

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**

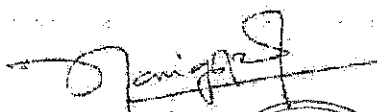
(Rupees in Millions)

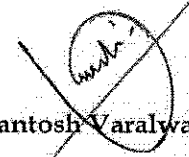
	S. No.	Particulars	Audited Figures(as reported before adjustment)	Adjusted Figures
I	1.	Turnover/ Total Income	1,463.69	1463.69
	2.	Total Expenditure	1,907.51	2,360.85
	3.	Net Profit / (Loss)	(443.82)	(897.16)
	4.	Earnings Per Share	(5.35)	(10.82)
	5.	Total Assets	6,841.70	6,841.70
	6.	Total Liabilities	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


II	Audit Qualification:
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> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of Qualification : 1st Time</p> <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> <p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL</p>

2	<p>a. <u>Details of Audit Qualification:</u></p> <p>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 : 1st Time
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</p> <p>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	<p>a. <u>Details of Audit Qualification:</u></p> <p>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>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1st Time
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</p> <p>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>
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor: NIL


Jamalapuram Harigopal
 Chairman of Audit Committee


Santosh Varalwar
 Managing Director
 Vivimed Labs Ltd


G. Rama Krishna
 Statutory Auditors
 M/s SVRL & Co.
 Chartered Accountants

Place: Hyderabad
Date: 14.11.2024

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)

	S. No.	Particulars	Audited Figures (as reported before adjustment)	Adjusted Figures
I	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	<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 : 1st 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>
	<p>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</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>

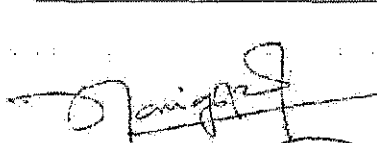
	(iii) Auditors' Comments on (i) or (ii) above: NIL
2	<p>a. Details of Audit Qualification:</p> <p>The Company has disclosed related party transactions in the financial results, including items such as Investments, Receivables, Payables, Advances, Purchases, and Sales. Additionally, the balances related 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 : Repetitive
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</p> <p>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:
	(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
3	<p>a. Details of Audit Qualification:</p> <p>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>
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 st Time
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:</p> <p>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>
	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

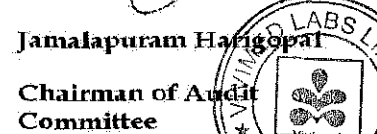
4	<p>a. Details of Audit Qualification: The financial statements of one of the Company's subsidiaries (Finoso Pharma Private Limited) reflect an amount of ₹ 38.55 Million as intangible assets under progress, as disclosed in the consolidated financial results. However, in the absence of sufficient information 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. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of Qualification : 1st Time</p>
	<p>d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views: 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.</p> <p>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>e. For Audit Qualification(s) where the impact is not quantified by the Auditor:</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>

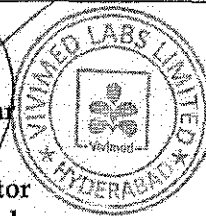
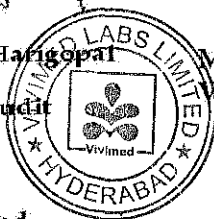
5	<p>a. Details of Audit Qualification: In relation to the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act"), the subsidiary (Finoso Pharma Private Limited) is required to provide for interest of ₹ 1.27 Million due to delays in payments to vendors registered under the Act. This interest 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>
	<p>b. Type of Audit Qualification : Qualified Opinion</p>
	<p>c. Frequency of Qualification : 1st Time</p>
	<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 & 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:
	b. Management's estimation on the impact of audit qualification: NIL
	c. If management is unable to estimate the impact, reasons for the same: NIL
	d. Auditors' Comments on (i) or (ii) above: NIL

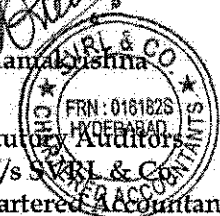
6	a. Details of Audit Qualification: The subsidiary (Finoso Pharma Private Limited) has also not maintained proper documentation relating to internal controls during the year, as reported by its auditors. This lack of documentation limits the ability to assess the effectiveness of internal control systems at the subsidiary level, which may impact the reliability of financial reporting.
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of Qualification : 1 st Time
	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.
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor:
	b. Management's estimation on the impact of audit qualification: NIL
	c. If management is unable to estimate the impact, reasons for the same: NIL
	d. Auditors' Comments on (i) or (ii) above: NIL


 Santosh Varalwar
 Managing Director
 Vivimed Labs Ltd


 Jamalapuram Harigopal
 Chairman of Audit
 Committee




 G Ramakrishna
 Statutory Auditors
 M/s S.V.R.L & Co
 Chartered Accountants



Place: Hyderabad
Date: 14.11.2024