current accounts	13.91	32.31
<b>ii) Cash on hand</b>	2.35	5.31
<b>(A) Total -(i+ii)</b>	<b>16.26</b>	<b>37.62</b>
<b>iii) Bank balances other than cash and cash equivalents stated above</b>	4.00	0
- Unpaid dividend account		
<b>(B) Total (iii)</b>	4.00	-
<b>Total (i+ii+iii)</b>	<b>20.26</b>	<b>37.62</b>

## 12 Loans (Unsecured, considered good unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current</b>		
Loans and advances to related parties	72.75	88.22
Loans to employees and Others	341.46	309.77
<b>Total</b>	<b>414.21</b>	<b>397.99</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 13 Others Financial Assets

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current</b>		
Security deposits & Other Financial Assets	701.53	602.57
<b>Total Other financial assets</b>	<b>701.53</b>	<b>602.57</b>

## 14 Current tax assets (Net)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Advance tax and TDS receivable	100.13	99.19
Less: Provision for taxes	-	-
<b>Total</b>	<b>100.13</b>	<b>99.19</b>

## 15 Share Capital

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Authorised Share Capital</b>		
2,00,000,000 (March 31, 2024: 2,00,000,000) equity shares of ₹2 each.	400.00	400.00
7,10,000 (March 31, 2024: 7,10,000) preference shares of ₹1,000 each.	710.00	710.00
	<b>1,110.00</b>	<b>1,110.00</b>
<b>Issued, subscribed and fully paid-up</b>		
8,29,13,915 (March 31, 2024: 82,913,915) equity shares of ₹2/- each fully paid-up.	165.83	165.83
<b>Total</b>	<b>165.83</b>	<b>165.83</b>

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

Particulars	Number of Shares	Amount
<b>Balance at Mar 31, 2023 (Equity shares of ₹2/- each fully paid-up)</b>	8,29,13,915	165.83
Issued during the year (Equity shares of ₹2/- each fully paid)		
<b>Balance at Mar 31, 2024 (Equity shares of ₹2/- each fully paid-up)</b>	<b>8,29,13,915</b>	<b>165.83</b>

(b) Equity shares of the Company have a par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## (c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at	As at
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
<b>Equity shares of ₹2/- each fully paid</b>		
BBR Projects Private Limited		
Number of shares held	94,95,504	94,95,504
% of holding	11.45%	11.45%
Kitara PIIN 1102		
Number of shares held	77,66,387	77,66,387
% of holding	9.37%	9.37%

## (iv) Disclosure of share holding of promoters

Promoter name	31 <sup>st</sup> March 2024	
	No. of shares	% of total shares
Santosh Varalwar	13,00,254	1.57%
Manohar Rao Varalwar	10,34,225	1.25%
Varalwar Subash	16,16,200	1.95%
Varalwar Sandeep	18,75,647	2.26%
Vithabai Varalwar	23,345	0.03%
Mamatha Gurnukar	1,50,000	0.18%
Sujatha Varalwar	3,93,995	0.48%
Madhavi Varalwar	2,00,000	0.24%
Neelima Vijaya Varalwar	1,00,000	0.12%
Vijay Kumar Varalwar	1,50,000	0.18%
Satish Gooty Agraharam	55,635	0.07%
Sheetal Varalwar	5,68,985	0.69%
Varalwar Padma	33,250	0.04%
S Raghunandan	3,17,500	0.38%
Chandrashekar Rao Sudigali	50,095	0.06%
<b>Promoters Group</b>		
BBR Projects Private Limited	94,95,504	11.45%



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 16 Other equity

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Securities premium</b>		
Opening balance	2,313.80	2,313.80
Additions during the year	0	
Closing balance	<b>2,313.80</b>	<b>2,313.80</b>
Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.		
<b>Capital reserve</b>		
Opening balance	8.57	8.57
Additions during the year	0	
Closing balance	<b>8.57</b>	<b>8.57</b>
<b>General reserve</b>		
Opening balance	141.16	141.16
Add: Transfers during the year	0	
Closing balance	<b>141.16</b>	<b>141.16</b>
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified		
<b>Revaluation reserve</b>		
Opening balance	380.00	380.00
Add: Additions during the year	0	-
Closing balance	<b>380.00</b>	<b>380.00</b>
<b>Foreign currency adjustment</b>		
Opening balance	(156.30)	(156.30)
Add: Additions during the year	0	-
Closing balance	<b>(156.30)</b>	<b>(156.30)</b>
Retained earnings are the profits that the Company has earned till date, less any transfer to General reserve, dividends or other distributions paid to shareholders.		
<b>Retained earnings</b>		
Opening balance	(2,458.84)	789.79
Profit/(loss) for the year	(454.46)	(3,285.33)
Additions during the year		
Ind AS Adjustment		(3.92)
Dividend paid/sale of subsidiaries		
Other comprehensive income	5.63	40.62
Closing balance	(2907.67)	(2,458.84)
<b>Total other equity</b>	<b>(220.44)</b>	<b>228.39</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 17 Borrowings

### (A) Non-current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Secured loans</b>		
<b>Term loans</b>		
- From Banks (refer note A below)	-	-
- From Financial institutions (refer note A below)	-	-
<b>Redeemable preference shares</b>		
- From Financial institutions (refer note C below)	-	-
<b>Other loans</b>		
- From Financial institutions	2.49	3.38
<b>Unsecured loans</b>		
Sales tax deferment loan (refer note B below)	3.66	3.66
FCCB's From Financial Institutions (refer note C below)	629.5	616.15
<b>Total non-current borrowings</b>	<b>635.65</b>	<b>623.19</b>

### (B) Current Borrowings

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(b) Current Borrowings</b>		
<b>Secured loans repayable on demand</b>		
<b>Working capital loans</b>		
- Cash credit and packing credit loans (refer note D below)	2,191.21	2,248.75
- Foreign bills discounting		
- Others		
Current maturities of long term debt (secured)	942.43	913.71
<b>Total current borrowings</b>	<b>3133.64</b>	<b>3,162.47</b>

#### A. Loans:

##### Loan from Banks consists of:

- (i) Loan taken from SBI for USD 10.1 million repayable in 16 instalments from October 2017 to June 2021. This loan carries an interest rate of 5.84%.

##### Loan from Financial Institutions consists of:

- (i) ECB loan taken from IFC for USD 12.5 million repayable in 10 instalments from June 2015 to December 2019. This loan carries an interest rate of 6.02%.

All the term loans are secured by a charge on the moveable and immovable assets of the Group present and future with a paripasu charge.

#### B. Sales tax deferrment loan:

The Company has been granted an interest free sales tax deferrment loan by the Government of Andhra Pradesh. . This loan is unsecured.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## C. FCCB's from Financial Institutions:

The Company has obtained an FCCB from IFC in June 2011 for an amount of USD 7.5 million repayable in 5 years with a coupon rate of 0.55% per annum and an interest rate of 4.23% per annum compounded semiannually if the conversion option is not exercised. Subsequently, during the year, the due date for payment has been extended upto 30 September 2019. The entire portion was classified under "Borrowings", and there is no equity portion of the instrument.

## D. Cash credits and packaging credit loans:

The Company has working capital facilities in the form of cash credits and packaging credit from multiple Banks with interest rates varying between 1.55% to 14.75%.

During the previous year, Exim bank have been not renewed PCFC facility and the loan was called back during the previous year. During the year loan taken from Exim Bank have been repaid under on the Settlement and no due Certificate obtained.

## 18 (A) Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(A) Non-Current</b>		
Creditors for Capital goods / others	563.22	239.21
Payable to related parties	4106.46	4,235.13
Lease Liability	9.50	18.58
	<b>4,679.18</b>	<b>4,492.91</b>
<b>(B) Current</b>		
Employee salaries payable	21.18	39.36
Employee bonus payable	29.61	30.19
Provision for expenses	2.91	29.35
Lease Liability	9.08	6.11
Creditors for Other Expenses	87.85	63.65
Directors remuneration Payable	23.28	31.33
<b>Total Other financial liabilities</b>	<b>173.92</b>	<b>199.99</b>

## 19 Deferred tax liabilities (net)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Deferred tax asset		
- Tangible and Intangible assets		
- Provision allowed under tax on payment basis		
- Expected credit loss on financial assets		-
- MAT credit entitlement		
Total	-	-
Deferred tax liability	90.33	95.15
<b>Total</b>	<b>90.33</b>	<b>95.15</b>

Note: A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 20 Other liabilities

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(A) Non -Current</b>		
Deferred interest	-	-
Advances received	6.3	60.32
Financial Guarantees Liability	-	-
	<b>6.30</b>	<b>60.32</b>
<b>(B) Current</b>		
Statutory liabilities	160.54	130.77
Financial Guarantees Liability	0.00	-
	<b>160.54</b>	<b>130.77</b>

## 21 Provisions

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>(A) Non -Current</b>		
Provision for employee benefits		
- Gratuity/leave encashment/sick leave (refer note 36)	49	43.81
- Compensated absences		
Provision for others		-
	<b>49</b>	<b>43.81</b>
<b>(B) Current</b>		
Provision for employee benefits		
- Gratuity/leave encashment/sick leave (refer note 36)	13.89	12.48
- Compensated absences	-	-
	<b>13.89</b>	<b>12.48</b>

## 22 Trade payables

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 37)		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	440.69	552.30
<b>Total Trade payables</b>	<b>440.69</b>	<b>552.30</b>

The Company has not received any intimation from Suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure relating to the outstanding amount due to MSME & other than MSME has not been furnished.



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## Trade payable ageing Schedule

As at 31<sup>st</sup> March, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables	-	-	-	-	-	-	-
Micro and Small Enterprises	-	-	-	-	-	-	-
Others	-	-	420.59	18.39	-	-	438.98
<b>Total Trade Payables</b>	-	-	<b>420.59</b>	<b>18.39</b>	-	-	<b>438.98</b>
<b>As at 31.3.2024</b>							
Undisputed trade payables	-	-	-	-	-	-	-
Micro and Small Enterprises	-	-	-	-	-	-	-
Others	-	-	552.30	-	-	-	552.30
<b>Total Trade Payables</b>	-	-	<b>552.30</b>	-	-	-	<b>552.30</b>

## 23 Current tax liabilities

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for taxes	184.44	184.44
Less: Advance tax and TDS receivable	3.86	1.53
<b>Total current tax liabilities</b>	<b>180.58</b>	<b>182.91</b>

## 24 Revenue from operations

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Revenue from sale of products		
Domestic	1406.38	1,679.86
Export	84.32	191.13
	<b>1,490.71</b>	<b>1,870.99</b>

## 25 Other income

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Miscellaneous income	99.76	9.68
<b>Total Other Income</b>	<b>99.76</b>	<b>9.68</b>

## 26 Cost of materials consumed

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Opening Stock of Raw Materials and Consumables	351.54	1,326.13
Opening Stock of Packing Materials	107.65	114.48
Add : Purchases during the year	824.89	1,107.42
	<b>1284.14</b>	<b>2,548.04</b>
Less : Stock disposed off	82.80	-
Less : Closing Stock of Raw Materials and Consumables	197.68	351.54
Less : Closing Stock of Packing Materials	108.21	107.65
	<b>895.45</b>	<b>2088.85</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 27 Changes in inventories and Work in progress

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Finished Goods</b>		
Inventories at the beginning of the year	68.50	720.16
Less : Inventories at the end of the year	75.77	68.50
<b>Sub Total (A)</b>	<b>(7.27)</b>	<b>651.66</b>
<b>Semi Finished Goods &amp; Work-in-Progress</b>		
Inventories at the beginning of the year	271.91	246.54
Less : Stock disposed off	186.39	
Less : Inventories at the end of the year	258.96	271.91
<b>Sub Total (B)</b>	<b>(173.44)</b>	<b>(25.37)</b>
Goods in transit and stock in trade		
Fluctuation in foreign exchange		
Changes in Inventories diff (Divestment of Subsidiaries)		
<b>(Increase) / Decrease in Inventories</b>	<b>(180.71)</b>	<b>626.29</b>

## 28 Employee benefits expense

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Salaries, wages and bonus	284.09	306.02
Staff welfare expenses	3.04	5.89
Contribution to Provident fund and other funds	54.42	14.76
	<b>341.55</b>	<b>326.67</b>

## 29 Other operating expenses

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Consumption of Stores & Spares	12.85	31.49
Power & Fuel	53.64	91.23
Wages & Allowances	-	9.77
Labour Charges	30.74	85.47
Repairs to Building	2.46	2.55
Repairs to Machinery	5.51	27.84
Other Manufacturing Expenses	47.08	52.76
Loss on sale of asset	-	4.13
Job Work Charges	10.32	0.27
R & D Expenses	2.11	2.66
	<b>164.71</b>	<b>308.17</b>

## 30 Depreciation and amortisation expense

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Depreciation of tangible assets	169.66	162.36
Impairment on Plant & Machinery	-	892.80
Amortization of intangible assets	29.74	28.91
	<b>199.41</b>	<b>1,084.07</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 31 Finance costs

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Interest on term loans, ECB loans and vehicle loans	0.32	90.09
Interest on working capital loan and cash credit	9.31	259.95
Other borrowing cost	14.69	8.99
	<b>24.32</b>	<b>359.03</b>

## 32 Other expenses

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Business & Marketing Expenses	12.49	3.34
Bank charges	3.02	3.24
Commission & Discounts	33.21	75.52
Travelling Expenses - Foreign	0.35	0.47
Other selling expenses	0.05	0.11
Printing & Stationery	2.80	1.94
Telephone & Postage Expenses	2.31	2.69
Travelling Expenses	41.64	44.86
Rates & Taxes	17.74	2.34
Conveyance	3.78	26.53
Consultancy Charges	14.17	37.61
Insurance	3.35	2.30
Rent	20.08	23.98
Other Administrative Expenses	38.99	129.55
Interest on Security Deposit	2.50	-
Provision against doubtful receivables & Advances	-	6.26
Reversal of Investments through fair value of corporate guarantees	39.21	-
Stock Disposed off	269.18	-
Directors Remuneration	25.00	-
Directors Sitting Fees	0.25	0.67
Fluctuation on Foreign exchange	13.34	0.07
Payment to Auditors:		
(i) As Auditor	2.23	32.48
(ii) For Taxation Matters	-	0.17
	<b>545.68</b>	<b>394.12</b>



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 33 Tax expenses

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Current income tax:</b>		
Current income tax charge		-
<b>Deferred tax:</b>		
Relating to originating and reversal of temporary differences	(3.95)	(21.17)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>(3.95)</b>	<b>(21.17)</b>

### Deferred tax related to items considered in OCI during the year

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Re-measurement gains/ (losses) on defined benefit plan	5.92	40.62
<b>Income tax charge to OCI</b>	<b>5.92</b>	<b>40.62</b>

## 34 Contingent liabilities and commitments

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>i) Contingent liabilities:</b>		
- Corporate guarantees given on behalf of others	2.25	15.00
- Letter of credit outstanding		
- Bank guarantees	45.08	4.59
- Income tax demand	1110.59	1,209.75
<b>ii) Commitments:</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances		

**35** There are no proceedings initiated or pending against the company or the group for holding any benami property under the benami transaction (prohibition) Act, 1988.

**35.1** The company has not made any long term contracts including derivative contracts for which there were any material foreseeable losses as on 31-03-2024

**36** None of the companies included in the group Have been declared as willful defaulter by any bank or financial institution.

**37** The Companies included in the group doesn't have any transactions or relationship with struck off companies.

**38** The company has complied with number of layers prescribed under clause (87) of section 2 of the act read with company rules,2017

**39** The company and its subsidiaries doesn't have any transactions which are not recorded in books of accounts that has been surrender or disclosed for tax assessments under Income Tax Act, 1961 during the year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 40 Related party disclosures

### a) Names of related parties and description of relationship

<b>Subsidiary Companies</b>	Finoso Pharma Private Limited Vivimed Holdings Limited Vivimed Labs USA INC. Vivimed Labs Mauritius Limited Vivimed Labs Spain USL
<b>Associate Company</b>	Union Quimico Farmaceutica SAU, Spain
<b>Associate Company</b>	Yantra Green Power Pvt Limited
<b>Associate Company</b>	Uquifa Mexico S.A. DE
<b>Controlled by Relatives</b>	BBR Green fields Private Limited Nisarg Biosciences Private Limited
<b>Key Management Personnel ("KMP")</b>	Santosh Varalwar (Managing Director) Manohar Rao Varalwar (Executive Director) Sandeep Varalwar (Executive Director) Ramakantha Tripathi (CFO) - upto 23-02-24 Yugandhar Kopparthi (Company Secretary)

### b) Transactions with related parties

Particulars	For the year ended 31 <sup>st</sup> March, 2024	For the year ended 31 <sup>st</sup> March, 2023
<b>Key Management Personnel</b>		
Remuneration Paid*	40.19	34.18
<b>Subsidiaries and step down subsidiaries</b>		
Sale of goods	63.02	190.11
Purchase of goods	6.62	16.74
Advances given	4.90	44.70
Advances received	-	-
Investment Reversed	773.95	-

\*\*Does not include insurance, which is paid for the Group as a whole and gratuity and compensated absences as this is provided in the books of accounts on the basis of actuarial valuation for the Group as a whole and hence individual amount cannot be determined.

### c) Details of balances receivable from and payable to related parties are as follows:

Name of Related Party	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Finoso Pharma Private Limited	71.34	82.93
Vivimed Labs USA Inc.USA	33.20	(232.14)
Vivimed Labs Mauritius Limited	-	(640.76)
Vivimed Labs Spain USL	(169.64)	61.85
Union Quimico Farmaceutica SAU, Spain	8.22	(3.96)
Yantra Green Power Pvt Limited	3.32	3.32
Vivimed Holdings Ltd	10.04	(1,103.60)
Uquifa Mexico S.A. DE	0.94	0.86
BBR Green fields Private Limited	(505.69)	(891.01)
Nisarg Biosciences Private Limited	-	69.12

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

**d) Terms and conditions of transactions with related parties:**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

**e) Others:**

The Company has given Corporate Guarantee for the credit facilities of ₹2.25 Mn availed by the Subsidiaries.

## 41 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

The Group has two reportable segments - Speciality Chemicals Business and Pharma Business.

**The segment revenue, profitability, assets and liabilities are as under:**

Segment Revenue	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Speciality Chemicals	58.98	112.21
b) Pharma	1431.73	1768.46
c) Others		
<b>Total revenue</b>	<b>1,490.71</b>	<b>1,880.68</b>

Segment Results	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(Profit before Tax & Interest)		
a) Speciality Chemicals	(260.33)	(1,274.51)
b) Pharma	(273.34)	(1,672.97)
c) Others	-	-
<b>Total:</b>	<b>( 533.68)</b>	<b>(2,947.48)</b>
Less: (i) Interest (Get of	24.32	359.03
(ii) Unallocable expenditure (Net of Un allocable income)	(99.76)	
<b>Total Profit before tax</b>	<b>(458.23)</b>	<b>(3,306.51)</b>

## 42 Auditors' remuneration include:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Statutory audit fee (including limited review)	2.23	32.48
Taxation matters	0	0.17
<b>Total</b>	<b>2.23</b>	<b>32.66</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## 43 Gratuity / Leave Encashment / Sick Leave

The Group provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

### Gratuity / Leave Encashment / Sick Leave

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>Opening balance</b>	<b>38.04</b>	<b>52.83</b>
Current service cost	7.35	3.75
Interest cost	4.03	3.77
Benefits paid	(2.34)	(0.94)
Actuarial gain	(3.60)	(21.37)
<b>Closing balance</b>	<b>43.48</b>	<b>38.04</b>
Present value of projected benefit obligation at the end of the year	43.48	38.04
Fair value of plan assets at the end of the year	0	
<b>Net liability recognised in the balance sheet</b>	<b>43.48</b>	<b>38.04</b>
Current provision	12.06	8.15
Non current provision	40.72	29.88
<b>Expenses recognised in statement of profit and loss</b>		
	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
Service cost	7.35	3.75
Interest cost	4.03	3.77
<b>Gratuity cost</b>	<b>9.68</b>	<b>9.68</b>
<b>Re-measurement gains/ (losses) in OCI</b>		
Actuarial gain / (loss) due to others	(4.76)	(40.62)
Remeasurement because of OB difference	0	0
Return on plan assets greater (less) than discount rate	0	0
<b>Total expenses routed through OCI</b>	<b>(4.76)</b>	<b>(40.62)</b>
<b>Assumptions</b>		
	<b>As at 31<sup>st</sup> March, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>
Discount rate (per annum)	7.13%	6.80%
Future salary increases	5%	5.00%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

Expenses recognised in statement of profit and loss	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Impact of 1% increase in discount rate	50.14	48.73
Impact of 1% decrease in discount rate	55.77	(57.56)
Impact of 1% increase in salary growth rate	55.64	60.40
Impact of 1% decrease in salary growth rate	50.19	(46.09)
Impact of 1% increase in attrition rate	52.26	56.28
Impact of 1% decrease in attrition rate	53.36	(48.98)

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.

## 44 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) the principal amount due thereon remaining unpaid to any supplier at the end of each accounting year.	8.34	6.93
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act	0.2	Nil
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.07	Nil
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	Nil	Nil

## 45 Leases

### Where the Company is a lessee:

The Group has taken various office premises under operating leases. The leases typically run for a term ranging from eleven months to five years, with an option to renew the lease after the term completion. The escalation clause in these arrangement ranges from 5% to 10%.

### i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Not later than 1 year	13.02	13.02
Later than 1 year and not later than 5 years	11.30	11.30
Later than 5 years	-	-



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

## ii) Amounts recognised in statement of profit and loss:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Cancellable lease expense	17.93	21.84
Non - cancellable lease expense	2.15	2.15
<b>Total</b>	<b>20.08</b>	<b>23.99</b>

## 46 Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Profit for the year attributable to equity share holders	(454.46)	(3,285.34)
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	8,29,13,915	8,29,13,915
Weighted average number of equity shares outstanding during the year – diluted	8,54,13,915	8,54,13,915
<b>Earnings per share</b>		
Earnings per share of par value ₹2 – basic (₹)	(5.48)	(39.62)
Earnings per share of par value ₹2 – diluted (₹)	(5.32)	(38.46)

## 47 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

The Group manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Group does not enter into any interest rate swaps.

## Interest rate sensitivity

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

Particulars	Increase/Decrease in Interest rate
<b>31<sup>st</sup> March, 2024</b>	
INR	+1%
INR	-1%
<b>31<sup>st</sup> March, 2023</b>	
INR	+1%
INR	-1%

## b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹828.20 mn (March 31, 2023: ₹741.56 mn). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Opening balance	60.35	27.45
Credit loss provided/ (reversed)	-	32.90
Closing balance	60.35	60.35

No single customer accounts for more than 10% of the revenue as of March 31, 2024, March 31, 2023 and hence there is no significant concentration risk of revenue .

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

## c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Indian Rupees Millions, except share data and where otherwise stated)

On demand	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Borrowings	3,133.64	3,162
Trade payables	440.69	552

## 48 Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2024, March 31, 2023 was as follows:

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Total equity attributable to the equity shareholders of the Group	(55)	394
As a percentage of total capital	(1.47)%	9.43%
Long term borrowings	636	623
Short term borrowings	3,134	3,162
<b>Total borrowings</b>	<b>3,769</b>	<b>3,786</b>
As a percentage of total capital	101.47%	90.57%
<b>Total capital (equity and borrowings)</b>	<b>3,715</b>	<b>4,180</b>

## 49 Subsequent Events

There are no significant events that occurred after the balance sheet date.

## 50 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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

As per our report of even date attached

for **SVRL & Co.**

Chartered Accountants

ICAI Firm Registration Number: 0161825

Sd/-

**G. Ramakrishna**

Partner

Membership No.: 213487

UDIN: 24213487BKHRAI2863

Place: Hyderabad

Date: 14-11-2024

for and on behalf of the Board of Directors of

**Vivimed Labs Limited**

CIN: L02411KA1988PLC009465

Sd/-

**Santosh Varalwar**

Managing Director

DIN: 00054763

Sd/-

**Manohar Rao Varalwar**

Whole-Time Director

DIN: 00059815

Sd/-

**Yugandhar Kopparthi**

Company Secretary

M. No: ACS19315



## VIVIMED LABS LIMITED

[CIN: L02411KA1988PLC009465]

Regd. Office: PlotNo.78/A, Kolhar Industrial Area, Bidar – 585403, Karnataka

Corporate Office: D.No.6-3-866/1/G1, 3<sup>rd</sup> Floor, GMR Towers, Greenlands, Begumpet, Hyderabad, Telangana – 500 016, India.

Tel: +91-40-6608 6608, Email: yugandhar.kopparthi@vivimedlabs.com,

Website: www.vivimedlabs.com,

# NOTICE

**NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting (AGM) of the Members of M/s. Vivimed Labs Limited ('the Company') will be held on Friday, the 3<sup>rd</sup> day of January, 2025 at 3.00 P.M. (IST) through Video Conferencing / Other Audio-Visual Means, to transact the following business:**

## ORDINARY BUSINESS:

1. To consider and adopt (a) the audited Standalone financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

(a) **"RESOLVED THAT** the audited Standalone financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

(b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr.Sandeep Varalwar [DIN:01682951], who retires by rotation and, being eligible, seeks re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr.Sandeep Varalwar [DIN:01682951], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. **To re-appoint M/s. SVRL & Co., Chartered Accountants, (Registration No.016182S), as statutory auditors of the Company and fix their remuneration.**

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

**"RESOLVED THAT** pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") 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] and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s.SVRL & Co., Hyderabad, Chartered Accountants, (Registration No.016182S), be and hereby are re-appointed as the statutory auditors of the Company, for a second term of 5 (five) consecutive years to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 41<sup>st</sup> AGM (for conducting audit from FY2025 to FY2029), on such remuneration plus taxes and re-imburement as may be determined by the Board of Directors of the Company (including its committees thereof) and statutory auditors in addition to the out-of-pocket expenses as may be incurred by them during the course of the audit;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution, for matters connected therewith, or incidental thereto and to settle any questions, difficulties or doubts that may arise in this regard."

## SPECIAL BUSINESS:

4. **To ratify the remuneration payable to M/s. J K & Co, Cost Accountants to audit the cost records for the financial year ending 31<sup>st</sup> March 2025.**

To consider and, if thought fit, with or without modification, to pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the



Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s.J K & Co, Cost Accountants (Firm Registration No.004010), appointed as the Cost Auditors of the Company for conducting audit of the cost records, if required, for the financial year ending 31<sup>st</sup> March, 2025, be paid remuneration not exceeding ₹1.1 lacs (Rupees One lac Ten thousand only) excluding GST and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.”

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

**5. To issue FCCB/ADR/GDR/QIP/ any other securities etc.,**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the relevant enabling provisions of the Memorandum and Articles of Association of the Company and pursuant to the applicable provisions of Sections 23, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force (“the Act”) and the rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force and other applicable rules made thereunder, the Foreign Exchange Management Act, 1999, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, the Reserve Bank of India Master Directions on Foreign Investment in India, 2018, the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations, 2019 including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, as amended and replaced from time to time, the relevant regulations of the Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2018, including any amendment(s), modification(s), variation or re-enactment thereof (the “ICDR Regulations”), the Securities and Exchange Board of India (Issue and Listing of the Non-Convertible Securities) Regulations, 2021, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended (the “FCCB Scheme”), the Depository Receipts Scheme, 2014 and the Framework for Issue of Depository Receipts dated October 10, 2019 issued by the Securities and Exchange Board of India (together, the “GDR Scheme”), the applicable listing agreement(s) entered into by the Company with the Stock Exchange(s) where the equity shares of the Company (the “Equity Shares”) are listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and all other applicable statutes, clarifications, rules, regulations, circulars, notifications, directions, guidelines, as may be applicable, and as amended from time to time, issued by the Government of India (the “GoI”), Ministry of Corporate Affairs (the “MCA”), Reserve Bank of India (the “RBI”), Securities and Exchange Board of India (the “SEBI”), BSE Limited and National Stock Exchange of India Limited (collectively referred to as “Stock Exchanges”) and/or any other regulatory/statutory authorities in India or abroad for the time being in force, to the extent applicable and all other approval(s), consent(s), permission(s) and/ or sanction(s) as may be required from any regulatory/statutory authorities and guidelines and clarifications issued thereon from time to time, including by the Registrar of Companies, (“RoC”), GoI, MCA, RBI, SEBI and the Stock Exchanges (hereinafter singly or collectively referred to as the “Appropriate Authorities”) as may be required and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting any such approvals, consents, permissions and sanctions, as may be applicable on the Company and in accordance with the applicable laws in force, which may be agreed to by the Board of Directors of the Company (the “Board”) (which term shall be deemed to include any committee constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the best interest of the Company, the consent, authority and approval of the Members of the Company be and is hereby accorded to create, issue, offer and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted under the applicable laws) such number of Securities (as defined hereinafter), for cash at such price that may be decided by the Board in terms of the applicable regulations and as permitted under the applicable laws, in one or more tranches, with or without a green shoe option for an aggregate amount of up to ₹500 Crores (Rupees Five Hundred

Crores) or its equivalent amount in such foreign currencies as may be necessary to such investors, whether Indian or foreign, that may be permitted to invest in such issuance of Securities, including eligible Qualified Institutional Buyers (the "QIBs") as defined in the ICDR Regulations, by way of a private placement including Qualified Institutions Placement (the "QIP") in accordance with the provisions of Chapter VI of the ICDR Regulations, or through a Further Public Offer ("FPO") (including under the fast track route, subject to meeting the requisite prescribed criteria, in accordance with and under the provisions of Chapter IV of the ICDR Regulations), or through any other permissible mode and/ or combination thereof as may be considered appropriate, by way of issue of Equity Shares (whether fully or partly paid-up) or by way of issue of any other instrument or security, including fully/partly/optionally convertible debentures, warrants, securities convertible into Equity Shares, Global Depository Receipts (the "GDRs"), American Depository Receipts (the "ADRs") or Foreign Currency Convertible Bonds (the "FCCBs"), or by way of a composite issue of Non-Convertible Debentures with or without warrants entitling the warrant holder(s) to apply for Equity Shares and/or any other eligible Securities which may or may not be listed (all instruments mentioned above collectively with the Equity Shares (whether fully or partly paid-up) to be hereinafter referred to as the "Securities") or any combination of Securities, with or without premium or discount (as may be permitted), to be subscribed to in Indian and/or any foreign currency(ies) by all eligible investors, who may or may not be shareholders of the Company as the Board may decide, including resident and/or non-resident/foreign investors (whether institutions and/or incorporated bodies and/or trusts or otherwise)/ foreign portfolio investors/anchor investors/ Hindu undivided families/mutual funds/pension funds/venture capital funds/banks/ alternate investment funds/Indian and/or multilateral financial institutions, insurance companies and any other category of persons or entities who/which are permitted to invest in Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company (collectively referred to as the "Investors"), to all or any of them, jointly and/or severally through an offer/placement document and/or other letter or circular and/or on private placement basis, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, including securities premium, or its equivalent amount in such foreign currencies as may be necessary inclusive of any premium and green shoe option attached thereto, in one or more tranche or tranches, at such price or prices, (whether at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) and on such terms and conditions at the Board's absolute discretion, including the

discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilising agent in terms of green shoe option, if any, exercised by the Company and where necessary, in consultation with the book running lead managers and/or underwriters and/or stabilising agent and/or other advisors or otherwise on such terms and conditions, including making of calls and manner of appropriation of application money or call money, in respect of different class(es) of Investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be issued and allotted on conversion/redemption/extinguishment of debt(s), rights attached to the warrants, terms of issuance, period of conversion, fixing of record date or book closure dates, if any, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws.

RESOLVED FURTHER THAT the relevant date (where applicable) for the purpose of pricing the Securities in case of a QIP or issuance of FCCBs/ADRs/GDRs shall be the date of the meeting in which the Board or any Committee duly authorised by the Board decides to open the issue of such Securities and the pricing shall be determined by the Board or any Committee duly authorised by the Board at or above the floor price determined on the basis of such formula and relevant date as provided under the Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines; in the event that convertible securities (as defined under the ICDR Regulations) are to be issued in the QIP, the relevant date for pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board; and in the event of issuance of Securities by way of further public offer as per provisions of Chapter IV of the ICDR Regulations, an issue of Securities shall be made at a price which will be determined through book building process or any other permissible method under the ICDR Regulations as the Board may decide in consultation with book running lead managers.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIP in terms of Chapter VI of the ICDR Regulations:

- (i) the allotment of Equity Shares shall only be made to qualified institutional buyers as defined in the ICDR Regulations;
- (ii) the allotment of Securities, or any combination of Securities



as may be decided by the Board, shall be completed within 365 days from the date of the resolution of the members of the Company or such other time as may be allowed under the ICDR Regulations, the Act, and/or applicable and relevant laws/guidelines, from time to time;

- (iii) the Equity Shares (including issuance of the Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) issued shall rank pari passu in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s);
- (iv) the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (v) any issue of Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations (the "QIP Floor Price"). The Board may, however, in its absolute discretion, issue Equity Shares at a discount of not more than five percent or as may be in accordance with the applicable laws on such QIP Floor Price;
- (vi) the tenure of any convertible or exchangeable Securities issued through the QIP shall not exceed sixty months from the date of allotment;
- (vii) a minimum of ten percent of the allotment of Securities by of a QIP shall be to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
- (viii) no allotment shall be made, either directly or indirectly, to any QIB who is a Promoter of the Company or any other person related to the Promoters of the Company;
- (ix) the allotment to a single Qualified Institutional Buyer (QIB) in the proposed QIP issue will not exceed 50% of the total issue size and the minimum number of allottees shall not be less than two (in case the issue size is less than or equal to ₹50 Crores) or five (in case the issue size is more than ₹250 Crores), as applicable, or such other limit as may be permitted under applicable laws; and
- (x) the Securities shall not be sold for a period of one year from the date of allotment, except on a recognised Stock Exchange or except as may be permitted from time to time by the ICDR Regulations.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIP in terms of Chapter VI of the ICDR Regulations, the price determined for the QIP shall be subject to appropriate adjustments if the Company, pending allotment under this resolution:

- (i) makes an issue of Equity Shares by way of capitalisation of profits or reserves, other than by way of dividend on Equity Shares;
- (ii) undertakes a rights issue of Equity Shares;
- (iii) consolidates its outstanding Equity Shares into a smaller number of Equity Shares;
- (iv) divides its outstanding Equity Shares including by way of stock split;
- (v) re-classifies any of its Equity Shares into other Securities of the Company; and
- (vi) is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities under the FCCB Scheme and/or the GDR Scheme and other applicable laws, the FCCBs and/or the GDRs to be created, offered, issued, and allotted shall be subject to the provisions of the Memorandum and Articles of Association and any Securities that may be created, offered, issued and allotted by the Company shall rank pari-passu in all respects with the existing Equity Shares of the Company in all respects, except as may be provided otherwise under the terms of issue/ offering and in the offer document and/ or placement document and/or offer letter and/or offering circular and/or listing particulars. The Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon issuance / conversion of any FCCB or as may be necessary. Further, the Board be and is hereby authorised to decide upon, at its discretion, the facilitation of an exit by any current or future holder of Equity Shares ("Permissible Securities") through the issue of Depository Receipts ("DRs"), and a transfer of Permissible Securities by any current or future holder of a Permissible Security to a foreign depository for the purpose of issue of DRs, pursuant to a sponsored depository receipt programme to the extent permitted under applicable laws, through transactions permitted under applicable law (including without limitation on a recognised stock exchange, in bilateral transactions or by tendering through a public platform), where such DRs may be issued by the foreign depository and offered and sold in one or more transactions by way of a private placement, public offering or in any other manner prevalent and permitted in a permissible jurisdiction under applicable law, at such price or prices, at a

discount or premium to market price or prices permitted under applicable laws.

RESOLVED FURTHER THAT THAT in case of an allotment of Securities by way of a FPO in terms of Chapter IV of the ICDR Regulations and other applicable laws:

- (i) The Company may determine the price of Equity Shares, and in case of convertible securities, the coupon rate and conversion price in consultation with the book running lead managers or by way of a book building process, for cash at par or at such premium or discount per Equity Share as allowed under the applicable laws, to such category of persons as may be permitted or in accordance with the ICDR Regulations or other applicable laws, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the book running lead managers and / or underwriters and / or the stabilising agent and / or other advisors or such persons appointed for the FPO;
- (ii) the Board be and is hereby authorised on behalf of the Company to make available for allocation a portion of the FPO to any category(ies) of persons permitted under applicable laws, including without limitation, eligible employees and promoters of the Company or to provide a discount to the offer price to retail individual bidders or eligible employees; and to take any and all actions in connection with any reservation or discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalise and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing;
- (iii) the Equity Shares allotted pursuant to the FPO shall be listed on the Stock Exchanges; and
- (iv) the Equity Shares so allotted under the FPO (including any reservation or green shoe option) shall be subject to the provisions of the Memorandum and Articles of Association and rank pari passu in all respects with the existing Equity Shares of the Company including voting rights and rights in respect of dividend, however, in case of any partly paid-up Equity Shares issued pursuant to the FPO, such partly-paid up Equity Shares, shall, upon being fully paid- up, rank pari passu in all respects with the existing Equity Shares of the Company including voting rights and rights, including in respect of dividend.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any Appropriate Authorities including any conditions as may be prescribed in granting such approval or permissions by such Appropriate Authorities, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with the domestic and international practices to provide for the tradability and free transferability thereof as per the applicable laws and prevailing practices and regulations in the capital markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed, in accordance with the applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities, as described above, the Board and any committee of the Board constituted thereof be and is hereby authorised on behalf of the Company to take all such actions and do all such acts, deeds, actions, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and/or international markets and proportion thereof, issue price and discounts permitted under applicable laws, premium amount on issue/ conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, appoint /engage book running lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, credit rating agencies, monitoring agency(ies), stabilising agents, and all such agencies as are or may be required to be appointed, involved or concerned as it may deem expedient, seek listing of any or all of such Securities on the Stock Exchanges in India and in case of GDRs or ADRs internationally, enter into and execute arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilising agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate, to open such bank accounts, including escrow accounts, share/ securities accounts, custodian accounts in India or abroad as required, in accordance with applicable law, to seek by making requisite applications as may be required, any approval, consent or waiver from the Company's lenders and/ or any third parties (including industry data providers, customers, suppliers) with whom the Company has entered into various commercial and other agreements, and/or any/all concerned



government, statutory and regulatory authorities, and/or any other approvals, consents or waivers that may be required, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by any Appropriate Authority, and to finalise, approve and issue any document(s) or agreements including but not limited to prospectus and/or letter of offer and/or circular and/or offering circular and/or placement memorandum and/or preliminary placement documents and/or placement document, registration statement and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise with regard to the issue, offer or allotment of Securities and take all such steps which are incidental and ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion, deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of its powers herein conferred by this resolution to any Committee duly authorised by the Board or subject to applicable laws to any one or more director and/or any one or more officers of the Company to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

**6. APPOINTMENT OF MS. SUBBARATHNAMMA PALEPU (DIN:09432984), AS AN INDEPENDENT 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 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-

enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Ms.Subbarathnamma Palepu (DIN: 09432984), who was appointed as an Additional Director of the Company, under the category of Independent Director with effect from December 11, 2024, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, read with the Rules made thereunder and the applicable provisions of Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing her candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director (under Non-Executive category) of the Company, to hold office for a term of five consecutive years i.e., from December 11, 2024 till December 10, 2029 and not liable to retire by rotation.

**"RESOLVED FURTHER THAT** any Director, CFO and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, desirable or expedient to give effect to the above resolutions, including completing necessary filings with the relevant regulatory authorities regarding such appointment."

**7. APPOINTMENT OF MR. JARUGULA SIVA PRASAD (DIN:07087695), AS AN INDEPENDENT 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 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr.Jarugula Siva Prasad (DIN:07087695),, who was appointed as an Additional Director of the Company, under the category of Independent Director with effect from December 11, 2024, and who has submitted a declaration that he meets the criteria of independence

under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, read with the Rules made thereunder and the applicable provisions of Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director (under Non-Executive category) of the Company, to hold office for a term of five consecutive years i.e., from December 11, 2024 till December 10, 2029 and not liable to retire by rotation.

**“RESOLVED FURTHER THAT** any Director, CFO and the Company Secretary be and are hereby severally authorized to do all such acts,

deeds, matters and things and execute all documents or writings as may be necessary, desirable or expedient to give effect to the above resolutions, including completing necessary filings with the relevant regulatory authorities regarding such appointment.”

By order of the Board  
for **Vivimed Labs Limited**

Sd/-

Kopparthi. Yugandhar  
Company Secretary

Place: Hyderabad

Date: 11.12.2024

#### NOTES:

1. Pursuant to the General Circular No.09/2024 dated September 19,2024, read together with Circular No.09/2023 dated September 25,2023 Circular No.11/2022 dated December 28, 2022, Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and Circular and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated December 28, 2022, April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by CDSL.
6. The Notice calling the AGM has been uploaded on the website of the Company at [www.vivimedlabs.com](http://www.vivimedlabs.com) The Notice can also be accessed from the websites of the Stock Exchanges i.e. 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 the AGM Notice is also available on the website of CDSL (agency for providing the Remote e- Voting facility) i.e. [www.cdslindia.com](http://www.cdslindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation to this Ministry's General Circular No.14/2020 dated 08.04.2020, General Circular No.03/ 2022 dated 05.05.2022



and General Circular No.11/2022 dated 28.12.2022 and after due examination, it has also been decided to allow companies to conduct their AGM's through video Conference (VC) or other Audio Visual Means (OAVM) in accordance with framework provided in the aforesaid Circulars up to 19<sup>th</sup> September, 2024.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**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 9:00 a.m. IST on Tuesday, December 31, 2024 and ends on 5:00 p.m. IST on Thursday, January 2, 2025. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of December 27, 2024 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.

- (i) 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 above said SEBI Circular, Login method for e-Voting and joining virtual meetings **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 users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting 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 or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, 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 CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</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. 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 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 or joining virtual meeting &amp; voting during the meeting.</li> <li>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></li> <li>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 or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	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 or joining virtual meeting & voting during the meeting.

**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 <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 21 09911
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

**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) Login method for e-Voting and joining virtual meetings 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 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:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) 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.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) 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.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (viii) 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.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) 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.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) **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 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.
  - 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 delink 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; yugandhar.kopparthi@vivimedlabs.com., if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**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 **Company/RTA email id.**
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 attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

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, 25<sup>th</sup> 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 toll free no. 1800 21 09911.



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

**Item No.3:** To re-appoint M/s.SVRL & Co., Hyderabad, Chartered Accountants, (Registration No.016182S), as statutory auditors of the Company and fix their remuneration

The Shareholders of the Company at the Extraordinary General Meeting held on August 14, 2024 approved appointment of M/s.SVRL & Co., Hyderabad, Chartered Accountants, (Registration No.016182S) as Statutory Auditors of the Company for FY 2023-24 to hold office till the conclusion of this 36<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommends re-appointment of M/s.SVRL & Co., Hyderabad, Chartered Accountants, (Registration No.016182S) as the statutory auditors of the Company for a second term of five years from the conclusion of this AGM till the conclusion of the 41stAGM, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company.

The Audit Committee and the Board considered the eligibility, capability to serve given the business of the Company, market standing of the firm, clientele served, technical knowledge etc. and found M/s.SVRL & Co., best suited for the Company.

M/s.SVRL & Co., was established in 2003 and has more than 20 years of experience in providing audit, tax and advisory services. The firm is having 5 offices in all over India including its office at 2<sup>nd</sup> Floor, SNR Towers, Nagarjuna Hills Road, Nagarjuna Hills, Punjagutta, Hyderabad – 500082, they have 250+ staff and 10 partners.

M/s.SVRL & Co., Chartered Accountants (FRN:016182S), have given their consent to act as the Statutory Auditors of the Company along with confirmation that their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution except to the extent of their shareholding, if any.

The Board recommends the Resolution at Item No.3 as an Ordinary Resolution for your approval.

Item No.4: The Board of Directors at its meeting held on 06.09.2024, had approved the re-appointment of M/s. J K & Co, Cost Accountants (Firm Registration No.004010), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31<sup>st</sup> March, 2025, at a remuneration not exceeding ₹1.1 lacs (Rupees One lac

Ten thousand only) excluding GST and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the members of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out at Item No.4 for ratification of remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, if required, for the financial year ending 31<sup>st</sup> March, 2025.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No.4 of the Notice, except to the extent of their shareholding, if any, in the Company.

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

**Item No.5: Issuance of Securities upto an aggregate amount of ₹500 Crores through FCCB/ADR/GDR/QIP/ any other securities etc.,**

The Company is currently engaged in business of pharmaceuticals, the company is facing liquidity issues and is now exploring different avenues to expand its business through agreements, contacts, acquisitions, joint ventures, other strategic alliances to broad-base the business interests with a special focus on new age businesses, opportunities and possibilities and accordingly the Company needs funds for the repayment of debt, working capital, aforesaid plans and activities.

Therefore, considering the growth and expansion plans of the Company, investment in future operations, repayment of debt, working capital and for general corporate purpose and to enhance financial resources, and in this regard, the Board of Directors of your Company explored various options to manage resources more efficiently and decided to raise additional funds aggregating up to ₹500 Crores (Rupees Five hundred Crores) by way of issuance of securities, convertible instruments, FCCB, QIP/Preferential Allotment/ GDR including series of Right Issue(s), etc.

This may also help the Company to improve its balance sheet and credit profile which in turn will improve the capability to obtain credit facilities at better terms and overall reduced cost and accordingly the Board at its meeting held on 14.11.2024, had approved the proposal of raising of additional fund aggregating up to ₹500 Crores (Rupees Five hundred Crores) or its equivalent, which may be consummated in one or more tranches as may be decided by the Board of Directors or Committee of the Company from time to time, by any of the following methods Qualified Institutions Placement, Private Placement in India/

International markets including through Depository Receipts, GDRs etc, Foreign Currency Convertible Bonds, Preferential Issue, Right Issue of Equity Shares, Issue of fully convertible debentures/partly convertible debentures/ nonconvertible debentures with warrants, with a right exercisable by the warrant holder to exchange the said warrants with Equity Shares, Preference Shares convertible into Equity Shares and Any other financial instruments or securities convertible into Equity Shares, whether rupee denominated or denominated in foreign currency or a Public Issue or any other methods.

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company. The proposed issue of capital is subject to the approvals of the by the Securities and Exchange Board of India and any other government / regulatory approvals as may be required in this regard.

In case the issue is made through a qualified institutions placement, the pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutions placement shall be determined by the Board in accordance with the regulations on pricing of securities prescribed under Chapter VI of the ICDR Regulations. The resolution enables the Board to offer such discount as permitted under applicable law on the price determined pursuant to the ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the floor price determined pursuant to the ICDR Regulations (not be less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the Relevant Date, less a discount of not more than 5%). Moreover, as per the same regulations, the Company shall not make any subsequent QIP until the expiry of two weeks from the date of the prior QIP made pursuant to one or more special resolutions. The Relevant Date for this purpose would be the date when the Board or a duly authorised Committee of the Board decides to open the qualified institutions placement for subscription, if Equity Shares are issued, or, in case of issuance of convertible securities, the date of the meeting in which the Board decides to open the issue of the convertible securities as provided under Chapter VI of the SEBI ICDR Regulations.

The proceeds from the issuance of Securities may be used as may be decided by the Board of the Company in accordance with applicable Regulations, including but not limited to support growth and expansion, capital expenditure, working capital requirements, payment to vendors, repayment / prepayment of debt, including interest and taxes, as applicable on the aforesaid payments and general corporate purposes.

The relevant date (where applicable) for the purpose of pricing the Securities shall be the date of the meeting in which the Board or any

Committee duly authorised by the Board decides to open the issue of such Securities, subsequent to receipt of Members' approval in terms of the applicable laws. For the purposes of clarity: (a) In the event that Securities are issued by way of a QIP, the relevant date for the purpose of pricing of such Securities shall be either the date of the meeting in which the Board decides to open the issue of such Securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board or any Committee duly authorised by the Board; (b) In the event the Securities are proposed to be issued as FCCBs and/or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the FCCB Scheme and/or the GDR Scheme and the other applicable pricing provisions issued by the Ministry of Finance.

In the event of issuance of Securities by way of a QIP, as per the provisions of Chapter VI of the ICDR Regulations, an issue of Securities shall be made at a price not less than the floor price calculated in accordance with Chapter VI of the ICDR Regulations. The Board or any Committee duly authorised by the Board may offer a discount of not more than five percent on such price determined in accordance with the pricing formula provided under the said Chapter, in accordance with the applicable laws. Further, in the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members.

In the event of issuance of Securities by way of further public offer as per provisions of Chapter IV of the ICDR Regulations, an issue of Securities shall be made at a price which will be determined through book building process or any other permissible method under the ICDR Regulations as the Board may decide in consultation with book running lead managers. The Securities shall be made available for allocation to all category(ies) of persons as permitted under the applicable laws, including without limitation, eligible employees and promoters of the Company.

Pursuant to Sections 23, 42, 62, 71 of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, including any amendment(s), statutory modification(s) and/ or re-enactment thereof for the time being in force, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of members is required to be obtained by a special resolution for making any further issue of Equity Shares or Securities (including preferential issue/ private placement) to any person(s) [may or may not] other than the existing members of the Company.



The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee at its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares to be allotted would be listed on one or more stock exchanges in India and in case of GDR internationally. The offer/issue/ allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, Section 62(1)(a) of the Act provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing Members of such company in the manner laid down therein unless the Members by way of a special resolution in a General Meeting/ postal ballot decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of Equity Shares of the Company to persons (may or may not) other than existing Members of the Company, consent of the Members is also being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors, therefore, recommend the special resolution, as set forth in Item No.5 of this Notice, for approval by the Members of the Company.

The Directors and Key Managerial Personnel of the Company and relatives thereof may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued/allotted to them or to the companies in which they are directors or members. Save as aforesaid, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No.6: appointment of Ms. Subbarathnamma Palepu (Din:09432984), as an independent director of the company**

Ms. Subbarathnamma Palepu (DIN: 09432984), was appointed as an Additional Director of the Company, under the category of Independent Director with effect from December 11, 2024, pursuant to the provisions of Sections 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

Further, Ms.Subbarathnamma Palepu has confirmed that she is not disqualified to act as a Director in terms of Section 164 of the Act and she is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and she is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Given her expertise, knowledge and experience, the Board is of the opinion that it would be in the interest of the Company to avail her services as an Independent Director of the Company and she has given her consent to act as a Director of the Company.

**A brief profile of Ms. Subbarathnamma Palepu is mentioned hereunder:**

Ms. Subbarathnamma Palepu, she holds a master's degree in English. She has experience of over 13 years in Company's Corporate advisory and Secretarial services. She brings a unique combination of skills and value to any organization. As an Independent Director of several companies, she contributes to the enhancement of good corporate governance practice.

Accordingly, the details of Ms. Subbarathnamma Palepu pursuant to the provisions Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in the 'Annexure-B' to the Notice.

Ms. Subbarathnamma Palepu is interested in resolution set out at Item No.6 of the Notice with regard to her appointment. The relatives of Ms. Subbarathnamma Palepu may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Ms. Subbarathnamma Palepu is not related to any Director of the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No.6 for approval of the Members as a Special Resolution

**Item No.7: appointment of Mr. Jarugula Siva Prasad (Din:07087695), as an independent director of the company**

Mr. Jarugula Siva Prasad (DIN: 07087695),, was appointed as an Additional Director of the Company, under the category of Independent Director with effect from December 11, 2024, pursuant to the provisions of Sections 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

Further, Mr. Jarugula Siva Prasad has confirmed that he is not disqualified to act as a Director in terms of Section 164 of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and he is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Given his expertise, knowledge and experience, the Board is of the opinion that it would be in the interest of the Company to avail his services as an Independent Director of the Company and he has given his consent to act as a Director of the Company.

**A brief profile of Mr. Jarugula Siva Prasad is mentioned hereunder:**

Mr. Jarugula Siva Prasad, he holds a master's degree M.B.A Finance & Marketing. he has experience of over 12 years in Company's Corporate advisory and Secretarial services. he brings a unique combination of skills and value to any organization. As an Independent Director of several companies, he contributes to the enhancement of good corporate governance practice.

Accordingly, the details of Mr.Jarugula Siva Prasad pursuant to the provisions Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are provided in the 'Annexure-B' to the Notice.

Mr.Jarugula Siva Prasad is interested in resolution set out at Item No.7 of the Notice with regard to his appointment. The relatives of Mr.Jarugula Siva Prasad may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company. Mr.Jarugula Siva Prasad is not related to any Director of the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors of the Company recommends the resolution set out at Item No.7 for approval of the Members as a Special Resolution

By order of the Board  
for **Vivimed Labs Limited**

Sd/-

Kopparthi. Yugandhar  
Company Secretary

Place: Hyderabad

Date: 11.12.2024



**Vivimed**

**ANNEXURE – A**

**FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE**

To

**Aarthi Consultants Private Limited**

1-2-285, Domalguda, Hyderabad – 500029

Phone: 040-27638111/27634445, Fax: 040-27632184

Email: info@arthiconsultants.com.

**Company:** Vivimed labs Limited

I agree to receive all documents / notices including the 36<sup>th</sup> Annual Report of the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder: \_\_\_\_\_

DP ID / Client ID / Regd. Folio No.: \_\_\_\_\_

PAN No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Date:

Place:

(Signature of Member)



**Details of Director seeking appointment /re-appointment**

Disclosures, as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are as under:

Name of Director	Sandeep Varalwar	Ms.Subbarathnamma Palepu	Mr.Jarugula Siva Prasad
Director Identification Number	01682951	09432984	07087695
Designation/category of the Director	Executive Director	Independent Director	Independent Director
Age	56	44	35
Date of first appointment on the Board	23-01-2008	11.12.2024	11.12.2024
Qualification	Graduation in B.Pharmacy	Post Graduate (M.A English)	Post Graduate (M.B.A Finance & Marketing)
Profile, Experience and Expertise in specific functional areas	He has more than 32 years of rich experience in manufacturing and marketing divisions of Pharma industry	13 years of experience in Company's Corporate advisory and Secretarial Works	12 years of experience in Company's Corporate advisory and Secretarial Works
Shareholding in the Company including shareholding as a beneficial owner	18,75,647 Equity shares	NIL	NIL
Directorships held in other companies including equity listed companies and excluding foreign companies as on the date of this Notice.	1.BBR Projects Private Limited	<ol style="list-style-type: none"> <li>Venkateswara Manufacturers &amp; Traders Private Limited.</li> <li>More Agrisupplies &amp; Services Private Limited</li> <li>Teena Labs Limited</li> <li>Patel KNR Heavy Infrastructures Limited</li> <li>Ahlada Engineers Private Limited</li> <li>GSS Infotech Limited</li> </ol>	<ol style="list-style-type: none"> <li>Provigil Surveillance Limited.</li> <li>Knr Muzaffarpur - Barauni Tollway Private Limited</li> <li>Yadadri Manufacturers &amp; Traders Private Limited</li> <li>Sri Nivasam Infra And Developers Private Limited</li> </ol>
Memberships / Chairmanships of committees of other companies (excluding foreign companies) as on date of this Notice	NIL	<ol style="list-style-type: none"> <li><b>GSS Infotech Limited</b> <ol style="list-style-type: none"> <li>Nomination and Remuneration Committee</li> <li>Audit Committee</li> </ol> </li> <li><b>Ahlada Engineers Private Limited</b> <ol style="list-style-type: none"> <li>Nomination and Remuneration Committee</li> <li>Audit Committee</li> <li>CSR Committee</li> </ol> </li> <li><b>Patel KNR Heavy Infrastructures Limited</b> <ol style="list-style-type: none"> <li>Nomination and Remuneration Committee</li> <li>Audit Committee</li> <li>CSR Committee</li> </ol> </li> <li><b>Teena Labs Limited</b> <ol style="list-style-type: none"> <li>Nomination and Remuneration Committee</li> <li>Audit Committee</li> <li>CSR Committee</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Provigil Surveillance Limited <ol style="list-style-type: none"> <li>Audit Committee</li> </ol> </li> </ol>



No. of meetings of the Board attended during the year	4 out of 5	Not Applicable	Not Applicable
Relationship with other Directors, Managers, and other Key Managerial Personnel of the Company	Son of Manohar Rao Varalwar, Brother of Santosh Varalwar	No inter-se relationship with any of the Directors/KMP	No inter-se relationship with any of the Directors/KMP
Terms & conditions of the appointment	Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr.Sandeep Varalwar who retires by rotation.”	As per Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Appointment Letter of the Company.	As per Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Appointment Letter of the Company.
The remuneration last drawn by such person (if applicable)	₹1 crore per year	NIL	NIL
Details of Remuneration sought to be paid	Not Applicable	Applicable sitting fee	Applicable sitting fee
Resignation from Listed Entities in past three years	NIL	NIL	NIL







**Vivimed**

**VIVIMED LABS LIMITED**  
(CIN: L02411KA1988PLC009465)  
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Bidar, Karnataka - 585403  
[www.vivimedlabs.com](http://www.vivimedlabs.com)